MISSISSIPPI LEGISLATURE REGULAR SESSION 2011

By: Senator(s) Clarke

To: Education;
Appropriations

SENATE BILL NO. 2425

AN ACT TO ESTABLISH AN OFFICE OF SHARED SERVICES (OSS) IN THE DEPARTMENT OF FINANCE AND ADMINISTRATION; TO PROVIDE THAT BEGINNING ON JULY 1, 2014, THE OFFICE OF SHARED SERVICES SHALL ADMINISTER A CENTRAL BUSINESS OFFICE FOR ALL SCHOOL DISTRICTS IN THE STATE TO PROVIDE ACCOUNTING SERVICES, PAYROLL SERVICES, HUMAN RESOURCE SERVICES AND POOLED INSURANCE COVERAGE SERVICES; TO PROVIDE THAT THE OFFICE OF SHARED SERVICES SHALL DEVELOP AND ADMINISTER REGIONAL OFFICES FOR PROCUREMENT FUNCTIONS OF ALL SCHOOL DISTRICTS IN THE STATE; TO REQUIRE ALL SCHOOL DISTRICTS IN COUNTIES WITH MULTIPLE SCHOOL DISTRICTS TO PARTICIPATE IN THE REGIONAL PROCUREMENT SERVICES; TO PROVIDE THAT BEGINNING JULY 1, 2014, THE OFFICE OF SHARED SERVICES SHALL BE THE CENTRAL PURCHASING AGENT FOR POOLED BUSINESS PROPERTY INSURANCE FOR ALL SCHOOL DISTRICTS; TO AUTHORIZE THE OSS TO ENTER INTO AGREEMENTS WITH REGIONAL EDUCATION SERVICE AGENCIES (RESAS) OR OTHER ENTITIES TO PROVIDE SAID PROCUREMENT SERVICES, AND TO REQUIRE THE OFFICE OF SHARED SERVICES TO DEVELOP A TRANSITION PLAN TO PHASE IN SAID PROCUREMENT SERVICES PRIOR TO JULY 1, 2014; TO AUTHORIZE FEES FOR SERVICES; TO DIRECT THE OFFICE OF SHARED SERVICES TO FILE WITH THE STATE TREASURER AND THE STATE FISCAL OFFICER NECESSARY DATA AND INFORMATION TO ENABLE THE OFFICE OF SHARED SERVICES TO PREPARE ALL SCHOOL DISTRICT PAYROLL CHECKS AND DISTRIBUTE SAID PAYMENTS BY ELECTRONIC FUNDS TRANSFER TO EACH SCHOOL DISTRICT EMPLOYEE; TO AUTHORIZE THE STATE TREASURER AND THE STATE FISCAL OFFICER TO JOINTLY PROMULGATE REGULATIONS FOR THE UTILIZATION OF ELECTRONIC FUNDS TRANSFER TO SCHOOL DISTRICTS FOR SALARY PAYROLL PURPOSES; TO PROVIDE THAT THE REGIONAL OFFICE OF SHARED SERVICES SHALL BE THE PURCHASING AGENT FOR SCHOOL DISTRICTS; TO PROVIDE THAT AFTER JULY 1, 2014, SUCH SCHOOL DISTRICTS SHALL PURCHASE PERISHABLES, STUDENT CAFETERIA FOOD, COMMODITIES, EDUCATIONAL EQUIPMENT, EDUCATIONAL SUPPLIES, UTILITIES, FUEL, SCHOOL BUSES, SCHOOL SAFETY SERVICES, PRINTING, AUDIO-VISUAL AND GRANTS MANAGEMENT SERVICES THROUGH THE OFFICE OF SHARED SERVICES; TO AMEND SECTIONS 27-104-3, 31-7-5, 31-7-9, 31-7-12, 37-7-345, 37-7-346, 37-39-1, 37-39-5, 37-39-15, 37-39-17, 37-39-21, 37-39-23, 37-39-25, 37-41-101, 37-41-103 AND 37-7-303, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; TO AMEND SECTION 25-9-107, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ALL EMPLOYEES AND SERVICE FUNCTIONS OF THE OFFICE OF SHARED SERVICES SHALL BE EXEMPT FROM STATE SERVICE; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) There is hereby established the Office of Shared Services (OSS) within the Department of Finance and

Administration to operate as the central business office for all school districts in the State of Mississippi, to provide all services relating to accounting, payroll, auditing, human resources and insurance procurement, with such services to be phased in according to a timetable developed pursuant to subsection (3) of this section. The Executive Director of the Department of Finance and Administration shall employ a competent person as Director of the Office of Shared Services and necessary staff for the office, who shall be members of nonstate service and shall receive a salary as determined by the executive director with the approval of the State Personnel Board.

(2) Beginning July 1, 2014, the Office of Shared Services shall be the central business office for all school districts in the State of Mississippi, and shall administer the following functions: (a) the preparation and distribution of all payroll checks and electronic funds transfer for all school district employees in the State of Mississippi; (b) the administration of accounts receivable, accounts payable, budget management, accounting services and auditing services for all school districts in the State of Mississippi; (c) human resource employment services and employee background checks for all school district employees in the State of Mississippi; (d) purchasing agent for pooled business property insurance and business personal property insurance as provided in Section 37-7-303 for all school districts in the State of Mississippi. The OSS shall perform administrative business functions for local school districts pursuant to the direction of the applicable superintendent of schools. Discretionary functions, including, but not limited to, personnel employment and management, employee background checks, budget preparation and accounts receivable, collection decisions are strictly within the discretion of the applicable superintendent of schools, and the OSS shall provide administrative business support. Effective July 1, 2014, the OSS shall develop and

administer a common payroll system for all public school district employees in Mississippi. Effective July 1, 2014, it shall be the duty of the superintendent of schools of each school district in the state to make, or cause to be made, a list of all school district employees, including necessary years of service and salary information, and make this available to the Office of Shared Services at such times as determined to be necessary by the Office of Shared Services. Such information shall be used by the Office of Shared Services in the preparation of all employee checks or electronic funds transfers made to the school district employees. The OSS shall be authorized to direct all school districts to adopt the common payroll system which shall include a uniform method of directing local salary supplements to the OSS to ensure that the local funds are included in the payroll warrant. It shall be the duty of each school district to make, or cause to be made, all necessary financial information, balance sheets, source of funds statements, property inventories and records of transactions to enable the Office of Shared Services to administer a central business and accounting office for each school district in the state.

Effective July 1, 2014, it shall be the duty of the Office of Shared Services to file with the State Treasurer and the State Fiscal Officer such data and information as may be required to enable the said State Treasurer and State Fiscal Officer to distribute the salary checks and by electronic funds transfer to the employees of all school districts at the time required by law, and to make other lawful expenditures by all school districts at the time required by law. Such data and information so filed shall show in detail the amount of funds to which each employee is entitled from state funds, and from federal or other funds. Such data and information so filed may be revised from time to time as necessitated by law. At the time provided by law, the Office of Shared Services shall prepare the salary payments for all such

employees and distribute to the school district employees the amounts to which they are entitled by electronic funds transfer as provided by law. In such instances, the State Treasurer shall submit a request for an electronic funds transfer to the State Fiscal Officer, which shall set forth the purpose, amount and payees, and shall be in such form as may be approved by the State Fiscal Officer so as to provide the necessary information as would be required for a requisition and issuance of a warrant. A copy of the record of said electronic funds transfer shall be transmitted to the school districts.

(3) The State Treasurer and the State Fiscal Officer shall jointly promulgate regulations for the utilization of the central payment of salaries to school district employees by electronic funds transfer from the Office of Shared Services.

SECTION 2. (1) Beginning July 1, 2014, the Office of Shared Services of the Department of Finance and Administration shall be the purchasing agent for all school districts in the State of Mississippi for the following functions: (a) advertising for and purchasing or leasing all perishables, student cafeteria food, commodities, educational supplies and educational equipment; (b) procuring utilities and fuel for the operation of school facilities and school buses; (c) purchasing or leasing of school bus bodies and school buses sold as complete units as provided in Section 37-41-101 et seq.; (d) procuring school safety/risk prevention services; (e) procuring printing, publication, audio-visual and communication services; and (f) procuring grant management services. Provided, however, that the Office of Shared Services shall develop regions and establish regional offices for the administration of the procurement function for school districts according to and based upon the following criteria: The Office of Shared Services shall divide the state into procurement regions to include school districts with no more than forty thousand (40,000) students. School districts located in the

counties with multiple school districts shall be required to participate in the regional procurement administrative requirements of this section. The Office of Shared Services is authorized to select sites within the regional procurement zones for the placement of the regional procurement offices and may contract with the local school board of any school district within such region for the placement of the regional procurement office in existing school district facilities. The Director of the Office of Shared Services may execute a joint outsourcing agreement and select a vendor for the operation of the regional procurement offices through a Request for Proposals process. The vendor may be (a) a school district; (b) a Regional Education Service Agency (RESA); or (c) a private business entity. The Request for Proposals shall provide for a competent person as the director of each regional procurement office and necessary staff for the regional office, who may be members of nonstate service or may be contract personnel.

(2) Effective July 1, 2014, it shall be the duty of the superintendent of schools of each school district to make, or cause to be made, a list of (a) advertising for and purchasing or leasing all perishables, student cafeteria food, commodities, educational supplies and educational equipment; (b) procuring utilities and fuel for the operation of school facilities and school buses; (c) purchasing or leasing of school bus bodies and school buses sold as complete units as provided in Section 37-41-101 et seq.; (d) procuring school safety/risk prevention services; (e) procuring printing, publication, audio-visual and communication services; and (f) procuring grant management services, including quality specifications when applicable, regularly used in the school districts under their supervision, and to maintain such a list in the appropriate regional procurement office. Such list shall be used by the regional procurement office in obtaining competitive bids for said items

and services, and shall be available to any interested person. Purchases made by school districts from the petty cash fund of One Hundred Dollars ($100.00) shall be exempt from Office of Shared Services disbursement and competitive bid.

SECTION 3. (1) The Office of Shared Services shall develop an implementation plan to bring the business services described in Section 1 of this act and the regional procurement services described in Section 2 of this act online for all school districts in an orderly transition, beginning on July 1, 2012, with complete transition no later than July 1, 2014. The implementation plan shall include identification of school district employees whose functions will be eliminated or transferred according to the assumption of the function by the Office of Shared Services, and shall include any contracted service that will be eliminated or transferred according to the assumption of the function by the Office of Shared Services. The Office of Shared Services is authorized to bring each business and procurement service online in a one-service-at-a-time manner, and is authorized to provide such services for school districts under the conservator management of the State Department of Education prior to extending the services to other school districts. The Office of Shared Services may contract with the Regional Education Service Agency (RESA) or a private vendor to develop the implementation plan. The Office of Shared Services shall by rule describe the business and procurement services to be provided by the Office of Shared Services and its applicability to each school district, and the implementation plan shall be subject to approval by the Governor. After approval by the Governor, the superintendent of schools of each school district shall comply with the schedule of services developed and issued by the Office of Shared Services and shall not spend appropriated funds to provide or contract for central business services or procurement purchasing services to be

provided by the Office of Shared Services under the said schedule of services.

(2) The Office of Shared Services, with the approval of the Executive Director of the Department of Finance and Administration, shall set and charge a fee to each school district that receives a shared central business service and procurement service from the Office of Shared Services in an amount sufficient to cover the direct and indirect cost of providing the service.

(3) The Office of Shared Services is authorized and empowered to adopt rules and guidelines to implement Sections 1, 2 and 3 of this act.

SECTION 4. The Office of Shared Services, the State Department of Education and the Regional Education Service Agencies (RESAs), with the assistance of the PEER Committee, shall jointly study and make a report to the Legislature at the 2012 Regular Session regarding the savings in state funds resulting from the consolidation of the payroll, business, human resource and procurement functions of school districts to be implemented under this act. Such report shall include a review of the methods used by small school districts to allocate administrative responsibilities, and an overview of the school districts' needs for implementing a common payroll system for all school districts. Such report shall include any technical legislative or administrative recommendations for further consolidation of the business and procurement functions of school districts. Such report shall also include an administrative recommendation for the consolidation or outsourcing of shared information technology, computer and telecommunications services for all school districts, in conjunction with the Mississippi Department of Information Technology.

SECTION 5. 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 and school districts in implementing generally accepted accounting principles, in preparing financial statements as required by law, and in management and executive development.

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

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

(d) Provide assistance to any state agency, department or institution or school district in collecting a fee or other valid obligation that another agency, department or institution has failed to pay to it. For purposes of this paragraph, the agency, department or institution seeking to collect the funds shall be referred to as the "creditor agency," and the agency, department or institution that has not paid the creditor agency shall be referred to as the "delinquent agency." A valid obligation may be evidenced by an invoice or any other

documentation as may be required by the Department of Finance and Administration, hereinafter referred to 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) Beginning July 1, 2014, to administer a central business office for all school districts in the state, to provide for the preparation and distribution of all payroll checks and electronic funds transfers for all school district employees, to administer accounts receivable, accounts payable, budget management, accounting services, auditing services, human resource employment services and employee background checks for all school districts, and to establish an Office of Shared Services and employ a director of the office as prescribed in Section 1 of this act.

SECTION 6. Section 31-7-5, Mississippi Code of 1972, is amended as follows:

31-7-5. (1) The Department of Finance and Administration shall prescribe rules and regulations governing the manner in which the authority and duties granted to it by law may be carried out. It shall employ suitable and competent personnel, necessary

to carry out its purposes. The Department of Finance and Administration may establish an Office of Shared Services and employ a competent person as Director of the Office of Shared Services who shall be nonstate service and paid a salary as determined by the Executive Director of the Department of Finance and Administration with the approval of the State Personnel Board.

(2) Beginning July 1, 2014, the Office of Shared Services shall be the purchasing agent for all school districts in the state according to the requirements of Section 2 of this act. The Office of Shared Services is further authorized and empowered to adopt and promulgate reasonable rules and regulations not inconsistent with the law for such purpose, in order to provide procurement services on a regional basis.

SECTION 7. Section 31-7-9, Mississippi Code of 1972, is amended as follows:

31-7-9. (1) (a) The Office of Shared Services shall adopt purchasing regulations governing the purchase by any agency or school district of any commodity or commodities and establishing standards and specifications for a commodity or commodities and the maximum fair prices of a commodity or commodities, subject to the approval of the Public Procurement Review Board. Such regulations applicable to school districts shall meet the requirements of Section 2 of this act. It shall have the power to amend, add to or eliminate purchasing regulations. The adoption of, amendment, addition to or elimination of purchasing regulations shall be based upon a determination by the Office of Shared Services with the approval of the Public Procurement Review Board, that such action is reasonable and practicable and advantageous to promote efficiency and economy in the purchase of commodities by the agencies of the state and school districts. Upon the adoption of any purchasing regulation, or an amendment, addition or elimination therein, copies of same shall be furnished to the State Auditor and to all agencies and school districts

affected thereby. Thereafter, and except as otherwise may be provided in subsection (2) of this section, no agency of the state or school district shall purchase any commodities covered by existing purchasing regulations unless such commodities be in conformity with the standards and specifications set forth in the purchasing regulations and unless the price thereof does not exceed the maximum fair price established by such purchasing regulations. The said Office of Shared Services shall furnish to any county or municipality or other local public agency of the state requesting same, copies of purchasing regulations adopted by the Office of Shared Services and any amendments, changes or eliminations of same that may be made from time to time.

(b) The Office of Shared Services may adopt purchasing regulations governing the use of credit cards, procurement cards and purchasing club membership cards to be used by state agencies, governing authorities of counties and municipalities, school districts and the Chickasawhay Natural Gas District. Use of the cards shall be in strict compliance with the regulations promulgated by the office. Any amounts due on the cards shall incur interest charges as set forth in Section 31-7-305 and shall not be considered debt.

(2) The Office of Shared Services shall adopt, subject to the approval of the Public Procurement Review Board, purchasing regulations governing the purchase of unmarked vehicles to be used by the Bureau of Narcotics and Department of Public Safety in official investigations pursuant to Section 25-1-87. Such regulations shall ensure that purchases of such vehicles shall be at a fair price and shall take into consideration the peculiar needs of the Bureau of Narcotics and Department of Public Safety in undercover operations.

(3) The Office of Shared Services shall adopt, subject to the approval of the Public Procurement Review Board, regulations governing the certification process for certified purchasing

offices. Such regulations shall require entities desiring to be classified as certified purchasing offices to submit applications and applicable documents on an annual basis, at which time the Office of Shared Services may provide the governing entity with a certification valid for one (1) year from the date of issuance.

(4) Effective July 1, 2014, the Office of Shared Services shall adopt reasonable rules and regulations to implement the central purchasing function for school districts required under Section 2 of this act.

SECTION 8. Section 37-7-345, Mississippi Code of 1972, is amended as follows:

37-7-345. (1) A regional educational service agency (ESA) may be established in a region of the state when twelve (12) or more school districts determine there are benefits and services that can be derived from the collective and collaborative formation of an agency for the purpose of pooling and leveraging resources for the common benefit of students, teachers, administrators and taxpayers. An educational service agency shall be incorporated in the State of Mississippi and organized under the laws of the State of Mississippi as a nonprofit corporation. The educational service agency shall obtain 501(c)(3) status with the Internal Revenue Service.

(2) The operation and management of the educational service agency shall be the responsibility of a public advisory board composed of the superintendents of schools or their designees from each participating school district.

(3) A board of directors shall be elected on an annual basis from the advisory board to oversee the day-to-day operations of the agency.

(4) The executive board shall hire an executive director to serve as the executive agent of the board of the regional educational service agency.

(5) The board of directors of a regional educational service agency shall have the authority to establish policies for the regional educational service to determine the programs and services to be provided, to employ staff, to prepare and expend the budget, to provide for financing programs and projects of the regional educational service agency, and to annually evaluate the performance of the agency. The board may purchase, hold, encumber and dispose of real property, in the name of the agency, for use as its office or for any educational service provided by the agency.

(6) The educational service agency is authorized and empowered to: develop, manage and provide support services and/or programs as determined by the needs of the local school district. Educational service agencies (ESAs) shall:

(a) Act primarily as service agencies in providing services and/or programs as identified and requested by member school districts (services may include, but are not limited to, professional development, instructional materials, educational technology, curriculum development and alternative educational programs);

(b) Provide for economy, efficiency and cost-effectiveness in the cooperative delivery and purchase or lease of educational services, materials and products (services may include, but are not limited to, purchasing cooperatives, insurance cooperatives, business manager services, auditing and accounting services, school safety/risk prevention, and data processing and student records);

(c) Provide administrative services (services may include, but are not limited to, communications/public information, employee background checks, grants management, printing/publications and internships);

(d) Provide educational services through leadership, research and development in elementary and secondary education;

(e) Act in a cooperative and supportive role, including contracting, with the Mississippi Department of Education, Mississippi Institutions of Higher Learning, Mississippi community colleges and other state educational organizations in the development and implementation of long-range plans, strategies and goals for the enhancement of educational opportunities in elementary and secondary education; *** * ***

(f) Serve, when appropriate and as funds become available, as a repository, clearinghouse and administrator of federal, state, local and private funds on behalf of school districts which choose to participate in special programs, projects or grants in order to enhance the quality of education in Mississippi schools; and

(g) Effective July 1, 2014, Regional Education Service Agencies shall be authorized to enter into agreements with the Department of Finance and Administration Office of Shared Services (OSS) pursuant to a request for proposals to establish and operate regional purchasing and procurement office functions for school districts as required under Section 2 of this act, and to expend funds provided by the Office of Shared Services for this purpose.

(7) The State Board of Education shall have the authority to contract with and provide funds to Regional Educational Service Agencies for any education-related service.

SECTION 9. Section 37-7-346, Mississippi Code of 1972, is amended as follows:

37-7-346. The State Department of Education, the Department of Finance and Administration Office of Shared Services (OSS) and the Regional Education Service Agencies (RESAs) shall prepare jointly a report, to be submitted to the 2012 Regular Session of the Legislature pursuant to the requirements of Section 4 of this act, for consideration of the Legislature and Governor, detailing the plans that shall be enacted by the Office of Shared Services policy of how RESAs will work in partnership with local school

districts and the State Department of Education to increase their function as a local provider of educational services and purchasing consortia as provided in Section 2 of this act and in Section 37-7-345(6). These services * * * must include, but not necessarily be limited to, professional development, instructional materials, educational technology, curriculum development, alternative educational programs, purchasing cooperatives, insurance cooperatives, business manager services, auditing and accounting services, school safety/risk prevention, data processing and student records, communications/public information, employee background checks, grants management, printing/publications and internships.

SECTION 10. Section 25-9-107, Mississippi Code of 1972, is amended as follows:

25-9-107. The following terms, when used in this chapter, unless a different meaning is plainly required by the context, shall have the following meanings:

(a) "Board" means the State Personnel Board created under the provisions of this chapter.

(b) "State service" means all employees of state departments, agencies and institutions as defined herein, except those officers and employees excluded by this chapter.

(c) "Nonstate service" means the following officers and employees excluded from the state service by this chapter. The following are excluded from the state service:

(i) Members of the State Legislature, their staff and other employees of the legislative branch;

(ii) The Governor and staff members of the immediate Office of the Governor;

(iii) Justices and judges of the judicial branch or members of appeals boards on a per diem basis;

(iv) The Lieutenant Governor, staff members of the immediate Office of the Lieutenant Governor and officers and employees directly appointed by the Lieutenant Governor;

(v) Officers and officials elected by popular vote and persons appointed to fill vacancies in elective offices;

(vi) Members of boards and commissioners appointed by the Governor, Lieutenant Governor or the State Legislature;

(vii) All academic officials, members of the teaching staffs and employees of the state institutions of higher learning, the State Board for Community and Junior Colleges, and community and junior colleges;

(viii) Officers and enlisted members of the National Guard of the state;

(ix) Prisoners, inmates, student or patient help working in or about institutions;

(x) Contract personnel; provided, that any agency which employs state service employees may enter into contracts for personal and professional services only if such contracts are approved in compliance with the rules and regulations promulgated by the State Personal Service Contract Review Board under Section 25-9-120(3). Before paying any warrant for such contractual services in excess of One Hundred Thousand Dollars ($100,000.00), the Auditor of Public Accounts, or the successor to those duties, shall determine whether the contract involved was for personal or professional services, and, if so, was approved by the State Personal Service Contract Review Board;

(xi) Part-time employees; provided, however, part-time employees shall only be hired into authorized employment positions classified by the board, shall meet minimum qualifications as set by the board, and shall be paid in accordance with the Variable Compensation Plan as certified by the board;

(xii) Persons appointed on an emergency basis for the duration of the emergency; the effective date of the emergency appointments shall not be earlier than the date approved by the State Personnel Director, and shall be limited to thirty (30) working days. Emergency appointments may be extended to sixty (60) working days by the State Personnel Board;

(xiii) Physicians, dentists, veterinarians, nurse practitioners and attorneys, while serving in their professional capacities in authorized employment positions who are required by statute to be licensed, registered or otherwise certified as such, provided that the State Personnel Director shall verify that the statutory qualifications are met prior to issuance of a payroll warrant by the Auditor;

(xiv) Personnel who are employed and paid from funds received from a federal grant program which has been approved by the Legislature or the Department of Finance and Administration whose length of employment has been determined to be time-limited in nature. This subparagraph shall apply to personnel employed under the provisions of the Comprehensive Employment and Training Act of 1973, as amended, and other special federal grant programs which are not a part of regular federally funded programs wherein appropriations and employment positions are appropriated by the Legislature. Such employees shall be paid in accordance with the Variable Compensation Plan and shall meet all qualifications required by federal statutes or by the Mississippi Classification Plan;

(xv) The administrative head who is in charge of any state department, agency, institution, board or commission, wherein the statute specifically authorizes the Governor, board, commission or other authority to appoint said administrative head; provided, however, that the salary of such administrative head shall be determined by the State Personnel Board in accordance

with the Variable Compensation Plan unless otherwise fixed by statute;

(xvi) The State Personnel Board shall exclude top level positions if the incumbents determine and publicly advocate substantive program policy and report directly to the agency head, or the incumbents are required to maintain a direct confidential working relationship with a key excluded official. Provided further, a written job classification shall be approved by the board for each such position, and positions so excluded shall be paid in conformity with the Variable Compensation Plan;

(xvii) Employees whose employment is solely in connection with an agency's contract to produce, store or transport goods, and whose compensation is derived therefrom;

(xviii) Repealed;

(xix) The associate director, deputy directors and bureau directors within the Department of Agriculture and Commerce;

(xx) Personnel employed by the Mississippi Industries for the Blind; provided, that any agency may enter into contracts for the personal services of MIB employees without the prior approval of the State Personnel Board or the State Personal Service Contract Review Board; however, any agency contracting for the personal services of an MIB employee shall provide the MIB employee with not less than the entry-level compensation and benefits that the agency would provide to a full-time employee of the agency who performs the same services;

(xxi) Personnel employed by the Mississippi Department of Wildlife, Fisheries and Parks and the Mississippi Department of Marine Resources as law enforcement trainees (cadets); such personnel shall be paid in accordance with the Colonel Guy Groff State Variable Compensation Plan;

(xxii) From July 1, 2011, through July 1, 2014, the director and any employee of the Office of Shared Services of

the Department of Finance and Administration established by Section 1 or 2 of this act, and any employee who is eliminated or transferred according to the assumption of the functions of the Office of Shared Services, and any contract employee of the Office of Shared Services.

(d) "Agency" means any state board, commission, committee, council, department or unit thereof created by the Constitution or statutes if such board, commission, committee, council, department, unit or the head thereof, is authorized to appoint subordinate staff by the Constitution or statute, except a legislative or judicial board, commission, committee, council, department or unit thereof.

SECTION 11. Section 31-7-12, Mississippi Code of 1972, is amended as follows:

31-7-12. (1) Except in regard to purchases of unmarked vehicles made in accordance with purchasing regulations adopted by the Office of Shared Services pursuant to Section 31-7-9(2), all agencies and school districts shall purchase commodities at the state contract price from the approved source, subject to the provisions of Section 2 of this act, unless approval is granted by the Office of Shared Services to solicit purchases outside the terms of the contracts. However, prices accepted by an agency shall be less than the prices set by the state contract. Prices accepted by an agency shall be obtained in compliance with paragraph (a), (b) or (c) of Section 31-7-13. It shall be the responsibility of the Office of Shared Services to ascertain that the resulting prices shall provide a cost effective alternative to the established state contract.

(2) Governing authorities may purchase commodities approved by the Office of Shared Services from the state contract vendor, or from any source offering the identical commodity, at a price not exceeding the state contract price established by the Office of Shared Services for such commodity, without obtaining or

advertising for competitive bids. Governing authorities that do not exercise the option to purchase such commodities from the state contract vendor or from another source offering the identical commodity at a price not exceeding the state contract price established by the Office of Shared Services shall make such purchases pursuant to the provisions of Section 31-7-13 without regard to state contract prices established by the Office of Shared Services, unless such purchases are authorized to be made under subsection (5) of this section.

(3) Nothing in this section shall prohibit governing authorities from purchasing, pursuant to subsection (2) of this section, commodities approved by the Office of Shared Services at a price not exceeding the state contract price established by the Office of Shared Services.

(4) The Office of Shared Services shall ensure that the prices of all commodities on the state contract are the lowest and best prices available from any source offering that commodity at the same level of quality or service, utilizing the reasonable standards established therefor by the Office of Shared Services. If the Office of Shared Services does not list an approved price for the particular item involved, purchase shall be made according to statutory bidding and licensing requirements. To encourage prudent purchasing practices, the Office of Shared Services shall be authorized and empowered to exempt certain commodities from the requirement that the lowest and best price be approved by order placed on its minutes.

(5) All school districts shall purchase (a) advertising for and purchasing or leasing all perishables, student cafeteria food, commodities, educational supplies and educational equipment; (b) procuring utilities and fuel for the operation of school facilities and school buses; (c) purchasing or leasing of school bus bodies and school buses sold as complete units as provided in Section 37-41-101 et seq.; (d) procuring school safety/risk

prevention services; (e) procuring printing, publication, audio-visual and communication services; and (f) procuring grant management services from vendors with which the Office of Shared Services has contracted through competitive bidding procedures pursuant to Section 31-7-13 for purchases of the same (a) advertising for and purchasing or leasing all perishables, student cafeteria food, commodities, educational supplies and educational equipment; (b) procuring utilities and fuel for the operation of school facilities and school buses; (c) purchasing or leasing of school bus bodies and school buses sold as complete units as provided in Section 37-41-101 et seq.; (d) procuring school safety/risk prevention services; (e) procuring printing, publication, audio-visual and communication services; and (f) procuring grant management services. *** * ***

SECTION 12. Section 37-39-1, Mississippi Code of 1972, is amended as follows:

37-39-1. The following words and phrases, when used in this chapter, shall, for the purpose of this chapter, have the meanings respectively ascribed to them in this section:

(a) "Perishables" shall mean items which have a variable market price on which vendors are unable to submit a long-range price such as fruits and vegetables.

(b) "Purchasing agent" shall mean the Office of Shared Services *** * ***.

(c) "School boards" shall mean the local governing boards of all school districts in the state, whether they act jointly or separately.

(d) "Services" shall mean maintenance, operational and scholastic services utilized within and for the school district or school districts.

SECTION 13. Section 37-39-5, Mississippi Code of 1972, is amended as follows:

37-39-5. It shall be the duty of each school board to make or cause to be made, a list of (a) advertising for and purchasing or leasing all perishables, student cafeteria food, commodities, educational supplies and educational equipment; (b) procuring utilities and fuel for the operation of school facilities and school buses; (c) purchasing or leasing of school bus bodies and school buses sold as complete units as provided in Section 37-41-101 et seq.; (d) procuring school safety/risk prevention services; (e) procuring printing, publication, audio-visual and communication services; and (f) procuring grant management services supplies and equipment, including quality specifications when applicable, regularly used in the schools under its supervision, and to maintain such a list in the office of the school district or county superintendent of education or other executive officer of the board, including quality specifications when applicable, regularly used in the schools under its supervision, and to maintain such a list in the Office of Shared Services *** * ***. Such list shall be used by the Office of Shared Services in obtaining competitive bids for (a) advertising for and purchasing or leasing all perishables, student cafeteria food, commodities, educational supplies and educational equipment; (b) procuring utilities and fuel for the operation of school facilities and school buses; (c) purchasing or leasing of school bus bodies and school buses sold as complete units as provided in Section 37-41-101 et seq.; (d) procuring school safety/risk prevention services; (e) procuring printing, publication, audio-visual and communication services; and (f) procuring grant management services to be purchased, and shall be available to any interested persons.

SECTION 14. Section 37-39-15, Mississippi Code of 1972, is amended as follows:

37-39-15. *** * *** In connection with the purchase of necessary (a) advertising for and purchasing or leasing all perishables,

student cafeteria food, commodities, educational supplies and educational equipment; (b) procuring utilities and fuel for the operation of school facilities and school buses; (c) purchasing or leasing of school bus bodies and school buses sold as complete units as provided in Section 37-41-101 et seq.; (d) procuring school safety/risk prevention services; (e) procuring printing, publication, audio-visual and communication services; and (f) procuring grant management services for the conduct of regular school operations, school boards shall *** * *** designate as their purchasing agent or agents the Office of Shared Services to make such purchases *** * *** subject to competitive bid requirements in Sections 31-7-1 et seq., Mississippi Code of 1972.

*** * ***

SECTION 15. Section 37-39-17, Mississippi Code of 1972, is amended as follows:

37-39-17. Purchases of items regularly used in connection with school operation *** * *** made from the petty cash fund in small quantities of One Hundred Dollars ($100.00) or less may be made without the necessity of requiring competitive bids or quotations, but shall be purchased by contract whenever feasible. School boards shall have the authority, however, to award such small purchases to different points in the school district or county *** * *** when the best interests of the district or county warrant such action. *** * ***

SECTION 16. Section 37-39-21, Mississippi Code of 1972, is amended as follows:

37-39-21. The purchasing agent of the Office of Shared Services, *** * *** before entering upon his official duties in such capacity, shall furnish a good and sufficient surety bond in the penal sum of Fifty Thousand Dollars ($50,000.00), with sufficient surety. Such bonds shall be payable, conditioned and approved in the manner provided by law, and shall be filed and recorded in the Office of the Clerk of the Chancery Court of Hinds County,

Mississippi * * *. The premium on said bond shall be paid out of the Mississippi Adequate Education Funds * * *.

SECTION 17. Section 37-39-23, Mississippi Code of 1972, is amended as follows:

37-39-23. * * * It is the purpose of Section 37-39-1 et seq. to enable the school systems to achieve economies of scale through increased purchasing power to the end that the education tax revenues be utilized efficiently.

SECTION 18. Section 37-39-25, Mississippi Code of 1972, is amended as follows:

37-39-25. (1) * * * The school board shall appoint the Office of Shared Services as purchasing agent who shall be responsible * * * for all purchases of competitively priced services, materials and supplies, subject to the provision of Section 2 of this act. * * * The purchasing agent shall serve all of the school districts acting jointly. There shall not be a separate purchasing agent for the separate school districts * * *.

(2) The Office of Shared Services shall arrange for purchase, storage and distribution of (a) advertising for and purchasing or leasing all perishables, student cafeteria food, commodities, educational supplies and educational equipment; (b) procuring utilities and fuel for the operation of school facilities and school buses; (c) purchasing or leasing of school bus bodies and school buses sold as complete units as provided in Section 37-41-101 et seq.; (d) procuring school safety/risk prevention services; (e) procuring printing, publication, audio-visual and communication services; and (f) procuring grant management services purchased jointly. The costs involved in purchase, transportation, storage, administration and any other activity regarding * * * purchases by the Office of Shared Services shall be shared among the participating districts on a pro rata basis.

(3) The Office of Shared Services shall develop an implementation plan to bring the business services described in Section 1 of this act and the regional procurement services described in Section 2 of this act online for all school districts in an orderly transition, beginning on July 1, 2012, with complete transition no later than July 1, 2014. The implementation plan shall include identification of school district employees whose functions will be eliminated or transferred according to the assumption of the function by the Office of Shared Services, and shall include any contracted service that will be eliminated or transferred according to the assumption of the function by the Office of Shared Services. The Office of Shared Services is authorized to bring each business and procurement service online in a one-service-at-a-time manner, and is authorized to provide such services for school districts under the conservator management of the State Department of Education prior to extending the services to other school districts. The Office of Shared Services may contract with the Regional Education Service Agency (RESA) or a private vendor to develop the implementation plan. The Office of Shared Services shall by rule describe the business and procurement services to be provided by the Office of Shared Services and its applicability to each school district, and the implementation plan shall be subject to approval by the Governor. After approval by the Governor, the superintendent of schools of each school district shall comply with the schedule of services developed and issued by the Office of Shared Services and shall not spend appropriated funds to provide or contract for central business services or procurement purchasing services to be provided by the Office of Shared Services under the said schedule of services.

SECTION 19. Section 37-41-101, Mississippi Code of 1972, is amended as follows:

37-41-101. (1) The Office of Shared Services is hereby authorized, empowered and directed to advertise for and receive sealed bids and proposals for sale of school bus bodies and school buses sold as complete units to the school boards of school districts in this state, pursuant to the requirements of Section 2 of this act. The Office of Shared Services shall approve persons, firms, corporations or associations authorized to sell school bus bodies and school buses sold as complete units, and shall establish prices relative thereto based upon the lowest and best bids, which school districts may not exceed in purchasing such equipment. In determining the lowest and best bids received for such equipment, there shall be included as part of the total cost thereof any transportation or freight charges which will be incurred. The Office of Shared Services may permit all such bidders to sell said equipment provided that the bidders agree to sell the equipment at prices established based upon the lowest and best bid and in compliance with rules and regulations relative thereto promulgated by the state board. Persons, firms, corporations or associations permitted to sell school bus bodies and school buses sold as complete units shall be limited to those actually submitting bids for consideration by the Office of Shared Services. The Office of Shared Services shall reserve the right to reject any and all bids submitted.

(2) The Office of Shared Services may purchase school bus bodies and school buses sold as complete units without additional advertisement for bids, provided that the prices for such equipment do not exceed the maximum allowable prices established under the provisions of subsection (1) of this section, and that said purchases are in compliance with the conditions specified therein. All such purchases shall be subject to the approval of the Office of Shared Services which shall verify compliance with the applicable specifications, rules and regulations * * *.

(3) In addition to the method of purchasing authorized under this section, the Office of Shared Services is hereby authorized to advertise for and accept the lowest and best bid received for the purchase of school bus chassis and/or pupil transportation service vehicles. Provided, however, that the Office of Shared Services may purchase school bus chassis and/or pupil transportation service vehicles from any motor vehicle dealer domiciled within the county of such school district, whose bid does not exceed a sum equal to three percent (3%) greater than the price or cost which the dealer pays the manufacturer, as evidenced by the factory invoice for such vehicles. In the event said county does not have an authorized motor vehicle dealer, said Office of Shared Services may, in like manner, receive and accept bids from motor vehicle dealers in any adjoining county. No purchase of school bus chassis or service vehicles under the provisions of this subsection shall be valid unless the purchase is made according to statutory bidding and licensing requirements. All purchases under provisions of this subsection shall be subject to the approval of the Office of Shared Services, which shall verify compliance with the applicable specifications, rules and regulations *** * ***.

(4) *** * *** The Office of Shared Services is hereby authorized to purchase used school buses and used pupil transportation service vehicles, provided that said vehicles meet applicable specifications and the purchase price does not exceed their fair market value. Said fair market value shall be determined by an appraisal by three (3) experienced and impartial citizens, the selection of whom shall be mutually agreed upon by the parties thereto. Said appraisers may be subject to approval by the Office of Shared Services. Maximum regard for pupil safety and adequate protection of health shall be primary requirements which shall be observed by the Office of Shared Services in purchasing used school buses. The Office of Shared Services may inspect or have

inspected any used school bus prior to purchase to determine whether said bus meets requirements of law and regulations of the Office of Shared Services.

(5) In the event the school board shall have determined that school buses or pupil transportation service vehicles are no longer needed for the transportation of pupils in such school district, such equipment may be sold to another school district without the necessity of advertising for bids. The school district proposing to sell the buses or service vehicles and the school district proposing to purchase such equipment shall agree upon a fair and reasonable price therefor. The agreement shall be spread upon the minutes of the boards of the respective school districts and shall be subject to the prior approval of the Office of Shared Services, which shall verify compliance with applicable specifications, rules and regulations * * *.

SECTION 20. Section 37-41-103, Mississippi Code of 1972, is amended as follows:

37-41-103. For the further purpose of carrying out the provisions of Sections 37-41-81 through 37-41-101, the Office of Shared Services is further authorized and empowered to adopt and promulgate reasonable rules and regulations not inconsistent with the law for such purpose. Said Office of Shared Services shall have, in addition, all power and authority conferred upon it by the provisions of Sections 37-41-1 through 37-41-53 or any other statute.

SECTION 21. Section 37-7-303, Mississippi Code of 1972, is amended as follows:

37-7-303. (1) The school board of any school district may insure motor vehicles for any hazard that the board may choose, and shall insure the school buildings, equipment and other school property of the district against any and all hazards that the board may deem necessary to provide insurance against. In addition, the local school board of any school district shall

purchase and maintain business property insurance and business personal property insurance on all school district-owned buildings and/or contents as required by federal law and regulations of the Federal Emergency Management Agency (FEMA) as is necessary for receiving public assistance or reimbursement for repair, reconstruction, replacement or other damage to those buildings and/or contents caused by the Hurricane Katrina Disaster of 2005 or subsequent disasters. The school district is authorized to expend funds from any available source for the purpose of obtaining and maintaining that property insurance.

(2) From and after July 1, 2014, each school district in the state is required to use the Office of Shared Services of the Department of Finance and Administration as the purchasing agent for pooled business property insurance and business personal property insurance for all school district property, subject to uniform rules and regulations as may be adopted by the Department of Finance and Administration. Such school board shall be authorized to contract for such insurance for a term of not exceeding five (5) years and to obligate the district for the payment of the premiums thereon. When necessary, the school board is authorized and empowered, in its discretion, to borrow money payable in annual installments for a period of not exceeding five (5) years at a rate of interest not exceeding eight percent (8%) per annum to provide funds to pay such insurance premiums. The money so borrowed and the interest thereon shall be payable from any school funds of the district other than minimum education program funds. The school boards of school districts are further authorized and empowered, in all cases where same may be necessary, to bring and maintain suits and other actions in any court of competent jurisdiction for the purpose of collecting the proceeds of insurance policies issued upon the property of such school district.

(3) Two (2) or more school districts, together with other educational entities or agencies or the Office of Shared Services of the Department of Finance and Administration, may agree to pool their liabilities to participate in a group workers' compensation program. The governing authorities of any school board or other educational entity or agency may authorize the organization and operation of, or the participation in such a group self-insurance program with other school boards and educational entities or agencies, subject to the requirements of Section 71-3-5. The Workers' Compensation Commission shall approve such group self-insurance programs subject to uniform rules and regulations as may be adopted by the commission applicable to all groups.

SECTION 22. This act shall take effect and be in force from and after July 1, 2011.

ST: Central business services and procurement for all public school districts; DFA Office of Shared Services administers on regional basis.