

TO: Members of the State Bond Commission
Members of the Mississippi Legislature

FROM: Edward L. Ranck

DATE: January 15, 1999

SUBJECT: **Report on the Mississippi Management and Reporting System Revolving Fund**

This report is submitted pursuant to the requirements of § 7-7-3 (5), Miss. Code Ann. (1972), which reads in relevant part:

On or before January 15 of each year, the State Fiscal Officer shall present a report of all expenditures made during the previous fiscal year from the Mississippi Management and Reporting System Revolving Fund to the State Bond Commission and to the Legislature.

Fiscal Year 1998 Activities

During Fiscal Year 1998, MMRS implemented MERLIN's workforce, financial, debt, and capital subject areas statewide. MMRS also implemented web links to economic and statistical subject areas of interest and released the initial version of MERLIN.net, the Internet based product. As of June 30, 1998, twenty user agencies and 109 individual users were registered as Analyst, Executive, and/or MERLIN.net users. MERLIN also incorporated the workforce data from SPAHRS as that information was made available, thus improving the quantity of workforce information available to users. MERLIN, during FY1998, was recognized by information technology peer groups in other states as a "best of breed" application for information sharing and decision support.

With the implementation of the SPAHRS human resource modules on November 21, 1997, the Departments of Finance and Administration, Education, Health, Information Technology Services, Corrections, and the State Personnel Board (SPB) began processing all agency actions through SPAHRS. Eighteen additional agencies began processing all agency actions through SPAHRS during March-April 1998. Additionally, SPB enters and processes actions for all remaining agencies under their purview as well as approves actions, screens and processes applications, and certifies Certificates of Eligibles using the SPAHRS system. Payroll parallel testing for SPAHRS began in late spring.

During FY1998, MMRS continued to implement agencies as online SAAS users and to add new features and functions to the SAAS system. Key focus areas were the implementation of expanded electronic funds transfer processing for federal payments and implementation of supporting functions for SPAHRS.

MMRS also continued to expand our support role by expanding our Internet presence through the MMRS web page (<http://www.mmrs.state.ms.us>) and through user meetings and discussion groups. MMRS implemented a new, automated help desk and problem tracking system known as MASH - the MMRS Application and Support Help Line, upgraded the main web site and MSONline, the online documentation site, and provided general support to all

application areas.

Fiscal Year 1999 Year to Date Activities

During Fiscal Year 1999, MMRS continues to improve MERLIN's functions and has begun significant efforts to expand the hardware platform and to further increase the MERLIN.net presence on the Internet. As of November 30, 1998, twenty-seven user agencies and 215 individual users were registered as Analyst, Executive, and/or MERLIN.net users. MERLIN now includes SPAHRS payroll data and is involved in a further expansion of SPAHRS data for both workforce and payroll. Plans for the remainder of FY1999 include completing the technology upgrade, the roll-out of the latest release of MERLIN.net, and development of a Request for Proposals to move the remaining MERLIN functions to the Internet and for the implementation of data mining within the MERLIN warehouse.

Since July 1, 1998, fifty-eight additional agencies began processing all agency actions through SPAHRS. Also, in August, the Departments of Finance and Administration, Education, Health, Information Technology Services, and the State Personnel Board (SPB) began processing agency payrolls using SPAHRS. During the remainder of FY1999, MMRS plans to implement the fourteen remaining agencies for human resource processing and an additional forty-seven agencies for SPAHRS payroll. The remaining agencies are tentatively scheduled to begin SPAHRS payroll processing in July 1999 (FY2000). Other plans include additional system security enhancements and the conclusion of the primary SPAHRS development agreement. Other activities include initial planning for the implementation of a SPAHRS integrated imaging and document management system for SPB and the investigation of similar functions for DFA.

During FY1999, MMRS began an intensive effort to complete the implementation of all remaining core State agencies as SAAS online users. As of January 1, 1999, fifty-seven agencies are online SAAS users. Included in the new users since July 1, 1998, are the Department of Transportation, Hudspeth Regional Center, South Mississippi State Hospital, Ellisville State School, Library Commission, Central Mississippi Residential Center, Board of Nursing Home Administrators, Veterinarians' Diagnostic Laboratories, Board of Plant Industry, Fair Commission and Coliseum, Oil and Gas Board, Governor's Office and Mansion, the Legislative Budget Office, the Board of Auctioneers, the Emergency Management Agency, Board of Barber Examiners, Bureau of Narcotics, Ethics Commission, and the Board of Architecture. The remaining agencies will be implemented between April 1, 1999, and July 1, 2000.

During FY1999, MMRS will implement paperless transfers between State Treasury funds, will explore electronic commerce and how the existing electronic funds transfer can be expanded within SAAS to include electronic ordering, invoicing, and payment, and will explore the possibilities for SAAS integrated imaging and document management, as well as, other basic financial management improvements within the system.

Summary

Since Fiscal Year 1993, notable progress has been made to support the State's commitment to developing a comprehensive system to provide accurate, timely information about the State's financial condition, work force requirements, and delivery of services. We look forward to continued progress in the upcoming years to reach our ultimate goal of providing the kind of management information required by the State's decision makers.

Attachment

**STATUS OF MMRS REVOLVING FUND
AS OF JUNE 30, 1998**

FY 1998 EXPENDITURES

SPAHRs Project	\$2,764,862.07
Statewide Payroll and Human Resource System	
MERLIN Project	\$2,726,941.93
Mississippi Executive Resource Library and Information Network	
Administration	<u>\$370,586.15</u>
Total Expenditures	\$5,862,390.15

Lapse 9/30/XX A507 Org 6630, fund 3125
Lapse 9/30/XX A507 Org 6640, fund 3125
Lapse 9/30/XX A507 Org 6610, fund 3125
Lapse 9/30/XX A507 Org 6600, fund 3125

CASH

Beginning Balance, 07/01/97	\$10,310,437.29
Plus: Interest Earned on Investments	\$561,883.83
Plus: Interest on Recovery of FY97 Expenditures	\$119,396.49
Plus: Recovery of FY97 Expenditures from State Agencies	\$5,653,155.54
Plus: MERLIN Implementation Charges	\$15,796.00
Plus: Other Income	\$1,536.05
Less: Expenditures	<u>(\$5,862,390.15)</u>
Ending Balance, 6/30/98	\$10,799,815.05

Prior year Bond Comm Report
Lapse 9/30/XX F120/Fund 3125
 561,883.83 Rev Source 43350
 119,396.49 Rev Source 43390
 5,653,155.54 Rev Sources 45000, 45042
 15,796.00 Rev Source 45046
 1,536.05 Other Rev Sources
 6,351,767.91 Rev Sources Total
Lapse 9/30/XX A507 Org 6600, fund 3125 = Lapse 9/30/XX F121/Fund 3125

Adjusted - should balance as below
 12,041,965.64 614C - Acct Type 01 Total; lapse 8/31/xx
 0.00 614C - Acct Type 01 A/R(exclude DF-OTHER-FD; lapse 8/31/xx
(\$1,242,150.59) 614C - Warr Payable; lapse 8/31/xx
 10,799,815.05

HISTORICAL STATUS OF MMRS REVOLVING FUND**Inception to Date Expenditures as of June 30, 1998**

SAAS	Statewide Automated Accounting System	\$600,725
SPAHRS Project	Statewide Payroll and Human Resource System	\$9,808,121
MERLIN Project	Mississippi Executive Resource Library and Information Network	\$6,945,765
Administration		\$1,940,692
Total Expenditures		\$19,295,303

CASH

Beginning Balance, 07/01/93	\$15,000,000
Plus: Interest Earned on Investments	\$3,038,178
Plus: Interest on Recovery of Expenditures	\$230,919
Plus: Recovery of Expenditures from State Agencies	\$11,808,496
Plus: Other Income	\$17,525
Less: Expenditures	(\$19,295,303)
Ending Balance, 6/30/98	\$10,799,815

MMRS Revolving Fund Recap													SAAS		MMRS
Activity	Fiscal Year	Administrative Costs	Investment Earnings	Recovered Earnings on Repayment of Principal	SAAS System Upgrade	SPAHRs	MERLIN	Repayment of Principal	Other Income	Activity Net	Revolving Fund Net Impact	Total Expenditures for the Revolving Fund	SAAS 3130	SAAS 3143	Total MMRS Expenditures
Revolving Fund Established	1993										15,000,000				
FY1993 Recap of Expenditures and Earnings	1993	(11,633)	38,986	0	(157,916)	0	0	0	0	(130,563)	14,869,437	169,549			
FY1994 Recap of Expenditures and Earnings	1994	(398,803)	334,069	0	(442,809)	(420,859)	(38,659)	0	0	(967,261)	13,902,176	1,301,330	(891,712)	(804,129)	2,997,171
FY1995 Recap of Expenditures and Earnings and Recovery of FY1994	1995	(353,301)	594,516	22,285	0	(1,177,810)	(193,858)	898,463	0	(209,711)	13,692,465	1,724,978	(1,091,177)	(628,850)	3,445,005
FY1996 Recap of Expenditures and Earnings and Recovery of FY1995 (9/30/96)-FINAL	1996	(419,343)	833,080	25,269	0	(3,321,145)	(456,366)	1,465,264	193	(1,873,048)	11,819,417	4,196,854	(1,225,822)	(641,880)	6,064,556
FY1997 Recap of Expenditures and Earnings and Recovery of FY1996 (9/30/97)-FINAL	1997	(387,022)	675,643	63,966	0	(2,123,436)	(3,529,740)	3,791,613	0	(1,508,976)	10,310,441	6,040,198	(1,176,003)	(496,854)	7,713,055
FY1998 Recap of Expenditures and Earnings and Recovery of FY1997 (9/30/98)-FINAL	1998	(370,580)	561,884	119,390	0	(2,764,862)	(2,726,942)	5,653,156	17,332	489,378	10,799,819	5,862,390	(1,023,264)	(531,439)	7,417,093
	1999														
	2000														
	2001														
Repayments to GF Pool must start in this year.	2002														
	2003														
	2004														
	2005														
	2006														
Payback to GF Pool Complete	2007														
Totals		(1,940,688)	3,038,178	230,910	(600,725)	(9,808,121)	(6,945,765)	11,808,496	17,525	(4,200,181)		19,295,299	(5,407,978)	(3,103,152)	27,636,880
Total Earnings Through FY1998			3,269,097												
Less: Administrative Costs Through FY1998			(1,940,688)												
Less: Unrecovered FY1993 SAAS Expenditures			(78,956)												
Less: Unrecovered Principal			(171,726)												
Projected Net Earnings Through FY1998			1,077,726												
Unrecovered Earnings on Repayment of Principal															3712

Note: All figures in this spreadsheet are rounded to the nearest dollar.

MMRS Revolving Fund Recovery Status

Agency	Reason	Principal	Interest	Outstanding	Cancelled
PERS	Cancelled	3436	85		3,521
Totals for FY1994		3,436	85	0	3,521
Environmental Protection Council	Cancelled	6	0		6
MS River Parkway Commission	Not Paid	6	0	6	
Totals for FY1995 (8/31/96)		12	0	6	6
MS River Parkway Commission	Not Paid	5	0	5	
Military	Part Paid	61,649	1,310	62,959	
Totals for FY1996 (9/30/98)		61,654	1,310	62,964	0
Military	Part Paid	106,623	2,317	108,940	
Totals for FY1997 (9/30/98)		106,623	2,317	108,940	0
Military	Not Paid			130203	
Nursing Home Administrators	Not Paid			193	
Optometry	Not Paid			37	
Veterans' Monumemt Comm	Not Paid			14	
Totals for FY1998 (4/12/99)				130447	0
Total Not Recovered		171,725	3,712	302,357	3,527