

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

FROM: Edward L. Ranck

DATE: January 15, 1994

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."

## **Background**

The Mississippi Management and Reporting System (MMRS) was established by House Bill 1334 of the 1993 Regular Legislative Session for the purpose of developing and maintaining an executive information system within state government. Such system may include the state centralized automated accounting system, a centralized human resource/payroll system, and the automation of performance programmatic data and other data as needed by the legislative and executive branches to monitor the receipt and expenditure of funds in accordance with desired objectives.

The legislation established a Steering Committee composed of the Executive Directors of the Department of Finance and Administration, State Personnel Board and Central Data Processing Authority to establish policies and procedures for the administration of the fund. The Steering Committee is empowered to appoint an administrator to oversee the daily operations of the fund. All state agencies are required to implement MMRS unless specifically exempted by the Steering Committee. Agency executive directors will participate by appointing an agency implementation team leader to represent them on the project.

The MMRS Revolving Fund received initial funding from a \$15,000,000 non-interest bearing loan granted by the Bond Commission from the State Treasurer's General Fund/Special Fund Pool. All disbursements from the fund are

made pursuant to appropriation by the legislature. Revolving fund expenditures are to be recouped, with interest, from benefitting agencies as MMRS is implemented. At completion of the project,

Members of the State Bond Commission  
Members of the Mississippi Legislature  
January 15, 1994  
Page 2

the Steering Committee shall recommend to the legislature an amount to retain in the Revolving Fund to fund future upgrades and maintenance of the system, with any remaining amount being returned to the General Fund/Special Fund Pool.

### **Fiscal Year 1993 Activities**

House Bill 1334, signed by the Governor on March 27, 1993, was effective from and after passage. On April 20, 1993, the \$15,000,000 transfer from the General Fund/Special Fund Pool to the MMRS Revolving Fund was completed. The Fund is invested by the State Treasurer, with interest accruing to the Fund.

On May 1, 1993, the Steering Committee appointed an Administrator, and staffing from the three participating agencies were assembled into the MMRS Project team over the ensuing months. The Steering Committee approved the basic organizational structure of the project in June.

In May a letter was sent to the Executive Directors of all state agencies, informing them of the passage of House Bill 1334 and the establishment of the MMRS project and the Revolving Fund. The directors were also asked to appoint their project implementation team leaders, which the vast majority did.

In June, the Steering Committee received a request from the Pearl River Basin Development District to be exempt from participation in the project. While acknowledging that, because of its nature, the District would not participate in the financial functions of the System, the Steering Committee noted that the District may be called upon to provide information for the Executive Information System. Therefore, the Steering Committee declined to consider the District's request. No other requests for exemption were received in FY 1993.

Prior to the passage of House Bill 1334, the Department of Finance and Administration had begun a project to upgrade the current Statewide Automated Accounting System (SAAS) from Release 6.0 of American Management System's Government Financial System software to Release 8.0. When responsibility for SAAS was assumed by MMRS, work on the upgrade continued and represented the major project activity of MMRS during FY 1993. In FY 1993, the upgrade was being accomplished using state staff with management oversight being provided by American Management Systems. (In September, 1993, MMRS assumed management of the project.) In May, a separate contract was approved to update and convert the SAAS documentation to Release 8.0. This contract was awarded to a local company.

During FY 1993, a total of \$169,548 was expended from the Revolving Fund. Attachment 1 to this report shows the nature of these expenditures, as well as the cash position of the Fund as of June 30, 1993.

### **Fiscal Year 1994 Activities**

Progress has been made on several fronts thus far in FY 1994. Progress on the Upgrade of SAAS from Release 6.0 to Release 8.0 has continued under state management. The testing phase is nearing completion and conversion of the production SAAS system to the new release is scheduled for February 1994.

Members of the State Bond Commission

Members of the Mississippi Legislature

January 15, 1994

Page 3

In the November 30, 1992 PEER Report on the state's financial reporting systems, it was recommended that a long-range plan for implementing SAAS in the all state agencies be developed. As the initial step toward that goal, MMRS has received a proposal from the College of Business at Mississippi State University to conduct a survey of state agencies to gauge agency perceptions regarding SAAS. Armed with the results of the survey, MMRS will be able to determine whether the agencies' views are merely misconceptions or are valid problems. In either case, MMRS will address all identified issues, clearing up any misconceptions and correcting any valid problems, thus clearing obstacles to implementation in additional agencies and allowing us to proceed with developing the long-range plan.

In October we released the Request for Proposals to obtain the services of a contractor to develop and implement the centralized human resource/payroll system called for in House Bill 1334. In addition to providing a payroll/personnel system for use by the agencies, this system will replace the automated employee/position control and projection system currently in operation at the State Personnel Board and the Common State Payroll System currently in use by the Department of Finance and Administration. This system will employ a single data base of all employee/position related data which will eliminate the redundant entry and maintenance of data in separate payroll and personnel systems. Also, agencies will have the capability to access their data on-line and to submit personnel transactions on-line, thus reducing or eliminating paper now flowing between the line and control agencies. The system will be used to calculate state agency payrolls and produce payroll warrants or direct deposits for state employees. Proposals are due in January 1994, with work expected to begin on or before July 1, 1994.

The implementation of the centralized payroll/human resources system will represent a major step toward the development of the Executive Information System (EIS), which is a primary goal of MMRS. By unifying the state's payroll/personnel data into a single repository that is fully integrated to the state's accounting system, information that is not now readily available can be made accessible to the state's decision makers. The Executive Information System will provide a central repository of, not only financial and human resource data, but information from the numerous programmatic data bases in existence throughout state government. With this consolidated source of data, EIS will be able to produce management reports that compare the performance of service delivery programs to the funds spent to provide the services.

The State has recently acquired a license to implement a Personal Computer version of the SAAS software. Many state agencies have, over the years, expressed a strong interest in a PC version of SAAS as an economical means of implementing the system. PC SAAS will initially be used for development and testing by MMRS staff, thus eliminating our mainframe computer charges and reducing the cost of maintaining the system. Installation will be deferred until after the upgrade to Release 8.0 is completed. As soon as possible after installation and testing are completed, the PC version software will be made available to state agencies free of charge.

MMRS staff have been working extensively with the Mississippi Department of Human Services which is currently involved in a major project to become an on-line user of SAAS. Implementation is scheduled for July 1994. Once implemented, MDHS will be the largest single on-line agency user of SAAS. MDHS will be the pioneer agency in implementing the Cost Allocation and Sub-Grant modules and will make significant improvements in the Grants, Fixed Assets, Bank Reconciliation and Accounts Payable functions, all of which Members of the State Bond Commission

Members of the Mississippi Legislature  
January 15, 1994

Page 4

will be available for use by other agencies. They are also developing many new management reports that will be available for use by other agencies.

Also in FY 1994, significant progress has been made in enhancing the operation of the current SAAS system. The Historical Database has been installed in production, making 30 months of historical data available on-line for agency inquiry, research and reporting. This feature, like PC SAAS, has been actively sought by user agencies.

We have begun installation of the Ad Hoc Reporting facilities which will allow agencies to design and run their own management reports from their SAAS data. This will allow user agencies to run special, non-standard, reports and will provide them greater freedom and flexibility in meeting their information needs.

The SAAS production environment has been stabilized through clearing a backlog of incidents (problems reported by users) and strengthening procedures for quality review and control of changes made in the production environment. We have also improved and clarified the lines of communication between user agencies and MMRS technical staff, which has improved our ability to identify and respond to agency needs and problems.

Members of the MMRS functional staff have made site visits to two on-line SAAS agencies - with plans to visit all on-line users - to establish a more personal relationship with our users and to discuss any problems or concerns they may have regarding the system. The initial reaction seems to be positive and several problems were identified and corrected.

Plans for the remainder of FY 1994 include beginning the process of identifying the specific types of information that the intended users (i.e., Legislature, Governor's Office, agency heads) of the Executive Information System want the system to produce. We have plans to visit with the State of Alabama to view their Executive Information System, which is linked to the same basic accounting software as SAAS.

We will be evaluating the proposals for the Payroll/Human Resources system and preparing for the contractor to move on-site and begin work. Implementation of the SAAS Ad Hoc Reporting capability should be completed. We will continue to work on improving the performance of SAAS, and are considering other improvements such as adding a Graphical User Interface to make SAAS screens easier to use.

## **Summary**

Fiscal Year 1993 marked the beginning of the State's commitment to developing, for the first time, a comprehensive system to provide accurate, timely information about the State's financial condition and delivery of services. In Fiscal Year 1994, notable progress is being made to improve and enhance our financial and human resource management

capabilities. 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 to lead the State forward in meeting the needs of her citizenry.

Attachment