

"AN ACT TO ALLOW INSTITUTIONS OF HIGHER EDUCATION TO OBTAIN SHORT-TERM LOANS FROM PRIVATE FINANCIAL INSTITUTIONS FOR OPERATING PURPOSES; AND FOR OTHER PURPOSES."

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

SECTION 1. The various State Institutions of Higher Education in this State may, upon approval of the Board of Trustees of the applicable institution, the State Department of Higher Education, and the Chief Fiscal Officer of the State, borrow from private financial institutions such funds as are determined by the Board of Trustees as are necessary to continue the operation of the applicable State Institutions of Higher Education during the periods of time when the State Budget Revolving Loan Fund is insufficient as certified by the Chief Fiscal Officer of the State for State Institutions of Higher Education to participate in the fund. Provided, that no State Institutions of Higher Education may have outstanding loans in the aggregate under this Act in excess of eighty-five percent (85%) of the total of the actual May and June general revenues distributed during the immediately preceding fiscal year to the State Institution.

SECTION 2. The principal amount of the loans described in Section 1 shall be repaid from general revenues distributed to the State Institution of Higher Education during the months of May and June of the fiscal year in which the loans were obtained. All interest and other charges shall be paid from cash funds of the state institution. Provided, that the Chief Fiscal Officer of the State shall promulgate rules and regulations necessary for the implementation of this Act.

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 4. EMERGENCY CLAUSE. It is hereby found and determined by the General Assembly that the inability of the State Institutions of Higher Education to borrow from the State Budget Revolving Fund has created serious financial difficulties for many institutions and that alternative means must be found to maintain Arkansas' Institutions of Higher Education in sound fiscal condition. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after the date of its passage and approval.

APPROVED: 3/23/87

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