

State of Arkansas
76th General Assembly
Regular Session, 1987
By: Sen. Beebe

SENATE BILL 316

"AN ACT TO AMEND SECTION 2 OF ACT 621 OF 1983 [ARK. STATS. 22-706.7] TO PROVIDE FOR THE REMITTANCE OF THE ADDITIONAL COURT COSTS LEVIED BY SUCH ACT TO THE ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM; AND FOR OTHER PURPOSES."

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

SECTION 1. Section 2 of Act 621 of 1983 [Ark. Stats. 22-706.7] is hereby amended to read as follows:

"SECTION 2. All funds collected pursuant to the additional costs levied herein shall be remitted monthly by the court clerk or the collecting officer to the Arkansas Public Employees Retirement System. Such monies received by the Arkansas Public Employees Retirement System shall be deposited, from time to time, in the State Treasury as special revenues, to be credited to the "Constitutional and Fiscal Agencies Fund"."

SECTION 2. It is hereby found and determined by the Seventy-Sixth General Assembly that the present method of remitting the additional court costs by the collecting officers directly to the State Treasurer for the benefit of the Judicial Retirement System does not provide adequate internal accounting controls; and that by remitting such additional court costs to the Arkansas Public Employees Retirement System will provide the necessary mechanism in order to enhance the internal accounting control procedures of the State. 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 July 1, 1987.

intercollegiate athletic competition, including, without limiting the generality of the foregoing, gate receipts, private gifts and grants, receipts from television and/or radio coverage, proceeds from bowl games or national tournaments, and all other income received by the campus connected with its program of intercollegiate athletics, but not including any allocation of student fees or revenues derived from such activities as bookstore sales, food service profits, and other auxiliary enterprises not connected with athletics.

F. "Net operating expenses" means the amount by which "operating expenses" are hereinabove defined exceed "operating revenues" as hereinabove defined.

SECTION 2. PURPOSE. It is the purpose of this Act to regulate and reduce the amount of deficits which may be incurred by campuses in the conduct of intercollegiate athletics; to provide incentives for fair competition by restricting any campus from competition within the State of Arkansas so long as its intercollegiate athletic programs are being subsidized in excessive amounts of cash funds appropriated by the state, and to provide penalties for failure to operate intercollegiate athletics upon the same principles of a balanced budget without deficit spending as are required of other operations of the State of Arkansas.

SECTION 3. Beginning with the 1986-87 fiscal year, the Arkansas Department of Higher Education shall collect intercollegiate athletic income and expense information from each state-supported four-year institution of higher education and provide such information, along with comparison with at least five previous years to members of the Boards of Trustees at all involved institutions, the Governor, and each member of the General Assembly no later than November 15 of each year.

SECTION 4. All campuses having deficits in intercollegiate athletic programs of less than one million dollars per year shall, commencing with the 1987-88 fiscal year, reduce the deficit by one-fifth (20%) each year until all such deficits shall have been eliminated by 1992-93.

SECTION 5. Beginning with the 1988-89 fiscal year, each campus which

has not reduced its deficit by one-fifth (20%) in the previous year shall have an amount equal to the deficiency from the required 20% reduction withheld from state allocations by the chief fiscal officer of the state, the amount withheld to be transferred to War Memorial Stadium for improvements of same.

SECTION 6. Any campus having an annual deficit of more than one million dollars attributable to intercollegiate athletics for the fiscal year 1986-87 or any subsequent year shall be allowed one grace year to reduce the deficit below one million dollars per year. In the event the deficit is not reduced below one million dollars for said grace year, the campus is required to immediately cease from intercollegiate athletic competition, and to submit to the State Board of Higher Education a plan of reorganization of athletic expenditures so as to reduce expenditures until the deficits have been brought below the amount of \$500,000 in excess of the standard allocation established by the State Board of Higher Education. Upon certification that the annual deficit has been reduced below the level of \$500,000, the campus shall be authorized to resume intercollegiate athletics, but shall be required to continue its deficit reductions and payments to War Memorial Stadium as hereinbefore provided.

SECTION 7. EMERGENCY CLAUSE. It is hereby found and determined by the Seventy-Fifth General Assembly that intercollegiate athletic deficits have continued to grow and that financial needs of state-supported universities are of such significance that excessive intercollegiate athletics deficits must be eliminated. 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 its passage and approval.

