

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005  
4

*As Engrossed: S3/29/05 S3/31/05*

# A Bill

SENATE BILL 1000

5 By: Senator Broadway  
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## For An Act To Be Entitled

9 AN ACT TO ADJUST THE LIMITATIONS ON ATHLETIC  
10 EXPENDITURES AT INSTITUTIONS OF HIGHER EDUCATION;  
11 AND FOR OTHER PURPOSES.  
12

### Subtitle

13 AN ACT TO ADJUST THE LIMITATIONS ON  
14 ATHLETIC EXPENDITURES AT INSTITUTIONS OF  
15 HIGHER EDUCATION.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 6-62-802 is amended to read as follows:  
22 6-62-802. Definitions.

23 As used in this subchapter:

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

26 (A) Athletic-generated income;

27 (B) Profits from other auxiliary enterprises;

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

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

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

35 (2) "Athletic expenditures" means:

36 (A) All direct and indirect expenses, prorated if



1 necessary, including salaries;

2 (B) All fringe benefits such as medical and dental  
3 insurance, workers' compensation, pension plans, tuition waivers, and any  
4 other cost associated with recruitment and retention of staff;

5 (C) Travel;

6 (D) Equipment;

7 (E) Scholarships;

8 (F) Meals;

9 (G) Housing and dormitory supplies;

10 (H) Supplies;

11 (I) Property and medical insurance;

12 (J) Medical expenses;

13 (K) Utilities; and

14 (L) Maintenance of facilities related to all  
15 intercollegiate teams and spirit groups, excluding bands; and

16 (3) "Athletic program" means intercollegiate athletics.

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

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

26 (B) The appropriate inflationary index shall be determined  
27 by the Arkansas Higher Educating Coordinating Board and may consist of the  
28 consumer price index, the higher education inflation index, or such other  
29 indices or factors as the Coordinating Board may determine is advisable.

30 (2)(A) For the fiscal year 2005-2006, the adjustments shall take  
31 into account the inflation increases since the figures set forth in  
32 subsections (a) and (b) of this section were established or last adjusted.

33 (B) In subsequent years, the adjustment shall be for the  
34 period from the last adjustment to the beginning of the relevant fiscal year.

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36 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the

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

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10 /s/ Broadway  
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