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SEPTEMBER 26, 2025

# Proposed Rulemaking

## Title

Promulgated by:  
Department of Commerce  
Arkansas Economic Development Commission

### ~~Title 15. Natural Resources and Economic Development~~

### ~~Chapter VIII. Arkansas Economic Development Commission, Department of Commerce~~

### ~~Subchapter B. Economic Development Incentives~~

### ~~Part 149. Minority Business Enterprise and Women-Owned Business~~

### ~~Enterprise Loan Mobilization Program Rules~~

### ~~Subpart 1. Generally~~

#### ~~— 15 CAR § 149-101. Introduction.~~

~~— The Minority Business Enterprise and Women-Owned Business Enterprise Loan Mobilization Program may guarantee loans that are made:~~

~~— (1) By a lender to a borrower who:~~

~~— (A) Meets the definitions of Arkansas Code § 15-4-303 as a:~~

~~— (i) "Minority" and "minority business enterprise"; or~~

~~— (ii) "Women-owned business enterprise";~~

~~— (B) Has been certified by the Division of Minority and Women-owned Business Enterprise of the Arkansas Economic Development Commission as a minority business enterprise or women-owned business enterprise in accordance with Arkansas Code § 15-4-314 and rules developed pursuant to Arkansas Code § 15-4-314(a); and~~

~~— (C) Has done or is currently doing business with a federal, state, or local Arkansas governmental entity;~~

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- ~~—————(2) For purposes consistent with:~~
  - ~~—————(A) Arkansas Code § 19-5-1240(d); or~~
  - ~~—————(B) Other funding source criteria whenever loans are not guaranteed by the Minority and Women Owned Business Loan Mobilization Revolving Fund or its successor fund or other designated fund accounts;~~
- ~~—————(3) By an approved lender to a borrower for an amount, purpose, and term approved in a written loan guaranty authorization (authorization) signed by the Director of the Arkansas Economic Development Commission and the Director of the Division of Minority and Women-owned Business Enterprise of the Arkansas Economic Development Commission; and~~
- ~~—————(4) With respect to lender compliance with the terms and conditions of an executed loan guaranty lender participation agreement (agreement).~~

~~—————**15 CAR § 149-102. Definitions.**~~

~~—————As used in this part:~~

- ~~—————(1) "Division of Minority and Women-owned Business Enterprise of the Arkansas Economic Development Commission" means the division of the Arkansas Economic Development Commission responsible for administering the Minority Business Enterprise and Women Owned Business Enterprise Loan Mobilization Program;~~
- ~~—————(2) "Lender" means:~~
  - ~~—————(A) A federally chartered bank;~~
  - ~~—————(B) A state chartered bank;~~
  - ~~—————(C) A savings and loan association;~~
  - ~~—————(D) A credit union;~~
  - ~~—————(E) An Arkansas planning and development district or economic development district; or~~
  - ~~—————(F) Any other form of financial institution regulated by the State of Arkansas or the federal government;~~
- ~~—————(3) "Minority" means a lawful permanent resident of this state who is:~~
  - ~~—————(A) African American;~~

~~—————(B) Hispanic American;~~  
~~—————(C) American Indian;~~  
~~—————(D) Asian American;~~  
~~—————(E) Pacific Islander American; or~~  
~~—————(F) A service-disabled veteran as designated by the United States Department of Veterans Affairs;~~

~~—————(4) "Minority business enterprise" means a business that is at least fifty-one percent (51%) owned by one (1) or more minority persons as defined in this section; and~~

~~—————(5) "Women-owned business enterprise" means a business that is at least fifty-one percent (51%) owned by one (1) or more women who are lawful permanent residents of this state.~~

~~**—————15 CAR § 149-103. Lender requirements and responsibilities.**~~

~~—————(a) To be eligible to serve as a lender for a loan that is guaranteed by the Division of Minority and Women-owned Business Enterprise of the Arkansas Economic Development Commission, the lender shall be one (1) of the following financial institutions:~~

~~—————(1) A federally chartered bank;~~

~~—————(2) A state chartered bank;~~

~~—————(3) A savings and loan association;~~

~~—————(4) A credit union;~~

~~—————(5) An Arkansas planning and development district or economic development district; or~~

~~—————(6) Any other form of financial institution regulated by the State of Arkansas or the federal government.~~

~~—————(b) The lender will only approve deals that are consistent with prudent lending practices through review of personal and business financial statements and other documents, the credit standing, repayment capacity, existence of title to and value of collateral pledged to the loan (if any), earnings prospects, and business acumen of the~~

~~borrower requesting a loan guaranty through the Minority Business Enterprise and Women Owned Business Enterprise Loan Mobilization Program.~~

~~—(c)(1) Upon and after closing the loan and disbursing the loan proceeds, the lender shall cause to be executed, delivered, and, where necessary, filed or recorded with the proper authorities:~~

~~—(A) A note;~~

~~—(B) A mortgage or trust deed;~~

~~—(C) A security agreement;~~

~~—(D) A financing statement;~~

~~—(E) A continuation statement; and~~

~~—(F) Such other instruments, documents, and agreements as may be applicable.~~

~~—(2) The lender shall take such other actions as required to ensure that the borrower and any guarantors are obligated to repay the loan.~~

~~—(d) The lender shall have valid and enforceable security interest in any collateral and ensure that the collateral is adequately maintained and insured and that the interests of the lender and the Arkansas Economic Development Commission are fully protected, consistent with prudent lending practices.~~

~~—(e)(1) The lender shall cause all loan documents, including any guaranty agreements, to be properly authorized and executed as required in the authorization.~~

~~—(2) The lender shall take any further action necessary to ensure that all guarantors have a binding and enforceable obligation to repay the loan.~~

~~—(f) The lender shall exercise supervision over any collateral and ensure that any collateral is disposed of in a commercially reasonable sale.~~

~~—(g) Services of an escrow agent may be required at the request of the commission to discuss issues regarding use of proceeds for authorized purposes.~~

~~—(h) Upon request, the lender shall provide to the division all documents executed in connection with the:~~

~~—(1) Loan;~~

~~—(2) Loan disbursements; and~~

~~—————(3) Loan records.~~

~~————(i) The lender will impose no charges on the borrower of a loan guaranteed hereunder that would not normally be imposed had the loan not been guaranteed.~~

~~————(j) The lender will provide the division with such financial information on guaranteed loans as the division may reasonably require.~~

~~———— **15 CAR § 149-104. Loan guaranty application process.**~~

~~————(a) To apply for a loan guaranty under the Minority Business Enterprise and Women-Owned Business Enterprise Loan Mobilization Program, a minority business enterprise or women-owned business enterprise shall submit an application and any supporting documentation required to the Division of Minority and Women-owned Business Enterprise of the Arkansas Economic Development Commission.~~

~~————(b) The division shall:~~

~~————(1) Evaluate each application and any supporting documentation to determine whether the minority business enterprise or women-owned business enterprise is eligible for a loan guaranty in accordance with the requirements of the:~~

~~————(A) Minority and Women-Owned Business Economic Development Act, Arkansas Code § 15-4-301 et seq.; and~~

~~————(B) Minority and Women-Owned Business Loan Mobilization Revolving Fund, Arkansas Code § 19-5-1240(d), or its successor fund or fund accounts;~~

~~————(2) Recommend approval of the minority business enterprise or women-owned business enterprise meeting eligibility requirements to the Director of the Arkansas Economic Development Commission; and~~

~~————(3) Notify the minority business enterprise or women-owned business enterprise of approval or denial of the application within seven (7) business days of receipt of the application by the division.~~

~~————(c) Upon notification of approval by the division, the approved minority business enterprise or women-owned business enterprise will be informed about the next steps including selection of a lender to begin the lender's loan application process.~~

~~—(d) The lender selected by the approved minority business enterprise or women-owned business enterprise shall:~~

~~——(1) Notify the minority business enterprise or women-owned business enterprise of the lender's determination to approve or deny the minority business enterprise's or women-owned business enterprise's loan application; and~~

~~——(2) Send written notification of the lender's determination to approve or deny the loan with application documents to the division within seven (7) business days after making the determination.~~

~~—(e) If the lender approves the loan application, the division will:~~

~~——(1) Review the approved lender application documents; and~~

~~——(2) Execute a written loan guaranty authorization between the lender and the Arkansas Economic Development Commission.~~

~~—(f) After a loan application has been approved by a lender, the minority business enterprise or women-owned business enterprise shall close the loan.~~

~~—(g) The division will retain a copy of the loan package and monitor the project for compliance with program requirements.~~

~~**—15 CAR § 149-105. Administration and servicing of loans.**~~

~~—(a) The lender shall:~~

~~——(1) Maintain the loan instruments;~~

~~——(2) Receive all payments, including but not limited to principal and interest; and~~

~~——(3) Take other such action as may be required or advisable to administer and service the loan consistent with prudent lending practices.~~

~~—(b) The lender shall not, without prior written consent of the Arkansas Economic Development Commission, engage in any of the following:~~

~~——(1) Make or consent to any transfer or assignment of any note or interest therein or any material alteration in the terms of any loan instrument;~~

~~——(2) Make or consent to any release, conveyance, lease, substitution, or exchange of any collateral;~~

~~—————(3) Extend or postpone any repayment terms except those authorized in the executed loan guaranty lender participation agreement; and~~

~~—————(4) Waive or release any claim against the borrower, surety, guarantor, or other obligor, or any other creditor or trustee in bankruptcy, arising out of any loan instrument.~~

~~————(c) The Division of Minority and Women-owned Business Enterprise of the Arkansas Economic Development Commission will respond to written requests regarding administration and servicing of loans from lenders within fifteen (15) days of receipt or such requests will be deemed not to require the written consent of the division.~~

~~————**15 CAR § 149-106. Default and notice of default.**~~

~~————(a) The lender agrees to notify the Division of Minority and Women-owned Business Enterprise of the Arkansas Economic Development Commission, in writing, within fifteen (15) business days of notice of actual default.~~

~~————(b) Within fifteen (15) business days after receipt of notice of actual default, the division will notify the lender, in writing, which of the following options the Arkansas Economic Development Commission elects:~~

~~————(1) **Liquidation.**~~

~~————(A) The division may direct the lender to accelerate the maturity of the loan and proceed to enforce all loan documents to liquidate any security for the loan including proceeding against any guarantors in a commercially reasonable, expeditious manner and in accordance with prudent lending practices.~~

~~————(B) In such an event, the commission shall pay the lesser of ninety percent (90%) of the remaining unpaid loan balance or the guaranty percentage specified in the loan authorization agreement, with a maximum payment not to exceed one hundred thousand dollars (\$100,000); or~~

~~————(2) **Payment.** The division shall pay the lesser of ninety percent (90%) of the remaining unpaid loan balance or the guaranty percentage specified in the loan authorization agreement, with a maximum payment not to exceed one hundred thousand dollars (\$100,000), in payments of equal value, but for the acceleration, on~~

~~the due dates defined in loan documents and may direct the lender to assign all loan documents and rights to the commission.~~

~~—(c)(1) The division and lender may take such other action, upon default, as they may agree to in writing.~~

~~—(2) At any time after electing to direct the lender to liquidate, the commission may elect the above payment option in subdivision (b)(2) of this section.~~

~~—(d) All proceeds of any collateral or guaranties of any nature (other than guaranties received pursuant to the commission's guaranty agreement), including without limitation, right of setoff and counterclaim, shall be used to repay and secure the interests of the lender and the commission.~~

~~**—15 CAR § 149-107. Requests for payment of guaranty.**~~

~~—In the event that the Division of Minority and Women-owned Business Enterprise of the Arkansas Economic Development Commission has directed the lender to liquidate any collateral, the lender's request for the payment of guaranty shall be accompanied by the lender's written certification that the lender has:~~

~~—(1) Liquidated any collateral and all guaranties for the loan and has diligently pursued and exhausted all sources of repayment, unless by mutual consent such pursuit has not been deemed cost effective; and~~

~~—(2) Allocated repayments, proceeds of any collateral, and any guarantees to the respective interest of the parties, as required by this part or a specific authorization agreed to by both parties, including the remaining unpaid principal and interest.~~

~~**—15 CAR § 149-108. Sources of funds.**~~

~~—(a) Any guaranties by the Division of Minority and Women-owned Business Enterprise of the Arkansas Economic Development Commission have been entered into under the provisions of Acts 2009, No. 1428, §§ 10 and 11, codified at Arkansas Code § 19-5-1240, or all provisions stipulated by funding sources other than the Minority and Women-Owned Business Loan Mobilization Revolving Fund, or its successor fund or other designated fund accounts, for loan guarantees not secured under Arkansas Code~~

~~§ 19-5-1240, and are subject to all terms, restrictions, and commitments contained therein.~~

~~—(b) Neither the full faith nor credit of the State of Arkansas or any of its revenues is pledged to meet the obligations of the Arkansas Economic Development Commission under any guaranty agreement.~~

~~—(c) The obligations of the commission under Minority Business Enterprise and Women-Owned Business Enterprise Loan Mobilization Program guaranty agreements are limited to the funds available in the Minority and Women-Owned Business Loan Mobilization Revolving Fund, or its successor fund or other designated fund accounts, as provided for in Acts 2009, No. 1428, and any other appropriation for similar purposes.~~

1 State of Arkansas *As Engrossed: S1/21/25 H2/3/25*

2 95th General Assembly

# A Bill

3 Regular Session, 2025

SENATE BILL 3

4

5 By: Senator D. Sullivan

6 By: Representative Bentley

7

8

## For An Act To Be Entitled

9 AN ACT TO PROHIBIT DISCRIMINATION OR PREFERENTIAL  
10 TREATMENT BY THE STATE OF ARKANSAS AND OTHER PUBLIC  
11 ENTITIES; AND FOR OTHER PURPOSES.

12

13

14

## Subtitle

15

TO PROHIBIT DISCRIMINATION OR

16

PREFERENTIAL TREATMENT BY THE STATE OF

17

ARKANSAS AND OTHER PUBLIC ENTITIES.

18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

20

21 SECTION 1. DO NOT CODIFY. Legislative intent.

22

23

(a) The General Assembly intends for this act to prohibit  
discrimination by public entities on the basis of race, sex, color,  
ethnicity, or national origin.

25

26

(b) The General Assembly does not intend for this act to affect any  
preferences provided to veterans under the law based on their status as a  
veteran.

28

29

SECTION 2. Arkansas Code § 3-4-223 is amended to read as follows:

30

3-4-223. Diversity in ownership and financial interest.

31

32

When issuing a permit under Title 3 of the Arkansas Code, the Alcoholic  
Beverage Control Division shall consider ~~lack of diversity in ownership and  
financial interest in the geographic area at issue in the permit application~~  
the benefit of competition to consumers.

35

36

SECTION 3. Arkansas Code § 6-10-111 is amended to read as follows:



1           6-10-111. ~~Equity~~ Equality Assistance Center.

2           (a) The Division of Elementary and Secondary Education is authorized  
3 to establish a special section within its organization, to be known as the  
4 ~~Equity~~ Equality Assistance Center, designed to provide assistance to the  
5 school districts of the state in ~~such activities as affirmative action,~~  
6 ~~program accessibility, human relations, awareness, and~~ desegregation and  
7 nondiscrimination.

8           (b) This assistance shall include on-site visits, workshops, program  
9 review, and any other special activity which might enable the school  
10 districts of the state to more effectively meet their ~~civil rights~~  
11 desegregation and nondiscrimination responsibilities.

12           (c)(1) The center created by this section shall be the liaison for the  
13 division with the United States Office for Civil Rights.

14           (2) The center shall maintain manuals, guidelines, procedures,  
15 and other informational materials setting requirements in the area of ~~civil~~  
16 ~~rights~~ desegregation and nondiscrimination and describing how determination  
17 of compliance is made.

18           (d) Annually, each local school district in the state shall provide  
19 the center assurances of compliance with ~~civil rights~~ desegregation and  
20 nondiscrimination responsibilities in the form and at the time as is  
21 designated by the Commissioner of Elementary and Secondary Education.

22           (e) The division may withhold state aid from any school district that  
23 fails to file its assurance of compliance with ~~civil rights~~ desegregation and  
24 nondiscrimination responsibilities by October 15 each year or fails to file  
25 any other information with a published deadline requested from school  
26 districts by the center so long as thirty (30) calendar days are given  
27 between the request for the information and the published deadline, except  
28 that thirty (30) days notice shall not be required when the request comes  
29 from a member or committee of the General Assembly.

30           (f) The division is authorized to develop forms and promulgate  
31 appropriate rules and procedures as may be required to implement the  
32 provisions of this section.

33  
34           SECTION 4. Arkansas Code § 6-15-202(f)(1), concerning school  
35 accreditation, development of rules, criteria, and standards, is amended to  
36 read as follows:

1 (1) Section 6-10-111(d)-(f) concerning the Equity Equality  
2 Assistance Center;

3  
4 SECTION 5. Arkansas Code Title 6, Chapter 17, Subchapter 19, is  
5 repealed.

6 ~~6-17-1901. Teacher and administrator recruitment and retention plan.~~

7 ~~(a) By August 1, 2022, each public school district and open enrollment~~  
8 ~~public charter school in the state shall prepare a three-year teacher and~~  
9 ~~administrator recruitment and retention plan.~~

10 ~~(b) The plan shall set forth goals for:~~

11 ~~(1) The recruitment and retention of teachers and administrators~~  
12 ~~of minority races and ethnicities who increase diversity among the district~~  
13 ~~staff and, at a minimum, reflect the racial and ethnic diversity of the~~  
14 ~~district's students; and~~

15 ~~(2) Increasing the number of students who pursue careers in~~  
16 ~~education with an emphasis on students of minority races and ethnicities.~~

17 ~~(c) A school district shall review annually the:~~

18 ~~(1) Recruitment and retention plan; and~~

19 ~~(2) Progress of the school district in meeting the goals~~  
20 ~~established pursuant to subsection (b) of this section.~~

21 ~~(d) The plan shall be:~~

22 ~~(1) Updated annually; and~~

23 ~~(2) Posted on the school district's or open enrollment public~~  
24 ~~charter school's website no later than August 1 of each year.~~

25  
26 ~~6-17-1902. Equity Assistance Center — Coordination and contents of~~  
27 ~~plan.~~

28 ~~(a) The Equity Assistance Center shall provide technical assistance,~~  
29 ~~guidance, and support to public school districts and public open enrollment~~  
30 ~~charter schools in developing recruitment and retention plans and setting and~~  
31 ~~meeting annual goals.~~

32 ~~(b)(1) Each public school district and open enrollment public charter~~  
33 ~~school shall designate an employee to coordinate the implementation and~~  
34 ~~review of the public school district's and open enrollment public charter~~  
35 ~~school's recruitment and retention plan.~~

36 ~~(2) The designated equity assistance coordinator in each public~~

1 ~~school district and open enrollment public charter school may serve as the~~  
2 ~~coordinator of the public school district's and open enrollment public~~  
3 ~~charter school's recruitment and retention plan.~~

4 ~~(c) The teacher and administrator recruitment and retention plan shall~~  
5 ~~include, but not be limited to, the following information:~~

6 ~~(1) The annual goals of the public school district or open-~~  
7 ~~enrollment public charter school established pursuant to § 6-17-1901(b);~~

8 ~~(2) The actions and steps the public school district or open-~~  
9 ~~enrollment public charter school has taken and will take to meet each of the~~  
10 ~~public school district's and open enrollment public charter school's goals;~~

11 ~~(3) The progress of the public school district or open-~~  
12 ~~enrollment public charter school in meeting each of the public school~~  
13 ~~district's and open enrollment public charter school's goals;~~

14 ~~(4) The evaluative methods the public school district or open-~~  
15 ~~enrollment public charter school will use to measure progress towards meeting~~  
16 ~~the public school district's or open enrollment public charter school's~~  
17 ~~goals;~~

18 ~~(5) If the public school district or open enrollment public~~  
19 ~~charter school did not meet the public school district's or open enrollment~~  
20 ~~public charter school's goals for the previous reporting period, the public~~  
21 ~~school district or open enrollment public charter school shall state the~~  
22 ~~reasons for not meeting the goals and the steps the public school district or~~  
23 ~~open enrollment public charter school will take to overcome the reasons for~~  
24 ~~not meeting the goals;~~

25 ~~(6) The steps the public school district or open enrollment~~  
26 ~~public charter school will take to encourage students to pursue a career in~~  
27 ~~education, including steps specific to students of minority races and~~  
28 ~~ethnicities;~~

29 ~~(7) Public school district or open enrollment public charter~~  
30 ~~school teacher and administrator recruitment and retention data to show the:~~

31 ~~(A) Racial and ethnic composition of teachers and~~  
32 ~~administrators employed by the public school district or open enrollment~~  
33 ~~public charter school for each of the previous three (3) years; and~~

34 ~~(B) Effectiveness of the plan; and~~

35 ~~(8) The racial and ethnic composition of the student body and~~  
36 ~~the racial and ethnic composition of the residents of the public school~~

1 ~~district or open enrollment public charter school.~~

2 ~~(d) The State Board of Education may promulgate rules necessary for~~  
3 ~~implementation of this subchapter.~~

4  
5 ~~6-17-1903, Department of Education—Minority Teacher and Administrator~~  
6 ~~Preparation and Recruitment Strategic Plan.~~

7 ~~(a)(1) The Department of Education shall set goals for increasing the~~  
8 ~~number of teachers and administrators of minority races and ethnicities in~~  
9 ~~this state.~~

10 ~~(2)(A) The Division of Higher Education shall collaborate with~~  
11 ~~the State Board of Education, local universities, colleges, public school~~  
12 ~~districts, and open enrollment public charter schools to develop a strategic~~  
13 ~~plan for increasing the number of teachers and administrators of minority~~  
14 ~~races and ethnicities in this state.~~

15 ~~(B) The Minority Teacher and Administrator Preparation and~~  
16 ~~Recruitment Strategic Plan shall include without limitation recommendations~~  
17 ~~to institutions with educator preparation programs on ways to:~~

18 ~~(i) Identify methods for increasing the percentage~~  
19 ~~of teachers and administrators of minority races and ethnicities in~~  
20 ~~proportion to the number of students of minority races and ethnicities in~~  
21 ~~this state; and~~

22 ~~(ii) Establish programs to identify and recruit~~  
23 ~~individuals of minority races and ethnicities who have already earned college~~  
24 ~~degrees in other job fields to become teachers and administrators.~~

25 ~~(b) The division shall:~~

26 ~~(1) Promote educator preparation programs that increase the~~  
27 ~~percentage of individuals of minority races and ethnicities who enter and~~  
28 ~~successfully complete a four-year educator preparatory program and provide~~  
29 ~~support to students of minority races and ethnicities who meet the~~  
30 ~~requirements for entering educator preparation programs; and~~

31 ~~(2) Submit a report no later than July 1, 2022, and every two~~  
32 ~~(2) years following to the House Committee on Education and the Senate~~  
33 ~~Committee on Education.~~

34  
35 SECTION 6. Arkansas Code § 6-60-703(b)(3), concerning the  
36 Comprehensive Arkansas Higher Education Annual Report, is repealed.

1 ~~(3) Every five (5) years, beginning in 2015:~~

2 ~~(A) Minority retention plans, § 6-61-122; and~~

3 ~~(B) Affirmative action program plans, § 6-63-103(e).~~

4  
5 SECTION 7. Arkansas Code §§ 6-61-121 and 6-61-122 are repealed.

6 ~~6-61-121. Higher education minority retention programs—Definition.~~

7 ~~For purposes of this section and § 6-61-122, the term “minority” refers~~  
8 ~~to African Americans, Hispanic Americans, Asian Americans, and Native~~  
9 ~~Americans.~~

10  
11 ~~6-61-122. Higher education minority retention programs—Establishment~~  
12 ~~—Reports.~~

13 ~~(a) All state-supported colleges and universities shall establish a~~  
14 ~~program for the retention of blacks and other members of minority groups as~~  
15 ~~students, faculty, and staff. Retention action plans shall be prepared on a~~  
16 ~~continuing basis for future five-year periods.~~

17 ~~(b) Each state-supported college and university shall annually prepare~~  
18 ~~a progress report on the steps that have been taken to reach the goals of the~~  
19 ~~plan. The report shall include information relative to students, faculty, and~~  
20 ~~staff within the institution.~~

21 ~~(c) Copies of each institution’s five-year plan and annual report~~  
22 ~~shall be filed by June 30 with the Division of Higher Education, the board of~~  
23 ~~trustees of the institution, the House Committee on Education and the Senate~~  
24 ~~Committee on Education, and the board of visitors of the institution, if~~  
25 ~~applicable.~~

26 ~~(d) The division shall develop appropriate forms for reporting and~~  
27 ~~shall monitor the retention plans and annual reports.~~

28 ~~(e) In carrying out the retention action plans, each institution shall~~  
29 ~~provide for a part-time or full-time employee by reassignment, appointment,~~  
30 ~~or employment to assist the institution in the retention of blacks and~~  
31 ~~members of other minority groups for faculty and staff positions.~~

32  
33 SECTION 8. Arkansas Code § 6-63-103 is repealed.

34 ~~6-63-103. Affirmative action programs—Plans—Annual reports.~~

35 ~~(a)(1) Each state-supported institution of higher education shall~~  
36 ~~prepare an affirmative action program for the recruitment of African-~~

1 ~~Americans and other members of minorities for faculty and staff positions and~~  
2 ~~for enrollment as students.~~

3 ~~(2) Affirmative action plans shall be prepared on a continuing~~  
4 ~~basis for future five year periods.~~

5 ~~(b)(1) Each state supported institution of higher education shall~~  
6 ~~prepare annually a summary report on the steps that have been taken to reach~~  
7 ~~the goals of the plan.~~

8 ~~(2) The report shall:~~

9 ~~(A) Include information on the progress made by each~~  
10 ~~institution for the various levels of employment within the institution; and~~

11 ~~(B) Be presented in a table format limited to no more than~~  
12 ~~five (5) pages.~~

13 ~~(c) Copies of the five year plan and annual reports summaries of each~~  
14 ~~institution of higher education shall be included in the Comprehensive~~  
15 ~~Arkansas Higher Education Annual Report, filed with the Governor, the~~  
16 ~~Division of Higher Education, the president and board of trustees of the~~  
17 ~~institution, the board of visitors of the institution, if applicable, and the~~  
18 ~~House Committee on Education and the Senate Committee on Education.~~

19 ~~(d) In carrying out the affirmative action plans, each institution of~~  
20 ~~higher education shall provide for a part-time or full-time employee to~~  
21 ~~assist the institution in the recruitment of African Americans and other~~  
22 ~~members of minorities for faculty and staff positions and for enrollment as~~  
23 ~~students.~~

24

25 SECTION 9. Arkansas Code § 6-82-1501 is amended to read as follows:

26 6-82-1501. Title.

27 This subchapter shall be known and may be cited as the "Arkansas  
28 Geographical Critical Needs ~~Minority~~ Teacher Scholarship Program Act of  
29 2001".

30

31 SECTION 10. Arkansas Code § 6-82-1502 is amended to read as follows:

32 6-82-1502. Program established – Purpose – Effect.

33 (a) There is established the Critical Needs ~~Minority~~ Teacher  
34 Scholarship Program.

35 (b) The purpose of the program is to attract qualified ~~minority~~  
36 teachers to the Delta and those geographical areas of the state where there

1 exists a critical shortage of teachers by awarding scholarships to ~~minorities~~  
2 individuals declaring an intention to serve in the teaching field who  
3 actually render service to this state while possessing an appropriate  
4 teaching license.

5 (c) This subchapter does not affect any preference given to veterans  
6 in public education.

7  
8 SECTION 11. Arkansas Code § 6-82-1503(a) and (b), concerning the  
9 eligibility for scholarships, are amended to read as follows:

10 ~~(a)(1) The term "minority" when used in this subchapter shall refer to~~  
11 ~~Black Americans, Hispanic Americans, Asian Americans, and Native Americans.~~

12 ~~(2) The Native American group includes all persons having~~  
13 ~~origins in any of the original peoples of North America and who maintain~~  
14 ~~cultural identification through tribal affiliation or community recognition.~~

15 ~~(b) Any individual who is a minority and who is~~ enrolled in or  
16 accepted for enrollment at a baccalaureate degree-granting institution of  
17 higher education whose teacher education program is approved by the State  
18 Board of Education or at an accredited state-supported community college in  
19 the State of Arkansas who expresses in writing an intention to teach in a  
20 geographical area of the state in which there exists a critical shortage of  
21 teachers, as designated by the state board, shall be eligible for a financial  
22 Critical Needs ~~Minority~~ Teacher Scholarship to be applied toward the costs of  
23 the individual's college education, if:

24 (1) The applicant has a grade point average of 2.5 on a 4.0  
25 scale in high school if the applicant graduated within the five (5) preceding  
26 years; and

27 (2) The applicant scored nineteen (19) or above on the ACT  
28 composite or the equivalent as defined by the University of Arkansas at Pine  
29 Bluff.

30  
31 SECTION 12. Arkansas Code § 6-82-1503(c)(1), concerning the  
32 eligibility for scholarships, is amended to read as follows:

33 (c)(1) The university is authorized to develop selection criteria  
34 through Critical Needs ~~Minority~~ Teacher Scholarship Program rules, which  
35 combine an applicant's ACT superscore, as defined by § 6-85-204, or ACT  
36 equivalent score and grade point average in the core curriculum into a

1 selection index.

2

3 SECTION 13. Arkansas Code § 6-82-1503(e)(1), concerning the  
4 eligibility for scholarships, is amended to read as follows:

5 (e)(1) Awards granted under the Critical Needs ~~Minority~~ Teacher  
6 Scholarship Program shall be available to both full-time and part-time  
7 students.

8

9 SECTION 14. Arkansas Code § 6-82-1504(a), concerning service  
10 requirement for scholarship recipients, is amended to read as follows:

11 (a) Except in those cases where employment positions may not be  
12 available upon completion of licensure requirements, at the beginning of the  
13 first school year in which a recipient of a Critical Needs ~~Minority~~ Teacher  
14 Scholarship is eligible for employment as a licensed teacher, that person  
15 shall begin to render service as a licensed teacher in a public school  
16 district in a geographical area of the state where there is a critical  
17 shortage of teachers or in the Mississippi Delta, as designated by the  
18 Division of Elementary and Secondary Education.

19

20 SECTION 15. Arkansas Code § 6-82-1505(a), concerning rules,  
21 administration, and reports for the administration of the Critical Needs  
22 Minority Teacher Scholarship Program, is amended to read as follows:

23 (a) The University of Arkansas at Pine Bluff and the Division of  
24 Higher Education shall jointly promulgate rules necessary for the proper  
25 administration of the Critical Needs ~~Minority~~ Teacher Scholarship Program.

26

27 SECTION 16. Arkansas Code § 6-82-1506(a), concerning the Critical  
28 Needs Minority Teacher Scholarship Program Committee, is amended to read as  
29 follows:

30 (a) There is established a committee to be known as the Critical Needs  
31 ~~Minority~~ Teacher Scholarship Program Committee.

32

33 SECTION 17. Arkansas Code § 6-82-1506(h)(2), concerning the Critical  
34 Needs Minority Teacher Scholarship Program Committee, is amended to read as  
35 follows:

36 (2) Perform other duties or functions regarding the Critical

1 Needs ~~Minority~~ Teacher Scholarship Program as may be requested by the  
2 chancellor.

3

4 SECTION 18. Arkansas Code § 16-123-338(4), concerning relief for a  
5 discriminatory housing practice, is amended to read as follows:

6 (4) Subject to § 16-123-339, any permanent or temporary  
7 injunction, temporary restraining order, or other order, including an order  
8 enjoining the defendant from engaging in the discriminatory housing practice  
9 or ordering ~~affirmative~~ other action as may be appropriate.

10

11 SECTION 19. Arkansas Code § 21-3-101 is amended to read as follows:  
12 21-3-101. Equal employment hiring ~~program~~.

13 (a) ~~Every state department, agency, board, commission, and institution~~  
14 ~~of higher education and every constitutional officer as defined in Arkansas~~  
15 ~~Constitution, Amendment 56, § 1, shall adopt and pursue a comprehensive equal~~  
16 ~~employment hiring program designed to achieve a goal of increasing the~~  
17 ~~percentage of minority employees within the state department, agency, board,~~  
18 ~~commission, and institution of higher education and within the constitutional~~  
19 ~~office to a level that approximates the percentage of minorities in the~~  
20 ~~state's population.~~

21 (b)(1) ~~Every state department, agency, board, commission, and~~  
22 ~~institution of higher education and every constitutional officer shall report~~  
23 ~~to the Legislative Council on June 30 of each year regarding its efforts to~~  
24 ~~achieve its equal employment hiring program goal.~~

25 (2) ~~However, the report required of any institution by § 6-63-~~  
26 ~~103 may be used in lieu of the report required under this subsection and~~  
27 ~~shall be filed as provided in this subsection.~~

28 (c) The employee handbook or manual of every state department, agency,  
29 board, commission, and institution of higher education and every employee  
30 handbook or manual of every constitutional office shall include the following  
31 statement ~~in describing the equal employment opportunity hiring program~~  
32 ~~required under this section:~~

33 "The State of Arkansas does not discriminate in access to  
34 employment opportunities or in employment or practices on the basis of race,  
35 color, religion, sex, national origin, age, disability, or genetic  
36 information."

1       (b) A statement included in an employee handbook or manual under this  
2 section does not affect any preference given to veterans in employment.

3  
4       SECTION 20. Arkansas Code § 22-9-203(i), concerning the award  
5 procedure for public improvements generally, is amended to read as follows:

6       (i) No contract providing for the making of major repairs or  
7 alterations, for the erection of buildings or other structures, or for making  
8 other permanent improvements shall be entered into by the state, any agency  
9 of the state, any county, municipality, school district, or other local  
10 taxing unit with any contractor in instances where all estimated costs of the  
11 work shall exceed the sum of seventy-five thousand dollars (\$75,000) unless  
12 the bid documents contain statements which encourage the participation of  
13 ~~small, minority, and women's~~ business enterprises and veteran-owned business  
14 enterprises.

15  
16       SECTION 21. Arkansas Code Title 25, Chapter 1, Subchapter 1, is  
17 amended to add an additional section to read as follows:

18       25-1-130. Prohibition of discrimination or preferential treatment by  
19 state entities.

20       (a) As used in this section, "state" means the State of Arkansas, a  
21 city, a county, an institution of higher education, a public school district,  
22 a public special school district, or a political subdivision or governmental  
23 instrumentality of the state.

24       (b) The state shall not discriminate against, or grant preferential  
25 treatment to, an individual or group on the basis of race, sex, color,  
26 ethnicity, or national origin in matters of state employment, public  
27 education, or state procurement.

28       (c) This section applies only to an action taken after the effective  
29 date of this act.

30       (d) This section does not:

31               (1) Prohibit the consideration by the state of bona fide  
32 qualifications based on sex that are reasonably necessary to the normal  
33 functions of state employment, public education, or state procurement;

34               (2) Invalidate a court order or consent decree that is in force  
35 as of the effective date of this act;

36               (3) Prohibit an action necessary to establish or maintain

1 eligibility for a federal program if ineligibility would demonstrably result  
2 in a loss of federal funds to the state;

3 (4) Affect any preference given to veterans in matters of state  
4 employment, public education, or state procurement; or

5 (5) Preempt state discrimination law or federal discrimination  
6 law.

7 (e)(1) A person who believes his or her rights have been impacted under  
8 this section may bring a civil action in circuit court to:

9 (A) Enjoin a violation of this section; and

10 (B) Recover reasonable court costs and attorney's fees.

11 (2) In an action brought under this section, if the court finds  
12 that a violation occurred, the court shall:

13 (A) Award:

14 (i) Injunctive relief; and

15 (ii) Court costs and attorney's fees, if the court  
16 may award court costs and attorney's fees against the defendant; and

17 (B) If the court may not award court costs and attorney's  
18 fees against the defendant, order the Arkansas State Claims Commission to  
19 award court costs and attorney's fees.

20  
21 SECTION 22. Arkansas Code § 25-36-103 is repealed.

22 ~~25-36-103. Agency contracting—Diversity.~~

23 ~~(a) A state agency shall include in all requests for proposals and~~  
24 ~~requests for qualifications, language that encourages minority participation~~  
25 ~~in each request for proposals and request for qualifications issued by the~~  
26 ~~state agency.~~

27 ~~(b)(1) State agency requests for proposals and requests for~~  
28 ~~qualifications shall take into consideration minority inclusion in the~~  
29 ~~proposed project.~~

30 ~~(2) Requests for proposals and requests for qualifications shall~~  
31 ~~provide that an applicant unable to include minority-owned businesses may~~  
32 ~~explain the circumstances preventing minority inclusion.~~

33  
34 SECTION 23. DO NOT CODIFY. Report to Legislative Council.

35 (a) All state agencies shall begin developing a plan to implement this  
36 act immediately upon the effective date of this act.

1 (b)(1) If a state agency has not complied with this act within six (6)  
2 months of the effective date of this act, the state agency shall submit a  
3 detailed compliance plan to the Legislative Council or its appropriate  
4 subcommittee within six (6) months of the effective date of this act stating  
5 the:

6 (A) Steps the state agency will take to comply with this  
7 act;

8 (B) Estimated time needed for the state agency to  
9 implement changes necessary to comply with this act;

10 (C) Individual responsible for overseeing the  
11 implementation of this act; and

12 (D) Description of the steps the state agency is taking to  
13 address any failure to comply with this act.

14 (2) The executive head of each state agency shall appear before  
15 the Legislative Council or its appropriate subcommittee at the time the  
16 compliance plan in subdivision (b)(1) of this section is submitted and  
17 provide the following information:

18 (A) Whether the state agency has been successful in  
19 complying with the requirements of subdivision (b)(1) of this section;

20 (B) An update on the current status of the necessary  
21 changes;

22 (C) The ongoing steps the state agency is taking to  
23 address any failure to comply with this act; and

24 (D) The anticipated date for when the state agency shall  
25 be in full compliance with this act.

26 (3) If the state agency has not been successful in complying  
27 with this act within nine (9) months of the appearance before the Legislative  
28 Council or its appropriate subcommittee required in subdivision (b)(2) of  
29 this section:

30 (A) The executive head of the state agency shall appear  
31 before the Legislative Council; and

32 (B) The state agency shall provide an updated report and  
33 compliance plan to the Legislative Council or its appropriate subcommittee,  
34 including the anticipated date of compliance.

35 (c)(1) If after one (1) year from the effective date of this act a  
36 state agency has not complied fully with this act, in addition to the

1 executive head of the state agency, the cabinet-level department secretary  
2 overseeing that state agency shall also appear before the Legislative Council  
3 or its appropriate subcommittee to provide an update.

4 (2) After the appearance under subdivision (c)(1) of this  
5 section, every three (3) months until the state agency reaches full  
6 compliance with this act, the executive head of the state agency and the  
7 cabinet-level department secretary overseeing that state agency shall:

8 (A) Appear before the Legislative Council or its  
9 appropriate subcommittee; and

10 (B) Provide an updated report and compliance plan to the  
11 Legislative Council or its appropriate subcommittee, including the  
12 anticipated date of compliance.

13 (3) A cabinet-level department secretary is in violation of this  
14 act if the secretary fails to be in full compliance with this act within  
15 twenty-four (24) months of sine die adjournment of the Ninety-Fifth General  
16 Assembly meeting in regular session.

17  
18 */s/D. Sullivan*

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21 **APPROVED: 2/18/25**  
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