

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 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: H4/2/03 H4/10/03

A Bill

Act 1463 of 2003
HOUSE BILL 2297

5 By: Joint Budget Committee
6
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE ARKANSAS CODE IN ORDER TO
10 CLARIFY AND ADD ADDITIONAL PROVISIONS AND
11 REQUIREMENTS IN THE PERFORMANCE BUDGETING AND
12 ACCOUNTABILITY SYSTEM; AND FOR OTHER PURPOSES.
13

Subtitle

14 AMENDMENTS TO THE ARKANSAS PERFORMANCE
15 BUDGETING AND ACCOUNTABILITY SYSTEM.
16
17
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code §19-4-605(a) relating to agency participation
22 in the strategic planning portion of the Performance Budgeting and
23 Accountability System is amended to read as follows:

24 *(a)(1) Each state agency, and constitutional agency, ~~and institution of~~*
25 *~~higher education~~, other than the elected constitutional officers and their*
26 *staff offices, and those Boards or Commissions listed in (a)(2) of this*
27 *subsection, shall prepare a strategic plan, containing those elements as set*
28 *out under § 19-4-606(b)(6)(A) through 19-4-606(b)(6)(D), for the operation of*
29 *each of its assigned programs for submission to the Legislative Council, the*
30 *appropriate interim committees, and the Governor.*

31 *(2) The following agencies are exempt from the provisions of §19-4-605(a):*

32 *(i) Abstractors Board of Examiners*

33 *(ii) State Board of Accountancy*

34 *(iii) State Board of Examiners of Alcoholism and Drug Abuse Counselors*

35 *(iv) Arkansas Appraiser Licensing and Certification Board*

36 *(v) State Board of Architects*



- 1 (vi) Arkansas State Board of Athletic Training
- 2 (vii) State Athletic Commission
- 3 (viii) Auctioneer's Licensing Board
- 4 (ix) Professional Bail Bondsman Licensing Board
- 5 (x) State Board of Barber Examiners
- 6 (xi) Arkansas Burial Association Board
- 7 (xii) State Board of Private Career Education
- 8 (xiii) Arkansas Cemetery Board
- 9 (xiv) State Board of Collection Agencies
- 10 (xv) Contractor's Licensing Board
- 11 (xvi) State Board of Cosmetology
- 12 (xvii) State Board of Examiners in Counseling
- 13 (xviii) State Board of Registered Interior Designers
- 14 (xix) State Board of Embalmers & Funeral Directors
- 15 (xx) State Board of Registration for Professional Engineers & Land
- 16 Surveyors
- 17 (xxi) State Board of Registration for Foresters
- 18 (xxii) State Board of Registration for Professional Geologists
- 19 (xxiii) Arkansas State Board of Landscape Architects
- 20 (xxiv) Arkansas State Board of Massage Therapy
- 21 (xxv) Arkansas State Board of Physical Therapy
- 22 (xxvi) Arkansas Real Estate Commission
- 23 (xxvii) State Board of Sanitarians
- 24 (xxviii) Social Work Licensing Board
- 25 (xxix) State Board of Registration for Professional Soil Classifiers
- 26 (xxx) Arkansas Towing and Recovery Board
- 27 (xxxi) Title Insurance Agents' Licensing Board
- 28 (xxxii) Arkansas Fire Protection Licensing Board
- 29 (xxxiii) State Board of Chiropractic Examiners
- 30 (xxxiv) State Board of Dental Examiners
- 31 (xxxv) Dietetics Licensing Board
- 32 (xxxvi) Arkansas Board of Hearing Instrument Dispensers
- 33 (xxxvii) State Board of Disease Intervention Specialists
- 34 (xxxviii) State Medical Board
- 35 (xxxix) Arkansas State Board of Nursing
- 36 (xl) State Board of Dispensing Opticians

- 1 (xli) State Board of Optometry
2 (xlii) State Board of Pharmacy
3 (xliii) Arkansas Board of Podiatric Medicine
4 (xliv) State Board of Examiners in Psychology
5 (xlv) Board of Acupuncture and Related Techniques
6 (xlvi) Board of Examiners in Speech Pathology and Audiology
7 (xlvii) Veterinary Medical Examining Board
8 (xlviii) Arkansas Beef Council
9 (xlix) Arkansas Corn and Grain Sorghum Promotion Board
10 (l) Arkansas Manufactured Home Commission
11 (li) Governor's Mansion Commission
12 (lii) Capitol Zoning District Commission
13 (liii) Arkansas Catfish Promotion Board
14 (liv) Arkansas Motor Vehicle Commission
15 (lv) Arkansas Legislative Commission on Nursing
16 (lvi) Rice Research & Promotion Board
17 (lvii) Arkansas Soybean Board
18 (lviii) Wheat Promotion Board

19
20 SECTION 2. Arkansas Code §19-4-606(a) defining terms used in the
21 Performance Budgeting and Accountability System is amended by adding the
22 following item:

23 (14) "Key performance measures" means those measures critical to the
24 mission, effectiveness and efficiency of a program selected by the
25 Legislative Council.

26
27 SECTION 3. Arkansas Code §19-4-606 (b)(2) and (3) relating to the
28 biennial budget submission requirements for performance-based budgets is
29 amended to read as follows:

30 (2)(A) The Performance Budgeting and Accountability System shall be
31 implemented statewide in phases.

32 (B) (i) Phase I shall include consultation with the
33 appropriate interim committee and the Legislative Council on the proposed
34 strategic plan of the state agency and the collection of data by the state
35 agency as required for performance measures.

36 (ii) Phase II shall include the submission of a biennial budget

1 request by the state agency, as selected by the Legislative Council, to the
 2 Governor, the Legislative Council, and the Joint Budgeting Committee in a
 3 performance budget format for approval by the next General Assembly and for
 4 implementation by the state agency on the next-following July 1.

5 (iii) The performance budget format shall include the
 6 incorporation of key performance measures into the regular biennial
 7 operations appropriation act and the measures shall be used as a basis for
 8 determining legislative intent in the appropriating of funds.

9 (3) Included in the state agencies to be required to participate in
 10 Phase I of the system ~~on July 1, 2001~~, shall be

11 (A) on July 1, 2001 the:

- 12 (i) Arkansas Department of Emergency Management;
 13 (ii) Arkansas Department of Environmental Quality;
 14 (iii) Arkansas Employment Security Department;
 15 (iv) Arkansas Forestry Commission;
 16 (v) Arkansas Public Employees Retirement System;
 17 (vi) Arkansas Rehabilitation Services within the Department of
 18 Workforce Education;
 19 (vii) Arkansas Science and Technology Authority;
 20 (viii) Arkansas State Library within the Department of
 21 Education;
 22 (ix) Arkansas Student Loan Authority;
 23 (x) Arkansas Teacher Retirement System;
 24 ~~(xi) Arkansas Tech University;~~
 25 (xii) Arkansas Valley Technical Institute;
 26 (xiii) Cotton Boll Technical Institute;
 27 (xiv) Crowley's Ridge Technical Institute;
 28 (xv) Delta Technical Institute;
 29 (xvi) Department of Arkansas State Police;
 30 (xvii) Department of Community Correction;
 31 (xviii) Department of Correction;
 32 (xix) Department of Economic Development;
 33 (xx) Department of Education;
 34 (xxi) Department of Health;
 35 (xxii) Department of Higher Education;
 36 (xxiii) Department of Information Systems;

- 1 (xxiv) Department of Labor;
- 2 (xxv) Department of Rural Services;
- 3 (xxvi) Department of Veterans' Affairs;
- 4 (xxvii) Department of Workforce Education;
- 5 (xxviii) Division of Children and Family Services of the
- 6 Department of Human Services;
- 7 (xxix) Division of County Operations of the Department of Human
- 8 Services;
- 9 (xxx) Division of Medical Services of the Department of Human
- 10 Services;
- 11 (xxxi) Division of Youth Services of the Department of Human
- 12 Services;
- 13 (xxxii) Educational Television Division of the Department of
- 14 Education;
- 15 (xxxiii) Foothills Technical Institute;
- 16 (xxxiv) Forest Echoes Technical Institute;
- 17 (xxxv) Great Rivers Technical Comprehensive Lifelong Learning
- 18 Center;
- 19 (xxxvi) Health Services Agency;
- 20 (xxxvii) Northwest Technical Institute;
- 21 (xxxviii) Office of Child Support Enforcement of the Department
- 22 of Finance and Administration;
- 23 ~~(xxxix) Pulaski Technical College;~~
- 24 (xl) Quapaw Technical Institute;
- 25 (xli) Revenue Services Division of the Department of Finance and
- 26 Administration;
- 27 (xlii) State Department for Social Security Administration for
- 28 Disability Determination; and
- 29 (xliii) State Insurance Department; or
- 30 (xliv) their successors.
- 31 (B) July 1, 2003 the: ~~Their successors.~~
- 32 (i) Assessment Coordination Department
- 33 (ii) Arkansas State Bank Department
- 34 (iii) State Building Services
- 35 (iv) Arkansas Development Finance Authority
- 36 (v) Department of Finance and Administration - Administrative

1 Services Division

2 (vi) Department of Finance and Administration - Management

3 Services Division

4 (vii) Department of Human Services - Administrative Services

5 (viii) Department of Human Services - Child Care and Early

6 Childhood Education

7 (ix) Department of Human Services - Developmental Disabilities

8 (x) Department of Human Services - Mental Health Services

9 (xi) Arkansas Game and Fish Commission

10 (xii) Arkansas Geological Commission

11 (xiii) Department of Arkansas Heritage

12 (xiv) Arkansas Highway and Transportation Department

13 (xv) Office of Information Technology

14 (xvi) State Military Department

15 (xvii) Oil and Gas Commission

16 (xviii) Department of Parks and Tourism

17 (xix) State Plant Board

18 (xx) Arkansas Public Service Commission

19 (xxi) Arkansas School for the Blind

20 (xxii) Arkansas Crime Information Center

21 (xxiii) Arkansas State Crime Laboratory

22 (xxiv) Arkansas School for the Deaf

23 (xxv) Arkansas Securities Department

24 (xxvi) Arkansas Soil and Water Conservation Commission

25 (xxvii) Arkansas Tobacco Settlement Commission

26 (xxviii) Arkansas Transitional Employment Board

27 (C) or their successors.

28
29 SECTION 4. Arkansas Code 19-4-606(b)(6) relating to the regulations
30 required for the Performance Budgeting and Accountability System and the
31 contents of the strategic plan is amended to read as follows:

32 (b)(6) The system regulations shall require each state agency to
33 prepare for the state agency a long-range strategic plan of no fewer than
34 five (5) years and shall require for those agencies operating under a
35 performance-based appropriation to align their accounting and budgeting
36 coding structures with the approved strategic plans to the extent necessary

1 to report the costs of programs and objectives in subsequent budget request
 2 documents and interim progress reports; and the plan shall include:

3 (A) A mission statement and goals for the state agency;

4 (B) A listing of programs and the program definitions of
 5 the state agency, as approved by the Legislative Council after considering
 6 the recommendations of the appropriate interim committee;

7 (C) Goals and objectives for each program in the state
 8 agency or constitutional agency, as approved by the Legislative Council ~~and~~
 9 ~~reviewed by~~ after considering the recommendations of the appropriate interim
 10 committee;

11 (D) Strategies that the state agency plans to use to
 12 accomplish each program's goals and objectives;

13 (E) Measures for each program, which shall

14 ~~(i)(a) Be selected by the General Assembly and the~~
 15 ~~Legislative Council to be incorporated into each state agency's regular~~
 16 ~~biennial operations appropriation act;~~

17 ~~(b) Be used as the basis for determining~~
 18 ~~legislative intent in the appropriating of such funds;~~

19 ~~(ii)(a) Consist of a combination of effort, output,~~
 20 ~~outcome, and efficiency measures for each program goal; and~~

21 (b) Be approved by the Legislative Council
 22 after ~~review by~~ considering the recommendations of the appropriate interim
 23 committee; and

24 (F) A description of the method and sources to be used to
 25 obtain the data required for the program measures.

26
 27 SECTION 5. Arkansas Code §19-4-606(b)(7) relating to the reports required
 28 by the Performance Budgeting and Accountability System is amended to read as
 29 follows:

30 (7)(A) Participating agencies and programs shall submit a
 31 semiannual report on progress toward meeting performance goals to the
 32 Legislative Council and the appropriate interim committees.

33 (B) The Legislative Council may change, on a program-by-
 34 program or agency-by-agency basis, the frequency of the report to such time
 35 as it determines will best provide the appropriate monitoring.

36 ~~(C) The Governor and the Arkansas Higher Education~~

1 ~~Coordinating Board, as applicable, may require reports at such times as are~~
 2 ~~determined will best meet the requirements for implementing state policy.~~

3 ~~(D)~~(C) The detail in the report to the Legislative Council
 4 and the appropriate interim committee and its format and method of
 5 transmission shall be determined by the Legislative Council.

6 ~~(E)~~(D) Failure by any state agency to submit the required
 7 report shall result in the administrative head of the state agency's
 8 appearing before the next meeting of the Legislative Council and the
 9 appropriate interim committee to explain the failure.

10 ~~(F)~~(E) The General Assembly shall have final approval of
 11 all programs, performance measures, and targets through the enactment of the
 12 appropriation acts for the various ~~state agencies~~ participating in Phase II
 13 of the system.

14
 15 SECTION 6. Arkansas Code §19-4-606(c) relating to the responsibilities of
 16 various agencies under the Performance Budgeting and Accountability System is
 17 amended to read as follows:

18 (c)(1) The Bureau of Legislative Research shall:

19 (A) Review the agencies' periodic reports and report
 20 recommendations and findings to the Legislative Council or Joint Budget
 21 Committee and appropriate interim committees;

22 (B) Recommend changes to the Legislative Council or
 23 appropriate interim committee of any measure, program, and program definition
 24 program objective, and target submitted by a state agency or constitutional
 25 agency;

26 (C) Assist state agencies and interim committees in
 27 determining appropriate measures, program structures, and program
 28 definitions;

29 (D) Serve as the lead legislative agency in the
 30 implementation and design of the system; and

31 (E) Provide a continuous review of the system's process
 32 and recommend changes to the Legislative Council, as appropriate; and

33 (F) Maintain the official state performance information
 34 system for approved programs, objectives, key measures, targets, and actual
 35 reported accomplishments for key measures, if not maintained by the governor
 36 or the state agency designated by the governor.

1 (G) Maintain performance data in an electronic format
2 readily accessible to the citizens of the state, if not maintained by the
3 governor or the state agency designated by the governor.

4 (2) The Division of Legislative Audit shall:

5 (A) ~~Verify, as a part of the regular financial audits of~~
6 ~~the state agencies,~~ that the data being reported and collected by the state
7 agencies are accurate and in such a form as is required by the Legislative
8 Council and evaluate management controls surrounding the collection and
9 reporting of the data;

10 (B) Perform detailed performance audits in accordance with
11 "Generally Accepted Government Auditing Standards", as issued by the United
12 States General Accounting Office, upon request by any legislative committee
13 and after approval of the request by the Legislative Joint Auditing
14 Committee.

15 (3) Notwithstanding the provisions of the Freedom of Information
16 Act of 1967, § 25-19-101 et seq., the audit results shall not be public
17 information until presented to the requesting interim committee, the
18 Legislative Joint Auditing Committee, the Legislative Council, the Governor,
19 and the applicable state agency.

20 (4) The Governor or the state agency designated by the Governor,
21 ~~except for the institutions of higher education,~~ shall:

22 (A) Review submitted performance reports and recommend
23 changes as appropriate to the state agencies and the Legislative Council in
24 measurements, programs, goals, objectives, and strategies;

25 (B) Provide adequate training to state agency personnel in
26 performance measurements and strategic planning;

27 (C) Prepare and distribute approved forms, manuals, and
28 procedures to the state agencies as required to meet the implementation
29 timeline;

30 (D) Oversee the process of strategic planning for state
31 agencies and recommend changes to the Legislative Council; and

32 (E) Assist state agencies in determining appropriate
33 measures, program structures, and program definitions.

34 (5) The Governor or the state agency designated by the Governor
35 shall, for all state agencies, ~~including the institutions of higher~~
36 ~~education:~~

1 (A)(1) ~~Maintain an accounting system for approved~~
2 ~~programs, objectives, and measures in accordance with the reporting~~
3 ~~requirements of this section; and Develop, with the Bureau of Legislative~~
4 ~~Research and the Division of Legislative Joint Audit, and by January 1, 2004,~~
5 ~~implement and maintain the official state performance information system for~~
6 ~~approved programs, objectives, key measures, targets, and actual reported~~
7 ~~accomplishments for key measures.~~

8 (2) If the official state performance information
9 system is not developed or maintained by the governor or the state agency
10 designated by the governor, the Department of Finance and Administration
11 shall consult with the General Assembly and the Bureau of Legislative
12 Research to develop procedures, forms and processes in lieu of the
13 Performance Information System until such time as the permanent Performance
14 Information System is developed and ready for use.

15 (B) Maintain performance data in an electronic format
16 readily accessible to the citizens of the state.

17 (C) Enforce a uniform use of the state accounting and
18 budgeting systems so as to provide the proper accounting and reporting of
19 costs of approved programs ~~and performance data~~ in accordance with the
20 requirements of this section.

21 ~~(6) The Arkansas Higher Education Coordinating Board and the~~
22 ~~Department of Higher Education for the institutions of higher education~~
23 ~~shall;~~

24 (A) ~~Review submitted performance reports and recommend~~
25 ~~changes as are appropriate to the institutions of higher education and to the~~
26 ~~Legislative Council in measurements, programs, goals, objectives, and~~
27 ~~strategies;~~

28 (B) ~~Provide adequate training to the personnel of the~~
29 ~~institutions of higher education in performance measurements and strategic~~
30 ~~planning;~~

31 (C) ~~Prepare and distribute approved forms, manuals, and~~
32 ~~procedures to the institutions of higher education, as are required to meet~~
33 ~~the implementation timeline;~~

34 (D) ~~Oversee the process of strategic planning for~~
35 ~~institutions of higher education and recommend changes to the Legislative~~
36 ~~Council; and~~

1 ~~(E) Assist the institutions of higher education in~~
2 ~~determining appropriate measures, program structures, and program~~
3 ~~definitions.~~

4
5 SECTION 7. Arkansas Code §19-4-606 is amended by adding an additional
6 subsection (e) to read as follows:

7 (e)(1) Incentives and Disincentives may only be authorized or imposed
8 by the General Assembly in the operating appropriation act of an agency
9 receiving performance-based appropriations.

10 (2) The decision to authorize an incentive or impose a
11 disincentive shall be based upon the actual performance results of an agency
12 as compared to the approved performance targets for a program. In making a
13 determination of whether to recommend an incentive or a disincentive, the
14 Legislative Council or Joint Budget Committee shall consider interim
15 progress reports, any recommendations of the Governor or of the staff of the
16 Bureau of Legislative Research, reports of the Legislative Auditor and any
17 other additional information deemed necessary.

18 (3) Performance incentives may include one or more of the
19 following:

20 (A) An allocation of any performance incentive funds
21 authorized by the General Assembly;

22 (B) Authorization in the appropriation act to carry
23 forward a specified percentage of general revenue savings to a subsequent
24 fiscal year; and

25 (C) Authorization in the appropriation act to transfer
26 funds between programs in amounts in excess of the general limitations as
27 provided by Arkansas Code 19-4-519.

28 (4) Performance disincentives may include one or more of the
29 following:

30 (A) Requiring an agency to submit a corrective action or
31 performance improvement to the governor, or agency designated by the
32 governor, and to the legislative oversight committee for any program failing
33 to meet approved performance targets;

34 (B) The return of one or more agency programs to line item
35 appropriation controls;

36 (C) A portion of agency funding or appropriation or both

1 may be made unavailable pending corrective action or improved performance to
 2 the satisfaction of the Legislative Council;

3 (D) Transfer of agency resources to another agency or
 4 private vendor to provide intended services to citizens.

5
 6 SECTION 8. Arkansas Code §19-4-519(c) relating to appropriation transfers
 7 for agencies operating under a performance based budget is amended to read as
 8 follows:

9 (c)(1)~~(A)~~ If a state agency or program within the state
 10 agency has received a performance-based appropriation from the General
 11 Assembly, the state agency may request approval from the Chief Fiscal Officer
 12 of the State and the Legislative Council or Joint Budget Committee to
 13 transfer a portion of the performance-based appropriation from one program to
 14 a performance-based appropriation of another program or programs.

15 ~~(B) An institution of higher education shall submit the~~
 16 ~~transfer request to the Department of Higher Education, which shall then~~
 17 ~~forward the request to the Chief Fiscal Officer of the State, with the~~
 18 ~~Department of Higher Education's recommendation and comments.~~

19 (2) Accompanying the transfer request shall be documentation
 20 reflecting the need for the transfer and the effects that the proposed
 21 transfer may have on the performance goals and targets as approved by the
 22 General Assembly and the Legislative Council for the programs.

23 (3) The Chief Fiscal Officer of the State may approve,
 24 disapprove, or modify the requested transfer.

25 (4)(A) If the transfer request, when combined with other
 26 approved transfers for the applicable programs, proposes to increase or
 27 decrease any of the applicable appropriations for the fiscal year by more
 28 than five percent (5%) ~~and by more than one hundred thousand dollars~~
 29 ~~(\$100,000)~~, the Chief Fiscal Officer of the State shall submit his
 30 recommendation along with the request to the Legislative Council or the Joint
 31 Budget Committee for its review, approval, disapproval, or modification.

32 (B) Otherwise, the decision of the Chief Fiscal Officer of
 33 the State on the transfer request shall be reported to the Legislative
 34 Council or the Joint Budget Committee in the same month as the decision is
 35 made.

36 (5)(A) The Legislative Council or the Joint Budget Committee,

1 after consultation on the merits and justification of the request, shall
2 notify the Chief Fiscal Officer of the State of the decision.

3 (B) In no event shall a transfer be approved by the
4 Legislative Council that, when combined with other approved transfers for the
5 applicable programs, would increase or decrease a performance-based
6 appropriation provided by law by the General Assembly by more than ~~ten~~
7 percent (10%) twenty percent (20%).

8 (6) The Chief Fiscal Officer of the State shall make the
9 appropriate adjustments on the books of the state after receiving the
10 notification.

11 (7)(A) The amounts listed in the performance-based budget
12 sections in appropriation acts for funding sources shall be estimates of
13 available resources to finance the appropriations in the appropriation
14 section of the state agency's appropriation act.

15 (B) The state agency may revise those funding estimates
16 from time to time as funds may or may not become available upon approval of
17 the Chief Fiscal Officer of the State.

18 (8)(A)(i) Determining the maximum amount of appropriation and
19 general revenue funding for a state agency each fiscal year is the
20 prerogative of the General Assembly.

21 (ii) This is accomplished by delineating the
22 maximums in the appropriation act or acts for a state agency and the general
23 revenue allocations authorized for each fund and fund account by amendment to
24 the Revenue Stabilization Law, § 19-5-101 et seq.

25 (B)(i)(a) Further, the General Assembly has determined
26 that state agencies' programs which receive performance-based appropriations
27 may operate more efficiently if some flexibility is provided under the
28 provisions of this subsection.

29 (b) Therefore, it is both necessary and
30 appropriate that the General Assembly maintain oversight by requiring prior
31 approval of the Legislative Council or the Joint Budget Committee, as
32 provided by this subsection.

33 (ii) The requirement of approval by the Legislative
34 Council or the Joint Budget Committee is not a severable part of this
35 subsection.

36 (iii) If the requirement of approval by the

1 Legislative Council or the Joint Budget Committee is ruled unconstitutional
2 by a court of competent jurisdiction, this subsection is void.

3
4 SECTION 9. Arkansas Code 19-4-605(b) relating to strategic planning is
5 amended to read as follows:

6 (b)(1)(A) The strategic plan shall be prepared in the form and submitted at
7 the same time as determined by the Governor or the agency designated by him,
8 and after consultation with the Legislative Council.

9 (B) The plan shall be submitted no less frequently than biennially.

10 (2) The form, content, and submission timetable of the strategic plan for
11 constitutional agencies ~~and institutions of higher education~~ shall be
12 determined by the Legislative Council.

13
14 SECTION 10. Arkansas Code 19-4-606(a)(9) relating to terms used in the
15 Performance Budgeting and Accountability System is amended to read as
16 follows:

17 (9) "Executive department" means the executive department of the state as
18 set out in Arkansas Constitution, Article 6, and the agencies, boards,
19 commissions, ~~institutions~~, and offices of the executive department;

20
21 SECTION 11. Arkansas Code 19-4-606(a)(25) relating to terms used in the
22 Performance Budgeting and Accountability System is amended to read as
23 follows:

24 (25) "State agency" means any official, officer, commission, board,
25 authority, council, committee, or department of the executive branch that
26 receives an appropriation by the General Assembly, but excludes the
27 institutions of higher education, the Arkansas State Highway and
28 Transportation Department, the Arkansas State Game and Fish Commission,
29 elected constitutional officers, and the staff offices of the elected
30 constitutional officers;

31
32 SECTION 12. The Arkansas Department of Higher Education (ADHE), in
33 consultation with the institutions of higher education, shall develop an
34 Arkansas Higher Education Performance Reporting System. The Legislative
35 Council shall have final approval of the form and content of the performance
36 reports to be provided to the General Assembly, the various interim

1 committees and the public, after considering the recommendations of the House
2 and Senate Education Committees.

3 To the extent possible, the Arkansas Higher Education Performance
4 Reporting System will utilize information from the North Central Association
5 assessment outcomes measures which are required for reaffirmation of
6 accreditation, federal IPEDS report data, and data collected annually through
7 ADHE's Statewide Student Information System.

8 In developing the Arkansas Higher Education Performance Reporting
9 System, ADHE will review and analyze higher education performance reporting
10 systems used in other states so as to incorporate the best aspects of those
11 plans.

12 The Arkansas Higher Education Performance Reporting System will provide
13 the General Assembly and the public with quantitative, objective information
14 which will reveal institutional weaknesses and strengths. Performance-based
15 reports shall be provided annually to the House and Senate Education
16 Committees and to the Legislative Council.

17 To the extent possible, and taking into account the differences in
18 institutional missions, the Arkansas Higher Education Performance Reporting
19 System will contain uniform accountability elements which reveal trends,
20 strengths, and weaknesses and assist policy makers and prospective students
21 and their parents in comparing institutions and judging the extent to which
22 they are effectively and efficiently accomplishing their missions."

23
24 /s/ Joint Budget Committee

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27 APPROVED: 4/16/2003
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