

A bill for an act
relating to state government; proposing the Back Office Consolidation Act;
centralizing accounting, financial reporting, procurement, fleet services, human
resources, and payroll functions in the Department of Administration; proposing
coding for new law in Minnesota Statutes, chapter 16B.

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

Section 1. **CITATION.**

This act may be known as the "Back Office Consolidation Act."

Sec. 2. **[16B.035] SERVICES TO EXECUTIVE AGENCIES.**

The commissioner is responsible for providing or entering into managed service
contracts for the provision of accounting, financial reporting, procurement, fleet services,
human resources, and payroll services to executive agencies. All employees in executive
agencies whose work primarily involves functions specified in this section are employees
of the Department of Administration. Notwithstanding any law to the contrary, the
commissioner may assign department employees to perform work exclusively for another
executive agency. The commissioner may allow an executive agency to obtain services
specified in this section from the department or through a contract with an outside vendor
when the value of an outside vendor contract can be demonstrated by the executive agency.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 3. **TRANSFERS.**

Powers, duties, responsibilities, assets, personnel, and unexpended appropriations
relating to functions transferred to the commissioner of administration under Minnesota

2.1 Statutes, section 16B.035, are transferred to the Department of Administration. Prior
2.2 to the transfer mandated by this section and Minnesota Statutes, section 16B.035, the
2.3 commissioner of administration must enter into a service-level agreement with each
2.4 executive agency governing the provision of services under Minnesota Statutes, section
2.5 16B.035. The agreements must specify the services to be provided and the charges, if any,
2.6 for these services. As specified in Minnesota Statutes, section 16B.035, an executive
2.7 agency may choose to obtain these services from an outside vendor, rather than from the
2.8 commissioner. Minnesota Statutes, section 15.039 applies to transfers in this section.
2.9 Executive branch officials may use authority under Minnesota Statutes, section 16B.37,
2.10 as necessary to implement this section, and as required by that section the commissioner
2.11 of administration must submit to the legislature by January 15, 2012, a bill making all
2.12 statutory changes required as a result of these reorganization orders.

2.13 **EFFECTIVE DATE.** This section is effective July 1, 2011, except that the
2.14 requirement to enter into service-level agreements is effective the day following final
2.15 enactment.