

By: Representative Baker (74th)

To: Appropriations

HOUSE BILL NO. 737

1 AN ACT TO AMEND SECTION 27-103-129, MISSISSIPPI CODE OF 1972,
2 TO REQUIRE THAT STATE AGENCIES INCLUDE CERTAIN INFORMATION ON
3 CONTRACT WORKERS IN THEIR ANNUAL BUDGET REQUESTS; TO AMEND SECTION
4 7-7-3, MISSISSIPPI CODE OF 1972, TO REQUIRE THE DEPARTMENT OF
5 FINANCE AND ADMINISTRATION TO IMPLEMENT PRE-AUDIT CONTROLS TO
6 VERIFY COMPLIANCE WITH THE REGULATIONS OF THE STATE PERSONAL
7 SERVICE CONTRACT REVIEW BOARD REGARDING THE EXECUTION OF ANY
8 PERSONAL SERVICE OR PROFESSIONAL SERVICE CONTRACTS; TO AMEND
9 SECTION 25-11-127, MISSISSIPPI CODE OF 1972, TO REQUIRE THE PUBLIC
10 EMPLOYEES' RETIREMENT SYSTEM TO REGULARLY COMPARE ITS RECORDS OF
11 RETIREES WITH STATE AGENCY PAYROLL SYSTEM DATA TO IDENTIFY OR
12 VERIFY THOSE RETIREES WHO HAVE BEEN EMPLOYED BY STATE AGENCIES AND
13 ENSURE THEIR COMPLIANCE WITH STATUTORY INCOME LIMITATIONS; AND FOR
14 RELATED PURPOSES.

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

16 **SECTION 1.** Section 27-103-129, Mississippi Code of 1972, is
17 amended as follows:

18 27-103-129. (1) To enable the Legislative Budget Office to
19 prepare such budget, it shall have full and plenary power and
20 authority to require all general-fund and special-fund agencies
21 and the Mississippi Department of Transportation and the Office of
22 State Aid Road Construction of the Mississippi Department of
23 Transportation to file a budget request with such information and
24 in such form and in such detail as it may deem necessary and
25 advisable, and it shall have the further power and authority to
26 reduce or eliminate any item or items of requested appropriation
27 by any state agency in the Legislative Budget Office's recommended
28 budget to the Legislature. However, where any item of requested
29 appropriation shall be so reduced or eliminated, the head of the
30 agency involved shall have the right to appear before the
31 appropriate legislative committee to urge a revision of the budget
32 to restore the item reduced or eliminated. Beginning with the
33 1996 fiscal year, the budget requests shall include a definition

34 of the mission of the agency, a description of the duties and
35 responsibilities of the agency, financial data relative to the
36 various programs operated by the agency and performance measures
37 associated with each program of the agency. The performance
38 measures to be contained within the agency budget request shall be
39 developed by cooperative efforts of the Legislative Budget Office,
40 the Department of Finance and Administration and the agency itself
41 and shall be approved jointly by the Legislative Budget Office and
42 the Department of Finance and Administration prior to inclusion
43 within the agency budget request. Beginning with the 1996 fiscal
44 year, the budget requests shall also include in an addendum format
45 a five-year strategic plan for the agency which shall include, but
46 not be limited to, the following items of information: (a) a
47 comprehensive mission statement, (b) performance effectiveness
48 objectives for each program of the agency for each of the five (5)
49 years covered by the plan, (c) a description of significant
50 external factors which may affect the projected levels of
51 performance, (d) a description of the agency's internal management
52 system utilized to evaluate its performance achievements in
53 relationship to the targeted performance levels, (e) an evaluation
54 by the agency of the agency's performance achievements in
55 relationship to the targeted performance levels for the two (2)
56 preceding fiscal years for which accounting records have been
57 finalized.

58 (2) All agencies that are subject to subsection (1) of this
59 section shall include in their budget requests the following
60 information regarding contract workers for the most recently
61 completed fiscal year:

62 (a) The name of each worker;

63 (b) The specific type of services provided;

64 (c) The hourly rate of compensation or the basis for
65 compensation if a rate other than the hourly rate is used; and

66 (d) The total gross salary or wages paid.

67 **SECTION 2.** Section 7-7-3, Mississippi Code of 1972, is
68 amended as follows:

69 7-7-3. (1) There is * * * established a General Accounting
70 Office for the State of Mississippi, the powers and duties of the
71 office to be performed by the Bureau of Budget and Fiscal
72 Management under the administration of the State Fiscal Officer.

73 (2) The Chief of the Fiscal Management Division, under the
74 supervision of the State Fiscal Officer, shall prescribe and
75 implement in the office of each state agency an adequate accrual
76 accounting system, in conformity with generally accepted
77 accounting principles, and a system for keeping other essential
78 financial records or, in lieu thereof, may install a state
79 centralized automated accounting system which facilitates
80 reporting the financial position and operations of the state as a
81 whole, in conformity with generally accepted accounting
82 principles. All such accounting systems so prescribed or
83 installed shall be as uniform as may be practicable for agencies
84 and offices of the same class and character.

85 Each state agency shall adopt and use the system prescribed
86 and approved for it by the State Fiscal Officer, and the State
87 Fiscal Officer shall have the authority and power to impound all
88 funds of such agency until it complies with the provisions of this
89 section. The state centralized automated accounting system shall
90 be made available to the agencies of state government through the
91 services of the State Computer Center. The State Fiscal Officer
92 shall conduct training seminars on a regular basis to ensure that
93 agencies have access to persons proficient in the correct use of
94 the statewide automated accounting system.

95 (3) The State Fiscal Officer shall establish an oversight
96 advisory committee to ensure that the state centralized automated
97 accounting system meets the needs of the agencies served thereby.
98 The oversight advisory committee shall be composed of qualified
99 public employees proficient in the areas of fiscal management,

100 accounting, data processing and other fields affected by the
101 automated accounting and financial management system. The
102 committee shall have the following responsibilities:

103 (a) Provide continual review of laws, rules,
104 regulations, policies and procedures which affect the continued
105 successful implementation of the state automated accounting and
106 financial management system;

107 (b) Coordination among the control agencies of state
108 and federal government to identify required modifications and/or
109 enhancements to the state centralized automated accounting system
110 as required for successful implementation;

111 (c) Ensure that agencies using the system are in
112 compliance with the requirements of the various control agencies;
113 and

114 (d) Assign persons knowledgeable in their area of
115 expertise and proper use of the state centralized automated
116 accounting system to help agencies use the system correctly.

117 (4) The State Fiscal Officer shall provide for the
118 continuing support of the state centralized automated accounting
119 system from funds appropriated therefor by the Legislature and/or
120 from user fees charged to the state agencies and institutions
121 utilizing the system.

122 The State Fiscal Officer may charge fees to agencies and
123 institutions for services rendered to them in conjunction with the
124 statewide automated accounting system. The amounts of such fees
125 shall be set by the State Fiscal Officer, and all such fees
126 collected shall be paid into the Statewide Automated Accounting
127 System Fund.

128 (5) There is * * * established within the State Treasury a
129 special fund to be designated as the Mississippi Management and
130 Reporting System Revolving Fund. This fund is established for the
131 purpose of developing and maintaining an executive information
132 system within state government. Such a system may include the

133 state centralized automated accounting system, a centralized
134 automated human resource/payroll system for state agencies and the
135 automation of performance programmatic data and other data as
136 needed by the legislative and executive branches to monitor the
137 receipt and expenditure of funds in accordance with desired
138 objectives.

139 A Steering Committee consisting of the State Fiscal Officer,
140 the Executive Director of the State Personnel Board and the
141 Executive Director of the Mississippi Department of Information
142 Technology Services shall establish policies and procedures for
143 the administration of the Mississippi Management and Reporting
144 System Revolving Fund.

145 All disbursements from this fund shall be made pursuant to
146 appropriation by the Legislature. All interest earned from the
147 investment of monies in this fund shall be credited to such fund.

148 Any expenditure of funds related to the development of a
149 Mississippi Management and Reporting System by the State Personnel
150 Board, the Department of Finance and Administration and the
151 Mississippi Department of Information Technology Services made
152 during the fiscal year ending June 30, 1993, shall be reimbursable
153 from the Mississippi Management and Reporting System Revolving
154 Fund upon its establishment.

155 The Bond Commission is * * * authorized to grant a
156 noninterest-bearing loan to the Mississippi Management and
157 Reporting System Revolving Fund from the State Treasurer's General
158 Fund/Special Fund Pool in an amount not to exceed Fifteen Million
159 Dollars (\$15,000,000.00).

160 The Mississippi Management and Reporting System Steering
161 Committee shall appoint an administrator of the Mississippi
162 Management and Reporting System Revolving Fund. The salary of the
163 administrator and all other project administrative expenses shall
164 be disbursed from the revolving fund. The administrator of the
165 fund is * * * authorized to employ or secure personnel service

166 contracts for all personnel required to carry out this project.
167 On or before January 15 of each year, the State Fiscal Officer
168 shall present a report of all expenditures made during the
169 previous fiscal year from the Mississippi Management and Reporting
170 System Revolving Fund to the State Bond Commission and to the
171 Legislature.

172 Upon implementation of the Mississippi Management and
173 Reporting System, or any part thereof, at any state agency, a
174 repayment schedule shall be determined by the Mississippi
175 Management and Reporting System Revolving Fund administrator for
176 payment back into the Mississippi Management and Reporting System
177 Revolving Fund. This repayment schedule will include direct and
178 indirect expenses of implementing the Mississippi Management and
179 Reporting System at each agency and applied interest charges.
180 Each state agency shall be required to request the amount of its
181 yearly repayment in its annual budget request.

182 At the completion of the Mississippi Management and Reporting
183 System, the Steering Committee shall recommend to the Legislature
184 an amount to remain in the Mississippi Management and Reporting
185 System Revolving Fund to fund future upgrades and maintenance for
186 the system. The remaining amount, as repaid by the agencies,
187 shall be returned to the General Fund/Special Fund Pool.

188 Each state agency executive director shall participate in the
189 Mississippi Management and Reporting System (MMRS) project by
190 appointing an agency implementation team leader to represent them
191 on the MMRS project. All agencies will be required to implement
192 the MMRS unless exempted from such by the MMRS Steering Committee.
193 If such an exemption is granted, the MMRS Steering Committee may
194 require selected data to be electronically interfaced into the
195 MMRS.

196 (6) In addition to his other duties, the Chief of the Fiscal
197 Management Division shall perform the following services:

198 (a) Maintain a set of control accounts on a double
199 entry accrual basis for each state fund so as to analyze, classify
200 and record all resources, obligations and financial transactions
201 of all state agencies.

202 (b) Submit to the Governor and to the Legislative
203 Budget Office a monthly report containing the state's financial
204 operations and conditions.

205 (c) Approve as to form the manner in which all payrolls
206 shall be prepared; and require each state agency to furnish copies
207 of monthly payrolls as required to the State Fiscal Officer. The
208 Chief of the Fiscal Management Division shall study the
209 feasibility of a central payroll system for all state officers and
210 employees, and report his findings and recommendations to the
211 Legislature.

212 (d) Require of each state agency, through its governing
213 board or executive head, the maintaining of continuous internal
214 audit covering the activities of such agency affecting its revenue
215 and expenditures, and an adequate internal system of preauditing
216 claims, demands and accounts against such agency as to adequately
217 ensure that only valid claims, demands and accounts will be paid,
218 and to implement pre-audit controls to verify compliance with the
219 regulations of the State Personal Service Contract Review Board
220 regarding the execution of any personal service or professional
221 service contracts pursuant to Section 25-9-120(3). The Fiscal
222 Management Division shall report to the State Fiscal Officer any
223 failure or refusal of the governing board or executive head of any
224 state agency to comply with the provisions of this section. The
225 State Fiscal Officer shall notify the * * * board of trustees or
226 executive head of such violation and, upon continued failure or
227 refusal to comply with the provisions of this section, then the
228 State Fiscal Officer may require the board of trustees or
229 executive head of such state agency to furnish competent and
230 adequate personnel to carry out the provisions of this section,

231 who shall be responsible to the State Fiscal Officer for the
232 performance of such function with respect to such state agency.
233 For failure or refusal to comply with the provisions of this
234 section or the directions of the State Fiscal Officer, any such
235 employee may be deprived of the power to perform such functions on
236 behalf of the Fiscal Management Division.

237 (7) Every state agency, through the proper officials or
238 employee, shall make such periodic or special reports on forms
239 prescribed by the Chief of the Fiscal Management Division as may
240 be required or necessary to maintain the set of control accounts
241 required. If any officer or employee of any state agency whose
242 duty it is to do so shall refuse or fail to make such periodic or
243 special reports in such form and in such detail and within such
244 time as the Fiscal Management Division may require in the exercise
245 of this authority, the State Fiscal Officer shall prepare or cause
246 to be prepared and submitted such reports and the expense thereof
247 shall be personally borne by the officer or employee and he or she
248 shall be responsible on his or her official bond for the payment
249 of the expense. Provided that a negligently prepared report shall
250 be considered as a refusal or failure under the provisions of this
251 section.

252 **SECTION 3.** Section 25-11-127, Mississippi Code of 1972, is
253 amended as follows:

254 25-11-127. (1) (a) No person who is being paid a
255 retirement allowance or a pension after retirement under this
256 article shall be employed or paid for any service by the State of
257 Mississippi, except as provided in this section.

258 (b) No retiree of this retirement system who is
259 reemployed or is reelected to office after retirement shall
260 continue to draw retirement benefits while so reemployed, except
261 as provided in this section.

262 (c) No person employed or elected under the exceptions
263 provided for in this section shall become a member under Article 3
264 of the retirement system.

265 (2) Any person who has been retired under the provisions of
266 Article 3 and who is later reemployed in service covered by this
267 article shall cease to receive benefits under this article and
268 shall again become a contributing member of the retirement system.
269 When the person retires again, if the reemployment exceeds six (6)
270 months, the person shall have his or her benefit recomputed,
271 including service after again becoming a member, provided that the
272 total retirement allowance paid to the retired member in his or
273 her previous retirement shall be deducted from the member's
274 retirement reserve and taken into consideration in recalculating
275 the retirement allowance under a new option selected.

276 (3) The board shall have the right to prescribe rules and
277 regulations for carrying out the provisions of this section.

278 (4) The provisions of this section shall not be construed to
279 prohibit any retiree, regardless of age, from being employed and
280 drawing a retirement allowance either:

281 (a) For a period of time not to exceed one-half (1/2)
282 of the normal working days for the position in any fiscal year
283 during which the retiree will receive no more than one-half (1/2)
284 of the salary in effect for the position at the time of
285 employment, or

286 (b) For a period of time in any fiscal year sufficient
287 in length to permit a retiree to earn not in excess of twenty-five
288 percent (25%) of retiree's average compensation.

289 To determine the normal working days for a position under
290 paragraph (a) of this subsection, the employer shall determine the
291 required number of working days for the position on a full-time
292 basis and the equivalent number of hours representing the
293 full-time position. The retiree then may work up to one-half
294 (1/2) of the required number of working days or up to one-half

295 (1/2) of the equivalent number of hours and receive up to one-half
296 (1/2) of the salary for the position. In the case of employment
297 with multiple employers, the limitation shall equal one-half (1/2)
298 of the number of days or hours for a single full-time position.

299 Notice shall be given in writing to the executive director,
300 setting forth the facts upon which the employment is being made,
301 and the notice shall be given within five (5) days from the date
302 of employment and also from the date of termination of the
303 employment. The retirement system on a monthly basis shall
304 compare its records of retirees with the state agency payroll
305 system data of the Department of Finance and Administration to
306 identify or verify those retirees who have been employed by state
307 agencies and ensure their compliance with the income limitations
308 under this section.

309 (5) Any member may continue in municipal or county elected
310 office or be elected to a municipal or county office, provided
311 that the person:

312 (a) Files annually, in writing, in the office of the
313 employer and the office of the executive director of the system
314 before the person takes office or as soon as possible after
315 retirement, a waiver of all salary or compensation and elects to
316 receive in lieu of that salary or compensation a retirement
317 allowance as provided in this section, in which event no salary or
318 compensation shall thereafter be due or payable for those
319 services; however, any such officer or employee may receive, in
320 addition to the retirement allowance, office expense allowance,
321 mileage or travel expense authorized by any statute of the State
322 of Mississippi; or

323 (b) Elects to receive compensation for that elective
324 office in an amount not to exceed twenty-five percent (25%) of the
325 retiree's average compensation. As used in this paragraph, the
326 term "compensation" shall not include office expense allowance,
327 mileage or travel expense authorized by a statute of the State of

328 Mississippi. In order to receive compensation as allowed in this
329 paragraph, the member shall file annually, in writing, in the
330 office of the employer and the office of the executive director of
331 the system, an election to receive, in addition to a retirement
332 allowance, compensation as allowed in this paragraph.

333 **SECTION 4.** This act shall take effect and be in force from
334 and after July 1, 2006.