

July 10, 2008

Honorable Dustin McDaniel
Attorney General
State of Arkansas
323 Center Street
Little Rock, AR 72201

RE: Opinion Request/University of Central Arkansas

Dear General McDaniel:

The purpose of this letter is to request your opinion on certain provisions of Arkansas law dealing with cash funds of a university, salaries and compensation arrangements.

We respectfully request your opinion on the following questions:

(1) Are "cash funds" held by an institution of higher education and paid to the institution by private companies operating the institution's food service and bookstore, "public funds" of the institution, or are such cash funds "private funds" of the university?

(2) If such funds, even though paid to the institution by private businesses, are deemed to be "public funds" are those cash funds subject to appropriations acts of the general assembly?

(3) May an employee listed in Section 6-63-309 of the Arkansas Code receive an amount in excess of the maximum salary level established in the institution's appropriation act plus twenty-five percent (25%) under any of the following scenarios:

(a) from cash funds of the institution, if the cash funds are paid to the institution by private companies providing food service and the campus bookstore, and the payment is salary?

(b) from cash funds of the institution, if the cash funds are paid to the institution by private companies providing food service and the campus bookstore, and the payment is a bonus?

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(c) from cash funds of the institution, if the cash funds are paid to the institution by private companies providing food service and the campus bookstore, and the payment is pursuant to a "plan of deferred compensation" adopted by the board of trustees and funded with such cash funds?

Thank you for your consideration of this request. Please contact me if you have any questions.

Sincerely,

Randy Sims
Chairman
Board of Trustees

RS:tcc