Introduction

As prescribed by SC Code Section 11-53-20, the SCEIS Executive Oversight Committee respectfully submits its annual report on the South Carolina Enterprise Information System (SCEIS). This is a summary level report. More detailed information is available upon request.

Status Summary

Calendar year 2012 represented the first year for which all 72 agencies within the original scope of SCEIS were implemented on the SCEIS (SAP based) system for all 12 months of the year. Each of these 72 agencies used SCEIS to transact their respective agency financial, procurement, human resources and payroll business in 2012.

This original scope included all state agencies, with the exception of lump-sum agencies, the General Assembly and its respective branches, agencies and committees. In calendar year 2013, the scope of SCEIS will be expanded to include the General Assembly and its support agencies: Legislative Printing and Information Technology, Legislative Audit Council, Education Oversight Committee, Legislative Council.

SCEIS is now the official financial book of record for the State of South Carolina. All revenues and expenditures for the State pass through SCEIS. Those from the 72 live agencies are processed directly in SCEIS while the remaining agencies' transactions are interfaced from their current systems into SCEIS. During calendar year 2012, the State of South Carolina processed $30,302,891,276.00 in revenues and $29,090,597,765.00 in expenditures in SCEIS.

Of the 60,093 individuals employed full time by the State of South Carolina and occupying FTE's, a total of 36,868, or 61%, are paid through SCEIS. Of the 23,225 remaining employees occupying FTE's, 22,670 are with lump-sum agencies and higher educational institutions that are not within the scope of SCEIS. The employees of the six legislative agencies will be brought on the SCEIS payroll during calendar year 2013. SCEIS also pays those persons working at the 72 agencies who do not occupy FTE's such as part-time and temporary personnel.

To achieve cost savings necessitated by the funding shortfall of Fiscal Year 2012, the SCEIS Team reduced the number of contractors and consultants working on the project by one-half for the latter part of 2011 and much of calendar year 2012, limiting the team's ability to complete projects and take on new projects and enhancements. The SCEIS Team accomplished a great deal despite these resource limitations, and secured funds in the Fiscal Year 2013 budget to initiate a 5-year contract with IBM for Application Management Services (AMS), increasing consultant support. On September 1, 2012, SCEIS and IBM entered the final phase of the AMS transition, known as steady state. IBM support has enabled the SCEIS Team to increase the number of new projects and enhancements undertaken in calendar year 2013. IBM was selected through a competitive procurement process.

The SCEIS Team achieved further cost savings in 2012 by negotiating with the property management company from which they rent office space. By reducing the square footage of the SCEIS office suite, the SCEIS Team's rent was reduced from $248,513.12 (FY2012 cost) to $193,239.00 for FY2013, producing a savings of $55,274.12.

In 2012, the SCEIS Team worked with users and leadership throughout South Carolina State Government to establish the SCEIS Change Advisory Board, which is tasked with reviewing, approving, and prioritizing requests for enhancements and modifications to the SCEIS system, as well as new SCEIS project proposals. The mission of the Change Advisory Board is to ensure that decisions related to SCEIS are made from the perspective of, and in the best interest of, the State and that the most effective use is made of available resources. The SCEIS Change Advisory Board met four times during 2012, approving and prioritizing nine enhancement requests and projects submitted to SCEIS by users. The Board reports to the SCEIS Executive Oversight Committee. The SCEIS Executive Oversight Committee met to provide final approval on projects recommended by the Change Advisory Board that required more than 450 hours to implement.

Conversion or interfacing of specialized central, statewide functionalities to SCEIS is a critical requirement in that its completion will allow the State to retire the 30-plus-year-old STARS accounting system, saving resources that are devoted to maintaining this aging, limited accounting program. Progress on these conversions was slowed by the reduction in funding in Fiscal Year 2012. It is hoped sufficient progress will have been made so that STARS may be retired prior to the end of Fiscal Year 2013 or early in Fiscal Year 2014. Currently, the STARS system must operate parallel to SCEIS in order to accommodate all specialized agency financial operations not yet directly linked to SCEIS. In 2012, SCEIS scheduled and/or completed several projects that directly contribute to the retirement of STARS. Foremost among these was conversion of contingent payments (A/P Vendor payments) issued by the State Treasurer's Office from STARS to SCEIS on October 19, 2012. Conversion of the six legislative entities to SCEIS in calendar year 2013, which is discussed below, is critical to retiring STARS.

In 2013, the SCEIS Team will build on 2012 successes, taking on a number of vital projects in an effort to continue providing a high level of service to current users, implement the system in new agencies and retire outdated legacy systems, particularly STARS. Major milestones to be accomplished in 2013 include implementation of SRM 7.0 (an upgrade to the current procurement module, SRM 5.0), configuration and implementation of the Public Budgeting Formulation in conjunction with the State Budget Office, conversion of the six legislative agencies to SCEIS and evaluation of additional central agency projects such as deposits, income tax refunds, special payments and public assistance. The SCEIS Team will also work with the State Treasurer's Office to migrate interfaces for central investment and debt systems from STARS to SCEIS.

Schedule and Activities

SAP Support Packs for the SCEIS system were installed over the weekend of November 30 through December 2, 2012.

First Steps, which initially went live on the SCEIS System on March 2, 2012, was placed back under the Department of Education, per legislative mandate, on November 2, 2012.

The following new agencies were set up in SCEIS on November 2, 2012, per legislative mandate: Public Employee Benefit Authority, Rural Infrastructure Authority and Retirement Systems Investment Commission.

The SCEIS Finance Team completed implementation of contingent payments (A/P vendor payments) issued by the State Treasurer's Office in SCEIS on October 19, 2012.

The SCEIS Team completed extensive hardware and software upgrades over the weekend of September 28 through October 1, 2012.

The SCEIS Team worked with our Application Management Services (AMS) partners at IBM to bring new consultants up to speed, entering "steady state" support on September 1, 2012.

The SCEIS Change Advisory Board (CAB) was formed in 2012, comprised of key stakeholders including representatives from legislative and regulatory agencies and representatives elected by the SCEIS user community. The SCEIS CAB kickoff meeting was held on August 2, 2012, with additional meetings in September, October and December. Through the end of 2012, nine requests or projects had received approval.

In June and July 2012, the SCEIS HR/Payroll Team worked closely with the Human Resources Division and the Office of the Comptroller General to successfully plan and implement a 3% general salary increase for more than 45,000 state employees. This was the first time a general increase was applied through SCEIS, and it was completed promptly and successfully.

The SCEIS HR/Payroll Team implemented a number of MySCEmployee enhancements on April 9, 2012, that had been requested by multiple agencies.

On April 2, 2012, the SCEIS Finance and Materials Management teams implemented a new SAP process (ZMRBR) to block payment of invoices that do not match purchase or receipt documents. This is an important financial control feature of SAP.

The SCEIS Team, in conjunction with the SCEIS User Group Leads Committee, held nine SCEIS User Group meetings in 2012, reaching a total of 383 representatives from 57 of the 72 SCEIS agencies. The 15 agencies not represented at these meetings were primarily very small agencies or those located outside of Columbia. SCEIS is reviewing how to reach out to those agencies more effectively.

In addition to the Statewide User Group meetings, SCEIS continued to support the growing Reporting User Groups for Finance, Human Resources and Materials Management. These groups are tasked with identifying reports needed by users within these functional areas, listing the data elements and design of the reports and prioritizing these reports for development. The Reporting User Groups met 17 times during the year.

The SCEIS Finance Team worked closely with the State Budget Office to complete the blueprint for the SAP Public Sector Budgeting module. This module is scheduled for implementation in mid-August 2013. This module will be used for the production of the Fiscal Year 2015 state budget.

The SCEIS Materials Management Team worked with representatives from a number of State agencies to complete blueprinting for the upgrade to SRM 7.0. This procurement software upgrade is scheduled for implementation on July 1, 2013.

Enterprise reports using SCEIS data were developed in the areas of Finance and Human Resources. The Finance reports were patterned after the familiar STARS reports agencies previously received. The six finance and three human resources reports are distributed electronically each month to every agency. Human Resources reports developed in 2012 are also sent to the State Human Resources Division each month, providing data on a statewide level. The SCEIS Team, with the support of users, continues to add and improve reporting functions.

SCEIS Training

In Calendar Year 2012, SCEIS presented training on **139 topics** for **9,915 participants**, using a variety of formats.

Instructor-led classes and workshops
- 51 topics were presented in 78 hands-on classes and 29 auditorium-based workshops
- 1,837 state employees attended classes and workshops
- Advantages of instructor-led training:
  - Real-time interaction with other SCEIS users and with instructors
  - Hands-on practice in classes and in workshops
  - Interactions among colleagues across many agencies

Web-based seminars
- 6 topics were presented in 22 webinar sessions
- At least 530 state employees attended
- Advantages of web-based seminars:
  - Real-time interaction with other SCEIS users and with instructors
  - No need for participants to travel

Online courses
- 41 courses were available online at all times through the SCEIS website
- At least 7,548 state employees completed these courses in 2012
- Advantages of online courses:
  - Available at participants' convenience and at their own pace
  - No need for participants to travel

Instructor-led classes and workshops were conducted for all live agencies in 2012, covering many topics in the areas of Finance, including the Business Objects program and reporting; Materials Management, including bidding, purchasing and contracts; and Human Resources and Payroll, including time and leave management, personnel administration, and the MySCEmployee self-service system.

In addition, a series of classes and workshops on year-end financial closing procedures trained new users and updated experienced users. Webinars offered live training for statewide users regarding updates and enhancements to the SCEIS HR system. Special instructor-led classes helped users understand the management of contingent checks, and how to reconcile blocked invoices when they do not match purchase or receipt documents.

Also during 2012, SCEIS conducted implementation training for the First Steps agency, with 98 participations in 16 classes touching the full range of SCEIS functional areas.

Upcoming training projects for calendar year 2013 include implementation training for the legislative agencies and training of all users for a major upgrade in the SRM procurement system. In addition, the SCEIS Training Team is developing a revised strategic plan to refine scheduling and accessibility of training for users in all live agencies.

Budget

The budget for Fiscal Year 2013 includes $15,204,059.00 in recurring appropriations as well as non-recurring funding of $2,458,843.00 to implement the SRM (procurement) upgrade, bring 6 additional agencies onto SCEIS, complete system upgrades and agency training. The Public Budget Formulation module implementation was funded separately through the State Budget Office with a non-recurring appropriation of $2.5 million. Through December 31, 2012, actual SCEIS staffing and operational costs are projected at $16.8 million for the entire fiscal year. The remaining appropriated funds will be carried over as permitted by law to Fiscal Year 2014 for ongoing projects.

The budget request for Fiscal Year 2014 is $15,204,059.00 in State recurring dollars, plus $1,500,000.00 in Other Funds authorization. This authorization is needed to allow SCEIS to perform projects specific to certain agencies and to pass the costs of these projects to the relevant agencies for reimbursements.