

By: Representative Bowles

To: Ways and Means

HOUSE BILL NO. 1266

1 AN ACT TO AMEND SECTION 57-10-511, MISSISSIPPI CODE OF 1972,
2 WHICH AUTHORIZES THE MISSISSIPPI DEPARTMENT OF ECONOMIC AND
3 COMMUNITY DEVELOPMENT TO PROVIDE GRANT FUNDS TO PLANNING AND
4 DEVELOPMENT DISTRICTS AND QUALIFIED ENTITIES UNDER THE MISSISSIPPI
5 SMALL BUSINESS ASSISTANCE ACT, TO REMOVE THE REPEALER ON SUCH
6 SECTION; TO AMEND SECTION 57-63-25, TO REQUIRE THAT THE PROCEDURE
7 FOR MONITORING THE IMPLEMENTATION OF THE STATE ECONOMIC
8 DEVELOPMENT ACTION PLAN INCLUDE A PROCESS FOR THE EVALUATING THE
9 ROLE OF PLANNING AND DEVELOPMENT DISTRICTS; TO AMEND SECTION
10 57-63-33, MISSISSIPPI CODE OF 1972, TO REQUIRE THAT ANNUAL
11 REVISIONS OF THE STATE ECONOMIC DEVELOPMENT ACTION PLAN INCLUDE
12 OFFICIAL GOALS AND A QUANTIFIABLE METHOD OF MEASUREMENT IN THE
13 ACHIEVEMENT OF SUCH GOALS WITH A PROJECTED TIME TABLE FOR
14 FULFILLMENT OF SUCH GOALS; TO AMEND SECTION 25-9-120, MISSISSIPPI
15 CODE OF 1972, TO PROVIDE THAT CERTAIN STATE AGENCY CONTRACTS WITH
16 PLANNING AND DEVELOPMENT DISTRICTS WILL BE SUBJECT TO REVIEW BY
17 THE PERSONAL SERVICE CONTRACT REVIEW BOARD; AND FOR RELATED
18 PURPOSES.

19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

20 SECTION 1. Section 57-10-511, Mississippi Code of 1972, is
21 amended as follows:

22 57-10-511. * * * DECD shall grant funds under this article
23 to a planning and development district or qualified entity in
24 accordance with the following terms and conditions:

25 (a) Grant funds received by a planning and development
26 district or qualified entity in accordance with this article shall
27 be used by the planning and development district or qualified
28 entity to establish a revolving assistance fund for the purpose of
29 providing assistance to small businesses in accordance with this
30 article. Except as otherwise allowed in this article, all
31 principal and interest payments by small businesses in repayment
32 of such assistance shall be eligible for and used by the planning
33 and development district or qualified entity for additional
34 assistance to small businesses in accordance with this article.

35 (b) Each planning and development district meeting the
36 criteria set forth in this article shall receive an initial grant
37 of not to exceed One Million Dollars (\$1,000,000.00) for the
38 purpose of establishing the program within its area in accordance
39 with this article. Each qualified entity meeting the criteria set
40 forth in this article shall be eligible to receive an initial
41 grant of Five Hundred Thousand Dollars (\$500,000.00) for the
42 purpose of establishing the program within the area it serves in
43 accordance with this article. The total amount of initial grants
44 to planning and development districts shall not exceed Ten Million
45 Dollars (\$10,000,000.00) and the total amount of initial grants
46 for qualified entities shall not exceed Two Million Dollars
47 (\$2,000,000.00). Each planning and development district or
48 qualified entity receiving an initial grant shall have twelve (12)
49 months in which to make binding commitments to provide assistance
50 to small businesses in the principal amount of the initial grant
51 in accordance with this article. Grant funds not committed to
52 provide assistance to small businesses at the end of twelve (12)
53 months after receipt thereof by the planning and development
54 district or qualified entity shall be returned to DECD for
55 placement in a pool to be redistributed by DECD to planning and
56 development districts or qualified entities which have binding
57 commitments to distribute as assistance all their initial grant
58 funds and have pending applications for additional assistance in
59 accordance with this article. Any planning and development
60 district or qualified entity returning any such grant funds to
61 DECD shall be required at the time such initial grant funds are
62 returned to deliver to the State Treasury, for deposit in the
63 General Fund, interest on the amount of such returned funds at the
64 same rate as any bonds or notes of the State of Mississippi issued
65 pursuant to this article to provide such grant funds.

66 (c) After all of the initial grant funds have been
67 provided as assistance to small businesses in accordance with this

68 article, DECD shall distribute additional grant funds to each
69 planning and development district or qualified entity qualified
70 under this article to receive and requesting such funds in
71 whatever amounts DECD deems appropriate and when needed by such
72 planning and development districts or qualified entities to
73 provide additional assistance to small businesses in accordance
74 with this article. The schedule for distributing such funds shall
75 be determined by DECD. Funds distributed to planning and
76 development districts and qualified entities pursuant to this
77 paragraph shall be in addition to funds distributed to planning
78 and development districts and qualified entities pursuant to
79 paragraph (b) of this section. The total amount of grants issued
80 pursuant to this paragraph shall not exceed Seventeen Million
81 Dollars (\$17,000,000.00) for planning and development districts or
82 qualified entities. Grant funds not committed to provide
83 assistance to small businesses at the end of twelve (12) months
84 after receipt thereof by the planning and development district or
85 qualified entity shall be returned to DECD for placement in a pool
86 to be redistributed by DECD to planning and development districts
87 or qualified entities which have binding commitments to distribute
88 as assistance all their initial grant funds and have pending
89 applications for additional assistance in accordance with this
90 article. Any planning and development district or qualified
91 entity returning any such grant funds to DECD shall be required at
92 the time such grant funds are returned to deliver to the State
93 Treasury, for deposit in the General Fund, interest on the amount
94 of such returned funds at the same rate as any bonds or notes of
95 the State of Mississippi issued pursuant to this article to
96 provide such grant funds.

97 (d) A planning and development district or qualified
98 entity participating in the program may utilize not more than
99 fifty percent (50%) of interest earned on assistance provided to
100 small businesses in accordance with this article for

101 administration and management of the program, unless specifically
102 authorized to utilize more by DECD; provided, however, any
103 interest earned on grant funds held by a planning and development
104 district or qualified entity prior to the utilization of such
105 grant funds to provide assistance to small business shall be
106 placed in the revolving assistance fund of the planning and
107 development district or qualified entity and shall not be expended
108 for administration or management costs. Planning and development
109 districts and qualified entities may retain fifty percent (50%) of
110 the interest earned on repayment funds that are being held on
111 deposit in anticipation of relending to aid in the administration
112 and management of the program. Each planning and development
113 district and qualified entity shall file annually with the
114 Secretary of the Senate and the Clerk of the House of
115 Representatives not later than the first day of each regular
116 legislative session a report which details any interest retained
117 or utilized by the planning and development district or qualified
118 entity pursuant to this paragraph (d).

119 (e) If a planning and development district or qualified
120 entity participating in the program experiences losses from
121 assistance provided pursuant to the program in excess of fifty
122 percent (50%) of the amount of grant funds received by the
123 planning and development district or qualified entity, the
124 planning and development district or qualified entity shall repay
125 the State of Mississippi the amount of such losses in excess of
126 fifty percent (50%) by delivering that amount to the State
127 Treasury for deposit in the General Fund.

128 (f) DECD shall assist each planning and development
129 district or qualified entity participating in the program in
130 connection with such planning and development district's or
131 qualified entity's compliance with this article.

132 (g) Each planning and development district or qualified
133 entity participating in the program shall submit the following

134 reports to the House Ways and Means Committee and the Senate
135 Economic Development, Tourism and Parks Committee:

136 (i) An annual audit of grant funds received in
137 connection with the program; and

138 (ii) A semiannual report on July 15 and January 15
139 of each year, describing all assistance provided to small
140 businesses pursuant to the program, such reports to include
141 without limitation the following: a description of each small
142 business receiving assistance; the project to be assisted and
143 purpose of assistance; a description of each loan and equity
144 investment, including the terms and conditions thereof and use of
145 the funds assistance by the small business; history of the
146 assistance pool, including principal amount loaned, interest
147 earned, interest expended for administration and management,
148 principal amount of equity investments, assistance funds
149 available, and losses; and a statement of jobs created or retained
150 as a result of the assistance program.

151 (h) If DECD determines that a district or entity has
152 provided assistance to small businesses in a manner inconsistent
153 with the provisions of this article, then the amount of such
154 assistance so provided shall be withheld by DECD from any
155 additional grant funds to which the district or entity becomes
156 entitled under this article. If DECD determines, after notifying
157 such district or entity twice in writing and providing such
158 district or entity a reasonable opportunity to comply, that a
159 planning and development district or qualified entity has
160 consistently failed to comply with this article in connection with
161 the program, DECD may declare such planning and development
162 district or qualified entity in default under the program and,
163 upon receipt of notice thereof from DECD, such planning and
164 development district or qualified entity shall immediately cease
165 providing assistance under the program, shall refund to DECD for
166 distribution to other planning and development districts or

167 qualified entities all funds held in its revolving assistance fund
168 and, if required by DECD, shall convey to DECD all administrative
169 and management control of assistance provided by it under the
170 program.

171 * * *

172 SECTION 2. Section 57-63-25, Mississippi Code of 1972, is
173 amended as follows:

174 57-63-25. Part III of the economic development plan shall
175 provide a procedure for monitoring the implementation of the
176 state's economic development efforts. In formulating this
177 procedure, the University Research Center will survey, identify
178 and analyze every government program and private resource and
179 activity that is available to, that is being applied toward, or
180 that contributes to the accomplishment of the goals set in the
181 long range plan. The resources and economic development
182 activities (programs) of state government, local government,
183 federal government and private business shall be identified and
184 analyzed to determine the specific areas in which they contribute
185 to achievement of the overall goals.

186 The planning and development districts shall be utilized
187 fully in determining the goals established herein and shall be the
188 primary source of information and analysis as to local and
189 regional economic priorities as well as the identification and
190 reporting of local governments and local and regional private
191 business resources available for the accomplishment of such goals.

192 The procedure for monitoring the implementation of the economic
193 development plan shall include a process for evaluating the role
194 of the planning and development districts, including a listing of
195 official goals in order of priority and a method of assessing the
196 progress of the planning and development districts in fulfilling
197 official goals.

198 Each agency and institution of state government involved in
199 economic development, including the Institute for Technology

200 Development and the state universities and junior colleges, is
201 hereby directed to prepare and submit to the Department of
202 Economic Development, the University Research Center and the
203 Legislative Budget Committee work programs covering their economic
204 development activities. The University Research Center shall
205 specify a uniform format for agencies to follow in preparing their
206 work programs. These work programs shall cover in general the
207 next five (5) years of the plan and, in significant detail, the
208 upcoming fiscal year. With each annual work program for the
209 upcoming fiscal year, each agency shall make a full report on
210 accomplishments of its previous year's work program. Work
211 programs shall be submitted by August 15, 1987, for fiscal year
212 1988 by those agencies identified by the Department of Economic
213 Development as being required to submit work programs in
214 accordance with this chapter. Work programs submitted August 15,
215 1987 shall report on accomplishments of the prior fiscal year's
216 work in economic development activities. The work program for
217 fiscal year 1989, and for succeeding years, shall be submitted on
218 June 1 prior to the beginning of the ensuing fiscal year. The
219 state long range plan shall require copies of the overall economic
220 development plans from each of the ten (10) planning and
221 development districts to be submitted annually to the University
222 Research Center along with annual work programs and details of
223 accomplishments of the prior fiscal year's work program. These
224 materials shall be incorporated by reference in Part III of the
225 plan.

226 SECTION 3. Section 57-63-33, Mississippi Code of 1972, is
227 amended as follows:

228 57-63-33. The University Research Center shall present the
229 annual revisions of the plan to the Joint Legislative Budget
230 Committee prior to the annual budget hearings and discuss with the
231 joint committee Parts III, IV and V. The presentation shall
232 review the established goals and report and assess progress for

233 the current reporting period of achieving official goals and make
234 recommendations for any program changes that might be needed.
235 Annual revisions of the plan shall include official goals in order
236 of priority, a quantifiable method of measuring the achievement of
237 such goals and a projected time table for achieving such goals.
238 Additional reports shall be made to the Joint Legislative Budget
239 Committee as requested and as required by Section 57-63-9. Copies
240 of the plan shall also be presented to the Department of Economic
241 Development, the planning and development districts, and other
242 appropriate agencies and organizations.

243 SECTION 4. Section 25-9-120, Mississippi Code of 1972, is
244 amended as follows:

245 25-9-120. (1) Contract personnel, whether classified as
246 contract workers or independent contractors shall not be deemed
247 state service or nonstate service employees of the State of
248 Mississippi, and shall not be eligible to participate in the
249 Public Employees' Retirement System, or the state employee health
250 plan, nor be allowed credit for personal and sick leave and other
251 leave benefits as employees of the State of Mississippi,
252 notwithstanding Sections 25-3-91 through 25-3-101; 25-9-101
253 through 25-9-151; 25-11-1 through 25-11-126; 25-11-128 through
254 25-11-131; 25-15-1 through 25-15-23 and for the purpose set forth
255 herein. Contract workers, i.e., contract personnel who do not
256 meet the criteria of independent contractors, shall be subject to
257 the provisions of Section 25-11-127.

258 (2) There is hereby created the Personal Service Contract
259 Review Board, which shall be composed of the State Personnel
260 Director, the Executive Director of the Department of Finance and
261 Administration, or his designee, the Commissioner of Corrections,
262 or his designee, the Executive Director of the Mississippi
263 Department of Wildlife and Fisheries, or his designee, and the
264 Executive Director of the Department of Environmental Quality, or
265 his designee. The State Personnel Director shall be chairman and

266 shall preside over the meetings of the board. The board shall
267 annually elect a vice chairman, who shall serve in the absence of
268 the chairman. No business shall be transacted, including adoption
269 of rules of procedure, without the presence of a quorum of the
270 board. Three (3) members shall be a quorum. No action shall be
271 valid unless approved by the chairman and two (2) other of those
272 members present and voting, entered upon the minutes of the board
273 and signed by the chairman. Necessary clerical and administrative
274 support for the board shall be provided by the State Personnel
275 Board. Minutes shall be kept of the proceedings of each meeting,
276 copies of which shall be filed on a monthly basis with the
277 Legislative Budget Office.

278 (3) The Personal Service Contract Review Board shall have
279 the following powers and responsibilities:

280 (a) Promulgate rules and regulations governing the
281 solicitation and selection of contractual services personnel
282 including personal and professional services contracts for any
283 form of consulting, policy analysis, public relations, marketing,
284 public affairs, legislative advocacy services or any other
285 contract that the board deems appropriate for oversight, with the
286 exception of any personal service contracts entered into for
287 computer or information technology-related services governed by
288 the Mississippi Department of Information Technology Services, any
289 personal service contracts entered into by the Mississippi
290 Department of Transportation, and any contract for attorney,
291 accountant, auditor, physician, dentist, architect, engineer,
292 veterinarian and utility rate expert services. Any such rules and
293 regulations shall provide for maintaining continuous internal
294 audit covering the activities of such agency affecting its revenue
295 and expenditures as required under Section 7-7-3(6)(d),
296 Mississippi Code of 1972;

297 (b) Approve all personal and professional services
298 contracts involving the expenditures of funds in excess of One

299 Hundred Thousand Dollars (\$100,000.00);

300 (c) Develop standards with respect to contractual
301 services personnel which require invitations for public bid,
302 requests for proposals, record keeping and financial
303 responsibility of contractors. The Personal Service Contract
304 Review Board may, in its discretion, require the agency involved
305 to advertise such contract for public bid, and may reserve the
306 right to reject any or all bids;

307 (d) Prescribe certain circumstances whereby agency
308 heads may enter into contracts for personal and professional
309 services without receiving prior approval from the Personal
310 Service Contract Review Board. The Personal Service Contract
311 Review Board may establish a pre-approved list of providers of
312 various personal and professional services for set prices with
313 which state agencies may contract without bidding or prior
314 approval from the board;

315 (e) To provide standards for the issuance of requests
316 for proposals, the evaluation of proposals received, consideration
317 of costs and quality of services proposed, contract negotiations,
318 the administrative monitoring of contract performance by the
319 agency and successful steps in terminating a contract;

320 (f) To present recommendations for governmental
321 privatization and to evaluate privatization proposals submitted by
322 any state agency;

323 (g) To authorize personal and professional service
324 contracts to be effective for more than one (1) year provided a
325 funding condition is included in any such multiple year contract;

326 (h) To request the State Auditor to conduct a
327 performance audit on any personal or professional service
328 contract;

329 (i) Prepare an annual report to the Legislature
330 concerning the issuance of personal service contracts during the
331 previous year, collecting any necessary information from state

332 agencies in making such report.

333 (4) Any state agency contract with a planning and
334 development district which meets any of the conditions of this
335 section shall be subject to review by the Personal Service
336 Contract Review Board.

337 (5) No member of the Personal Service Contract Review Board
338 shall use his official authority or influence to coerce, by threat
339 of discharge from employment, or otherwise, the purchase of
340 commodities or the contracting for personal or professional
341 services under this section.

342 SECTION 5. This act shall take effect and be in force from
343 and after July 1, 1999.