

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999**

A gubernatorial task force was created in the late summer of 1995. Headed by Representative Wayne Wagner, the Force is a collection of parties either already affected by ACT 131, or people with an interest in the professional sports regulated by the Arkansas Athletic Commission.

Although the recommendations of the Task Force have not been finalized, the changes in direction from the current statute and published Rules and Regulations are:

1. Change the statute to have the Commission directly oversee the professional sports it regulates. Currently, the Commission licenses a non-profit organization to do fee collection, supervision of the events, and gross sales reporting for the Commission.
2. Change the bond structure to require the promoter, the person actually responsible for the event, to post a surety bond equal to the fiscal liability of the shows presented. Currently, the non-profit has to post the bond, and the situations dissuades groups from acting as a "Sponsor."
3. Change the fee structure more in line with those from other states. Actual license fees for participants and officials would change little other than the fee for promoter. The primary difference would be in the collection of a percentage of gate receipts. Currently, according to Statute, the Commission only collects 5% with a cap of \$200 per event.
4. A change in the penalty power of the Commission so that the AAC can assess reasonable fines. Currently, the Commission cannot assess any fine, but can only suspend or revoke licenses.
5. Change the basis for fee collection in line with the trend of other states so that a small percentage can be levied against the promoter's portion of revenue collected on Pay per View telecasts. Currently, the Commission does not tap this common revenue source.

<p>AGENCY ARKANSAS ATHLETIC COMMISSION AGENCY - 209</p>	<p>DIRECTOR LYDIA ROBERTSON</p>	<p>AGENCY PROGRAM COMMENTARY BR21</p>	<p>PAGE 40</p>
--	--	--	----------------------------------

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999**

6. Change the means by which patriotic organizations used the professional sports regulated by the Commission. Initially, the statutes were designed the third party "Sponsor" licensing system as a means of regulating the sports and as a fund raiser. Since the patriot organizations have collected fewer and fewer revenues over the years, the Task Force is considering a "grant program" from any surplus funds directly to the patriotic organizations and to the amateur versions of the professional sports regulated by the Commission.

These changes will greatly increase the revenues of the Commission. Conservative estimates place collections in the first year after passage of the new statutes at revenues double the level seen in the years 95-96 and 96-97. This will enable the Commission to hire an executive secretary (already provided for in the statute) to work a 20 hour week, 50 week year. The Commission will establish a distinct office and operation from which all records and business transactions will take place. The secretary will work directly for the Commission and be appropriately supervised by the Commission Chairperson.

AGENCY ARKANSAS ATHLETIC COMMISSION AGENCY - 209	DIRECTOR LYDIA ROBERTSON	AGENCY PROGRAM COMMENTARY BR21	PAGE 41
---	------------------------------------	---	-----------------------

ARKANSAS STATE ATHLETIC COMMISSION
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1994

Assets										
Assets				Liabilities			Total Equity			
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total				
\$ 1,669	\$ 64	\$ 0	\$ 1,733	\$ 762	\$ 0	\$ 762	\$ 971			

Revenues					Expenditures					Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 0	\$ 0	\$ 4,201	\$ 0	\$ 4,201	\$ 2,750	\$ 0	\$ 0	\$ 881	\$ 3,631	\$ 0

Findings	Recommendations
one	None

Audited by Division of Legislative Audit
IA0720994

ARKANSAS BUDGET SYSTEM
 EMPLOYMENT SUMMARY
 AS REQUIRED BY ACT 358 OF 1993
 (A.C.A 19-4-307)

AGENCY TITLE 209 - STATE ATHLETIC COMMISSION

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>0</u>	<u>1</u>	<u>1</u>	<u>100%</u>
BLACK EMPLOYEES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF <u>08/10/96</u> DATE			<u>0</u>	<u>0%</u>
			<u>TOTAL MINORITIES</u>	
			<u>1</u>	<u>100%</u>
			<u>TOTAL EMPLOYEES</u>	



 AGENCY DIRECTOR

SUMMARY
STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY
AGENCY: ATHLETIC COMMISSION

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	

APPROPRIATION: 609 - Athletic Commission

No new programs or expansions in the 1995-97 biennium.

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Arkansas State Athletic Commission is funded from annual license fees of boxers, wrestlers, managers, matchmakers, promoters, referees, physicians, timekeepers, and other persons arranging, participating in, or otherwise dealing in matches and exhibitions regulated by the Commission. The Commission has authority to establish such fees in accordance with A.C.A. 17-19-204. Licenses are also granted to sponsors for a fee of 5% of the total gross receipts from admission charges not to exceed \$200 per exhibition. These funds are deposited in the State Treasury as non-revenue receipts.

The Commission is seeking to implement recommendations made by the Gubernatorial Task Force as outlined in the Agency Program Commentary. Their 1997-99 request is based upon revenues which would be generated if these changes are made. The request is to increase Operating Expenses from \$4,110 each year to \$17,810. This would enable the Commission to rent office space and provide telephone and additional office expenses. Capital Outlay of \$4,000 each year would provide office furniture and equipment.

The Commission is also requesting an increase in the maximum salary for the Executive Secretary. Plans are to hire someone for 20 hours per week for 50 weeks a year. This increases the maximum salary from \$10,252 authorized for FY97 to \$15,000 for FY98 and \$15,420 for FY99.

Expenditure of appropriation is dependent upon available funding.

The Executive Recommendation provides for Base Level which includes a 2.8% increase each year in the maximum salary for the Executive Secretary. If the Task Force recommendations are adopted by the General Assembly making additional revenues available, appropriated levels can be adjusted at that time.

<u>AGENCY</u>	<u>APPROPRIATION</u>	<u>TREASURY FUND</u>	<u>ANALYSIS OF</u>	<u>PAGE</u>
Name: Arkansas Athletic Commission Code: 209	Name: Athletic Commission - Treasury Code: 609	Name: Arkansas Athletic Commission Code: MAB	BUDGET REQUEST BR20	45

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	PRIORITY		TOTAL	PRIORITY		TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	PROGRAMS	REQUEST	BASE	PROGRAMS	REQUEST	97-98	98-99	97-98	98-99
REGULAR SALARIES	1,092	10,051	9,512	15,000	0	15,000	15,420	0	15,420	10,539	10,834		
NUMBER OF POSITIONS	1	1	1	1	0	1	1	0	1	1	1		
PERSONAL SERV MATCHING	83	4,788	1,680	5,670	0	5,670	5,744	0	5,744	4,878	4,930		
OPERATING EXPENSES	3,132	4,110	4,110	4,110	13,700	17,810	4,110	13,700	17,810	4,110	4,110		
CAPITAL OUTLAY	0	0	0	0	4,000	4,000	0	4,000	4,000				
TOTAL	4,307	18,949	15,302	24,780	17,700	42,480	25,274	17,700	42,974	19,527	19,874		
PROPOSED FUNDING SOURCES			*****										
UNDEVELOPED BALANCES	2,227	14,497	*****	10,548		10,548				10,548	6,021		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS	16,577	15,000	*****	14,232	768	15,000	15,000		15,000	15,000	15,000		
TRUST FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	18,804	29,497	*****	24,780	768	25,548	15,000		15,000	25,548	21,021		
UNDEVELOPED APPROX (FUNDING)	(14,497)	(10,548)	*****		16,932	16,932	10,274	17,700	27,974	(6,021)	(1,147)		
TOTAL	4,307	18,949	*****	24,780	17,700	42,480	25,274	17,700	42,974	19,527	19,874		

POINT 007 REGULATORY BOARDS AND COMMISSIONS
 POINT 209 STATE ATHLETIC COMMISSION
 POINT 609 ATHLETIC COMMISSION - TREASURY
 FUND MAB ARK ATHLETIC COMMISSION-(209)

The FY97 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the Authorized amounts due to the implementation of the pay plan during the 1995-97 biennium.

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		-----1997 - 99 BIENNIUM REQUESTS-----						-----RECOMMENDATIONS-----					
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99						
000		HAB	209 609	B	4,307 1	18,949 1	24,780 1					25,274 1			19,527 1	19,874 1		
001		HAB	209 609	P01		0 0	13,700 0					13,700 0						
To provide for rent, telephone and other expenses to establish an office where all records can be maintained and from which all business transactions can occur.																		
002		HAB	209 609	P02		0 0	4,000 0					4,000 0						
To purchase furniture and equipment to furnish office space.																		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
 AGY 209 STATE ATHLETIC COMMISSION
 APPRO 609 ATHLETIC COMMISSION - TREASURY
 FUND HAB ARK ATHLETIC COMMISSION-(209)

RANK BY APPROPRIATION
 BR 264

