

By: Representatives Currie, Bennett,
Calhoun, Ladner, Watson

To: Accountability,
Efficiency, Transparency

HOUSE BILL NO. 1497

1 AN ACT TO ESTABLISH THE OFFICE OF SHARED SERVICES (OSS)
2 WITHIN THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO OPERATE AS
3 THE CENTRAL BUSINESS OFFICE FOR SELECT AGENCIES AND TO PROVIDE
4 SHARED SERVICES TO THOSE SELECT AGENCIES; TO PROVIDE THAT THE OSS
5 AUTHORITY INCLUDES CERTAIN ADMINISTRATIVE FUNCTIONS OF THE SELECT
6 AGENCIES; TO PROVIDE THAT THE OSS SHALL ESTABLISH A FEE STRUCTURE
7 THAT WILL ALLOW IT TO RECOVER THE DIRECT AND INDIRECT COSTS OF
8 PROVIDING SHARED SERVICES, WHICH WILL BE PAID BY THE SELECT
9 AGENCIES RECEIVING THE SERVICES; TO PROVIDE THAT THE DEPARTMENT
10 SHALL MAKE A REPORT TO CERTAIN LEGISLATIVE COMMITTEES DURING THE
11 2020 LEGISLATIVE SESSION REGARDING THE OSS; TO SPECIFY THE
12 AGENCIES THAT WILL BE SUBJECT TO THE AUTHORITY OF THE OSS; TO
13 AMEND SECTIONS 27-104-3 AND 27-104-203, MISSISSIPPI CODE OF 1972,
14 TO CONFORM TO THE PRECEDING PROVISIONS; AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** (1) There is established the Office of Shared
17 Services (OSS) within the Department of Finance and Administration
18 to operate as the central business office for select agencies,
19 boards and commissions, to provide shared services to those select
20 agencies, boards and commissions, with the services to be
21 phased-in according to a timetable developed by the department.

22 (2) The OSS shall have the authority to analyze the
23 administrative operations of the select agencies, boards and
24 commissions that are subject to this process, and develop an



25 implementation plan to bring the business services of those select
26 agencies, boards and commissions into the OSS in an orderly
27 transition, beginning from and after July 1, 2019, with complete
28 transition no later than July 1, 2020. The primary intent of this
29 section is to increase the accountability and efficiency of those
30 select agencies, boards and commissions, and not to usurp the
31 regulatory or licensing authority of any agency, board or
32 commission.

33 (3) The implementation plan shall include titles of agency
34 positions whose functions will be eliminated or transferred to
35 OSS, and shall include any contracted service that will be
36 eliminated or transferred according to the assumption of the
37 function by the OSS. The department is authorized to determine
38 the methodology for implementing shared services and the
39 transition order for select agencies, boards and commission. The
40 department may contract with private vendors to develop the
41 business case and implementation plan. The department may by rule
42 describe the business services to be provided by the OSS and their
43 applicability to each select agency, board and commission. The
44 administrative head of each select agency, board and commission
45 shall comply with the schedule of services developed and issued by
46 the OSS and shall not spend appropriated funds to provide or
47 contract for services to be provided by the OSS.



(4) The OSS authority shall include administrative functions of the select agencies, boards and commissions including, but not limited to:

(a) Accounting services, which includes general accounting services, accounts receivable, accounts payable, financial statement preparations, budget preparation, inventory and the related;

(b) Human resource services, which includes transaction processing associated with employment activities and the related;

(c) Information technology services, which includes network, desktop, telecommunications, application and infrastructure support and resources to include technology procurement and the related;

(d) Payroll and travel services, which includes preparation and distribution of payroll and travel payments and the related;

(e) Purchasing and contracting services, which includes all functional steps in the procurement cycle for the acquisition of goods and services, from specification development and solicitation to contract review and transaction processing, and the related;

(f) Facilities operation and maintenance services, which includes the leasing of office, meeting and training space or providing same in state-owned buildings and the related; and



(g) Administrative services, which includes staffing of reception, switchboard and the related.

(5) The OSS shall establish a fee structure as part of the implementation plan that will allow OSS to recover the direct and indirect costs of providing shared services, to be paid by the select agencies, boards and commissions receiving the services.

(6) The department is authorized and empowered to adopt rules and establish guidelines to implement this section.

(7) The department shall make a report to the Accountability, Efficiency and Transparency Committees and the Appropriations Committees of the House of Representatives and the Senate during the 2020 legislative session regarding the implementation plan and any related costs to establish the OSS or projected savings from the implementation of this section. The report shall also include any technical legislative or administrative recommendation for further consideration, including, but not limited to, funding-out language for existing contracts. If it is determined after analyzing the operations of these select agencies, boards and commissions that it is not practicable or advantageous to the state for OSS to assume the responsibility of certain functions, the reasons for such a decision shall be included in the report.

(8) The following agencies, boards and commissions shall be subject to the authority of the OSS:

(a) The Athletic Commission;



(b) The Mississippi Auctioneer Commission;
(c) The State Board of Chiropractic Examiners;
(d) The State Board of Cosmetology;
(e) The State Board of Registration for Foresters;
(f) The State Board of Funeral Services;
(g) The Board of Registered Professional Geologists;
(h) The State Board of Massage Therapy;
(i) The Mississippi Motor Vehicle Commission;
(j) The Mississippi Board of Nursing Home
Administrators;
(k) The State Board of Physical Therapy;
(l) The State Board of Examiners for Licensed
Professional Counselors; and
(m) The Mississippi Board of Psychology.

SECTION 2. Section 27-104-3, Mississippi Code of 1972, is amended as follows:

27-104-3. In addition to other powers and duties prescribed by statute, the Department of Finance and Administration shall have the following powers and duties, with regard to fiscal management:

(a) Provide direct technical assistance and training to state agencies and departments in implementing generally accepted accounting principles, in preparing financial statements as required by law, and in management and executive development.



121 (b) Provide temporary administrative services in
122 financial accounting and public administration to any state
123 agency, department or institution upon request of the governing
124 board of the state agency, department or institution.

125 (c) Prepare and issue a comprehensive reference manual
126 or manuals of policies and procedures for each state agency and
127 department to use, which may include chapters on purchasing,
128 personnel, payroll, travel, chart of accounts, fund
129 classifications, receipts, warrants, expenditures, fixed assets,
130 property inventory, and maintaining financial records and
131 preparing financial reports as required and prescribed by law.
132 The manual shall be revised on a continuing basis. The manual
133 shall be prepared and revised in consultation with the State
134 Auditor's office.

135 (d) Provide assistance to any state agency, department
136 or institution in collecting a fee or other valid obligation that
137 another agency, department or institution has failed to pay to it.
138 For purposes of this paragraph, the agency, department or
139 institution seeking to collect the funds shall be referred to as
140 the "creditor agency," and the agency, department or institution
141 that has not paid the creditor agency shall be referred to as the
142 "delinquent agency." A valid obligation may be evidenced by an
143 invoice or any other documentation as may be required by the
144 Department of Finance and Administration, hereinafter referred to
145 as the department. A creditor agency may request assistance from



the department, and the department may require the creditor agency to furnish detailed information regarding the obligation. Upon determining that the delinquent agency owes the creditor agency a specific amount, the State Fiscal Officer shall pay to the creditor agency that amount out of any funds in the State Treasury to the credit of the delinquent agency. The State Fiscal Officer shall notify the creditor agency and the delinquent agency of the total amount of funds transferred. Either agency may appeal the transfer of funds or the failure to transfer funds, under rules and regulations promulgated by the department and approved by the Office of the State Auditor. The Department of Finance and Administration shall report any actions taken under this paragraph (d) to the Chairmen of the Appropriations Committees of the House of Representatives and the Senate on a quarterly basis.

(e) To issue a request for an ACA-compliant health insurance policy, or policies, to offer health insurance coverage to the full-time equivalent employees not otherwise eligible to participate in the State and School Employees' Health Insurance Plan; and to issue a request for administrative support in order to meet reporting requirements under Internal Revenue Code Section 6056 and to comply with the Patient Protection and Affordable Care Act of 2010.

(f) To establish the Office of Shared Services (OSS) to operate as a central business office and commissions as provided in Section 1 of this act.



171 **SECTION 3.** Section 27-104-203, Mississippi Code of 1972, is
172 amended as follows:

173 27-104-203. (1) From and after July 1, 2016, no state
174 agency shall charge another state agency a fee, assessment, rent,
175 audit fee, personnel fee or other charge for services or resources
176 received. The provisions of this section shall not apply * * *
177 to:

178 (a) Grants, contracts, pass-through funds, project fees
179 or other charges for services between state agencies and the Board
180 of Trustees of State Institutions of Higher Learning, any public
181 university, the Mississippi Community College Board, any public
182 community or junior college, and the State Department of
183 Education * * *;

184 (b) * * * Charges for services between the Board of
185 Trustees of State Institutions of Higher Learning, any public
186 university, the Mississippi Community College Board, any public
187 community or junior college, and the State Department of
188 Education * * *;

189 (c) * * * Federal grants, pass-through funds, cost
190 allocation charges, surplus property charges or project fees
191 between state agencies as approved or determined by the State
192 Fiscal Officer * * *;

193 (d) Telecommunications, data center services * * *
194 and/or other information technology services that are used on an



as-needed basis and those costs shall be passed through to the
using agency * * *;

(e) * * * Federal grants, special funds * * * or
pass-through funds, available for payment by state agencies to the
Department of Finance and Administration related to Mississippi
Management and Reporting Systems (MMRS) Statewide Application
charges and utilities as approved or determined by the State
Fiscal Officer * * *; or

(f) Any fee structure implemented by the Office of
Shared Services (OSS) to recover the direct and indirect costs of
providing shared services.

(2) The Board of Trustees of State Institutions of Higher
Learning, any public university, the Mississippi Community College
Board, any public community or junior college * * * and the State
Department of Education shall retain the authority to charge and
be charged for expenditures that they deemed nonrecurring in
nature by the State Fiscal Officer.

SECTION 4. This act shall take effect and be in force from
and after July 1, 2019.

