
Ending Discrimination in Government Contracting Act

Since the 1970s, federal policymakers have expanded an ever-growing web of DEI requirements, mandates, and quotas for government contracts. Federal agencies are obligated to provide a certain number of government contracts to companies based on the race, ethnicity or sex of the company's owner or employees. This system awards government contracts to individuals and businesses based on immutable characteristics rather than on one's ability to get the job done effectively. This is incompatible with American values and frequently results in incomplete projects that go over the budget, wasting taxpayer dollars.

On March 26, 2026, President Trump issued Executive Order 14398 to address DEI discrimination by federal contractors. This move was part of a larger effort by the Administration and congressional Republicans to end DEI practices throughout the country. Legislation is necessary to codify this initiative.

Senator Lee's Ending Discrimination in Government Contracting Act prohibits federal agencies from awarding contracts and grants based on race and sex. Specifically, the bill:

- eliminates existing quotas, mandates, and programs that provide government contracting opportunities to companies based on the race and/or sex of the company's owner;
- eliminates certain federal DEI programs like the Disadvantaged Business Enterprise and the Minority Business Development Act of 2021;
- repeals DEI preferences for Department of Transportation grants;
- eliminates discriminatory federal reporting requirements on small businesses;
- requires federal agencies to rescind any rules or regulations requiring agencies to provide preference to contractors based on their race or sex, and;
- prevents federal agencies from reissuing similar rules and regulations in the future.

Importantly, the bill retains support for small businesses generally and **does not** prohibit federal agencies from prioritizing rural or veteran-owned businesses when issuing government contracts.

The Ending Discrimination in Government Contracting Act underscores a shift away from unjust DEI hiring and contracting practices and towards a system that prioritizes fairness, efficiency and equal treatment under the law. As America begins to celebrate its 250th anniversary, this legislation is a timely emphasis on our founding principle that "all men are created equal".