



Report
to
The LEGISLATIVE FINANCE COMMITTEE



Department of Finance and Administration
Department of Information Technology
Statewide Human Resource, Accounting and Management Reporting System Review
November 15, 2007

LEGISLATIVE FINANCE COMMITTEE

Senator John Arthur Smith, Chairman
Representative Luciano “Lucky” Varela, Vice Chairman
Senator Sue Wilson Beffort
Representative Donald E. Bratton
Senator Pete Campos
Senator Joseph J. Carraro
Senator Carlos R. Cisneros
Senator Phil A. Griego
Senator Timothy Z. Jennings
Representative Rhonda S. King
Representative Brian K. Moore
Senator Leonard Lee Rawson
Representative Henry “Kiki” Saavedra
Representative Nick L. Salazar
Representative Edward Sandoval
Representative Jeannette O. Wallace

DIRECTOR

David Abbey

DEPUTY DIRECTOR FOR PERFORMANCE EVALUATION

Manu Patel, CPA

PERFORMANCE EVALUATION REVIEW TEAM

Susan Fleischmann, CPA
Kami Gupta, PM
Donna Hill-Todd, CGFM, NCCO
Jennifer Leal
Sylvia Padilla, CFE
Consuelo Peña
Charles Sallee
Aurora B. Sánchez, CISA
Usha Shannon

SENATOR JOHN ARTHUR SMITH
CHAIRMAN

Senator Sue Wilson Beffort
Senator Pete Campos
Senator Joseph J. Carraro
Senator Carlos R. Cisneros
Senator Phil A. Griego
Senator Timothy Z. Jennings
Senator Leonard Lee Rawson

State of New Mexico
LEGISLATIVE FINANCE COMMITTEE

325 Don Gaspar, Suite 101 • Santa Fe, New Mexico 87501
Phone: (505) 986-4550 • Fax: (505) 986-4545

DAVID ABBEY
DIRECTOR



REPRESENTATIVE LUCIANO "LUCKY" VARELA
VICE-CHAIRMAN

Representative Donald E. Bratton
Representative Rhonda S. King
Representative Brian K. Moore
Representative Henry "Kiki" Saavedra
Representative Nick L. Salazar
Representative Edward C. Sandoval
Representative Jeannette O. Wallace

November 15, 2007

Roy Soto, Secretary
Department of Information Technology
715 Alta Vista
Santa Fe, New Mexico 87508

Katherine Miller, Secretary
Department of Finance and Administration
180 Bataan Memorial Building
Santa Fe, New Mexico 87501

Sandra Perez, Director
State Personnel Office
2600 Cerrillos Road
Santa Fe, New Mexico 87505

Dear Secretaries Soto and Miller and Director Perez,

On behalf of the Legislative Finance Committee (committee), I am pleased to transmit the Statewide Human Resource, Accounting Management Reporting (SHARE) system review of the Information Technology and Finance and Administration Departments.

On July 1, 2006 the SHARE system went live to provide integrated financial, human resource and purchasing capabilities to state government agencies. The initial intent was to conduct a post-implementation review of SHARE 90 days after the go-live date. Because of problems encountered early on with payroll, vendor payments, reporting, the committee agreed to postpone the review until the project team could stabilize the system. The review team evaluated the planning, procurement and management of the project; availability, completeness, accuracy and reliability of management reports; and ongoing operations of a statewide enterprise system.

The report will be presented to the committee on November 15, 2007. We very much appreciate the cooperation and assistance we received from you and your staffs. Discussions were held with your staffs to address any concerns before the exit conference, which was conducted on November 2, 2007.

The committee would like a corrective action plan from the departments within 30-days from the date of the hearing. Staff will continuously monitor your progress.

I believe that this report addresses issues the committee asked us to review and hope the Information Technology and Finance and Administration departments will benefit from our efforts. Thank you for your cooperation and assistance.

Sincerely,

A handwritten signature in cursive script that reads "David Abbey".

David Abbey
Director

Table of Contents

Page No.

EXECUTIVE SUMMARY	1
BACKGROUND INFORMATION	4
FINDINGS AND RECOMMENDATIONS	
REPORT ACCURACY AND ACCESS	
Metrics	9
Financial Reports	9
Human Resource Management Reports.....	12
Oversight Agency Access to Management Reports.....	14
ONGOING SUPPORT AND OPERATIONS	
Governance and Ongoing Operations.....	16
System Access Privileges and Security Staff Training.....	17
End User and Technical Support Staff Training.....	18
There Is No Central Help Desk and Knowledge Base for Financial and Human Capital Management Issues	20
System Performance	22
Department of Transportation Solbourne and Federal Highway Administration Reports .	23
Invoice Processing Timeliness.....	24
PROJECT PLANNING, MANAGEMENT AND OVERSIGHT	
State Project Director Relied on Maximus to Manage the Project	31
The Project Lacked Executive Sponsor Commitment	32
The Maximus Staff Had Limited Statewide Implementation Experience	33
Project Risk Assessment and Mitigation	34
SHARE-Related Contracts.....	35
Project Office Lease.....	37
AGENCY RESPONSES	38
APPENDIX A (Leave Balance Calculations).....	62
APPENDIX B (System Performance Charts).....	64
APPENDIX C (Self-Earning Accounts).....	67

EXECUTIVE SUMMARY

Agency Contributions in thousands

Agency Name	Amount
DOH	\$1,000.0
DOL	\$1,652.1
DOT	\$1,896.5
HSD	\$1,750.0
TRD	\$800.0
GSD ⁽¹⁾	\$3,616.1
EMNRD	\$22.1
DFA ⁽¹⁾	\$842.6
SPO	\$52.6
DOC	\$35.0
HPC	\$5.0
STO ⁽¹⁾	\$25.0
Total Transfers	\$11,696.8

Source: LFC Analysis

Note: (1) \$2,565.2 is for operation and maintenance

SHARE Contracts 2005 – 2007 in thousands

Contractor	Total
Maximus	\$21,705.3
PeopleSoft	\$3,350.2
Gartner	\$458.5
Integrity Networking	\$68.7
ACRO	\$634.0
Ernst & Young LLP	\$262.7
POD	\$120.3
Catherine Meyers	\$21.5
DLT Solutions	\$744.4
Mainline	\$84.1
Total	\$27,449.7

Source: LFC Analysis

Background. The current review of the Statewide Human Resource, Accounting and Management Reporting (SHARE) system was conducted to determine if SHARE was properly planned, procured and managed to ensure its successful implementation and continued agency operations.

SHARE replaced all existing state accounting, human resources and procurement systems with a PeopleSoft enterprise resource planning (ERP) system. SHARE project sponsors requested \$28 million as a multi-year (FY05 and FY06) appropriation. The system received a \$20 million legislative appropriation and \$11.7 million in contributions from agencies. Seventy state employees from 11 agencies worked on SHARE, along with 43 contractors. From April 2005 through October 2007, project contracts totaled \$27.4 million with a remaining balance of \$3.8 million. The SHARE project has also paid salaries and benefits of over \$800 thousand for about five employees. Retainage withheld of \$2.3 million has been paid to Maximus. Additionally, state agencies have entered into separate contracts totaling \$952 thousand to prepare for the transition or assist with issues after July 1, 2006 go-live date.

Findings. SHARE was properly planned and procured. Although project risks were identified in various documents, strategies to mitigate risks were not proposed. One month before the go-live date, the two most critical modules, financial and human capital management, were assessed by the project team as high risk (Red). At the same time, the independent validation and verification contractor assessed the project at medium risk (Yellow) and recommended going forward with the planned July 1, 2006 go-live date for all agencies except the Department of Transportation (DOT).

Project planners identified loss of decision-making data, inadequate training, lack of system interfaces and a resulting decline in employee morale as possible risks. These risks, which were not addressed or mitigated before implementation resulted in the present perception that SHARE does not work.

Although the data entered into SHARE is correct, state agencies and oversight authorities do not have access to reliable key management reports. These reports are alternately untimely, incomplete or inaccurate or sometimes not available at all. Agencies cannot manage their operations effectively without these reports nor can oversight authorities perform their function. In addition, there is no comparative data or performance metrics to show that SHARE is as efficient and effective as the systems it replaced.

SHARE Steering Committee Meeting Attendance Before Go Live

Sponsor	Attendance Rate
GSD	0%
OCIO	33%
DFA	78%
SPO	80%

Source: LFC Analysis

The Federal Highway Administration found that SHARE's configuration has limited DOT's ability to track federal-aid financial events.

FY09 SHARE Operating Budget Requests
in thousands

Agency	Amount
DoIT	\$550
DFA	\$889
Total	\$1,439

Source: DFA and DoIT FY09 Budget Requests

SHARE is not consolidated into an enterprise function.

Third-party payroll liabilities are not posted timely to agency books.

The Budget Status Report (CAFR) continues to have negative encumbrance balances even though the data in SHARE when examined in detail does not support the supposed over expenditure. The monthly reconciliation of the state's books to the fiscal agent bank for FY07 are complete, but issues remain with respect to warrant cancellations, adjusting entries and deposits. The cash balance report, which contains essential summary information about state government funds, was not available for all of FY07 and the first quarter of FY08. Not all 13 human resource reports identified earlier as critical to go-live have been reliable. Therefore, agencies do not have accurate and reliable organizational listings, and vacancies or turnover reports. LFC analysts do not have access to hard copy or online reports making it difficult to analyze or monitor agency fiscal activities.

The State Treasurer's Office (STO) has to manually calculate average daily balances and interest on about 150 self-earning accounts because SHARE was not programmed to perform these calculations. The process is both labor-intensive and subject to human error. STO has been unable to distribute about \$2.5 million in monthly interest allocation to state agencies since June 2007.

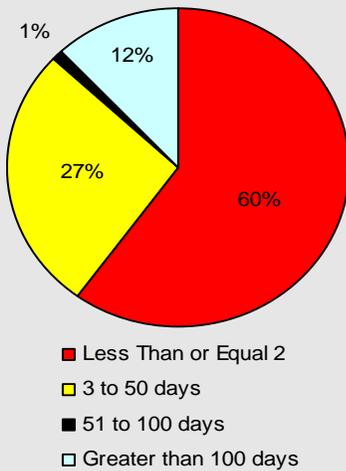
DFA does not post third-party transactions to agency books timely and does not notify agencies about corrections or operating transfers it has recorded on agencies' books.

The governance of SHARE as an enterprise application is bifurcated. The Department of Finance and Administration (DFA) and the State Personnel Office (SPO) are the business owners. DFA and the Department of Information Technology (DoIT) provide technical support (security and infrastructure). Except for the human capital management module which is supported through a \$65 (non-vouchering) or \$100 (vouchering) agency assessment based on authorized positions in the General Appropriation Act, there appears to be no overall fee structure for SHARE. Consequently, ongoing operational costs are included in DFA's and DoIT's respective budgets. Moreover, there is no centralized help desk or knowledgebase for SHARE,

Eighteen agencies were granted access to the system to help alleviate the burden of security administration because it is difficult for DFA's small security staff to centrally manage security. Although each agency was informed by DFA's security staff that that system access would be limited only to it, in fact one agency has access to all other agencies.

The LFC contracted with the New Mexico Institute of Mining and Technology (NMTech) to conduct a security assessment of SHARE. The confidential results of that assessment have been provided to DoIT

Financial Help Desk Response Rate



Source: LFC Analysis

Over 99 percent of invoices paid for nine agencies during July and August 2007 were within the 30-day statutory requirement.

and DFA, and are available to the Legislature only in executive session. The testing of system interfaces and transaction-level controls could not be completed because DFA denied the access necessary to conduct the tests.

From May through July 2007 NMTech assessed SHARE's performance at DFA, STO and State Purchasing Division and found that as users of and requests to the system increased, there was a degradation of performance to the point of no response at all. DoIT has since upgraded SHARE's infrastructure, but no objective information on SHARE's response will be available until another assessment is conducted.

Best practices suggest that an ERP implementation such as SHARE can optimize business processes, but only if agency processes are reengineered to fit the system. Successful implementation of SHARE was negatively impacted by not re-engineering business processes at the agencies and not adequately training state staff. Inadequate training frustrated employees and negatively affected their morale. In response to this problem, the human resources group has formed HCM user groups. The HCM training group is offering structured classes to state agencies on how to use the HCM module. This has not happened with the group assigned to the financial module.

Recommendations.

- Establish performance metrics to assess performance over time.
- Complete the work necessary to produce timely, complete and reliable management reports.
- Identify configuration and programming issues and seek adequate funding to fully address them, including those at DOT.
- Establish a SHARE governance structure that includes centralized enterprise management.
- Implement a knowledgebase for the help desk to assist them in providing consistent, prompt expert-level answers to requests for assistance.
- Seek sufficient funding to adequately train end users and technical staff, including security.
- Periodically reassess system performance using benchmarks established by earlier assessments.
- Work with agencies to re-engineer business processes.
- For future information technology projects ensure projects have ongoing sponsor commitment, risk assessment and mitigation and qualified project managers.

Next Status Report. Due to time constraints and information not being available timely the following items will be covered in the next status report. Testing cash reconciliation, benefit contributions, system interfaces, grant and project reporting, purchasing, payroll, and transaction-level controls.

BACKGROUND INFORMATION

Background. The Statewide Human Resource, Accounting and Management Reporting (SHARE) system, an enterprise resource planning (ERP) project, was proposed to

- Address the disparate systems for accounting, human resources, payroll and procurement.
- Replace 70 accounting systems and 4 payroll and human resource systems.
- Reduce the cost to support the disparate systems.
- Reduce system complexity and increase benefits through standardization of common functions and flexibility to support agency-specific business functions.

SHARE's implementation was touted to provide increased access to timely and more accurate data, increased productivity, and best practices. The system's mission was "to enable better control and accountability to assist the State in delivering to the public the maximum amount of services possible."

The three primary business areas of SHARE are accounting, human resources and procurement.

The SHARE system was intended to implement

1. a single integrated accounting and human resources system;
2. a consolidated chart of accounts with real-time standardized general ledger transactions;
3. Human Resource central processing through a single database;
4. Skills-based human resource activities; and
5. A comprehensive procurement system.

Proposed SHARE implementation costs were estimated to be about \$32 million (years 1 and 2). About \$2 million of the second year costs are recurring expenses as are all the expenses in the third year. The table below presents those costs.

Table 1. SHARE Implementation and Operating Costs

Cost Component	Year 1	Year 2	Year 3
Licensing	\$2,500.0		
Base System	\$11,500.0	\$500.0	\$500.0
Agency Rollout	\$6,500.0	\$4,400.0	
Hardware	\$733.3	\$733.3	\$733.3
FTE Support ⁽¹⁾	\$930.0	\$930.0	\$930.0
Implementation Agency FTE	\$1,240.0	\$1,240.0	
Ongoing FTE		\$775.0	\$1,550.0
Total	\$23,403.3	\$8,578.3	\$3,713.3

Source: SHARE Business Case

(1) 2 Sys Admins; 3 DBAs; 10 Functional Specialists
Costs remain flat in Year 3 and 4 and then spike with needed upgrades in Year 5

Anticipated process improvements to be realized by FY09 presented in the SHARE Business Case and shown in the following table.

Table 2. Process Improvements To Be Realized

Functional Area	Percent Improvement
G/L	4%
Budgeting	10%
Cash Receipts	5%
A/P	~12.5%
Cash Disbursements	10%
Treasury	5% (probably reduced)
Procurement	15% (probably reduced)
Grants Management	20%
HR	10%
Compensation	10%
Position Control	10%
Benefits Administration	10%
Recruitment	15%
Payroll	10%

Source: SHARE Business Case

Note: According to SHARE staff the estimated process improvements were never used to justify the system implementation.

Five companies responded to the proposal and submitted the cost proposals shown in the table below. Since the initial bid, PeopleSoft and Oracle have merged. PeopleSoft/Oracle was selected as the software vendor.

Table 3. Software Cost Comparison by Company

Cost Element	SAP	People Soft	Oracle	Lawson	AMS
License Fees and Maintenance	\$3,000.0	\$3,000.0	\$3,000.0	\$2,400.0	\$1,800.0
Implementation Services	\$28,000.0	\$21,500.0	\$20,000.0	\$17,500.0	\$15,875.0
Hardware Fees and Maintenance	\$2,200.0	\$2,200.0	\$2,200.0	\$1,750.0	\$1,550.0
Internal Support	\$3,720.0	\$3,720.0	\$3,720.0	\$3,720.0	\$3,720.0
Total	\$36,920.0	\$30,420.0	\$28,920.0	\$25,370.0	\$22,945.0

Source: SHARE Business Case

Note: Oracle and PeopleSoft are now one company. The average cost using both cost responses is \$29.7 million.

The \$3.4 million contract signed on November 19, 2004 with PeopleSoft for the software bought the state a perpetual license to use the software. The license fee is \$400 thousand more than that reflected in the business case shown in the table above. The total proposed for implementation, including hardware and staff support was \$33.9 million. The SHARE project sponsors requested \$21.1 million in FY05 and estimated that an additional \$6.9 million would be requested in FY06 to procure, configure, implement, and train staff. As of June 30, 2007, the amount available for the project is \$31.2 million. The difference between the \$20 million appropriated and the \$31.2 million available has been made up by receiving contributions from other agencies as shown in the table below.

Table 4. SHARE Contributions By Agency
In thousands

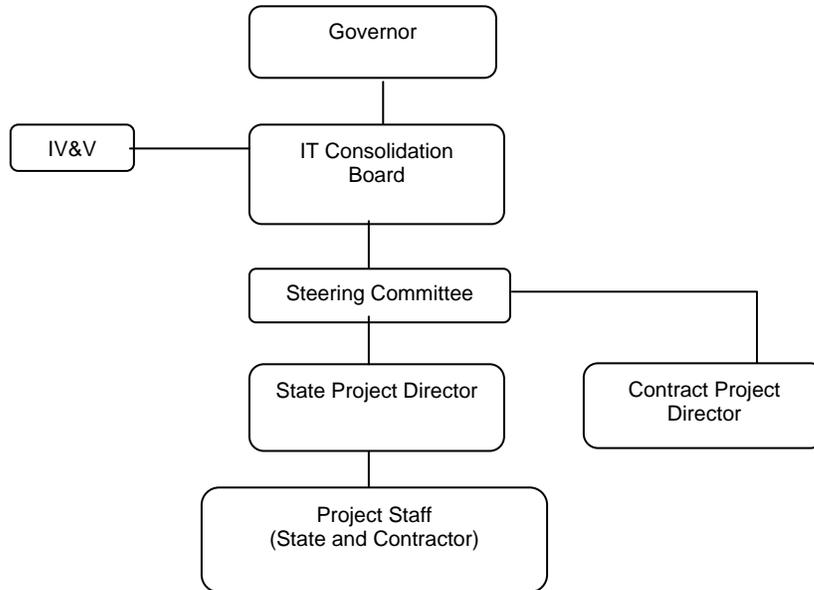
Agency Name	Amount
DOH	\$1,000.0
DOL	\$1,652.1
DOT	\$1,896.5
HSD	\$1,750.0
TRD	\$800.0
GSD ⁽¹⁾	\$3,616.1
EMNRD	\$22.1
DFA ⁽¹⁾	\$842.6
SPO	\$52.6
DOC	\$35.0
HPC	\$5.0
STO ⁽¹⁾	\$25.0
Total Transfers	\$11,696.8

Source: LFC Analysis

Note: (1) \$2,565.2 of the total is for operation and maintenance included in the Maximus contracts

Seventy state staff members participated on the project team; 6 worked on behalf of the SHARE project and were employed by the Department of Finance and Administration (DFA). Maximus originally provided 43 contractors, and added 8 new resources over the project lifetime. The project reporting structure is represented in the chart below.

Chart 1. SHARE Project Reporting Structure



Source: SHARE Integrator Contract

Note: IT Consolidation Board was later substituted with SHARE Executive Board

The framework for enterprise architecture developed in response to the governor's performance review identifies SHARE as one of the three high-level enterprise services.

Objectives. Determine the

- Adequacy of planning, procurement, implementation and management of the project;
- Adequacy and sufficiency of training and knowledge transfer;
- Adequacy and sufficiency of application, database and user security;
- Existence of application and transaction-level controls (access to the contractor assessing security was limited);
- Requirements and current capacity for network, hardware and software at the enterprise and agency level (remains pending); and
- Adequacy and sufficiency of staffing and support.

Scope and Methodology.

- Review of laws, rules and regulations,
- Analysis of reports provided by the Department of Finance and Administration,
- Review of Legislative Finance Committee files,
- Discussions with project and agencies' staff,
- Analysis of compensated absences for FY07,
- Review of timeliness of payments,
- Review of project documentation, and
- Review of system performance and security.

Authority for Review. The Legislative Finance Committee (Committee) has the statutory authority under Section 2-5-3 NMSA 1978 to examine laws governing the finances and operations of departments, agencies and institutions of New Mexico and all of its political subdivisions, the effects of laws on the proper functioning of these governmental units and the policies and costs. The Committee is also authorized to make recommendations for change to the Legislature. In furtherance of its statutory responsibility, the Committee may conduct inquiries into specific transactions affecting the operating policies and cost of governmental units and their compliance with state law.

Review Team.

Aurora B. Sánchez, CISA
Kami Gupta, PMP

Exit Conference. The contents of this report were discussed with Department of Finance and Administration Financial Control Division Director, Anthony Armijo and staff, SHARE project staff, Department of Information Technology Secretary, Roy Soto and staff, and State Personnel Office State Compensation Manager, Justin Najaka on November 2, 2007.

Report Distribution. This report is intended for the information of the Office of the Governor, the Department of Finance and Administration, Department of Information Technology, Office of the State Treasurer, the Office of the State Auditor, and the Legislative Finance Committee. This restriction is not intended to limit distribution of this report which is a matter of public record.

A handwritten signature in black ink that reads "Manu Patel". The signature is written in a cursive, flowing style.

Manu Patel
Deputy Director for Performance Audit

FINDINGS AND RECOMMENDATIONS

REPORT ACCURACY AND ACCESS

Accurate and timely information is essential to every organization's ability to report strategically-critical information and for tracking key performance measures over time. Monitoring of an agency's financial position is achieved through timely, complete and reliable reports. Tracking key performance measures is accomplished by establishing metrics that allow an agency to assess its performance in a particular area. Metrics, according to *Six Sigma*, are at the heart of a good, customer-focused process management system and any program directed at continuous improvement. The focus on customers and performance standards show up in the form of metrics that assess the ability to meet customers' needs and business objectives.

Metrics. There is no data available for review that allows for comparisons in measuring progress. There are no benchmarks for the system to be measured against to determine if in fact it is as efficient or as effective as the accounting, purchasing and payroll systems SHARE replaced.

The Department of Finance and Administration (DFA) provided the following information at the May 2007 LFC hearing which basically illustrates that transactions are being processed. However, there are no indicators that allow one to determine if the state is meeting or exceeding expected levels of performance in these activities.

Table 5. Financial Transactions Reported in May 2007

Transaction Type	Number of Transactions	Dollar Value
Requisitions	74,816	\$3.7 billion
Purchase Orders	149,470	\$6.3 billion
Payment Vouchers	562,258	\$8.4 billion
Payroll Payments	544,302	\$584 million
Contracts Approved	7,469	

Source: DFA and SPO

Financial Reports. Responsibility for Accounting Functions, 2.20.5 NMAC requires an agency chief financial officer (CFO) to timely, completely and accurately report financial information to the agency's management and to oversight agencies and entities, to complete financial audits by the state auditor-established deadline, and to have a budgetary control system in place and functioning. CFO cannot fulfill their responsibilities established by this rule because reports are not timely, reliable or complete as discussed below.

The SHARE project team identified the following six financial reports among others as critical to go-live:

1. budget status report,
2. detail encumbrance list,

3. revenue status report,
4. trial balance for all reporting codes,
5. accounts payable detail, and
6. balance sheet.

The six reports if available timely with complete, accurate and reliable information can assist an agency CFO comply with the rule mentioned above. At the October 2006 LFC hearing, DFA said the reports would be available by November 2006. By the December LFC hearing, the date for having the reports corrected was moved to the start of the 2007 legislative session. The new date to have the reports corrected is now November 2007.

The table below shows the status of the reports according to the master development requests list maintained by Maximus, but it does not agree to the project schedule which shows all reports are 100 percent complete.

Table 6. Financial Management Reports

Report	Status
Monthly Budget Status	NM02 Monthly Budget Status (40% complete)
Trial Balance	A611 (80 % complete)
Accounts Payable Detail	No report on list
Monthly Revenue Status	A203 Monthly Revenue Status (80% complete)
Balance Sheet	F100 Balance (1% complete) Sheet and Balance Sheet (cancelled)
Detail Encumbrance	A400 Detail list of encumbrances vs. Expenditures (80% complete); NM03 List of Encumbrances (70% Complete)

Source: LFC Analysis

The Comprehensive Annual Financial Report (CAFR) Budget Status Report is the official monthly budget status report, but it does not exist on the list since it may have been created by state staff. The SHARE project team was unable to provide a more updated status on the financial reports. Additionally, information about when the reports were moved into production was not provided.

Budget Status and Detail Encumbrance Reports. The (CAFR) Budget Status Report in at least five agencies continue to report negative encumbrance balances even though there are no negative encumbrances. According to DFA's Financial Control Division (FCD), four of those agencies initially had configuration issues that caused this to happen. LFC is one of those agencies. Although configuration issues may have caused at least 12 agencies to have reporting problems, it is not the full explanation for errors on the report. For example, the LFC FY07 CAFR Budget Status Report shows a negative encumbrance of \$1,132.86 on a purchase order to one of the session contractors for voucher number 488. FCD's reasoning that the initial setup of the purchase order as quantity versus amount does not explain why the first four vouchers issued against that purchase order were not affected similarly. The four vouchers issued before voucher

488 and the four issued after appear on the Detail Encumbrance Report, but voucher 488 is conspicuously absent from the report.

Finding and addressing the two issues in the LFC reports is easy as compared to what an agency the size of the Children, Youth and Families Department (CYFD) has to do. The FY07 miscellaneous expense category net negative encumbrance of \$28,416.19 shown in the table below is made up of 10 purchase orders in four programs. The FY07 total negative encumbrances for the general operating fund is \$325.6 thousand. Moreover, there is a difference between the CAFR Budget Status Report and the Detail List of Encumbrance as shown in the table below.

Table 7. CYFD General Operating Fund Negative Encumbrance Balance for FY07

Program Name	Miscellaneous Expense Amount
Program Support	\$7,817.92
Juvenile Justice Services	(\$2,876.66)
Protective Services	(\$24,958.73)
Family Services	(\$8,498.72)
Detail Encumbrance List Net Miscellaneous Expense	(\$28,516.19)
CAFR Budget Status Report (over)/under Detail Encumbrance List	(\$28,416.19)
Difference	(\$100.00)

Source: CYFD General Operating Fund FY07 CAFR Budget Status Report

Similar issues are present at the Administrative Office of the Courts, the General Services Department and Human Services Department.

Although there is no dispute that initial budget configuration issues could be the proximate cause of problems with the budget status report and encumbrance report at Legislative Council Service, Legislative Maintenance, AOC, State Investment Council DFA, Livestock Board, Energy Mineral Natural Resources Department, Human Services Department, Department of Health, Environment Department and Public Education Department, there appears to be no communication with the agencies regarding what they need to do to overcome the problems.

Payroll Register and Payroll Liabilities. The payroll register cannot be reproduced for a particular point in time and have it accurately reflect the agency's payroll activity because if staff is hired by another state agency employees will not appear on the report and staff hired by the agency after the desired report date will appear on the report. DFA did not post the FY07 third party payroll liabilities (PERA, RHCA, insurance benefits, taxes payable, etc.) timely to the agencies' books. The cash transfer for the third party liabilities for the three December 2006 payrolls' was not posted to the agency's Trial Balance (A611) until September 2007. Additionally, DFA does not provide agencies with appropriate supporting documentation for operating transfers or corrections it makes to the agencies' books.

Cash Reconciliation. The monthly FY07 book to bank cash reconciliation is complete, but was not tested. This item will remain open until such time that each month can be verified. Initially, a cursory review of the April 2007 reconciliation found that the physical paper month-end bank statement did not match the bank statement table in SHARE. Currently, there appears to be issues with warrant cancellation, adjusting entries and deposits. A full report regarding cash reconciliation, including a month-by-month test will be available at the next SHARE update.

Cash Balance Report. This report offers essential summary information regarding the status of funds in state government and is of particular concern to the LFC. It is not currently available.

Daily Interest Calculation. Interest calculation for interest bearing funds was not part of the initial SHARE implementation even though it is a major STO function. The master development request list shows that the average daily balance (monthly interest) request is 80 percent complete.

The state has 150 self-earning accounts which are authorized by statute to receive monthly interest earnings. The average daily balance and interest earnings must be calculated manually for each account. This task was automated in the previous treasurer' system, but SHARE has not been programmed to accomplish this monthly process, requiring a cumbersome, labor-intensive process for staff, which is subject to a higher error rate. The queries developed by SHARE project managers for interest earnings calculations have not provided the necessary information for the Treasurer's office during the current fiscal year; consequently, interest earnings calculations and distributions have not been made since June 2007. Additionally, it is difficult to adequately calculate compounded interest manually. Agencies and institutions that have self-earning accounts are not receiving and STO cannot distribute monthly interest allocation of about \$2.5 million per month.

Human Resource Management Reports. The 13 human resource management reports most commonly used by state agencies to manage their human resource issues were selected to determine if they were indeed ready by July 1, 2006 (go live). All 13 reports were identified as "critical for go live", the designs were approved by the state between November 2005 and April 2006. Sixty-nine percent of the reports were not moved into production until two to three months after go live. All 13 reports were in scope: 12 categorized as easy to medium technical complexity and one was classified as difficult. The majority of those reports are still not reliable. For reports to be used as management tools, they must be complete, accurate, reliable, and timely.

Table 8. Human Resource Management Reports

Report Number	Report Name	Date Design Approved	Date Migrated
NMS_0046HR_01 2.4.1.1	Table of Organizational Listing (TOOL)	4/26/2006	10/6/2006 Staging/QA
NMS_0047HR_00 2.4.2.1	Classified Service Compensation Report	1/26/2006	6/25/2006 UAT
NMS_0049HR_02 2.4.2.3	Roster of State Employees	4/26/2006	9/28/2006 Production
NMS_0051HR_02 2.4.2.5	Classified Employee Listing	4/26/2006	9/28/06 Production
NMS_0054HR_00 2.4.2.8	Job Class Distribution	12/15/2005	6/19/2006 Staging/QA
NMS_0058HR_00 2.4.2.12	State Wide Vacant Baseline Positions All Orgs.	1/9/2006	9/28/2006 Production
NMS_0059HR_00 2.4.2.13	Agency Vacant Baseline Positions All Orgs	1/9/2006	9/28/2006 Production
NMS_0060HR_00 2.4.2.14	Agency Turnover statistics by FY	12/15/2005	6/29/2006 Staging
NMS_0061HR_00 2.4.2.15	Turnover by job class and FY	12/15/2005	9/26/09 HP89
NMS_0062RC_00 2.4.2.16	*Ranked listing of Job Applicants	11/8/2005	5/25/2006 Staging/QA
NMS_0063HR_02 2.4.3.1	Governor's Exempt Employee Listing	4/26/2006	9/21/2006 Staging/QA
NMS_0064HR_00 2.4.3.2	Exempt Temporary and Term Positions	1/12/2006	9/26/2006 Staging/QA
NMS_0065HR_00 2.4.3.3	Governor's Exempt Vacancy Report	1/26/2006	9/13/2006 Production

Source: LFC Analysis

* Classified as technically difficult

Leave Liability Report. The FY07 Leave Liability Report was tested at eight agencies to determine if the external auditors could reasonably rely on it to compute compensated absences. Beginning Balances from the legacy system were converted correctly for the sample tested in the eight agencies.

The report did not always accurately reflect ending balances or leave taken in all agencies tested. For example, if an employee took leave the last week of June 2007, the report does not always reflect them as taken, but the ending balance is correct. If adjustments were made to the agency's records by an external source, the employee was on Family Medical Leave, Leave Without Pay, or worked more or less than a regular 80 hour pay period, ending balances are impacted and that activity is not always reflected in the report. Additionally, if an employee has transferred to another state agency, that person no longer appears on the previous employing agency report. If that individual is randomly selected in a sample the record will not be available. Appendix A contains the results of the annual and sick leave tests conducted. The agencies on that list are working to correct any discrepancies.

Organizational Listing. A review of the Retiree Health Care Authority February 2007 SHARE Organizational Listing showed that the agency had 18 filled positions out of the 24 authorized in the 2006 General Appropriation Act. An analysis of the Organizational Listings from June 2006 through February 2007 showed:

1. Duplicate position numbers that do not indicate the position is double filled.
2. Position (perm numbers) that did not exist in the previous system (HRMS).
3. Position numbers that disappear for a few cycles and then reappear.

4. Authorized positions that are less than the filled positions.
5. Authorized positions that fluctuate from month to month.
6. Actual filled positions are fewer than the number reported.
7. No vacant positions listed even though the agency has vacant positions.

Position numbers are unique to each position in state government. Two individual can occupy the same position if it is double filled. The TOOL number and position number are used to assist an agency with position control. The TOOL number is a unique identifier with agency code, division, bureau, section, unit and finally position number.

SPO is reviewing the month-to-month analysis to determine the cause of the listing's anomalies. From a cursory review of the September 2007 Organizational Listing, there are no duplicate numbers on the report and vacancies are now showing up. The remaining issues appear to still be an issue that SPO and DoIT are working on.

Oversight Agency Access to Management Reports. Section 2-5-4 C NMSA 1978 requires each state agency, department or institution to furnish to the legislative finance committee and its staff supporting information or data deemed necessary to carry out its oversight responsibilities. LFC fiscal analysts, at a minimum, require access, online or on paper, to agency budget and revenue status reports, encumbrance reports, balance sheets, cash reports, organizational listings and vacancy reports to carry out their statutory oversight function. Online reports or agency-provided hardcopy reports must not only be available they must also be accurate, timely and reliable. LFC fiscal analysts cannot reasonably analyze or monitor an agency's fiscal position without reliable and timely information. The lack of timely, reliable and complete information allows for greater error in analysis and revenue estimation. Although the LFC has requested read and report generation access to SHARE, neither has been granted. By contrast, DFA State Budget Division has been granted access to SHARE.

Recommendation.

Establish metrics that can be used to assess SHARE's performance over time.

Determine why the reports do not reflect the data that resides in SHARE.

Fix the existing reports so that the agencies and oversight entities have reliable, timely and complete information upon which to make decisions.

Determine if all configuration issues have been resolved for all agencies. If issues continue to exist, immediately work with the affected agencies to get those corrected.

Instruct agencies as to the best time to produce the payroll register so that it accurately reflects the pay period and so it can use it to reconcile its payroll.

Ensure data from interfaced external sources is posted timely to all affected SHARE modules. Establish a strict schedule and process for loading the data into SHARE so that all data is properly loaded and posted to the modules.

Analyze what it will take to complete the daily interest calculation development request (DR) then assign the necessary resources to complete and test the STO-required functionality. If insufficient funds are available to complete the DR, request an appropriation during the 2008 legislative session.

Allow LFC fiscal analysts read and report generation access to SHARE. Provide the analysts instructions and training on how to generate required reports.

Communicate with agencies processes, procedures, and errors regarding reports, interfaces, corrections and transactions posted by DFA.

ONGOING SUPPORT AND OPERATIONS

In the post-live ERP environment, the make-up of the members of the governance team may change and focus will shift from implementation to leverage of functionality and integration, but governance continues to be equally as important. Management attitudes, approaches and daily behaviors must enforce use of the standardized system and processes across the organization to fully realize the benefits and return on investment from ERP. On a tactical level, industry best practices recommend a transition to operations/production plan which documents the operations and support plan, change management plan, as well as training, new release and enhancement management.

Governance and Ongoing Operations. The state Chief Information Officer has assumed full responsibility and leadership for developing an action plan that will address the many issues raised by SHARE. The responsibility and leadership will transfer to newly established Department of Information Technology (DoIT). There appears to be no transition to operations plan that clearly defines governance, ongoing support and operations for SHARE. Governance can develop and manage consistent, cohesive policies, processes and decision-rights of SHARE as an enterprise application that serves all three branches of government. The governor's performance review recommends a federated governance model to free agencies from supporting enterprise services.

Governance and operations are split across DFA Financial Control Division (FCD), DoIT and the State Personnel Office (SPO). The table below shows the areas of responsibility assumed by each agency.

**Table 9. SHARE Areas of Responsibility
By Agency**

Agency	Responsibility
DFA-FCD	SHARE security FIN configuration FIN/HCM help desk HCM functionality (payroll) FIN module decision maker
DoIT	Technical infrastructure HCM help desk and support
SPO	HCM decision maker

Source: LFC Analysis

There appears to be no overall fee structure to pay for SHARE as an enterprise application. Agencies are assessed \$65 (non-vouchering) or \$100 (vouchering) per person for human capital management (HCM) support. No such structure exists for the SHARE financial or technical support. Ongoing support and operations for SHARE at DFA and DoIT are included in each agency's respective operating budget. For FY09, DFA has requested \$889 thousand for Oracle database and PeopleSoft software and upgrades and ongoing Maximus help desk support. DoIT is requesting \$550 thousand for Oracle and PeopleSoft software support.

Recommendation. Establish a governance structure that includes a rate structure that will support SHARE as an enterprise application not by functional area.

System Access Privileges and Security Staff Training. According to the PeopleBooks on security, "the security approach is tailored for the internet" and enables the creation and maintenance of security definitions. Even though role-based security can be managed manually based on business rules, the more efficient method is to dynamically manage the roles based on business rules through a schedule batch process.

Security access reviewed was based on financial security access on September 26, 2007 and HCM security access on October 4, 2007. Global system security access is available to 59 FTE in 18 agencies as shown in the table below. The DFA Security staff was allowed to grant security administrator privileges to 18 agencies so that they could help the three FTE at DFA grant, remove or change access to SHARE. However, the agencies are not limited to their specific agencies, but have global access to the entire system. Recently, a development request was completed creating a gatekeeper role that will help with limiting global access to the system. The gatekeeper role will be granted to the DFA security team and Maximus.

Table 10. Agencies Granted Financial Security Administration Privileges

Agency	Number of Staff with Privileges
DFA	12
DOH	8
HSD	7
DVR	5
CYFD	4
TRD	3
DOT	3
OCA	2
EMNRD	2
SEO	2
DOL	2
ED	2
PED	2
GSD	1
SPO	1
RLD	1
PRC	1
CD	1

Source: LFC Analysis

Help desk role access was granted to 24 FTE at 13 agencies to assist with password resets for their agencies. According to the DFA security staff, there were a significant number of requests to reset forgotten passwords and they simply could not keep up. Granting agencies security administration privileges to agencies lessens the security administration burden from DFA (security) staff, but it also gives one agency access to all other agencies' security profiles.

One of STO's IT personnel appears to be able to create deposits, have access to the bank reconciliation process and bank maintenance. This issue has been reported to STO's CFO who is ensuring that only appropriate access has been granted. IT staff in any agency should not have edit access since this is a business function. STO was notified and is in the process of reviewing every role to ensure that staff has need to know or need to do access only.

It is unclear why the state controller has global access to the entire financial system including areas such as STO and SPD functions that statutorily are not within his authority. Additionally, it is unclear why the state controller would want or need gatekeeper, security administrator or help desk role-level access.

By far Maximus staff has the most access rights, many of which the state security staff do not understand. It is unclear why Maximus staff would need more than one operator ID for gatekeeper, security administrator, system administrator or PeopleSoft administrator since the roles and permissions for both IDs are identical. Moreover, it is not clear why roles such as HR Administrator MEX, Health and Safety Admin ESP, or GP Administrator JPN need to be active roles.

Two individuals identified as SPO employees with global agency-level access no longer work at SPO and have not for several months.

According to DFA security staff, they have no documentation on security from either Maximus or PeopleSoft. The staff did receive training, but to keep up and become proficient at their jobs staff needs ongoing and directed training.

Recommendation.

Use the PeopleSoft's functionality that allows dynamic role assignment.

Require agencies to periodically review access granted to ensure staff still requires the access, individuals are still employed by the agency and IDs are limited to one per role.

Assess the need for all active roles assigned to Maximus and deactivate as necessary.

Annually provide security staff with directed training on PeopleSoft security as configured for New Mexico.

Periodically train agency staff helping with security.

Include security staff training in the FY09 request for SHARE training and ensure that the request is sufficient for both.

End User and Technical Support Staff Training. The end user training mission was to provide the training necessary to empower the SHARE community to achieve a new level of productivity via their new PeopleSoft system. End user training was supposed to accomplish this by leveraging the user's understanding of the business processes, systems and data surrounding the new PeopleSoft system. Armed with the knowledge of the PeopleSoft environment, agencies will be able to create their own model for agency operations based on the new PeopleSoft

applications, thus enabling the State agencies to efficiently deliver maximum quality services to the people.

The initial training of state employees on SHARE was inadequate. Current analysis by DFA and DoIT indicates that a significant portion of errors are user-driven. As system issues are corrected and procedure manuals are further refined, it is critical that proper and consistent training be conducted statewide. Employee buy-in to the SHARE system is critical. As with any change of this magnitude made within an organization, one must be careful to fully communicate the rationale behind the change and the correct processes that should be followed. This will be costly and there is a concern that adequate resources, either financial or human, are not available.

SHARE was supposed to reduce system complexity and increase benefits through standardization of common business functions and flexibility to support agency-specific business functions (*SHARE Project Business Case*). The efficiencies that could be gained with SHARE will not be realized without a trained work force. It has always been recognized that the skill sets required at the employee level under SHARE are different than prior systems required. The integrated data base of SHARE will require those who interact with the system to be more cognitive of the processes and the consequences of their interaction.

Initially, the SHARE project team offered courses in the financial and human capital management (HCM) modules to all state agencies. Courses were offered throughout the state starting April 2006 and continuing through August 2006.

Overall attendance, based on registration, at the HCM and financial classes was 67 and 74 percent, respectively. Some of the attendance sign-in sheets do not show who the instructor may have been on a particular day. Train-the-trainer attendance sheets do not show what state employees were trained to train. Courses were taught in a lecture style auditorium with no actual hands-on learning. Participants were then expected to go back to their offices or to a training lab and complete the user productivity kit (UPK) for the lecture-style class they had just completed. Instructors then went back to the attendance sheets and logged in the grade the student received after completing the UPK. The HCM classes were held back as long as possible to make sure the information and views were more akin to the system the state would receive. Some of the training materials were generic and did not track the final delivered system. Passing the UPK may have provided little value.

According to the June 19, 2006 independent validation and verification (IV&V) report completed by Gartner, "all training is generic through the UPK. Users would like to have access to the actual system and be able to develop their own specific scenarios. UPK environment is not stable and frequently freezes or goes down. This hinders the ability of users to follow self-training". Gartner rated the risk of user training at medium even though users were not fully trained or comfortable using the system two weeks before the go-live date.

The HCM group has formed a user group to identify issues, resolutions and required training. To date the HCM group has conducted four training sessions since September and has eight more scheduled. All classes are filled to capacity.

In the FY09 special requests DoIT has requested \$935 thousand for instructor-led training for HCM and financials.

Recommendation.

Ensure that ongoing user and technical staff training is an integral part of SHARE.

Update reference manuals and make them available to current and new employees.

Ensure that the requisite skill sets are developed and maintained through employee training.

Plan to address and assist the migration of employees into other occupational fields as needed over time.

Ensure that the FY09 request for funding is sufficient to fully train employees.

Include ongoing user and technical staff training in the SHARE rate structure.

There Is No Central Help Desk and Knowledge Base for Financial and Human Capital Management Issues. The purpose of a help desk is to provide users a single point of contact where they can report a problem, find a solution and improve their productivity when using a new software product. Help desk staff need tools that will keep track of incoming requests and the requestor, and provide subject-problem-solution information to assist users/requestors.

From July 2006 through September 2007 the help desks at DFA's Financial Control Division (FCD) and DoIT received and logged into the TeamTrack database 2,851 requests for help with SHARE financials and HCM modules. Effective March 21, 2007, all requests for assistance with SHARE financial issues were required to be initiated through an electronic FCD Support Unit Help Ticket instead of calling the FCD help desk, submitting questions to the SHAREinfo mailbox, or contacting FCD staff directly. No similar requirement appears to have been placed on requests for assistance with HCM issues. DoIT has two help desk staff that take and route calls to five FCD-HCM and seven DoIT HCM support staff. The FCD financial help desk has three people assigned full time that take calls, attempt first line resolution and escalate to five other financial staffers.

According to the SHARE website, a 48-hour turnaround for resolution is guaranteed unless the issue is complex at which time the agency will be notified of the delay and estimated time of resolution. From July 2006 through September 2007, 68 percent of the requests categorized as inactive met the 48-hour turnaround. About 11 percent (or 154) of the calls from July 2006 through September 2007 appear never to have been resolved and remain active. Because 40 percent of the requests for assistance (active and inactive) were not resolved within the 48 hour turnaround guarantee, users found one person who would always return calls and provide the assistance they needed.

Table 11. Financial Help Desk Response Time

Time to Resolve	Number of Requests
Less Than or Equal 2 days	826
3 to 50 days	367
51 to 100 days	15
Greater than 100 days	11
Total	1,219

Source: LFC Analysis

A different statistical report shows 1,074 financial help desk tickets, the largest requests for assistance are for purchase orders (19 percent) and purchase vouchers (20 percent).

The analysis of the 478 open HCM tickets from February 2007 to October 2007 indicates that all should be closed, except for those dealing with reports or time and labor. The time and labor tickets deal with overtime, comptime, annual and sick leave balances or personal holiday. The issues reported in the other categories are critical and need to be addressed immediately so those do not remain open. For example, benefits and deductions incorrectly taken from the employee share, employees incorrectly terminated, salary increases, or incorrect effective hire dates. The table below shows the number of active (open) help desk tickets for HCM from February through October 2007.

**Table 12. HCM Help Desk Tickets
By Category**

Category	Number
Time and Labor	328
Job Data	34
Recruitment	33
Logon Security	27
Payroll	20
Reports	19
Benefits	15
Training	1
Software	1
Total	478

Source: LFC Analysis

The table below shows how quickly the HCM help desk was able to respond to the 1,000 inactive requests from February 2007 to October 2007.

Table 13. HCM Help Desk Response Time

Days to Respond	Number of Requests	Response Rate
2 Days and Less	367	36.70%
3-10 days	421	42.10%
11-50 days	139	13.90%
51 - 100 days	41	4.10%
over 100 days	32	3.20%

Source: LFC Analysis

Issue/Problem descriptions in the TeamTrack database are not always sufficiently descriptive to create a centralized repository of SHARE financial or HCM issues making it difficult to discern if an issue stems from a need for more training or if it is system-related. Even though the hardcopies of the help desk tickets have more information than the database, it is still insufficient to create a reliable repository. Additionally, resolution of issues are not documented timely in the TeamTrack database for financial issues, and are not consistently documented for HCM. The documented resolution is not part of a knowledgebase that can be used by help desk staff to quickly resolve recurrent issues uniformly throughout the enterprise.

Although both help desks use the same database to keep track of requests for assistance, there is no centralized help desk within the enterprise to address all SHARE requests for assistance.

Recommendation.

Consider using the built-in HCM help desk feature in SHARE or request funding for a knowledge base that at a minimum integrates call tracking, knowledgebase, online documentation and e-mail; tracks requests and resolutions; automatically learns as questions and answers are entered into the system; information is simply and easily organized for easy access and has intelligence features to assist help desk staff in providing consistent, prompt expert-level answers to requests for assistance.

Empower frontline help desk staff with the tools to respond to requests that will allow high-level experts to concentrate on more difficult questions that the help desk has escalated to them.

Centralize the SHARE help desk function and standardize the protocol for reporting problems and providing resolution. Ensure that issues are descriptive and resolutions are fully documented.

Analyze and evaluate requests by agency and determine if more training is needed or if SHARE technical staff needs to intervene.

Coordinate with SHARE training staff so that training materials and courses address issues identified by the help desk.

Make frequently asked questions and SHARE tips part of the knowledgebase.

System Performance. The New Mexico Institute of Mining and Technology (NMTech) conducted an assessment of system performance at DFA, GSD State Purchasing Division (SPD) and the State Treasurer's Office (STO) between May and July 2007. DFA restricted access to SHARE applications; therefore performance analysis was limited to SHARE inquiry at DFA.

NMTech used industry standard performance assessment tools for ERP applications such as PeopleSoft that emulate concurrent users and can put the application through the rigors of real-life user loads. The tools allow the application to be stressed from end-to-end across all architectural tiers by applying consistent measurable and repeatable loads.

In the tests at DFA, SPD and STO, virtual test scripts were used to emulate what real users typically do with the system in a production environment. Before executing a scenario through virtual test scripts, configuration and scheduling was defined to determine how all the load generators and virtual users behave when the scenario is run. The performance tool measures and records the transactions defined in the virtual user scripts, monitors the system's performance, captures data at different load levels and retains the data for later analysis.

In the three agencies, the tests found that as the number of users performing inquiries increased the servers' performance decreased. As the number of document inquiries increased the servers' performance decreased. For example, as the number of users increased to 20 and over, the servers' response times varied greatly. Some users may wait much longer for an inquiry than others. As the number of users increased to 20 and up, other sub-operations such as login, navigation against the server were slower than normal. The graphs at Appendix B depict the system degradation at DFA, SPD and STO as users and inquiries increased. Graphs 2, 4 and 6 show that as inquiries and users increased the system could not handle the load and flatlined.

DoIT has made infrastructure improvements since the tests were conducted so it is possible that response time and performance has improved dramatically.

NMTech found that instead of using load balancing to distribute the work across the servers, SHARE is configured to failover completely before a secondary server assumes the load. Load balancing means that the amount of work that a computer has to do is divided between two or more computers so that more work gets done in the same amount of time and, in general, all users get served faster. Load balancing can be implemented with hardware, software, or a combination of both. Typically, load balancing is the main reason for computer server clustering.

Recommendation.

Investigate performance degradation during the ledger inquiry operation (i.e. when Peoplesoft is querying the Oracle database).

Use the performance assessment data as a baseline to gauge future performance improvements and identify scalability issues.

Load balance at the web server level to overcome login delays when there is a heavy load.

Department of Transportation Solbourne and Federal Highway Administration Reports.

In May 2007, Solbourne reported that the Department of Transportation (DOT) had difficulty resolving serious problems with their financial system, particularly with regard to grants and federal billing. It reported that SHARE-related problems ranged from \$30 to \$50 million. They recommended:

- reconfiguring time and labor to enable capturing and billing approximately \$1 million per month in labor costs to projects;

- patching forward, improving training and reporting to recover approximately \$48 million of unbilled expenditures;
- developing and executing a training plan;
- creating and maintaining testing instances;
- reconfiguring the projects-to-billing process (using the projects module versus the grants module); and
- giving DOT greater access to SHARE configuration, security administration and data access through queries and reports for DOT.

The October 24, 2007 Federal Highway Administration (FHWA) report found that the SHARE system as implemented and configured for use by DOT has limited ability to track financial events related to federal-aid project effectively and efficiently. Three significant issues require immediate attention: manual payroll process for capturing direct labor costs for projects, recording of capital assets and improper payments of contractor retainage.

The three major findings resulted in FHWA

- Suspending DOT's ability to claim payroll reimbursement until the manual process can be fixed.
- Putting DOT on notice that failure to resolve recording of capital assets (right of way acquisitions) may force the suspension of those payments.
- Threatening to suspend all contractor payments if improper payments were not resolved. In August, this finding was resolved to FHWA's satisfaction.

Recommendation.

SHARE and DoIT:

Work with DOT and Solbourne to quickly resolve issues with SHARE that may affect the State's ability to receive federal reimbursement for payroll and capital assets.

Provide assistance with DOT third-party application interfaces to eliminate the necessity to keep spreadsheets or enter data twice.

DOT

Ensure that sufficient funding exists to fully and quickly address the issues.

Invoice Processing Timeliness. Complaints from vendors prompted a test of invoice processing timeliness. Nine agencies representing eight governmental service sectors were selected to test timeliness of invoice payments based on the date the agency received and approved the invoice. The majority of payments are processed within the statutory 30 days. As discussed below and shown in the tables, agency entering of invoices and DFA processing of payments are reasonable when the statutory requirements and problems encountered with SHARE are taken into consideration.

The target for DFA's fiscal and oversight program performance measure in the General Appropriation Act (GAA): "average number of business days needed to process payment using SHARE" is two days. Based on the sample, DFA was able to meet its performance measure for payment processing in only 14 percent of the population tested. Data in SHARE; however,

should probably not be used to measure performance because factors such as paper voucher rejection and resubmission will affect payment timeliness.

An analysis of the voucher population from July through August 2007 found that 99 percent of the vouchers were processed for payment less than 30 days from the vendor's invoice date. The table below shows by agency the results of that analysis.

**Table 14. Net Working Days
From Invoice Date to SHARE Enter Date**

Agency	0 to 29 days	30 days and over	Total
DOH	3,035	50	3,085
GSD	1,148	10	1,158
1st Court	198	0	198
DFA	793	7	800
CYFD	2,387	12	2,399
PED	663	10	673
PSFA	353	7	360
DOT	9,042	136	9,178
1st DA	110	0	110
Total	17,729	232	17,961
Percent	99%	1%	100%

Source: LFC Analysis

The test of the samples for each of the agencies found that when the received or approved date was used (instead of the vendor invoice date) to analyze the time to process an invoice, 88 percent of the invoices tested were processed within 29 days from receipt or approval. The received or approved date is a better measure for the agency's performance because the agency has no control over the date the vendor puts on the invoice or when it sends it to the agency. For example, the First District Court uses receipt date not invoice date to track timeliness of entry into SHARE. The invoice date and the enter date are within 2 days of each other. The choice to use the receipt date allows the court to assess staff performance as it relates to timeliness of entry into the system and to have a better measure from date received to date paid. At the other extreme is the First District Attorney whose invoices do not have a received date stamped on them because the receptionist stamps the envelope which is subsequently thrown away.

Documenting the invoice received and approved date was not consistent from one agency to another or even within an agency. Other factors such as disputes over acceptability of goods received or services rendered contribute to delays in entering an invoice into the system before a payment can be processed.

**Table 15. Net Working Days
From Date Received/Approved to SHARE Enter Date**

Agency	0 to 29 days	30 days and Over	Total
1st District Court	12	0	12
DFA	20	0	20
CYFD	46	0	46
PED	10	0	10
GSD	16	1	17
PSFA	12	1	13
DOH	55	7	62
DOT	56	22	78
Total	227	31	258
Percentage	88%	12%	100%

Source: LFC Test and Analysis

Section 13-1-158 NMSA 1978 requires payments to be made to vendors within 30 days of an agency certifying that the goods or services are acceptable.

In the analysis of timeliness of payments from the date an invoice is entered into the system showed again that over 99 percent of the population for July and August 2007 were under the 30 day statutory timeframe. The table below shows the analysis of the data provided by DFA for each of the agencies selected.

**Table 16. Net Working Days
From SHARE Enter Date to Warrant Payment Date
July through August 2007**

Agency	0 - 29 Days	30 days and over	Total
GSD	1,158	0	1,158
1 st Court	198	0	198
DFA	800	0	800
PED	673	0	673
PSFA	360	0	360
1 st DA	110	0	110
DOT	9,174	4	9,178
CYFD	2,388	11	2,399
DOH	3,052	33	3,085
Total	17,913	48	17,961
Percent	99.73%	0.27%	100.00%

Source: LFC Analysis

The results of the test of the sample selected from the vouchers processed from July through August 2007 showed that payments were timely 75 percent of the time. Goods and services that are not acceptable to an agency may delay payment.

**Table 17. Net Working Days
From Date Received/Approved to Warrant Payment Date**

Agency	0 to 29 days	30 days and more	Total
1st District Court	12	0	12
DFA	20	0	20
GSD	21	2	23
DOH	28	35	63
CYFD	42	4	46
PED	10	0	10
PSFA	10	1	11
DOT	30	17	47
Total	173	59	232
Percentage	75%	25%	100%

Source: LFC Test and Analysis

Purchase Orders Greater Than \$5,000. Section 13-1-125C NMSA 1978 allows state agencies to procure services, construction or items of tangible personal property having a value not exceeding five thousand dollars by issuing a direct purchase order to a contractor based upon the best obtainable price. In a June 6, 2005 memo to agency chief financial officers, DFA's Financial Control Division (FCD) acknowledges the statutory change. However, it also informs the agencies that it will continue to require all state agencies to encumber small purchases of \$1,500 or more and will require agencies to submit related purchase documents for approval and encumbering to FCD for all payment vouchers that exceed \$1,500 before contracting or committing with the vendor.

A rough analysis of nine agencies to determine how many purchase orders greater than \$5,000 were processed from July 1 through August 31, 2007 found that almost 58 percent of the purchase order population is less than \$5,000. Therefore, 58 percent of the purchase orders could have been processed as direct purchase orders.

**Table 18. Purchase Order Analysis
July 1 through August 31, 2007**

Agency	Less than \$1,500	\$1,500 to \$4,999	\$5,000 and Over	Total
DFA	162	108	216	486
1st DA	150	100	200	450
GSD	600	400	800	1,800
CYFD	924	616	1,232	2,772
PED	564	776	352	1,692
1st District Court	93	62	124	279
DOH	1,887	1,258	2,516	5,661
DOT	1,854	1,236	2,472	5,562
PSFA	69	46	92	207
Total	6,303	4,602	8,004	18,909
Percentage	33.33%	24.34%	42.33%	100%

Source: LFC Analysis

Although there is no standard procedures manual for the FCD pre-auditors to follow, each individual has the rejection transmittal checklist and other documents such as the model accounting practices they can refer when reviewing and approving agency transactions. The DFA policy is to provide a 48-hour turnaround time for payments. According to the pre-auditors, they process on average about 200 payments per pre-auditor per day throughout the year. At fiscal year end, the average increases to about 300 to 400 payments per pre-auditor per day. The implementation of SHARE has added to the auditors' new responsibilities: processing journal vouchers and reversals. With the increased work load, FCD's enhanced scrutiny of purchase orders less than \$5,000 may no longer be reasonable.

Recommendation.

DFA-FCD

Change the internal FCD policy to more closely track the statutory requirement until FCD and agency personnel are more familiar processing transactions through SHARE.

Implement alternative audit procedures where purchase orders under \$5,000 can be audited after they are processed.

SHARE Project

Provide agencies assistance with reengineering their business process using SHARE.

Ensure sufficient funding is requested to accomplish agency business process reengineering.

Agencies

Require staff to date stamp the invoices when received and approved. If a dispute arises with the quality of goods and services, document the dispute and the resolution, including the date of approval.

Use either invoice received or approved date to measure payment timeliness.

PROJECT PLANNING, MANAGEMENT AND OVERSIGHT

Planning for the SHARE project was extensive and employed best practices beginning with describing the state's current accounting, payroll and human resource systems and defining what they should be in the future. The project methodology included

- White paper design (what should we do?).
- Conceptual design (what are we going to do?).
- Preliminary design (who is doing what?).
- Detail design (How are we going to do it?).
- Solution Selection (what are we going to do with it?).
- Implementation (doing it!).

The *Project Charter* and *Project Management Plan* identified project operation and technical risks, but had no strategies to mitigate the identified risks. The system integrator maintained a detailed project schedule with project phases and timeframes for starting and ending each associated task. The timeline in the Project Management Plan acknowledged that a project with a \$40 million design, \$60 million in expectations and a \$20 million appropriation would have to be scaled back to the appropriation level. However, none of the documents provided by the SHARE project team identified what was scaled back within the funding scope. In fact instead of requiring interfaces to large agency accounting systems such as DOT and deferring them until the main system was fully operational, requirements were moved to Stage 1 of the project through development requests and paid for using agency funds.

The software was procured after four vendors were evaluated by 17 individuals representing 13 agencies. According to the evaluation report dated March 22, 2004, the committee members based their recommendation on a four step approach:

- Evaluation criteria discussion
- Member scoring of each evaluation criteria
- Review of scoring results and additional discussion with possible score changes.
- Final recommendation of two finalists to executive committee.

A second round of vendor evaluations was done by another team called the Executive Council. The Office of the Chief Information Officer (OCIO) staff member served on both teams. The team consisted of 12 members representing nine agencies and two branches of government. The State Controller then requested that a paid consultant validate the ratings and rankings assigned by the two state teams. The table below shows the scores for the two teams and the re-evaluation by the consultant.

Table 19. Software Vendor Evaluation

Vendor	Evaluation Team	Executive Council	Consultant
PeopleSoft	342.80	364.30	369.05
AMS	238.39	347.39	360.89
SAP	346.24	346.24	358.24
Oracle	315.75	282.28	340.78

Source: SHARE Software Evaluation Documents

The state procured the PeopleSoft software in October 2004, seven months after the evaluation committee's recommendation.

The state chose to use the services of an integrator to install, configure, test and rollout the software to state agencies. Sixteen vendors received the request for proposal (RFP), 20 firms attended the bidders' conference and five vendors ultimately bid on the project: BearingPoint; Ciber, IBM, Maximus and Northrop Grumman. Ciber was disqualified because it did not include nor timely submit the required full cost proposal.

The six person evaluation team represented six state agencies and two branches of government. Two of the three sponsoring agencies were represented on the evaluation committee, DFA was not included. Maximus was the team's overall choice receiving 1,339 points out of a possible 1,600, almost 500 points over the next highest bidder, BearingPoint. The two percent cost adjustment by Maximus made it the least expensive proposal. The table below shows the original and amended cost proposals by vendor. Gartner oversaw the selection of the integrator and found that the selection was conducted fairly, objectively and consistently.

Table 20. Final Integrator Cost Proposals

Company	Final Cost	Original Cost
BearingPoint	14,499,997	14,499,997
IBM	33,735,183	36,159,210
Maximus	17,792,880	18,156,000
Northrup Grumman	33,917,595	33,917,595

Source: SHARE Integration Evaluation Documents

The state decided to select a vendor to provide hosting services during installation, configuration, testing and training. Seven vendors received the RFP for hosting services, only Maximus submitted a proposal. The three-person evaluation team that represented three agencies from the executive branch were also members of the IT Consolidation Executive Board. The team did not include an information technology person that could provide insight into the technical responses regarding hosting services. The evaluation team's recommendation was presented to the IT Consolidation Executive Board. In effect, the team was presenting to itself. The cost proposed was \$431.5 thousand fixed fee for months 1 - 18 and \$140 thousand per month for months 19 - 24 for a total of \$571.5 thousand. The contract for hosting services was awarded May 6, 2005 for \$665 thousand. The Maximus hosting contract as of June 30, 2007 was \$781.8 thousand.

The last step in the project methodology was implementation, which was to include

- Education on the new system.
- Software and hardware training.
- System configuration.
- End user training.
- System testing.
- Solution deployment.

All the items identified in the implementation step were completed albeit not totally successfully. The findings in this section address deficiencies in project management and implementation.

The Project Management Institute defines project management as the application of knowledge, skills, tools and techniques to project activities to meet or exceed stakeholder needs and expectations, including balancing competing demands. Oversight of Information Technology Projects, 1.12.5 NMAC defines the project director as a qualified person from the lead agency

whose responsibility is to manage a series of related projects and a project manager as a qualified person from the lead agency responsible for all aspects of the project over the entire project management lifecycle (initiate, plan, execute, control, close). The project manager must be familiar with project scope and objectives, effectively coordinate the activities of the team, develop the project plan and project schedule with the project team to ensure timely completion of the project, interface with all areas affected by the project including end users, distributors, and vendors, and ensure adherence to the best practices and standards.

The cost of implementing the PeopleSoft software in the ten states shown in the December 2003 *Software Vendor Short List Evaluation* ranged from \$8.6 million in Indiana to over \$127 million in Texas. The average cost of implementing an enterprise resource planning system is between \$32 - \$57 million. The table below shows the PeopleSoft implementation costs in other states. Recently, Florida has halted its implementation after spending over \$90 million, more than double their initial budget.

Table 21. PeopleSoft Implementation Costs
In millions

State	Cost
Connecticut	\$97.0
Florida	\$41.5
Georgia	\$52.0
Indiana	\$8.6
Montana	\$17.0
North Dakota	\$25.0
Oklahoma	\$27.0
Texas	\$127.0
Vermont	\$20.0
Average Cost	\$46.1

Source: Software Vendor Short List Evaluation

At the September 2004 IT Commission meeting the state CIO informed the members that the SHARE project team would "cut down the functionality from the \$60 million package desired to the \$20 million package the state can afford." It does not appear that functionality or the number of systems to be replaced was scaled back to accommodate the \$20 million appropriation and the promised \$8 million agency contributions. Furthermore, at no time since the initial appropriation did the sponsors request additional funding. In the FY09 special requests DoIT has requested \$935 thousand for instructor-led training for HCM and financials. Except for the FY09 requests from the State Treasurer and Department of Health for a total of \$1.2 million, there have been no other requests for additional funds.

State Project Director Relied on Maximus to Manage the Project. The state did not assign or hire a project manager even though its SHARE organizational chart included a project manager position. Instead it employed a project director that was responsible for the day-to-day activities of the project. According to the *Role Definition and Alignment Plan* deliverable, the duties of the project director were to inform the steering committee on the progress of the project, serve as principal contact on the project, and coordinate planning, execution and performance of the project, which based on industry standards for project managers are the same duties assigned to a project manager.

Even though Oversight of Information Technology Projects, 1.12.5 NMAC requires the project manager to develop the project schedule, the SHARE project paid Maximus \$265 thousand to develop and maintain the project schedule. Additionally, the *Role Definition and Alignment Plan* makes reporting of project status to the Steering Committee a mandatory responsibility of the state project director, yet weekly project status reports were authored by Maximus.

Oversight of Information Technology Projects, 1.12.5 NMAC defines a qualified project manager as having "demonstrated experience managing IT projects". Demonstrated experience includes exhibiting the ability to apply project management methodology to deliver projects on time, on budget, and on schedule. Qualified also includes those employees who have the demonstrated ability to manage resources, lead people to accomplishing project objectives and who possess a working knowledge of the project scope. The state project director did not possess the skills as defined by the rule.

A review of the project director's current resume shows a strong technical background in the private sector including 18 years as an information systems manager and his project management experience appears to be limited to one year as project leader for an enterprise resource planning (ERP) implementation for distribution, financials and inventory. According to his resume, the project director does not hold any industry-recognized project management certifications such as the Project Management Professional granted through the Project Management Institute. Moreover, New Mexico's SHARE project is his first foray into working within the public sector.

According to the Gartner Group one of the critical success factors for an ERP implementation is to appoint an experienced, professional **internal** project manager from the outset of the project. This individual should be retained for the life of the project and should work closely with the implementation partner's project manager. The internal project manager should have a track record of successfully implementing ERP in a similar environment.

The Project Lacked Executive Sponsor Commitment. The Department of Finance and Administration (DFA), the General Services Department (GSD), the State Personnel Office (SPO), the Office of the Chief Information Officer (OCIO) and the Governor's Office were identified in Attachment H of the integrator contract as the SHARE project executive board to whom the steering committee reported. As members of the executive board, the secretaries and director were the project's executive sponsors. Project management best practices recognizes executive commitment as critical to project success.

GSD, DFA and SPO project sponsors assigned staff to the steering committee, usually a deputy secretary as a way to keep the executive sponsor apprised of the project. The table below shows the attendance rate of project sponsor staff at weekly steering committee meetings from July 2005 through August 2006.

**Table 22. Executive Sponsor Representation
Steering Committee Meetings
July 2005 through August 2006**

Sponsor	Attendance Rate
GSD Deputy Secretary before 7/5/06	0%
GSD Deputy Secretary after 7/5/06	100%
OCIO Consultant	33%
DFA Deputy Secretary	63%
SPO	80%
DFA Controller	93%

Source: LFC Analysis of Published Steering Committee Minutes

The GSD deputy secretary never attended steering committee meetings until the Governor appointed a new GSD secretary. Instead, a lower level staff member that had no decision-making authority attended the meetings 62 percent of the time. Along with not participating in steering committee meetings, GSD never committed resources from the Purchasing Division to the project.

Issues reported at each weekly steering committee meeting were not addressed by the executive sponsors. For example, the need for a purchasing resource from GSD to be part of the project was escalated to the steering committee in August 2005. It does not appear that the issue was ever escalated to all the sponsors or to the Governor's office since no one from GSD State Purchasing Division (SPD) was ever assigned to the project. Instead, the Human Services Department committed one person 50 percent of the time, which did not provide the project with SPD knowledge. The project moved on without the expertise needed. Other agencies, not clearly identified in the reports to the steering committee, committed resources but their people did not always show up to their appointed committees.

The Maximus Staff Had Limited Statewide Implementation Experience. Of the 30 contractor resources for whom resumes were available for review, 19 had previous state experience, 11 did not. However, of the 19 with previous state experience, not all engagements appeared to be as comprehensive as the SHARE project scope. For example, 3 of the Maximus staff members with prior state experience worked as trainers only, 4 worked with limited agencies within a state, and 3 worked on the RFP and planning for a statewide ERP system, but not the implementation itself. Fifteen Maximus team members have gone on to the State of Tennessee statewide ERP implementation project after the New Mexico SHARE project.

The contract required that Maximus not divert key personnel (central to management or implementation) from the project without prior written approval of the project director. The contract also required that replacement of Maximus staff because of death, permanent employment termination or extended illness were to be replaced with the same or greater number of personnel with equal ability, experience, and qualifications subject to the project director's approval. Overall, it appears that this contractual requirement was followed, although in some cases it was not possible to determine if the replacement personnel had equal or greater ability as resumes were not available for review.

The *Role Definition and Alignment Plan* details high-level roles, responsibilities and descriptions for State staff recommended for the on-going support, maintenance and operations of the SHARE system post go-live. The document recommends five to six State FTE's to support the production SHARE systems, and outlines specific skills, knowledge and experience, tools and training required for Database Administrators, Systems Administrators and PeopleSoft Administrators. This document does not refer to Maximus-assigned staff even though the SHARE Project Director stated "The requirements were defined in the Role Definition and Alignment Plan deliverable."

Project Risk Assessment and Mitigation. The *Project Charter* and the *Project Management Plan* identified the following implementation risks, among others:

- Not effectively transitioning employees to the new operations and employees experiencing frustration and losing significant productivity.
- Loss of key decision-making data.
- System interface problems.
- Employee morale.
- Ineffective training.

No mitigation strategies were suggested to address the implementation risks identified. According to Gartner's initial project risk assessment, 85 percent of the risks were mitigated through the final contract.

The table below depicts the SHARE project self-reported risks and Gartner's risk assessment score for the same time period.

Table 23. Self-Reported Project Status And Gartner Risk Assessment

Task/Deliverable	12/1/2005	1/12/2006	2/10/2006	3/10/2006	4/7/2006	5/11/2006	6/1/2006
Overall Status	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Financial	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red
Human Capital Mgt	Red	Yellow	Green	Yellow	Yellow	Red	Red
Change Management	Yellow	Green	Green	Green	Yellow	Yellow	Yellow
Technical	Yellow	RED	Red	Red	Red	Yellow	Yellow
Project Management	Yellow	Green	Green	Green	Green	Green	Yellow
Training		Green	Green	Yellow	Yellow	Yellow	Yellow
Gartner Rating		Medium Risk		Medium Risk	Low Risk	Low Risk	Medium Risk

Source: Weekly Project Status Reports and Gartner Risk Assessment Reports

Even though the project staff reported critical deliverables: financial and human capital management, as high risk and Gartner based its assessment on these reports, meetings with Department of Health, Human Services Department, and General Services Department and knowing the go-live date was only one month away, neither the SHARE project staff nor Gartner saw fit to assess risk at Red or High. Gartner recommended that the state should go live on July 1, 2006 for all agencies except DOT.

Issues that arose after go live and some which continue to exist today (see findings in all sections) are testimony to an incorrect risk assessment by both the SHARE team and Gartner.

SHARE-Related Contracts. Since the inception of the project in April 2005 through October 2007, contracts have been issued to at least nine contractors. The table below shows the contractor and associated amount committed from SHARE funds (appropriated and contributed). The purpose of the contracts are for software licensing, technical support (database administration, programming, hardware configuration), independent validation and verification, hardware, business process reengineering, internal controls analysis and documentation, and integration services including support for external auditors.

**Table 24. SHARE Contracts
April 2005 to October 2007**

Contractor	Contract Total	Balance
Maximus Integrator	\$20,923,538	\$3,291,306
PeopleSoft	\$3,350,224	\$0
Gartner	\$458,494	\$63,936
Maximus Hosting	\$781,809	\$266,551
Integrity Networking	\$68,747	\$0
ACRO DBA and UNIX	\$140,323	\$21,785
ACRO Conversion	\$195,458	\$0
ACRO Support	\$298,193	\$0
Ernst & Young LLP	\$262,688	\$0
POD	\$120,262	\$111,558
Catherine Meyers	\$21,513	\$0
DLT Solutions	\$9,900	\$0
DLT Solutions	\$675,709	\$0
DLT Solutions	\$58,794	\$0
Mainline Info System	\$84,133	\$0
Total	\$27,449,784	\$3,755,136

Source: LFC Analysis

Total expenditures for SHARE at the end of FY07 were \$24.4 million, including personal services and employee benefits of \$731.5 thousand.

Individual agencies also entered into contracts with other vendors to assist with SHARE-related work to either prepare for the transition or to assist with issues after go-live. The table below shows the agencies and the total contract amount culled from the DFA contracts database or through direct requests for information from the agencies.

**Table 25. Individual Agency Contracts
for SHARE-Related Work**

Agency	Total
DOT	\$509,000
DFA	\$313,508
RHCA	\$20,000
STO	\$30,000
Attorney General	\$21,512
Commission for Blind	\$1,903
ALTSD	\$36,188
LFC	20,000\$
Total	\$952,111

Source: LFC Analysis

The Maximus contract called for a 15 percent retainage on each invoice as security for full performance. The state paid Maximus seven percent of the retainage due in June 2006. The remaining 93 percent was paid in September 2007. To date, the state has paid \$2.3 million in retainage. The contract through the course of amendments was changed from a deliverables-based to a time and materials contract. Even though only amendment 2 was exempted from retainage, the state has not withheld \$364.9 thousand on the non-deliverables-based amendments.

Since the signing of the Maximus contract in April 2005, the contract has been amended 22 times: once to correct an error and 21 times to add to the scope of work to assist the agencies or financial control division. The following three amendments contain one similar deliverable: complete the cash to bank reconciliation and resolution of reconciling items:

- Amendment 9 for \$376.9 thousand of which \$223.8 thousand was designated for the reconciliation and resolution of reconciling items.
- Amendment 11 for \$102.1 thousand of which \$44.4 thousand was designated for the reconciliation and resolution of reconciling items.
- Amendment 12 for \$377.2 of which \$75 thousand was designated for additional assistance with the reconciliation.

The total cost for the cash to bank reconciliation is \$353.2 thousand. According to DFA and SHARE project team records, Maximus has been paid in full for amendments 9 and 12. Amendment 11 has been billed but not paid because the reconciliation was created and completed by state staff, not Maximus. At the very least, retainage on amendments 9 and 11 should not have been paid since there was not "full performance" as defined by the contract.

The proposal to fix the deficiencies in the letter dated August 24, 2006 from Maximus total \$496.2 thousand. The letter does not include any items for which Maximus would be responsible. Contract amendments nine through 12 for the items listed in the "discrepancy resolution plan" total \$855.6 thousand after the discount. The state CIO testified at the October 2006 LFC hearing and presented at the November 2006 IT Commission meeting that the state would pay 60 percent of the cost for \$1 million of remediation and Maximus would pay 40 percent. It is difficult to determine from the close out documents provided other items were added or if costs increased.

Project Office Lease. A separate space was leased to house all state and contractor staff for the life of the project. The lease cost for the project office averaged \$12,131 per month for the life of the lease. The second lease amendment requires the lessor to provide certain services as a one-time occurrence. In a subsequent paragraph, the amendment requires the state to pay for those one-time services. Although the amount is only \$6,459, it represents a significant amount when the HCM group is seeking donations as small as \$5,000 from agencies to address functional issues. The project has reduced the total square feet of space it leases since SHARE has gone live and most of the state staff have returned to their agencies and the majority of the contractors' staff are no longer onsite. While the leased space has been reduced to 5,472 square feet, the lease does not include an expiration date. Since there appears to be no transition to operations and support plan, it is unclear how much longer a separate project space will be needed post go-live.

Recommendation.

DoIT

Ensure that project managers assigned to future IT projects are qualified as defined by established State Rules and industry standards.

Ensure project sponsors are fully committed to supporting future IT projects before certifying or releasing funds.

Assess continued sponsor commitment periodically and provide executive-level intervention if sponsors are no longer committed or are not responding to project manager or steering committee requests.

Empower project manager with the authority to scale back projects for insufficient funds, resources or time.

Closely monitor IT projects for added functionality and require schedule and resource adjustments to allow sufficient time and resources for successful completion.

Ensure that project leaders use project documents such as the project management, risk assessment, quality assurance, and conversion plans and that those do not simply remain on a shelf.

Engage in continuous risk mitigation strategies.

Require project documentation such as contractor and paid staff resumes to support hiring decision.

Responses to the
Findings and Recommendations
In the Legislative Finance Committee's
November 2007
Review of the Statewide Human
Resources, Accounting and Financial
Reporting System (SHARE)

November 12, 2007

Table of Contents

Introduction	40
Report Accuracy and Access	41
Metrics	41
Financial reports	41
Budget Status and Detail Encumbrance Reports.....	41
Payroll Register	42
Cash reconciliation	42
Cash balance Report.....	43
Daily Interest Calculation.....	43
Human Resource Management Reports.....	43
Oversight Agency Access to Management Reports.....	44
Ongoing Support and Operations	46
Governance and Ongoing Operations.....	46
System Access Privileges and Security Staff Training.....	46
End User and Technical Support Staff Training.....	47
There is no Central Help Desk and Knowledge Base for Financial and Human Management Issues	47
System Performance	48
Department of Transportation Solbourne and Federal Highway Administration Reports.....	48
Invoice Processing Timeliness	50
Purchase orders Greater than \$5,000.....	50
Project Management and Oversight	52
State Project Director Relied on Maximus to Manage Project	52
The Project Lack Executive Sponsor Commitment.....	53
Maximus Staff Had Limited Statewide Implementation Experience.....	54
Project Risk Assessment and Mitigation	54
Share Related Contracts	56
Project Office Lease	57
Attachments	58

Introduction

The following responses are to the findings and recommendations included in the Legislative Finance Committee's November 2007 review of the SHARE System. The responses are referenced to the titles in the report beginning with *Report Accuracy and Access*.

The responses were drafted by the SHARE Project Team with some assistance from the following state agencies whose staff provided the team with comments on the report's findings and recommendations: The New Mexico Department of Finance and Administration (DFA), the New Mexico Department of Information Technology (DoIT), and the New Mexico State Personnel Office (SPO).

Report Accuracy and Access

Metrics. For the most part, SHARE's performance measures are outcome based. The metrics are the number of payrolls issued on time, the accuracy and timeliness of financial reports, etc. These measures allow for review and comparison with both the performance of end users and the performance of legacy systems. For example, for approximately the first nine months that SHARE was in operations, the number of out-of-cycle warrants issued each pay period (an outcome) was compared to the average number issued out of the legacy payroll system—out-of-cycle warrants was a good indication of how well end users were adapting to the new system.

Financial Reports. SHARE can now generate timely, complete and accurate financial reports, provided end users are entering data correctly and posting transaction timely—with one exception. The SHARE Project Team is currently addressing an issue with how SHARE posted forty-two purchase orders and associated vouchers. (Please see below our response on *Budget Status and Detail Encumbrance Reports*.)

Given the initial problems encountered when the system was placed into production in fiscal year 2007, and the learning curve of the end users, the Project Team and state agencies have done considerable work to verify data, reconcile cash, and clear reconciling items to insure the integrity of data. Some of this work will continue over the next two to three weeks.

Much user training is still needed to avoid data integrity issues, which impact the accuracy of the reports. DoIT is requesting an appropriation to develop and provide more user training.

It is important to note, that many state agencies are in the final stages of their independent audits. The SHARE project team is working closely with those agencies to ensure the accuracy of their final fiscal 2007 reports.

The timeliness of reports has been an issue. Most of the issues have resulted from the untimely posting of journals, the untimely entry of data by end users, and the need for more training on how to verify data. The issues that can be addressed by implementing strong internal controls are being addressed. The issues related to a need for more training are also being addressed; however, the need exceeds the resources available to provide the training.

The controls in SHARE have been independently reviewed and documented by a national accounting firm. The controls and related work flows are documented in Financial Control Division's *Manual of Model of Accounting Practices*, which is available on the Division's Web page.

Budget Status and Detail Encumbrance Reports. The FCD Support Unit has been working closely with the Maximus' Technology Service Center to resolve the negative encumbrance issue that impacts both the CAFR Budget Status and the Detail Encumbrance reports. Of the approximately 400,000 encumbrances entered into SHARE since inception, the problem impacts 42.

FCD has identified the problem and is currently testing the solution in the test environment. The impacted documents will be corrected and accurate reports available by November 21, 2007.

In researching the negative encumbrance issue, we also determined that a change to the Detail Encumbrance and CAFR Budget Status reports is needed. The selection of purchase orders is currently being driven by the accounting date on the purchase order header instead of the accounting date on the individual purchase order distribution lines. This is being corrected. The report change will be in place by November 15, 2007.

Payroll Register The payroll process is a statewide, central function. As an employee moves from one state agency to another—since the employee remains employed by the State—his or her payroll data moves with the employee. The payroll register is accurate, as it reflects the current status of the employee. The Project Team will explore the development of a special report that reflects history at a given point in time.

Cash Reconciliation *Cash Reconciliations for 2007*

The cash reconciliations for fiscal year 2007 have been completed. The major issue currently being addressed by both the FCD Support Unit and the state agencies is the clearing of reconciling items that are not timing differences. The FCD Support Unit is working closely with state agencies to clear all outstanding items.

Physical Bank Statements Not Matching the Bank Statement Table

Differences between the hard copy bank statements and the bank statement table occur or have occurred for two reasons: First, either the fiscal agent bank fails to provide the correct hard copy statement to the State Treasurer's Office or the State Treasurer's Office fails to provide the hard copy statement to FCD.

Second, the fiscal agent bank provides a BAI file, which populates the bank table and sometimes is different than the hard copy bank statements. When these differences exist, they must be resolved by the State Treasurer's Office working with the fiscal agent bank.

Warrant Cancellations

As to warrant cancellations, an online process exists in SHARE for cancelling warrants issued through the accounts payable module. The only reported issue with warrant cancellations has been reported by agencies producing warrants through a third party system (e.g., Tax and Revenue Department, Human Services Department, etc.). For those agencies, an interface is used to update SHARE with the warrants issued or warrant cancellations data. The general ledger is being appropriately updated for the cancellations; however, in some instances, the warrant status is not updated for the cancellation. The FCD Support Unit is working with the impacted agencies and STO to resolve this issue.

Adjusting Entries

The cash reconciliations have identified adjusting journal entries that agencies need to post. Agencies make adjusting entries by either entering a journal entry online or by uploading an entry created in *Excel*. Agencies were given until Friday, November 9, 2007 to submit fiscal year 2007 journal entries to FCD for approval. FCD will allow agencies to create audit adjusting journal entries (recommended by an agency or its independent public accountant) as a journal entry, if the amount is material. FCD will not post an adjusting entry until supporting documentation is received, reviewed and approved by the FCD CAFR unit. The agencies will create and FCD will approve and post immaterial adjustments in fiscal year 2008.

Because of a system problem that has since been addressed by the application of system upgrades, some SHARE System generated journal entries associated with deposits updated the general ledger without updating the commitment control ledger. (This problem also impacted some vouchers and purchase orders.) The FCD Support Unit is working with Maximus' Technology Service Center to update the commitment control ledger for these deposits. The FCD Support Unit has worked with agencies to resolve errors related to improperly recording deposits. The errors occurred when agencies debited and credited cash for a deposit instead of properly debiting the appropriate expenditure.

Cash Balance Report FCD Support Unit can produce the cash balance report using a query that provides general ledger data by agency and fund. The agencies, the State Treasurer's Office staff, and the FCD Support Unit are completing the clearing of reconciling items and the posting of some fiscal year 2007 journal entries, which impact this report. With this work nearing completion, FCD will begin publishing the cash balance report on a regular basis by November 30, 2007.

Daily Interest Calculation. In February 2007, the FCD Support Unit developed the query and Excel worksheet necessary to calculate daily average balance and interest earnings. At that time, the FCD Support Unit provided training to the State Treasurer's staff on the calculation process.

The online average daily balance process was not fully configured during implementation of SHARE. This was due to a lack of involvement by subject matter experts from the State Treasurer's Office. The individuals assigned to SHARE from the Treasurer's Office were available only sporadically during implementation. Without the subject matter expert input and involvement, the process was not completed.

Recently the State Treasurer's Office informed the FCD Support Unit that it was encountering problems with the Fiscal Year 2008 interest calculation. The Unit will work with State Treasurer's Office to ensure interest on the self-earning accounts can be calculated and distributed timely.

Human Resource Management Reports. Prior to July 1, 2006, the referenced "69%" of the reports were pulled because they were not accurate and reliable and others could not be tested until certain systematic/transactional events had occurred. The Human Resource Council has created a subcommittee of functional users that have been diligently reviewing the existing reports/queries to determine their accuracy and reliability as well as narrow down the large

number of duplicate (ad-hoc) reports that reside in the system. The subcommittee members are also involved in identifying future “core” reporting needs. A resource from DoIT sits on the subcommittee and has been identified to be the central reports/query coordinator. This committee member has been identifying additional technical resources in state agencies that can be used for future report/query changes.

Leave Liability Report. As to the “Leave Liability Report,” the Project Team did research the exceptions noted by the auditor in the review report. Although the report is incorrect, the leave data reflected in SHARE appears correct. The schedule showing the results of their research is attached to this response.

Organizational Listing There is no longer a “TOOL” number in SHARE. Any references on the Organizational Listing to the division, bureau, section, etc. are built into the 10 digit department number. Also, there is no such thing as a duplicate position number. There can be more than one incumbent assigned to a position. If more than one incumbent is assigned that would indicate a double fill and the position will be printed twice on the report. The report does include position (perm) numbers that did not exist in the legacy human resource management system. New positions are added every day. The differences between actual filled positions and number reported are due to vacant positions.

Oversight Agency Access to Management Reports The FCD Support Unit and the State Budget Division (SBD) will begin providing on a regular basis electronic financial reports to the oversight agencies, within twenty-one days following the end of each month. The financial reports include the Balance Sheet, Revenue Status Report, Budget Status Report and Schedule of Cash Balances. The monthly organizational listings and vacancy reports are already provided to oversight agencies. In addition to these reports, the FCD Support Unit will provide oversight agencies with other reports (out-of-cycle or ad hoc) as they are requested.

SBD staff not only has monitoring duties, but also has operational duties assigned to it. SBD staff has access to SHARE to perform operational duties that are not performed by the Legislative Finance Committee staff. Those duties include approval or disapproval actions on budget journals (operating budgets and budget adjustments) and on certain human resource position and pay transactions.

The process to establish and adjust operating budgets remains largely the same under SHARE compared with the old Central Accounting System, except in addition to preparing the manual forms, agencies must now enter their budget journals directly into SHARE, a duty formerly performed by FCD staff. SBD staff must now verify that the online information agrees with the information on the manual forms prior to sending the approved documents to FCD. In addition, SBD staff uses budget journal queries to reconcile, on a monthly basis, budget journals posted in SHARE to appropriations bills and will soon reconcile budget adjustments to SBD’s BAR log.

SBD staff had electronic access to the old Human Resource Management System to act on certain position and pay transactions. The SHARE access it now has is consistent with prior access to HRMS.

Finally, at the request of the DFA cabinet secretary or at the request of an agency, SBD staff may run budget reports to assist a state agency. The fiscal year 2007 revenue and budget projections for the Secretary of State could not have been completed without the use of SHARE data; however, these projections were performed at the request of the cabinet secretary.

SBD plans to use the same monthly reports produced for the oversight agencies to monitor compliance with the State Budget Act and analyze agency budgets.

Ongoing Support and Operations

Governance and Ongoing Operations. In October 2006, the State's Chief Information Officer (CIO) was appointed SHARE Project Sponsor; the State Controller was appointed the SHARE Project Lead. The CIO is the chief executive officer for the project. A service level agreement between DoIT and DFA exists for hosting the SHARE System at DoIT. DFA, DoIT, the General Services Department, and the State Personnel Office each have statutory roles that clearly define their role in the governance of the SHARE system.

SHARE's operating costs are funded through: assessment to state agencies based on the number of employees an agency has; and through the DFA/FCD operating budget.

System Access Privileges and Security Staff Training. ***Global Access***

Agency personnel were not given "global" access to the system; they were given agency level access. However, once security administration is granted, the individual granted the access can modify his or her own profile to gain more access. Should a person do this, however, an audit trail would exist of his or her activity. So long that the system has security administrators, and it cannot operate without them, this condition will exist. Centralizing the security function, which would mean reallocating agencies' resources to FCD, would provide more direct control over security administration.

The gatekeeper functionality has been installed. This provides additional control over the assigning of roles by agency security administrators.

Access by State Controller

The State Controller was given temporary access while the FCD Support Unit Lead was absent. The State Controller's access has been changed.

Separation of Duties at the State Treasurer's Office

FCD has addressed this issue with the State Treasurer's Office.

Maximus Access to SHARE

Maximus continues, and will until the end of the fiscal year 2008, to perform system maintenance under contract due to the state's lack of a qualified, trained staff. Access must continue to be granted to allow the remaining Maximus support team to be able to perform their contracted roles. However, the FCD Support Group will review the roles noted in the report and restrict them to the extent possible.

Timely Update of Security to Reflect Change in Employment Status

The SPO issue noted in the report has been remedied. This and the State Treasurer's Office issue are systematic of the difficulty in obtaining the information necessary to maintain

security in any system, including SHARE. The FCD security team must rely on the agencies to report personnel changes; accordingly, it does not know when someone leaves the State, transfers jobs, or goes to another agency. However, the security team will work to identify a reporting tool that will allow it to automate the notification process.

Generally, the security staff has been and continues working efficiently and accurately to correct and assure proper access.

Training of Security Staff

The FCD security staff has been provided with a significant amount of security documentation as well as on-the-job training and PeopleSoft classroom training. They attended both the PeopleSoft Security training and the PeopleSoft technical training classes.

Throughout the duration of the SHARE Project, the FCD security staff received one-on-one on the job training from a dedicated member of the Maximus implementation team that was responsible for security. The Maximus security team insured that the state staff was integrally involved in the development of security for the system.

In addition, the SHARE project has developed a Security Strategy document as well as a Security Standards document. PeopleBooks also has a significant amount of documentation available on system security.

End User and Technical Support Staff Training. The *State of New Mexico Trainer Listing* lists state trainers who were part of train-the-trainer and the classes they were qualified to train. The *End User Training Course Catalogue* lists the courses. The catalogue indicates which courses were taught in a lecture style auditorium and which were hands-on taught as instructor led classes in computer labs around the state.

Currently, DoIT has an Enterprise Training Bureau under the Customer Management Relationship Division. DoIT is in the recruitment process for a training coordinator. It is anticipated this bureau will support the SHARE training program ongoing.

The FCD Support Unit and the HCM Support Team have conducted training on an ongoing basis. However, that training has been restricted because of a lack of resources. The SHARE Project through a request from DoIT, will be requesting funding for training.

There Is No Central Help Desk and Knowledge Base for Financial and Human Capital Management Issues. Knowledge Base

Currently the knowledge base is split between financials and human capital management. Given the disparate nature of the two, it would not be practical to combine them.

However, under consideration is a central point of contact for users that would route the calls to the appropriate base. A central point of contact would insure that help tickets are not duplicated, which occurs when there are two tracking systems in use.

General Operations of Help Desks

Calls are routed to “high level experts” to answer help ticket items. These experts are the production staff, which due to limited resources and heavy workload impacts the response time.

Whenever possible, the FCD Support Unit meets with agencies when additional training is needed on issues related to budgets, payroll, general ledger, purchasing, vouchers, etc. The Unit also meets on a regular basis with the agencies to assist them with understanding reports and to explain general accounting principles.

As resources permit, the Unit has been providing ongoing training. This month it has provided training to the agencies’ chief financial officers and independent auditors. IT will be providing training to agencies on how to verify data, during the week of November 12, 2007. Last week the SHARE Project provided a formal training course on how to write queries (how to extract and report data out of SHARE).

In addition, the HCM Support Team conducts training on an ongoing basis to assist agencies with issues that have been identified through reports to the HCM Help Desk.

System Performance. From July 2007, the DoIT has aggressively worked towards improving the performance of SHARE using a systematic technical approach. Below is a consolidated list of all changes implemented by DoIT. These changes include hardware, operating systems, and cable infrastructure.

All system changes have contributed to the following:

- System Stability & Performance
 - Replaced faulty hardware
 - Repaired ports
 - Repaired faulty backup drives
 - Increased storage
 - Upgraded firm ware 22 versions switches
 - Rezoned servers
 - Balanced storage controllers
 - Changed lun configurations
- Load Balancing
 - Preparing to go active/ current active/passive
- Cable Management
 - Discover broken fiber and replace with new fiber
 - Re-cabled / labeled all cables
- Working with contract to document hardware & Software
- Fault Tolerance
 - Implemented dual path at single points of failure
- Improved system monitoring and statistics
 - Installed software monitoring agents all servers

Department of Transportation Solbourne and Federal Highway Administration Reports. The Department of Transportation is preparing a response to the Federal Highway Administration report. DOT has already addressed the three material findings in the report.

The Solbourne report includes a number of recommendations that would make the generic implementation of SHARE more tailored for a state department of transportation. Many of those recommendations appear to be consistent with the firm's \$24 million implementation of the State of Wyoming's Department of Transportation.

DFA, DoIT, and DOT are working together to develop a plan that would result in the implementation of many of Solbourne's recommendations in a cost effective manner.

Invoice Processing Timeliness

Invoice Processing Timeliness. The review report notes that the statutory limit of thirty days is being met ninety-nine percent of the time. The comment in the report concerning the number of days to process payments at the FCD is based on faulty data—as the review report notes.

Since the comment was added after the exit conference, FCD did not have a chance to run an independent test of its own; however, a poll conducted of each pre-auditor and the pre-audit bureau chief estimate that the benchmark is made 85%-95% of the time. A pre-audit can receive up to 1,500 documents in one day. For this reason the benchmark is the “average.”

The SHARE Project has commissioned an independent study—which will suggest changes in workflow process, policies, and monitoring—to ensure that all payments are timely. The study, which included pilots to test the effectiveness of recommendations, is scheduled to be published in December 2007.

Purchase Orders Greater Than \$5,000 Standard Guidance for Pre-auditors

FCD’s pre-auditor do have a standard procedures manual entitled the *Manual of Model Accounting Practices*. The manual, mandated by statute, is available on FCD’s Internet site and includes every policy and procedure enforced by FCD’s pre-auditors. The pre-auditors also have white papers to guide them on a variety of topics from providing meals to employees to the propriety of expenditures. In addition, they have agency instructions that include standard procedures for special processing such as at year-end. Again all the documents are on FCD’s Internet site.

Agencies have requested that there be specific standards for documentation. There are minimum standards. However, each pre-auditor is given some latitude in the amount and type of documentation required. Some agencies are required to provide much more documentation than other agencies because of a history of errors caught by the pre-auditor. For example, if the pre-auditor has discovered that an agency has tried to process a purchase document referencing a price agreement that does not exist, the pre-audit may require in the future that the agency submit a copy of the page from the price agreement showing the item ordered.

Requiring Purchase Orders

Several years ago, the Legislature authorized the implementation of a procurement card program. The primary purpose of the program was to reduce the clerical work associated with small purchases. The program was implemented by FCD and was readily adopted by local governments and the universities. The agencies have been slow to adopt the program.

The recommendation in the review report would leave over 76% of commitments unrecorded (percentage is based on the procurement card study performed prior to the implementation of the procurement card program). This could, and most probably would,

materially misstate budget status reports. Proper use of the procurement card is a better solution (than not recording purchase orders) as it allows timelier posting of budget commitments.

Project Planning, Management and Oversight

A thorough review of the various stages identified on the *SHARE Blueprint* will reveal that the project did substantially cut down the functionality for the first phase of implementation based upon the \$20 million appropriation. Once the project was scaled back agencies participating in the project steering committee voluntarily contributed funds to move future phase functions into the first phase, but not all. Please see chart entitled, *Project Strategy Given \$20 million Appropriation and 18 to 24 Month Project Timeline Commitment* attached to this response.

State Project Director Relied on Maximus to Manage the Project

Project Management Team

Due to the size of the project, the State elected to use a project management team, dividing the traditional project manager role tasks between (4) experienced managers; including one that is PMI certified. (Please see attached management team diagram.)

Also, in her capacity of quality control lead, the deputy project manager worked closely with the Maximus' project manager on tracking and monitoring project status. She is an experienced, professional internal project manager. While she does not have a track record of implementing ERP systems, she does have experience in implementing a major MRP system. MRP systems were the precursors of ERP.

Qualification of Project Manager

The resume of the State Project Director clearly indicates that he has managed IT projects by his roles at his previous two employers. At Delta Faucet—as technical project leader on an aggressive 9-month JDEdwards ERP implementation project—his resume states he ‘performed all project management related tasks’. The resume also states at Parker Hannifin that he was the IS Manager (CIO) for the IT department of an operating division of a major manufacturing company. In his role as the CIO, the resume states that his department was ‘always within or under budget’. Research would show that Parker Hannifin and MASCO corporations, which the project director worked for, are presently or were Fortune 500 companies during his employment.

The resume of the individual referenced in the report states that he has held positions entitled Manager of Software development, Project Leader, Business Analyst, IS Manager (CIO), as well as other technical positions. The project directors' resume indicates that he has maintained industry certification (Certified Computer Professional) continuously for 22 years. Maintenance of this certificate requires educational time of 100 hours every 3 years. His resume also states that he has completed a course in Project Management sponsored by Purdue and Indiana Universities. His experience of utilizing a small staff to accomplish numerous cost-saving projects at the Fortune 500 companies indicates that he knows how to manage projects, people, and budgets. His efforts in identifying and implementing system improvements allowed him to achieve many documented cost savings.

The Project Lacked Executive Sponsor Commitment Sponsors Commitment

The sponsors demonstrated firm commitment throughout the project. They personally participated in the hiring of the state project director, they hand picked their representatives on the steering committee, they met with their representatives on a weekly basis, they made themselves available for updates by the chairman of the steering committee, they were the evaluation team for the pre-implementation remote hosting, they reviewed and made the final decision on all major contracts (software, integration services, etc.), they personally reviewed and approved the final blueprint for the project, they constantly interacted directly with various team members, they worked closely with the State Chief Information Officer, they hired the independent validation and verification (IV&V) team (which reported directly to the sponsors), they interacted collectively and individually with the IV&V team, they contributed staff resources as much as possible, etc.

Sponsor Designees Attendance at Steering Committee Meetings

The GSD “lower level staff member” referred to in the review report was actually the manager of the legacy (old) Central Human Resource System/Central Payroll System. That is, he headed the technical group that was responsible for maintaining and operating the human resource management legacy systems, including both personnel and payroll. He was a highly qualified manager, reported directly to the cabinet secretary or deputy cabinet secretary on SHARE issues, and attended 94% of the meetings. He was highly regarded by the project team and the sponsors. He had the same decision authority as any of the other sponsor representatives. Prior to being the GSD representative on the steering committee, he played a key role in the selection of the PeopleSoft software and was part of the teams that made the final software and integration services recommendations to the sponsors.

Executive Sponsor Response to Issues State Purchasing Participation in Project

The project sponsors used their appointed designees seated on the project steering committee to address issues that were presented. If the issue required direct input from the executive sponsors, their designees were responsible to review the item with their respective sponsor and the return to the project the directive from that sponsor. On different occasions, the sponsor designees requested delay of a vote to allow themselves time to contact the sponsor and obtain their directive. Sometime issues were of a nature that they could not be addressed immediately. The review provides one example, which is addressed below.

State Purchasing Division Participation—GSD initially assigned staff to the project. That staff was very active during the software procurement phase. Budget cuts during the time of implementation resulted in State Purchasing Division having to withdraw much of that support.

Comparison of the fiscal year 2006 OPBUD to the fiscal year 2005 OPBUD shows the authorized permanent FTE for State Purchasing Division was reduced by 2 FTE from 25 to 23. Budget for personal services and employee benefits was also reduced by \$197,100. In addition, the fiscal year 2006 OPBUD submission show State Purchasing Division would be forced to maintain a 20% (5 FTE) vacancy rate to make budget.

The Maximus Staff Had Limited Statewide Implementation Experience The Maximus team included generalists, such as programmers, and key management and development staff. Key staff had significant statewide implementation experience. Below is a list of some of those key staff members and their experience.

- Roch Hoedebecke – Project Director (OH, ND)
- Kim Sprankle – Project Manager (OK) Technical Lead (ND) PMI-certified, PeopleSoft (PS) certified technical consultant
- Terri Welter – Financials Lead (OH, OK), PS certified financial consultant.
- Nathan Reed – Technical Lead (ND), PS certified technical consultant
- Greg Knudsen – HCM Implementation MGR (ND), PS certified consultant
- Peter Mink – Senior Technical Consultant (ND, OK), PS certified technical consultant
- Sadie Carlock – Recruitment Lead (OH), PS certified consultant
- Robert Cockrum – Training Facilitator (ND), PMI certified
- Graham Cleary – Grants Lead (ND), PS certified financial consultant
- Eric Cochran – G/L Lead (OK), PS certified financials consultant
- Jon Tugade – Procurement Lead (OK, ND), PS certified financial consultant, PS certified supply chain consultant

Project Risk and Assessment and Mitigation The mitigation strategies employed by the Project can be seen: 1) within the tasks listed in the *SHARE Project Schedule*; 2) within the Gartner reports; and 3) within the other project documentation and activities. Below are listed the risk factors from the Management Plan that are referenced in the review report. Following each one is an explanation of the mitigation strategies employed.

Not effectively transitioning employees to the new operations and employees experiencing frustration and losing significant productivity.

To mitigate this risk, the project developed and implemented the *SHARE Change Management Plan* which addressed commitment building, change readiness, capability development, and consequence mitigation. The project produced over forty end-user courses in nearly every aspect of system-related job duties (see *End User Training Course Catalog*). These courses were delivered in person and on-line. The project asked the agencies to review and adjust their internal processes for possible changes as a result of the SHARE implementation. Gartner's status report dated June 19, 2006 states that the project has a developed training strategy. The report also notes that the project focused its' training on the implemented system, and not on agency processes. While the development of agency processes was the responsibility of the agencies and was communicated through the Agency Readiness Teams, the project worked with agencies to help them get their daily work completed.

Loss of key decision-making data

To insure no loss of key data, the project developed and implemented the *SHARE Conversion Strategy/Plan* which covers the approach taken in converting operational and historical data. Post-implementation, the project initiated a triage area in which to provide assistance to the agencies, to continue their critical business functions without a lapse in time due to the new system. Following this period, the implementation of two help desks, HCM and

Financials, allowed the agencies another point of contact to assist in providing them the answers to their business questions.

System Interface Problems

To insure minimal interface issues, the project developed and implemented the *SHARE Interface Strategy* which documents the methods used to identify, design, and develop the interfaces. The project dedicated resources to assist agencies with interfaces prior to the system going into production. In the implementation contract, the State requested and received a common input and output interface for agencies to use to pass information between SHARE and the agency systems. Agencies worked hand-in-hand with the project to design and test their respective data transmissions. Gartner's status report dated June 19, 2006, states that the project has not completed some external interfaces and recommends that the project develop work-arounds.

It should be noted that the Gartner Status Reports dropped the overall project risk rating from medium on March 21, 2006 to low on April 18, 2006, and then returned it to medium on June 19, 2006, fourteen days prior to going into production, with only three evaluation categories identified as high risk (user involvement, organizational change management, and performance testing).

Employee morale

To mitigate this risk, the project developed and implemented the *SHARE Communication Strategy/Plan* which addressed impact to various levels of employee, frequent communications, and effective training. The project conducted outreach sessions with State employees, developed a project website which included information on the project status and direction, and published monthly articles in Round-The-Roundhouse. In addition, the project held user forums in the months prior to implementation to educate agency personnel of the upcoming changes due to the implementation of SHARE. These forums were widely attended and resulted in standing room only attendance. This is noted in the Gartner status report of June 19, 2006. The same Gartner report recommends that the project meet with the Agency Readiness Teams (ART) leads to ensure their concerns are addressed. The project continued these forums and information distribution into the post-production period.

Ineffective training

To mitigate this risk, the project developed and implemented the *SHARE End User Training Plan* which addressed the development of a comprehensive, adaptable, and enduring training program using proven methodology. As noted above, the project delivered training courses. Some agencies elected to provide their own internal training for certain functions/processes. Their instructors were trained by the SHARE project in the train-the-trainer program. This is noted in the Gartner status report of June 19, 2006.

The mitigation plans were put into place; however, they proved in certain cases to not be enough. For example, the same document processing training was given to the FCD pre-audit bureau as was given to the state agencies. The FCD pre-audit bureau was fully functional on July

1, 2006 when the system was put into production; however, the bureau staff had to be assigned six weeks after the system went into production to provide most state agencies with additional training and help them process their documents. The results were inconsistent depending on the agency.

SHARE-Related Contracts

Change in Contract

Within the Maximus base implementation contract base contract (Exhibit A, page 4, Project Scope, Out of Scope Services, it states that if the State wishes to secure services to add functionality to the Scope of Work, Maximus will provide pricing based on hourly rates established in the RFP Response (Appendix I). The contract was not changed to time and materials, the provision noted allows time and materials work. The contract was written in this way and signed by the vendor, DFA, and the State CIO; so that there would be a method to allow the State to further contract, via amendments, items which were not included or overlooked in the original fixed fee, deliverables-based, contract. This methodology is typically standard in contracts and is used to estimate out-of-scope items. When appropriate, the amendments were deliverable based; when the project needed staff augmentation-type assistance, the amendment was written on a not-to-exceed hourly basis.

Withholding of Retainage

The project has paid the retainage amount due upon completion of the respective portions of the contract and amendments. Retainage (\$1.9 million) on the base contract was not paid until September 20, 2007, nearly fifteen months following the date the system was initially placed into production. The retainage on the various amendments were paid once all the deliverables for the amendments were accepted, as noted in the contract, paragraph 7.D (Compensation)—which refers to paragraph 4.C (Acceptance). Each amendment was considered as a separate stage for pricing and retainage purposes. For example, although still within the scope of the base contract activities, the nature of Amendment 14 services (Remote Administration) is different than the base contract services (System Implementation). Given the differences, a determination was made that retainage did not apply to the amendment.

Of the \$364.9 thousand noted in the review report as a amount that should have been withheld, \$283.1 is related to remote maintenance, which—as noted above—retainage is not applicable.

Amendments Related to Cash Reconciliation

The deliverables for Amendment 9 were to complete the cash reconciliation and resolve reconciling items. The reconciling items referenced in this amendment were suppose to be reconciliation items resulting from configuration issues, which were believed—at the time—to be the only major type of reconciliation items besides timing differences. Amendments 11 and 12 provide for “assistance” to the State in resolving reconciling items related to timing differences and data errors, which were always considered the State responsibility to resolve.

Payment on Amendments Related to Cash Reconciliation

The review report is erroneous in that retainage has not been paid on Amendments 9, 11, and 12. Also, the invoiced amount on Amendment 11 has not been paid. The project is holding the retainage on Amendment 9 because Maximus was not able to deliver a reconciliation process. Although the services in Amendment 11 and 12 are different than the services in Amendment 9, we are withholding all outstanding payments on these amendments while we negotiate with Maximus a resolution of our issues with the work done under Amendment 9.

Service Provided by Maximus at No Cost to the State

Amendments 9, 10, 11, and 12 and related billing document that Maximus provided services totaling \$503,324 at no cost. Each amendment clearly shows the amount of services to be provided and the amount of discount Maximus was to provide. Maximus also provided the state with documentation (required under the amendments) showing the total number of hours worked under each amendment.

In addition to providing the discounts on the amendments, Maximus maintained approximately 75% of its staff on the project after July 1, 2006, extending post implementation support at no additional cost to the State through December 21, 2006. Beyond that, the HCM Maximus team continued providing payroll support to the State at no cost through February 20, 2007. And, the Maximus project manager has provided services to the State since September 2006 at no cost to the State.

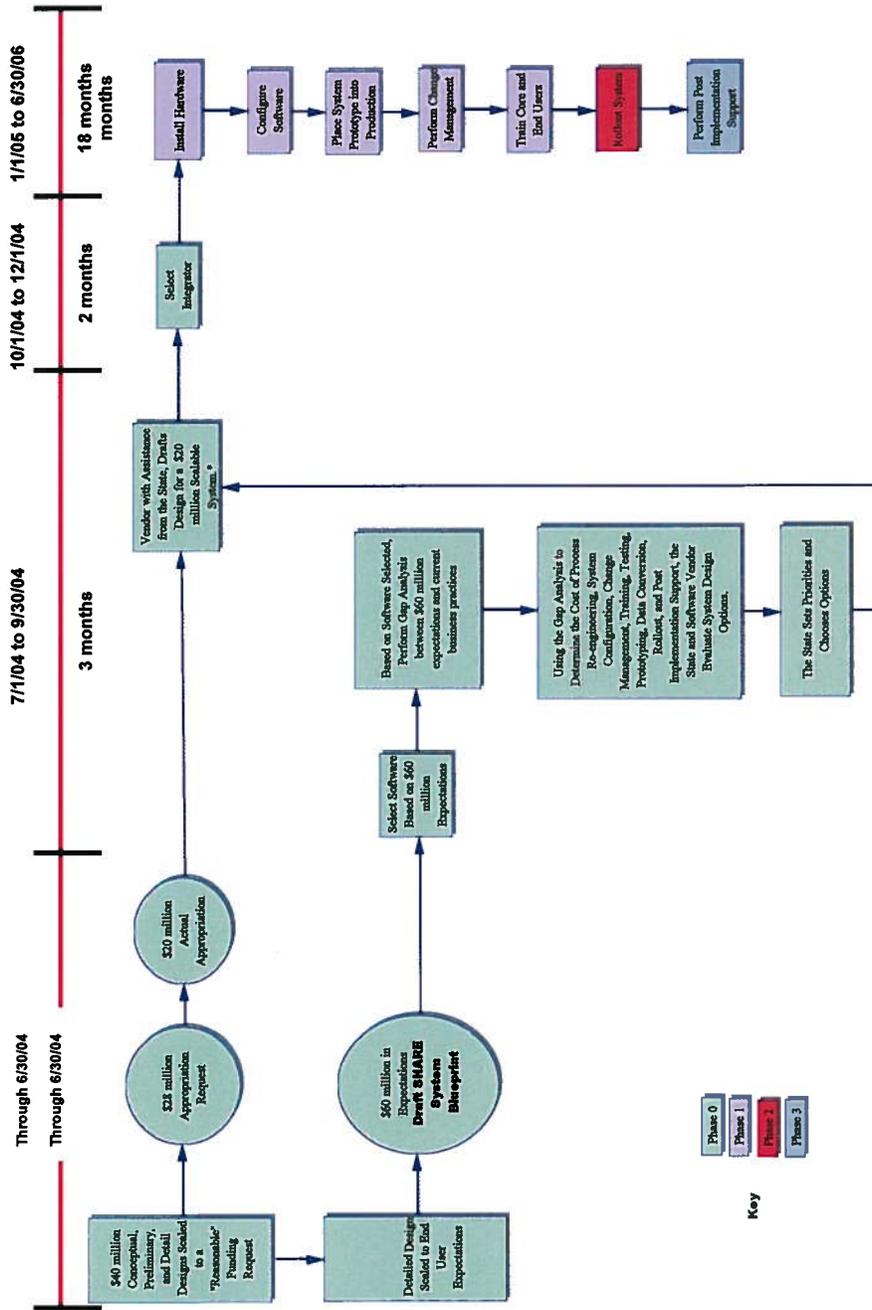
Project Office Lease The terms “no additional cost” in item three of Amendment 2 of the lease are a typographical error, which was not caught in the final review. The agreement with the landlord, which is expressly stated in item four of the lease, was to pay the landlord for the leasehold improvements. Item three was intended to only be a list of those improvements, with item four providing the amount of compensation.

Agency	Position #	6/30/2006 ATSS Annual Leave Balances	FY07 Accrued Annual Leave	FY07 Annual Leave Taken	6/30/06 Balance + Accrued Leave - Leave Taken	SHARE Leave Liability Report 6/30/07 Balances	Difference Bal - Share Bal	Emplid	Explanation
DFA	2584	195.82	95.94	-15	276.76	288.76	8	101289	Leave Taken incorrect on spreadsheet - S/B 23 hrs.
DFA	2601	127.45	159.9	-39	248.35	244.35	4	115205	Leave Taken incorrect - S/B 43hrs.
DFA	2585		21.56	0	21.56	22.14	-0.58	305880	Accrual incorrect - S/B 33.24 SHARE Balance incorrectly stated on spreadsheet S/B 33.24
DFA	2657	201.17	159.9	-129	232.07	216.36	15.71	112224	Leave Taken incorrect on spreadsheet - S/B 145
AG	1141	228.51	192.14	-235	185.65	169.65	16	114377	Spreadsheet amounts do not include an adjustment of 16hrs processed ppe 11/3/06
AG	1130	195.04	144.04	-243	96.08	104.08	-8	117695	Leave Taken incorrect on spreadsheet - S/B 235
Tourism	34521	41.36	80.08	-42.25	79.19	95.05	-15.86	101355	Leave Taken incorrect on spreadsheet - S/B 190
Corrections	15806	250.1	144.04	-168	226.14	205.97	20.17	115455	Diff also due to 15 year anniversary as of 6/1
Corrections	15821	74.28	144.04	-105.5	112.82	88.85	23.97	15934	Leave Taken incorrect on spread sheet - S/B 129.50

DFA and DoIT 07-22
SHARE Review
November 15, 2007

Agency	Position #	6/30/06 ATSS Sick Leave Balances	FY07 Accrued Sick Leave	FY07 Sick Leave Taken	6/30/06 Balance + Accrued Leave - Leave Taken	SHARE Sick Leave Balances 6/30/07	Difference	Emplid	Explanation
DFA	2601	44.87	95.94	-65	75.81	73.81	2	115205	ppe 10/6/06 2 hours of adjustments
DFA	2585		25.83	0	25.83	33.24	-7.41	Unknown	Position now filled by another employee - 305680
AG	1141	52.8	95.94	-35	113.74	61.74	52	Unknown	Position now filled by another employee - 114377 Leave Taken is incorrect. S/B 104 hrs
AG	45538	14.78	95.94	-96	14.72	6.72	8	123058	Accrual is off by 1 hour of service S/B 95.893875 hrs
AG	1129	64.15	95.94	-54	106.09	90.14	15.95	110810	Leave Taken is incorrect S/B 58 hrs 16 Adjustment Hours not included in calc SHARE Balance S/B 86.136 hrs
Tourism	3836	178.86	95.94	-152.5	122.3	90.3	32	Unknown	Position is open, not filled
Tourism	27648	69.86	95.94	-115	50.8	32.8	18	Unknown	Position is open, not filled
Tourism	34521	11.61	95.94	-56	51.55	47.55	4	101355	SHARE Balance overstated by 4hours, these hours are for the next FY
Corrections	45572	260.58	95.94	-60	296.52	288.52	8	118792	Leave Taken is incorrect. S/B 68 hrs
Corrections	15806	542.36	95.94	-128.5	509.8	508.8	1	115455	Leave Taken is incorrect S/B 133.5 hrs
Corrections	15821	36.24	95.94	-26.5	105.68	101.7	3.98	115934	Leave Taken is incorrect S/B 30.5
Corrections	15831	13.62	95.94	-41	68.56	34.56	34	118987	Leave Taken is incorrect. S/B 83 hrs
Corrections	59467	282.6	95.94	-37.5	341.04	333.04	8	110935	SHARE balance is incorrect. S/B 26.56 hrs
Corrections	10100789	66.79	95.94	-65.5	97.23	89.23	8	124140	Leave Taken is incorrect. S/B 45.5 hrs
HED	38724		40.59		40.59		40.59	Unknown	Position is open, not filled
HED	74783	69.11	95.94	-27	138.05	130.05	8	122382	Leave Taken is incorrect. S/B 40.5 hrs SHARE Balance S/B 124.55 hrs
ALTSD	6357	33.95	95.94	0	129.89	63.89	66	Unknown	Position now filled by another employee - 117409
ALTSD	30803	8.1	95.94	-88.75	15.29	11.29	4	113661	Leave Taken is incorrect. S/B 92.75 hrs
ALTSD	52641	60.29	95.94	4	160.23	57.23	103	121616	Leave Taken is incorrect. S/B 107 hrs SHARE Balance S/B 49.23 hrs
ALTSD	67230	88.5	95.94	0	184.44	118.44	66	Unknown	Position now filled by another employee - 110465
ALTSD	75128	17.05	95.94	0	112.99	7.99	105	Unknown	Position is open, not filled
ALTSD	7107	11.12	95.94	0	107.06	34	73.06	Unknown	Position is open, not filled
ALTSD	66131	273.04	95.94	0	368.98	326.67	42.31	120494	Accrual is incorrect. S/B 60.90 hrs Leave Taken is incorrect S/B 8 hrs Adjustment hours of 0.74
ALTSD	10101641	8.49	95.94	0	104.43	-0.95	105.38	Unknown	Position is open, not filled
ALTSD	72318	36.43	95.94	0	132.37	61.87	70.5	Unknown	Position now filled by another employee - 126591
SEO	6121	336.91	95.94	-114	318.85	302.85	16	103423	Leave Taken is incorrect. S/B 130 hrs
SEO	10101202	0	33.21		33.21		33.21	Unknown	Position is open, not filled
SEO	64682	54.91	95.94	-142.16	8.69	3.69	5	102251	Leave Taken is incorrect. S/B 150.85 SHARE Balance S/B 0.00 hrs
SEO	43072	0	95.94	-37.5	58.44	33.67	24.77	310090	New Hire 10/06/2007 - not in FY07 Not a liability
AOC	119	10.95	95.94	-96.43	10.46	8.54	1.92		Accrual is incorrect S/B 95.77441125 Leave Taken is incorrect. S/B 100.68 SHARE Balance S/B 6.044 hrs
AOC	54817	35.48	95.94	-54	77.42	27.63	49.79	125817	Part Time employee accrued only 48.15 hours for 1044 service hours. Leave Taken is incorrect. S/B 56 hrs

Project Strategy Given \$20 Million Appropriation and 18 to 24 Month Project Timeline Commitment



*Key Documentation Deliverables are: Final Share System Blueprint; Summary Implementation Tasks with Resource Commitment from State; List of Business Functions Cross Referenced to Software Modules Required; List of Expected Business Processes Cross Referenced to Specific Software Functions; List of Interfaces to Software Solution

Management Team Cluster

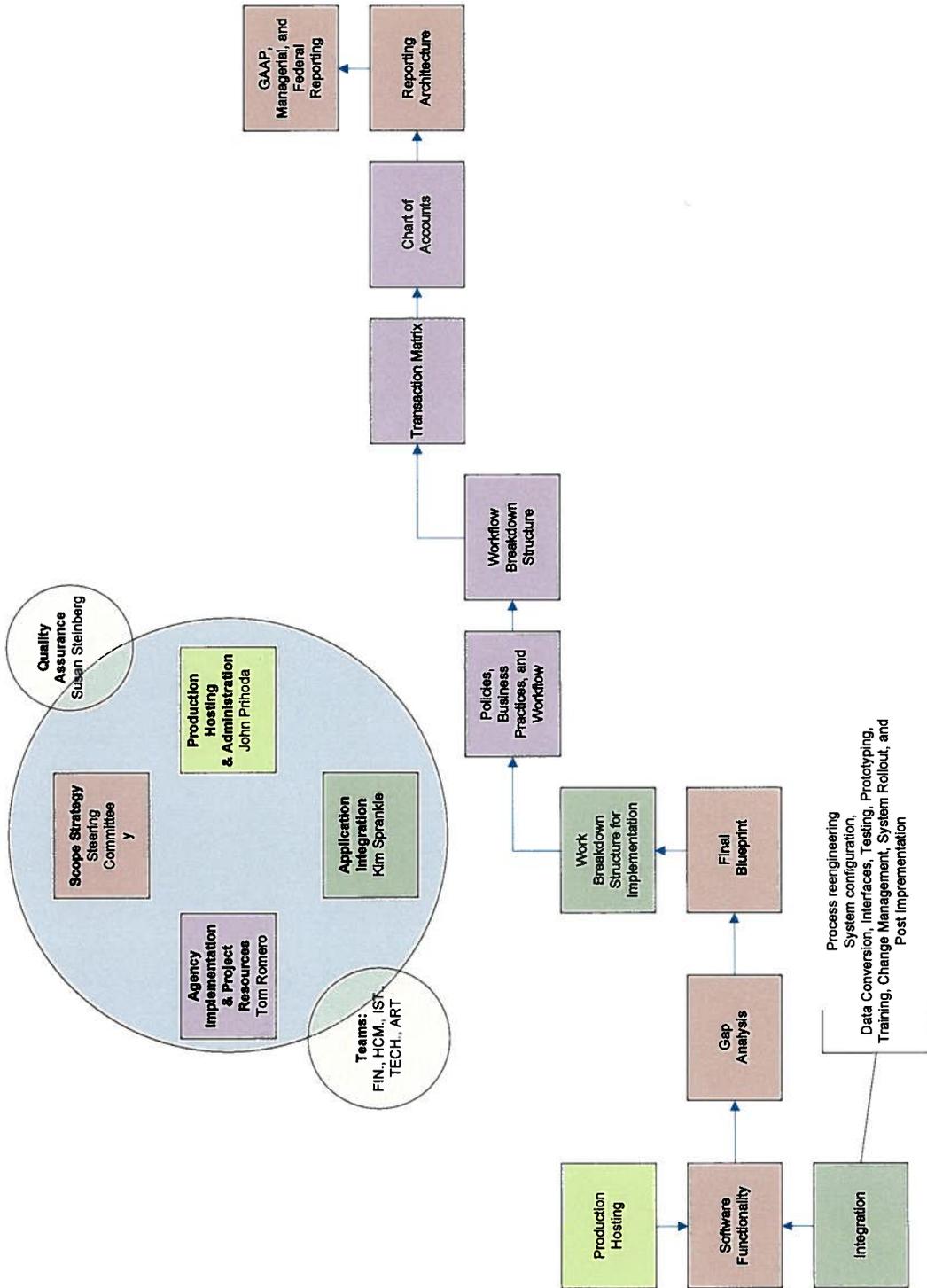


Table 1. Leave Liability Report Test of Sick Leave Taken and Ending Balances

Agency	Position #	6/30/06 ATSS Sick Leave Balances	FY07 Accrued Sick Leave	FY07 Sick Leave Taken	6/30/06 Balance + Accrued Leave - Leave Taken	6/30/07 SHARE Sick Leave Balances
DFA	2601	44.87	95.94	(65.00)	75.81	73.81
DFA	2585		25.83	0.00	25.83	33.24
AG	1141	52.8	95.94	(35.00)	113.74	61.74
AG	45538	14.78	95.94	(96.00)	14.72	6.72
AG	1129	64.15	95.94	(54.00)	106.09	90.14
Tourism	3836	178.86	95.94	(152.50)	122.30	90.3
Tourism	27648	69.86	95.94	(115.00)	50.80	32.8
Tourism	34521	11.61	95.94	(56.00)	51.55	47.55
Corrections	45572	260.58	95.94	(60.00)	296.52	288.52
Corrections	15806	542.36	95.94	(128.50)	509.80	508.8
Corrections	15821	36.24	95.94	(26.50)	105.68	101.70
Corrections	15831	13.62	95.94	(41.00)	68.56	34.56
Corrections	59467	282.6	95.94	(37.50)	341.04	333.04
Corrections	10100799	66.79	95.94	(65.50)	97.23	89.23
HED	38724		40.59		40.59	
HED	74783	69.11	95.94	(27.00)	138.05	130.05
ALTSD	6357	33.95	95.94	0.00	129.89	63.89
ALTSD	30803	8.1	95.94	(88.75)	15.29	11.29
ALTSD	52641	60.29	95.94	4.00	160.23	57.23
ALTSD	67230	88.5	95.94	0.00	184.44	118.44
ALTSD	75128	17.05	95.94	0.00	112.99	7.99
ALTSD	7107	11.12	95.94	0.00	107.06	34
ALTSD	66131	273.04	95.94	0.00	368.98	326.67
ALTSD	10101641	8.49	95.94	0.00	104.43	-0.95
ALTSD	72318	36.43	95.94	0.00	132.37	61.87
SEO	6121	336.91	95.94	(114.00)	318.85	302.85
SEO	10101202	0.00	33.21		33.21	
SEO	64682	54.91	95.94	(142.16)	8.69	3.69
SEO	43072	0.00	95.94	(37.50)	58.44	33.67
AOC	119	10.95	95.94	(96.43)	10.46	8.54
AOC	54817	35.48	95.94	(54.00)	77.42	27.63

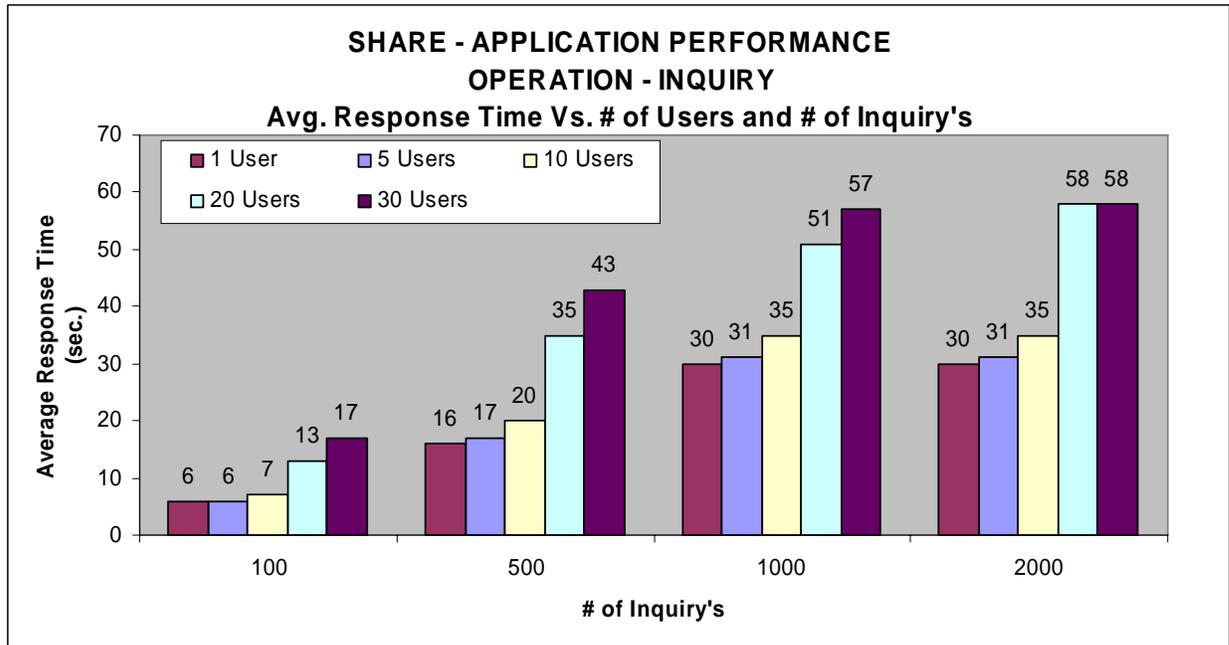
Source: LFC Tests

Table 2. Leave Liability Report Test of Annual Leave Taken and Ending Balances

Agency	Position #	6/30/2006 ATSS Annual Leave Balances	FY07 Accrued Annual Leave	FY07 Annual Leave Taken	6/30/06 Balance + Accrued Leave - Leave Taken	6/30/07SHARE Annual Leave Balances
DFA	2584	195.82	95.94	(15.00)	276.76	268.76
DFA	2601	127.45	159.9	(39.00)	248.35	244.35
DFA	2585		21.56	0.00	21.56	22.14
DFA	2657	201.17	159.9	(129.00)	232.07	216.36
AG	1141	228.51	192.14	(235.00)	185.65	169.65
AG	1130	195.04	144.04	(243.00)	96.08	104.08
Tourism	34521	41.36	80.08	(42.25)	79.19	95.05
Corrections	15806	250.1	144.04	(168.00)	226.14	205.97
Corrections	15821	74.28	144.04	(105.50)	112.82	88.85
Corrections	15831	29.56	95.94	(69.84)	55.66	51.66
HED	21583	97.4	95.94	(97.00)	96.34	71.73
HED	38724		33.88		33.88	
ALTSD	6357	100.91	159.9	(56.00)	204.81	172.81
ALTSD	6367	91.47	138.58	(108.00)	114.51	106.85
ALTSD	52641	101.84	192.14	(158.00)	135.98	203.33
ALTSD	67230	69.41	95.94	(84.00)	81.35	69.35
ALTSD	7107	37.66	159.9	0.00	197.56	107.46
ALTSD	66131	294.15	144.04	0.00	438.19	3.67
ALTSD	10101641	7.08	80.08	0.00	87.16	9.24
ALTSD	27936	178.77	119.86	0.00	298.63	210.17
ALTSD	72318	33.73	95.94	0.00	129.67	92.17
SEO	10101202	0.00	27.72		27.72	
SEO	5984	298.32	159.9	(128.50)	329.72	281.72
SEO	64682	95.32	119.86	(129.34)	85.84	69.37
SEO	43072	0.00	80.08	(54.50)	25.58	11.59
AOC	30738	152.11	167.96	(99.00)	221.07	202.07
AOC	30740	277.52	167.96	(172.00)	273.48	247.98
AOC	54817	55.12	144.04	(86.00)	113.16	41.42

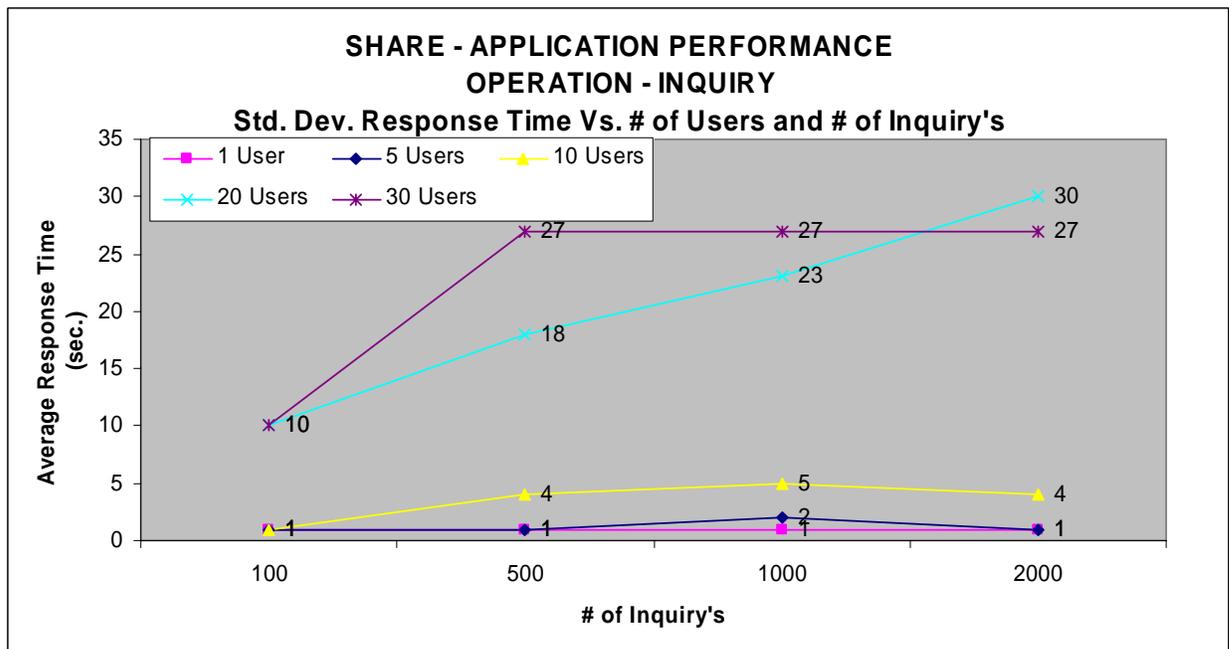
Source: LFC Tests

Graph 1. Performance Analysis of SHARE Application from DFA (Inquiry Operation)



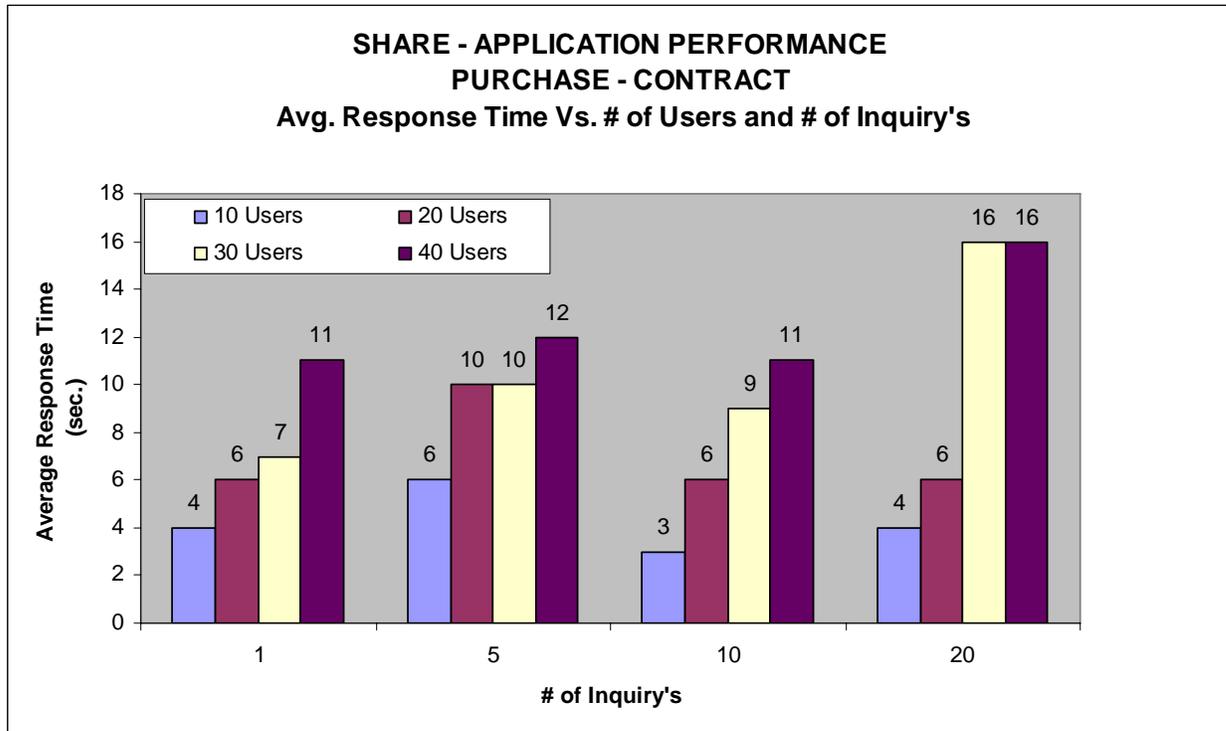
Source: NMIMT Assessment

Graph 2. Standard Deviation of Performance Analysis of SHARE Application from DFA (Inquiry Operation)



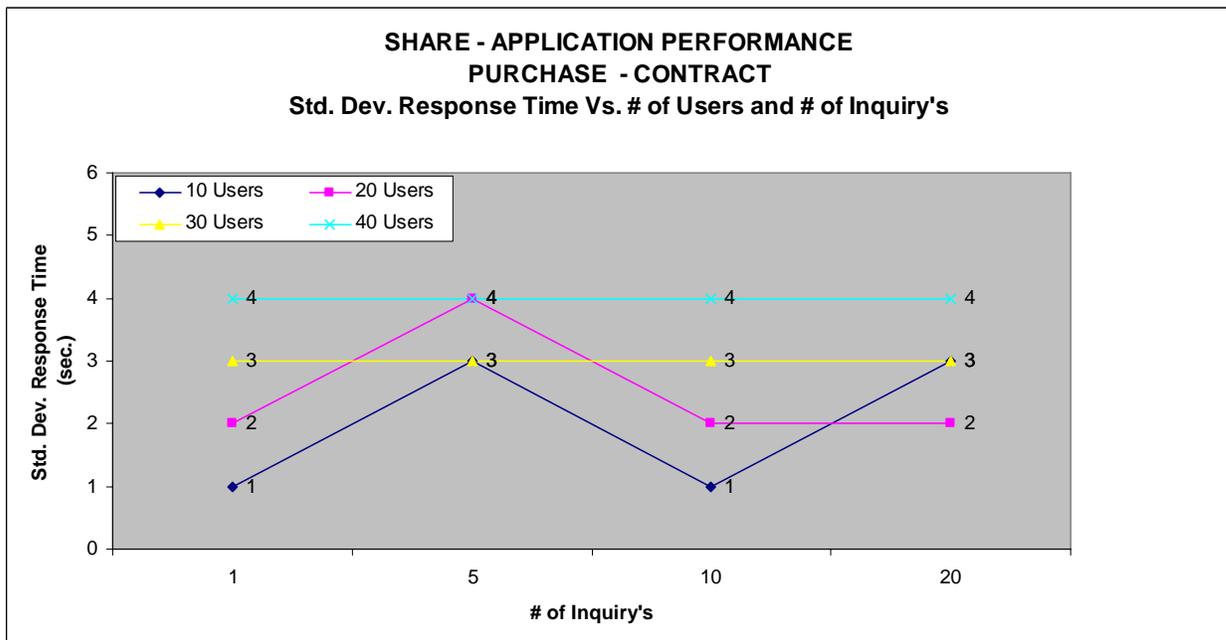
Source: NMIMT Assessment

Graph 3. Performance Analysis of SHARE Application from Purchasing (Inquiry)



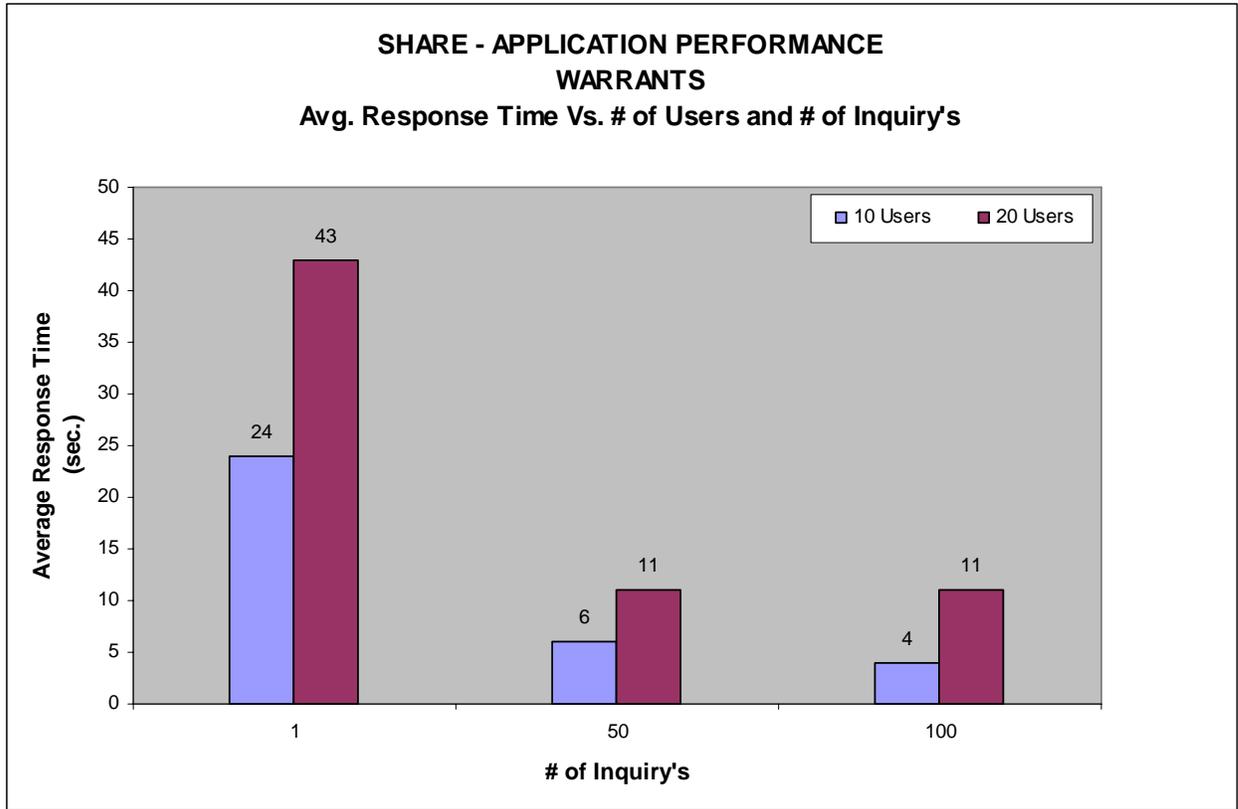
Source: NMIMT Assessment

Graph 4. Standard Deviation Performance Analysis of SHARE Application from Purchasing (Inquiry)



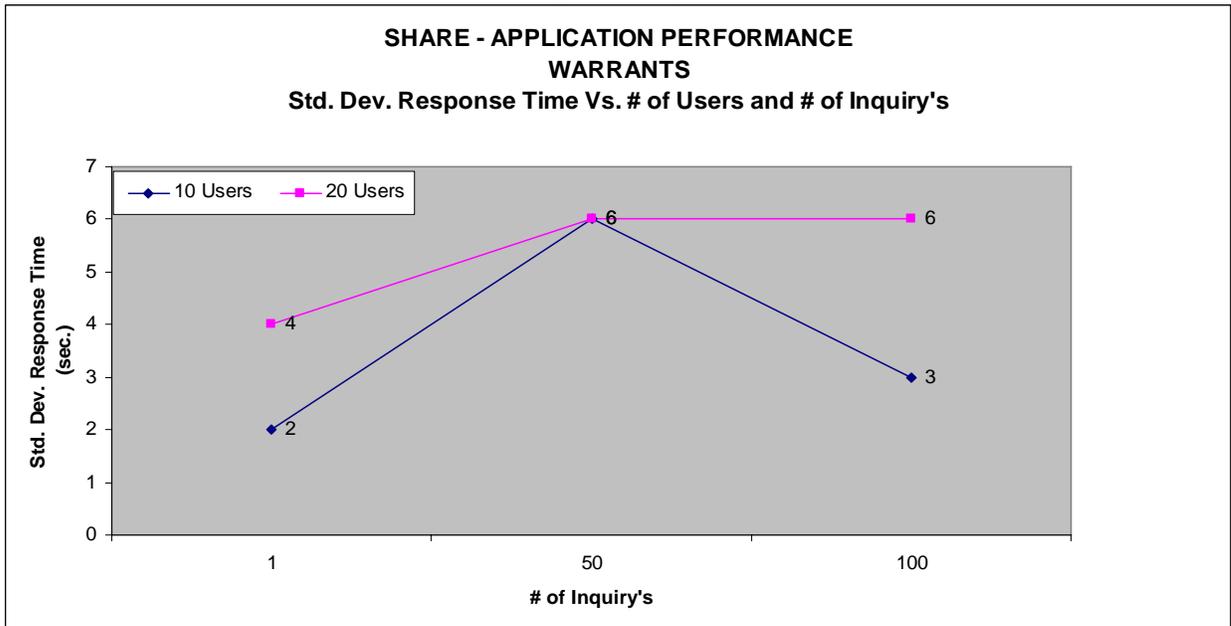
Source: NMIMT Assessment

Graph 5. Performance Analysis of SHARE Application from State Treasurer (Warrants)



Source: NMIMT Assessment

Graph 6. Standard Deviation Performance Analysis of SHARE Application from State Treasurer (Warrants)



Source: NMIMT Assessment

Table 1. List of Self-Earning Accounts as of January 2007

Fund	Agency	Fund Description
075	132	Capital Building Repairs
127	AGO	Cost Share Fund
702	AGO	Cummins Settlement
950	AGO	Mylan Multi-State Anti-Trust Fund
348	TRD	Property Valuation Fund
015	DFA	E 911 Revenue Bonds Reserve Fund
017	DFA	E 911 Income Fund Account
021	DFA	County Supported Medicaid Fund
589	DFA	Judicial Education - General
590	DFA	Judicial Education - Municipal Courts
624	DFA	Civil Legal Services Fund
726	DFA	Wallace Foundation SAELP Grant Fund
745	DFA	The Enhanced 911 Act Fund
380	RHCA	N.M. Retiree Health Care Administration
381	RHCA	N.M. Retiree Health Care Benefits
836	RHCA	N.M. Retiree Health Care Pension Tax
353	GSD	State Government Unemployment Compensation
354	GSD	Local Public Body Unemployment Comp. Reserve
356	GSD	Public Property Liability
357	GSD	Public Liability Fund
358	GSD	Surety Bond
359	GSD	Workers' Compensation Fund
752	GSD	Group Insurance Administration
785	GSD	Property Control Reserve Fund
863	GSD	Capital Building Repair Fund
410	STO	Severance Tax Bonding Fund (From 862-350.0 Capital Projects)
608	PERA	P.E.R.A. Social Security Account
755	PERA	P.E.R.A. Deferred Comp. Stn. plan
025	SOS	Secretary of State Arbitration
812	SOS	Public Election Fund
903	SOS	Help America Vote Act
879	385	Primary Care Fund
262	Tourism	Litter Control & Beautification
804	Tourism	Trail Safety Fund
599	EDD	Tri-County Regional Training Program
044	RLD	Reg. & Licensing Educational Training
297	RLD	Real Estate Recovery Fund
444	RLD	Counseling and Therapy Practice Board Fund
455	RLD	Physical Therapy Fund
459	RLD	Private Investigator/Polygraph Bd.
465	RLD	R/E Appraisers Board
466	RLD	Public Accounting Fund
469	RLD	Social Workers Board (Reg. & Lic.)
473	RLD	Speech Lang Pathology, Audiology & Hearing Aid Disp Fund
235	PRC	Patients Compensation Fund
072	BON	Nursing Board
073	BPELS	Professional Engineers & Surveyors Fund
256	DCA	Museum Collections Fund
612	DCA	Bartlett Trust Fund
097	DGF	Sikes Act Game & Fish

Table 1. List of Self-Earning Accounts as of January 2007

Fund	Agency	Fund Description
198	DGF	Game Protection Fund
307	DGF	Game Protection Income Tax Contributions/Share With Wildlife Fund
428	DGF	Game & Fish Interest & Retirement Fund
549	DGF	Big Game Depredation Damage Fund
310	EMNRD	Local Government Energy Cons. Chevron
314	EMNRD	Petroleum Penalty ESC Exxon
315	EMNRD	Diamond Shamrock Settlement
316	EMNRD	Petroleum Violation Escrow Stripper
317	EMNRD	Petroleum Penalty ESC Warner
318	EMNRD	Petroleum Violation Escrow Second Stage
656	EMNRD	State Reclamation Trust
891	EMNRD	Oil Disposition Fund
098	SLO	Land Office Maintenance
098	SLO	Land Office (From 264-539 Ongard Royalty)
514	SLO	Advance Royalty Fund
098	SLO	Land Office Maintenance (From 776-539 Sale Expense Fund)
098	SLO	Land Office Maintenance (From 777-539 Land Office Suspense)
098	SLO	Land Office Maintenance (From 778-539 Oil & Gas Royalty)
326	SEO	Irrigation Works Construction Fund
328	SEO	Rio Grande Improvement Fund
978	HSD	Child Support Enforcement Division
711	DOL	Labor Enforcement Fund
983	WCA	Uninsured Employer's Fund
981	WFTD	OWTD Operating Fund
984	WFTD	Local WIA Board Fund
280	DVR	Tele-Work Loan Program Fund
985	Miner Hospital	Miners Trust Fund
257	DOH	Trauma System Fund
121	ED	Wastewater Facility Construction Fund
337	ED	Rural Infrastructure Revolving Fund
340	ED	Liquid Waste Fund
584	ED	Public Water Supply System Operator & Public Wastewater Facility Op. Fund
592	ED	Radiation Protection Fund
632	ED	Solid Waste Facility/Loan Grant Fund
900	NRT	Natural Resources Trust
068	CYFD	Children Youth & Families S.O.A.
096	CYFD	Children's Maintenance
490	CYFD	Children Youth & Families Social Security Trust Fund
554	CYFD	Children's Trust Fund/Next Generation Fund
780	CYFD	Children Youth & Families
932	DMA	Service Members Life Insurance Fund
077	DOC	Corrections Industries Revolving Fund
090	DPS	Local Law Enforcement Block Grant
343	DPS	DPS- Federal Forfeitures
346	DPS	Peace Officer's Survivor's Fund
004	DOT	Bond Project WIPP-1998B Bonds
006	DOT	CHAT-2001A Bond Project-Highway
007	DOT	Debt Service CHAT-2001A Bonds Highway
115	DOT	Cash Bond Projects CHAT 2002D
187	DOT	Cash Debt Service CHAT 2002D
201	DOT	State Road Fund
202	DOT	Highway Infrastructure Fund

Table 1. List of Self-Earning Accounts as of January 2007

Fund	Agency	Fund Description
203	DOT	Local Government Road Fund
204	DOT	Cash Bond Projects 2004A GRIP
206	DOT	Motorcycle Training Fund
208	DOT	Traffic Safety Education & Enforcement Fund
211	DOT	Debt Service Fund WIPP
261	DOT	93 Highway Bonds Sinking Fund
345	DOT	Cash-Bond Projects - CHAT 2000A
361	DOT	Cash-Bond Projects - HIF 2002C
363	DOT	Cash Debt Service- HIF 2202C
368	DOT	Cash Bond Proceeds CHAT 2002A
394	DOT	Highway Bonds Project Acct. Series 1993
430	DOT	Highway 1999 CHAT - Capital Projects
431	DOT	WIPP Project Fund
432	DOT	Cash-Debt Service CHAT 2000A
434	DOT	Highway Debt Service - CHAT 1999 Bonds
546	DOT	Bond Project - CHAT - 1998A Bonds
547	DOT	Cash Debt Service CHAT 2002A
548	DOT	Debt Service CHAT 1998 A Bonds
677	DOT	Bond Cost Issue WIPP 2002B
750	DOT	Cash Debt Service WIPP 2002B
201	DOT	State Road Fund (From 788-805 Highway Payroll)
789	DOT	Bond Project Fund WIPP
893	DOT	State Infrastructure Bank
972	DOT	Debt Service WIPP - 1998B Bonds
005	PED	Schools in Need of Improvement Fund
334	PED	Family and Youth Resource Fund
513	PED	The Public Pre-Kindergarten Fund
562	PED	Teacher Professional Development Fund
568	PED	Incentives for School Improvement Fund
616	PED	Eva Lou Kelly Estate
639	PED	Kindergarten Plus Fund
660	PED	Instructional Material Adoption Fund
216	HED	State Student Incentive Grants
217	HED	College Affordability Scholarship Fund
239	HED	College Affordability Endowment Fund
292	HED	College Goal Sunday Fund
479	HED	Faculty Endowment Fund
545	HED	Higher Education Performance Fund
637	HED	Lottery Tuition Fund
782	HED	Higher Education Performance Development Fund
881	HED	Commission on Higher Education

Source: STO