

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

FROM: Edward L. Ranck

DATE: January 15, 1998

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 1997 Activities

During Fiscal Year 1997, the Mississippi Executive Resource Library and Information Network (MERLIN) team, comprised of MMRS staff and IBM, completed the data warehouse design, implemented the MERLIN workforce subject area, initiated work for the MERLIN financial subject areas, and installed the MERLIN production platform. Training of the workforce and financial pilot users of the executive and analyst applications began. Initial user feedback is excellent. MERLIN met scheduled dates and was within budget.

During Fiscal Year 1997, MMRS again modified the agreement with Software AG for completion of the Statewide Payroll and Human Resource System (SPAHRs) implementation project due. This modification and corresponding extension to the schedule were required due to the complex and tightly integrated features of the application. MMRS implemented the SPAHRs personnel services contract modules in April 1997. The revised schedule targeted the implementation of the base human resource modules on November 21, 1997, the wage, salary, and fringe components in January 1998, fiscal year end in June 1998, and the initial payrolls in August 1998. The modifications to the agreement also accommodate the elimination of the "pay step chart". Expenditures of up to an additional \$502,004 were authorized to support additional requirements. SPAHRs overview training for SPB staff began in November 1996. Extensive SPAHRs user training began in March 1997. Issues with work plan and resource management continue to be closely monitored.

During May 1997, MMRS completed the project to certify the Statewide Automated Accounting System (SAAS) as Year 2000 (Y2K) compliant. MMRS completed the SAAS Y2K effort using existing staff and without an increase in funding. This effort was completed on time and within budget. As a by-product of the Y2K project, MMRS implemented additional SAAS functionality including a new, easier to use, document interface.

Additionally, during FY1997, MMRS published, via the Internet, an electronic infobase of SAAS documentation thus

replacing the paper-based, difficult to use, multi-volume SAAS documentation, established an Internet home page which provides general information, links to pages for SAAS, SPAHRS, MERLIN, and a MMRS telephone and e-mail directory. Projects were also initiated to electronically publish SPB's Policy and Procedures Manual, DFA's MAAPP manual, and the Fiscal Year 1996 Consolidated Annual Financial Report (CAFR).

Fiscal Year 1998 Activities

Thus far during Fiscal Year 1998, MMRS has implemented MERLIN's workforce and financial capabilities in fourteen agencies for sixty-two users, including some staff from the Legislative Budget Office. It is anticipated that with the expansion of these areas and the implementation of debt, capital, and economic and statistical subject areas, there will be approximately twenty-five user agencies and one hundred users by the end of Fiscal Year 1998. Debt, capital, and economic and statistical subject areas are scheduled for implementation in February 1998. Additionally, during Fiscal Year 1998, the MERLIN team completed the MERLIN.net prototype. MERLIN.net will provide access to MERLIN via the Internet/Intranet. Work on MERLIN.net will continue with implementation scheduled for July 1998.

SPAHRS base human resource modules were implemented as scheduled November 21, 1997. The Departments of Education, Health, Information Technology Services, Corrections, and the State Personnel Board (SPB) are processing all agency actions through the SPAHRS system. Additionally, SPB is entering and processing actions for all other agencies as well as approving actions, screening and processing applications, and certifying Certificates of Eligible using the SPAHRS system. Human Resource training for Group II is underway and Payroll training for Group I is scheduled to begin in January 1998. Payroll parallel testing is scheduled to begin later this spring.

As of January 1, 1998, thirty-four agencies, including the Department of Agriculture and Commerce, East Mississippi State Hospital, Boswell Regional Center, Board of Nursing, and the Board of Funeral Services, which were implemented during Fiscal Year 1998, are using SAAS exclusively as their agency accounting system. These agencies with the nine additional agencies scheduled to become online SAAS users on or before July 1, 1998, comprise 88.65% of the Fiscal Year 1998 General Fund expenditure budget and 85.05% of the total Fiscal Year 1998 appropriated expenditure budget available to be on SAAS.

MMRS continues to expand our Internet presence through our web page (<http://www.mmrs.state.ms.us>) as well as through user meetings and discussion groups. During the remainder of the fiscal year, communication activities will be expanded in all project areas and planning will begin for the next version of the state's financial 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.

Attachments

STATUS OF MMRS REVOLVING FUND AS OF JUNE 30, 1997			
FY 1997 EXPENDITURES			
SPAHRS Project	\$2,123,436.05	Lapse 9/30/XX A507 Org 6630,	fund 3125
Statewide Payroll and Human Resource System			
MERLIN Project	\$3,529,740.25	Lapse 9/30/XX A507 Org 6640,	fund 3125
Mississippi Executive Resource Library and Information Network			
Administration	\$387,022.14	Lapse 9/30/XX A507 Org 6610,	fund 3125
Total Expenditures	\$6,040,198.44	Lapse 9/30/XX A507 Org 6600,	fund 3125
CASH			
Beginning Balance, 07/01/96	\$11,819,411.50	Prior year Bond Comm Report	
Plus: Interest Earned on Investments	\$675,643.84	Lapse 9/30/XX F120/Fund 3125	675,643.84 Rev Source 43350
Plus: Interest on Recovery of FY96 Expenditures	\$63,966.44		63,966.44 Rev Source 43390
Plus: Recovery of FY96 Expenditures from State Agencies	\$3,791,613.95		3,791,613.95 Rev Sources 45000, 45042
Plus: Other Income	\$0.00		0.00 Rev Sources 45010, 49310
Less: Expenditures	(\$6,040,198.44)		4,531,224.23 Rev Sources Total
Ending Balance, 6/30/97	\$10,310,437.29	Lapse 9/30/XX A507 Org 6600,	fund 3125 = Lapse 9/30/XX F121/Fund 3125
		Adjusted - should balance as below	
		11,284,548.03	614C - Acct Type 01 Total; lapse 8/31/xx
	(\$10,310,437.29)	(32.00)	614C - Acct Type 01 A/R(exclude DF-OTHER-FD; laps
	0.00	(\$974,078.74)	614C - Warr Payable; lapse 8/31/xx
		10,310,437.29	

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)	(38,859)	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	22,288	0	(1,177,819)	(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
Totals		(1,570,102)	2,476,294	111,523	(600,725)	(7,043,259)	(4,218,823)	6,155,340	193	(4,689,559)	10,310,441	13,432,909	(4,384,714)	(2,571,713)	20,389,336
Total Earnings Through FY1997	2,587,817														
Less Administrative Costs Through FY1997	(1,570,102)														
Less Unrecovered FY1993 SAAS Expenditures	(78,958)														
Less Unrecovered Principal	(95,596)														
Projected Net Earnings Through FY1997	843,161														
Unrecovered Earnings on Repayment of Principal	1395														
Note: All figures in this spreadsheet are rounded to the nearest dollar.															

MMRS Revolving Fund Recovery Status								
Agency	Reason	Principal	Interest	Total	Prin Billed	Int Billed		
PERS	Cancelled	3436	85	3,521				
Totals for FY1994		3,436	85	3,521				
Environmental Protection Council		6	0	6				
MS River Parkway Commission		6	0	6				
Totals for FY1995 (8/31/96)		12	0	12				
MS River Parkway Commission		5	0	5	3,791,614	63,966	3,841,405.98	INV Reg 11/96
Military		92,143	1,310	93,453	(92,148)	(1,310)	(63,966.44)	97 for 96 Rec Int
Totals for FY1996 (9/30/97)		92,148	1,310	93,458	3,699,466	62,656	3,777,439.54	INV Prin 11/96
					(35)	(1)	(3,786,252.95)	FY97 45042
Total Not Recovered		95,596	1,395	96,991	3,699,431	62,655	(8,813.41)	

