

# Federal judge in Texas says agency created to help minority-owned businesses must provide assistance to all races

Story by Devan Cole, CNN

• 20h

A federal judge in Texas said Tuesday that a US Commerce Department agency intended to help minority-owned businesses must offer assistance to all individuals, regardless of race, agreeing with White business owners who claimed that its policies were unconstitutional.

The [ruling](#) from US District Judge Mark Pittman, an appointee of former President Donald Trump, stems from a lawsuit brought by several White business owners against the Minority Business Development Agency, which is “dedicated to the growth and global competitiveness of minority business enterprises,” according to its website.

Pittman said that the agency had violated the equal protection clause of the Constitution’s 14th Amendment through its reliance on a statutory presumption that members of certain minority groups are “‘socially or economically disadvantaged’ and ... thus entitled to services.” The list of groups includes African Americans, Asian Americans, Latino Americans and Native Americans, among others.

The judge permanently barred the agency from “considering or using an applicant’s race or ethnicity in determining whether they can receive” assistance from one of the agency’s dozens of business centers, which help businesses with things like securing funding and competing for contracts.

"Plaintiffs all encountered the same obstacle when they sought MBDA programming. Because they aren't on the Agency's magic list, the Agency presumes they aren't disadvantaged," Pittman wrote.

"If courts mean what they say when they ascribe supreme importance to constitutional rights, the federal government may not flagrantly violate such rights with impunity," the judge wrote. "The MBDA has done so for years. Time's up."

The MBDA is one of the only federal agencies focused exclusively on developing and advocating for minority-owned businesses. The Nixon administration established it in 1969 as a division of the US Department of Commerce and it was [later enshrined into federal law](#) in 2021.

In recent years, conservatives have increasingly turned to federal courts in Texas to challenge certain federal programs and actions. The Fort Worth division of the Northern District of Texas, where Pittman is one of just a few sitting judges, has become an especially favored venue given its conservative tilt. In the past, Pittman has issued controversial rulings on the Biden administration's [student debt relief policy](#) and [a state law that banned people](#) ages 18 to 20 from carrying handguns in public.

"To the extent the MBDA offers services pursuant to an unconstitutional presumption, that's fifty-five years too many," Pittman said in his latest ruling. "Today the clock runs out. 'Yesterday is not ours to recover, but tomorrow is ours to win or lose.'"

Tuesday's ruling underscores the impact of the Supreme Court's landmark decision last year that said [colleges and universities could no longer take race into consideration](#) as a specific basis for granting admissions. Pittman cited the court's majority opinion in that case, writing that although it "concerned college admissions, nothing in the decision indicates the Court's holding should be constrained to that context."

“Like Harvard’s program in SFFA, the MBDA sees ‘an inherent benefit in race qua race – race for race’s sake,’” he wrote. “Such disregard for the necessity of race or for race-neutral alternatives is unconstitutional.”

The plaintiffs at the center of the case were three White business owners who were denied MBDA services. They sued the agency in March 2023 and Pittman last year temporarily blocked their local business centers from denying them assistance as the lawsuit played out. His new order applies to the agency nationwide.

In court papers, Justice Department attorneys representing MBDA pushed back against the plaintiffs’ claims, saying, “Any member of a group not presumed socially or economically disadvantaged may petition for a presumption of disadvantage, regardless of race.”

“And while the application process may vary for individuals not included in the MBDA presumptions, there is a pathway for them to access the services of the MBDA Business Centers through an assertion of individual social or economic disadvantage,” they told the court last year.

The Justice Department has declined to comment on the ruling.

CNN’s Hannah Rabinowitz and Chauncey Alcorn contributed to this report.