

1 State of Arkansas  
2 80th General Assembly  
3 Regular Session, 1995

# A Bill

HOUSE BILL 1329

4 By: Representatives Flanagin, Calhoun, Horn and J. Wilson

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## For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 19-4-1716 TO REQUIRE THE  
9 USE OF PERFORMANCE BASED CONTRACTS BY THE DEPARTMENT OF  
10 HEALTH, THE DEPARTMENT OF EDUCATION, AND THE DEPARTMENT OF  
11 HIGHER EDUCATION; AND FOR OTHER PURPOSES."

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## Subtitle

13 "TO EXTEND THE USE OF PERFORMANCE BASED  
14 CONTRACTS TO THE HEALTH, EDUCATION AND  
15 HIGHER EDUCATION DEPARTMENTS."  
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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20 SECTION 1. Arkansas Code 19-4-1716 is amended to read as follows:

21 "19-4-1716. Development and use of performance based contracts.

22 (a) The General Assembly finds that in the absence of adequate  
23 attention to service quality, government programs often become wasteful,  
24 ineffective, and unresponsive; that evaluating the quality of service  
25 provided under state agency contracts for professional and consulting  
26 services is necessary to protect the integrity of state-funded programs; that  
27 the State Hospital Board, the Department of Human Services, the Department of  
28 Health, the Department of Education, and the Department of Higher Education  
29 enter into many of these types of contracts that involve millions of dollars  
30 of public funds; that requiring the inclusion of a performance evaluation  
31 provision in professional service contracts and consulting services contracts  
32 entered into by the State Hospital Board, the Department of Human Services,  
33 the Department of Health, the Department of Education, and the Department of  
34 Higher Education will provide a mechanism for evaluating the quality of  
35 service provided under those contracts; and that requiring the State Hospital

1 Board, the Department of Human Services, the Department of Health, the  
2 Department of Education, and the Department of Higher Education to report  
3 annually regarding performance evaluation to the Joint Interim Committee on  
4 Public Health, Welfare, and Labor will encourage the State Hospital Board,  
5 the Department of Human Services, the Department of Health, the Department of  
6 Education, and the Department of Higher Education to conduct thorough  
7 performance evaluations, which may provide information that can help improve  
8 the programs and services they provide. Therefore, it is declared to be the  
9 intent of this General Assembly to require the State Hospital Board, the  
10 Department of Human Services, the Department of Health, the Department of  
11 Education, and the Department of Higher Education to include performance  
12 evaluation provisions in contracts for professional services and consulting  
13 services and to report at least annually regarding the evaluation of each  
14 contract.

15       (b) All new professional services contracts and consultant services  
16 contracts entered into by the State Hospital Board, the Department of Human  
17 Services, the Department of Health, the Department of Education, and the  
18 Department of Higher Education shall include a performance evaluation  
19 provision that outlines a method for evaluating the service provided under  
20 the contract. The provision shall identify the goals and performance  
21 indicators of the contract and how the state agency intends to evaluate the  
22 service provided.

23       (c) The State Hospital Board, the Department of Human Services, the  
24 Department of Health, the Department of Education, and the Department of  
25 Higher Education shall actively seek appropriate remedy when contract  
26 performance is less than satisfactory.

27       (d) The State Hospital Board, the Department of Human Services, the  
28 Department of Health, the Department of Education, and the Department of  
29 Higher Education shall report to the Joint Interim Committee on Public  
30 Health, Welfare, and Labor at least annually regarding the performance  
31 evaluation of each professional services contract and each consulting  
32 services contract. The Joint Interim Committee on Public Health, Welfare,  
33 and Labor may refer contracts related to the Division of Youth Services of  
34 the Department of Human Services to the Joint Interim Committee on Children  
35 and Youth. The Joint Interim Committee on Public Health, Welfare, and Labor

1 may refer contracts related to the Department of Education and the Department  
2 of Higher Education to the Joint Interim Committee on Education.

3 (e) The State Hospital Board, the Department of Human Services, the  
4 Department of Health, the Department of Education, and the Department of  
5 Higher Education shall not extend or renew an existing professional services  
6 contract or consultant services contract unless the contract includes a  
7 provision for performance evaluation.

8 (f) This section shall only apply to contracts required to be  
9 submitted under § 19-4-1710 and shall not apply to architectural and  
10 engineering services contracts.

11 (g) The Joint Interim Committee on Public Health, Welfare, and Labor  
12 shall report to the other joint interim committees and to the General  
13 Assembly on the success of including performance evaluation provisions in  
14 professional services and consultant services contracts with regard to the  
15 legislative intent of this section and make recommendations with regard to  
16 the expansion, continuation, or termination of the use of performance  
17 evaluation provisions in professional services and consultant services  
18 contracts.

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20 SECTION 2. All provisions of this act of a general and permanent  
21 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas  
22 Code Revision Commission shall incorporate the same in the Code.

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24 SECTION 3. If any provision of this act or the application thereof to  
25 any person or circumstance is held invalid, such invalidity shall not affect  
26 other provisions or applications of the act which can be given effect without  
27 the invalid provision or application, and to this end the provisions of this  
28 act are declared to be severable.

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30 SECTION 4. All laws and parts of laws in conflict with this act are  
31 hereby repealed.

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