

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

FROM: Edward L. Ranck

DATE: January 15, 1997

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 1996 Activities

During Fiscal Year 1996, MMRS, working with the Mississippi Executive Resource Library and Information Network (MERLIN) Task Force, numerous sub-committees of agency and legislative representatives, and the Department of Information Technology Services (ITS), refined the definition of the information warehouse subject areas, completed and issued the Request for Proposals, received and evaluated six comprehensive bids, negotiated and awarded the implementation contract to IBM. Members of the Executive and Legislative branches worked cooperatively to ensure that MERLIN, once implemented, will meet the needs of the State's strategic decision makers as Mississippi moves into the next century. MMRS met all MERLIN objectives for FY1996.

In November 1994, MMRS entered into an Agreement with Deloitte & Touche, LLP (D&T) for the implementation of the much needed integrated Statewide Payroll and Human Resources System (SPAHRs). During Fiscal Year 1996, MMRS determined that D&T could not satisfactorily achieve the SPAHRs objectives. In April 1996, MMRS purchased the work-in-process of value to the State and terminated the D&T Agreement. During the remainder of the fiscal year, MMRS continued the SPAHRs development effort through the use of outside consultants and issued a Request for Services for the remainder of the implementation project. MMRS also conducted live demonstrations of the completed system components to over 100 agency user representatives. Agency participation, cooperation, and interest in the SPAHRs system continue to be excellent.

During Fiscal Year 1996, MMRS began the upgrade of the Statewide Automated Accounting System (SAAS) to handle the century change for the year 2000. Additionally, MMRS implemented an improved, less labor intensive, budget interface between the Z-1 form and SAAS. During Fiscal Year 1996, agency users reported 54% fewer SAAS production problems than during Fiscal Year 1995, a result of improved testing, Help Desk, and quality assurance procedures. MMRS continued support for programmatic budget and performance measurement reporting

and implemented the Board of Pharmacy, the Department of Archives and History, and the Board of Veterans' Affairs as online SAAS agencies.

MMRS, with ITS, implemented a fiber connection between the Barefield Complex and the State Computer Center to support the high speed data transfer needs of MERLIN. SAAS and SPAHRS also benefit from this connectivity improvement. MMRS, in cooperation with ITS and SPB, acquired and implemented a platform for publishing electronic documentation and to provide Internet access.

Fiscal Year 1997 Activities

Thus far during Fiscal Year 1997, MMRS has completed the data warehouse design, implemented the MERLIN workforce subject area, initiated work for the MERLIN financial subject areas (scheduled for implementation first quarter FY1998), and developed specifications, advertised, and received bids for the MERLIN production platform. MMRS will award the MERLIN platform bid in January 1997. Training of the workforce pilot users continues and the initial user feedback is excellent.

In July 1996, MMRS awarded Software AG the contract for completion of the SPAHRS implementation project. The revised schedule is aggressive. Plans include implementation of personnel services contract modules in April 1997, statewide human resources implementation by July 1997, pilot agency payroll implementations beginning in September 1997, and statewide payroll implementation by July 1998. The compressed schedule will allow MMRS to complete the implementation within six months of the original schedule and within the original contractual budget. SPAHRS overview training for SPB staff began in November 1996. Extensive SPAHRS user training is scheduled to begin in March 1997. Issues with work plan and resource management continue to be closely monitored.

As of January 1, 1997, twenty-nine agencies, including the House, Senate, State Hospital, South Mississippi Regional Center, North Mississippi Regional Center, and North Mississippi State Hospital which have been implemented during Fiscal Year 1997, are using SAAS exclusively as their agency accounting system. These agencies comprise 83.23% of the Fiscal Year 1997 General Fund expenditure budget and 83.65% of the total Fiscal Year 1997 appropriated expenditure budget available to be on SAAS. During Fiscal Year 1997, work continues on the Year 2000 project with conversion scheduled to occur in May 1997. Additionally, MMRS published via the Internet an electronic infobase of SAAS documentation thus replacing the paper-based, difficult to use, multi-volume SAAS documentation.

During Fiscal Year 1997, MMRS established an Internet Home Page which provides general information, links to Home Pages for SAAS, SPAHRS, MERLIN, the MMRS Online newsletter, and a MMRS telephone and e-mail directory. Projects are also underway to electronically publish SPB's Policy and Procedures Manual, DFA's MAAPP manual, and the Fiscal Year 1996 Consolidated Annual Financial Report (CAFR).

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, 1996			
FY 1996 EXPENDITURES			
SPAHRs Project	\$3,321,144.89	Lapse 8/31/XX A507 Org 6630	fund 3125
Statewide Payroll and Human Resource System			
MERLIN Project	\$456,365.91	Lapse 8/31/XX A507 Org 6640	fund 3125
Mississippi Executive Resource Library and Information Network			
Administration	\$419,342.72	Lapse 8/31/XX A507 Org 6610	fund 3125
Total Expenditures	\$4,196,853.52	Lapse 8/31/XX A507 Org 6600	fund 3125
CASH			
Beginning Balance, 07/01/95	\$13,692,459.55	Prior year Bond Comm Report	
Plus: Interest Earned on Investments	\$833,080.36	Lapse 8/31/XX F120/Fund 3125	Rev Source 43350
Plus: Interest on Recovery of FY95 Expenditures	\$25,268.59		Rev Source 43390
Plus: Recovery of FY95 Expenditures from State Agencies	\$1,465,263.52		Rev Sources 45000, 45042
Plus: Other Income	\$193.00		Rev Sources 45010, 49310
Less: Expenditures	(\$4,196,853.52)	Lapse 8/31/XX A507 Org 6600	fund 3125 = Lapse 8/31/XX F121/Fund 3125
Ending Balance, 6/30/96	\$11,819,411.50	Adjusted - should balance as below	
	(\$11,819,411.50)	12,411,138.62	614C - Acct Type 01 Total; lapse 8/31/xx
	0.00	(707.00)	614C - Acct Type 01 A/R; lapse 8/31/xx
		(591,020.12)	614C - Warr Payable; lapse 8/31/xx
		11,819,411.50	
			Due from D&T phone

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	Not paid	6	0	6			
MS River Parkway Commission	Not paid	6	0	6			
Totals for FY1995 (8/31/96)		12	0	12	1,450,733	25,269	
					1,450,721	25,269	FY96 recover for FY95
					35	1	Opt Board for 94 paid in 96
Total Not Recovered		3,448	85	3,533	1,450,756	25,270	

SPAHRs				
Project to Date Expenditures				
FY	State	Vendor Support	Development Contract	Total
FY1994	420,859	0	0	420,859
FY1995	751,597	42,147	384,075	1,177,819
FY1996 (03/96)	658,061	180,655	0	838,716
Total Expended	1,830,517	222,802	384,075	2,437,394
	State is for State staff support, salaries, rent, etc.	Vendor Support is rent, phone. other support for vendor staff.	Paid to date	
SPAHRs Expenditures and Obligations				
Through March 31, 1996	State	Vendor Support & Imaging Study	Development Contract	Total
Encumbered Obligations	44,437	8,491	1,615,925	1,668,853
Est Non Encumbered Obligations	88,966	0	0	88,966
Expended Project-to-Date	1,830,517	222,802	384,075	2,437,394
Total Direct Costs	1,963,920	231,293	2,000,000	4,195,213
MMRS Administration	445,954	0	0	445,954
SPB,DFA,other agency personnel	69,147	0	0	69,147
Total Estimated Indirect Costs	515,101	0	0	515,101
Total Costs (Project-to-Date)	2,479,021	231,293	2,000,000	4,710,314

Known Obligations	Assumption	Amount
SPB (Fund 3614) for March 1996	Based on February 1996 hours	9,426
ITS Consultants (Fund 3601) for Feb 1996	Based on ITS invoice memorandum	22,175
ITS Consultants (Fund 3601) for March 1996	Based on T.Dickerson's estimate	30,965
ITS Time/Limited Staff (Fund 3601) for Feb 1996	Based on January 1996 billing	11,842
ITS Time/Limited Staff (Fund 3601) for Mar 1996	Based on January 1996 billing	11,842
ITS SCC (Fund 3601) for Feb 1996	Based on Feb 1996 billing details	1,358
ITS SCC (Fund 3601) for March 1996	Based on Feb 1996 billing details	1,358
Total - Known Obligations		88,966
Indirect Costs		
Indirect Costs - MMRS Admin (org 6610)	See below 2	445,954
Indirect Costs - SPB, other agencies	See below 1	69,147
		515,101
Indirect Costs - SPB, other agencies	1	
Documented meetings		28,339
+ 100% additional estimated for outside work	deliverable review,informal meetings;etc.	28,339
+ 22% fringe	costs personnel related	12,469
		69,147
Indirect Costs - MMRS Admin (org 6610)	2 - Have used a 40/40/20 per cent allocation for SAAS/SPAHRS/MERLIN in other allocations. Am using same basis here.	
FY94		398,803
FY95		353,301
FY96 (thru 02/29/95)		281,350
FY96 - March estimate (based on Feb actual)		26,422
FY96 encumbered equipment		55,009
Total Admin for MMRS		1,114,885
Total @ 40%		445,954

