State of Arkansas
85th General Assembly
Regular Session, 2005

By: Senator Broadway

For An Act To Be Entitled
AN ACT TO ADJUST THE LIMITATIONS ON ATHLETIC EXPENDITURES AT INSTITUTIONS OF HIGHER EDUCATION; AND FOR OTHER PURPOSES.

Subtitle
AN ACT TO ADJUST THE LIMITATIONS ON ATHLETIC EXPENDITURES AT INSTITUTIONS OF HIGHER EDUCATION.

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

SECTION 1. Arkansas Code § 6-62-802 is amended to read as follows:


As used in this subchapter:

(1) "Athletic deficit" means the amount of athletic expenditures offset by the amount of athletic revenues, including:

(A) Athletic-generated income;

(B) Profits from other auxiliary enterprises;

(C) The federally funded portion of college work-study students in the intercollegiate athletic program;

(D) Transfers from funds other than the unrestricted educational and general fund; and

(E) The allowable unrestricted educational and general transfer for four-year institutions, for two-year branches of four-year institutions, and at other two-year institutions of higher education;

(2) "Athletic expenditures" means:
(A) All direct and indirect expenses, prorated if necessary, including salaries;
(B) All fringe benefits such as medical and dental insurance, workers’ compensation, pension plans, tuition waivers, and any other cost associated with recruitment and retention of staff;
(C) Travel;
(D) Equipment;
(E) Scholarships;
(F) Meals;
(G) Housing and dormitory supplies;
(H) Supplies;
(I) Property and medical insurance;
(J) Medical expenses;
(K) Utilities; and
(L) Maintenance of facilities related to all intercollegiate teams and spirit groups, excluding bands; and

(3) "Athletic program" means intercollegiate athletics.

SECTION 2. Arkansas Code § 6-62-803 is amended to add an additional subdivision to read as follows:

(c)(1) Beginning in fiscal year 2005-2006, the limits on the amount of unrestricted educational and general funds for intercollegiate athletic programs at state-supported institutions of higher education set forth in subsections (a) and (b) of this section shall be adjusted as determined by the Department of Higher Education based on the consumer price index.

(2)(A) For the fiscal year 2005-2006, the adjustments shall take into account the inflation increases since the figures set forth in subsections (a) and (b) of this section were established or last adjusted.
(B) In subsequent years, the adjustment shall be for the period from the last adjustment to the beginning of the relevant fiscal year.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the limitations on athletic expenditure has not been adjusted as necessary to allow for increases in inflation; that this adjustment is necessary to allow necessary expenditures for institutions of higher education; and that it is necessary for this act
to begin on July 1, 2005, because that is the beginning of the fiscal year. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2005.

/s/ Broadway

APPROVED: 4/14/2005