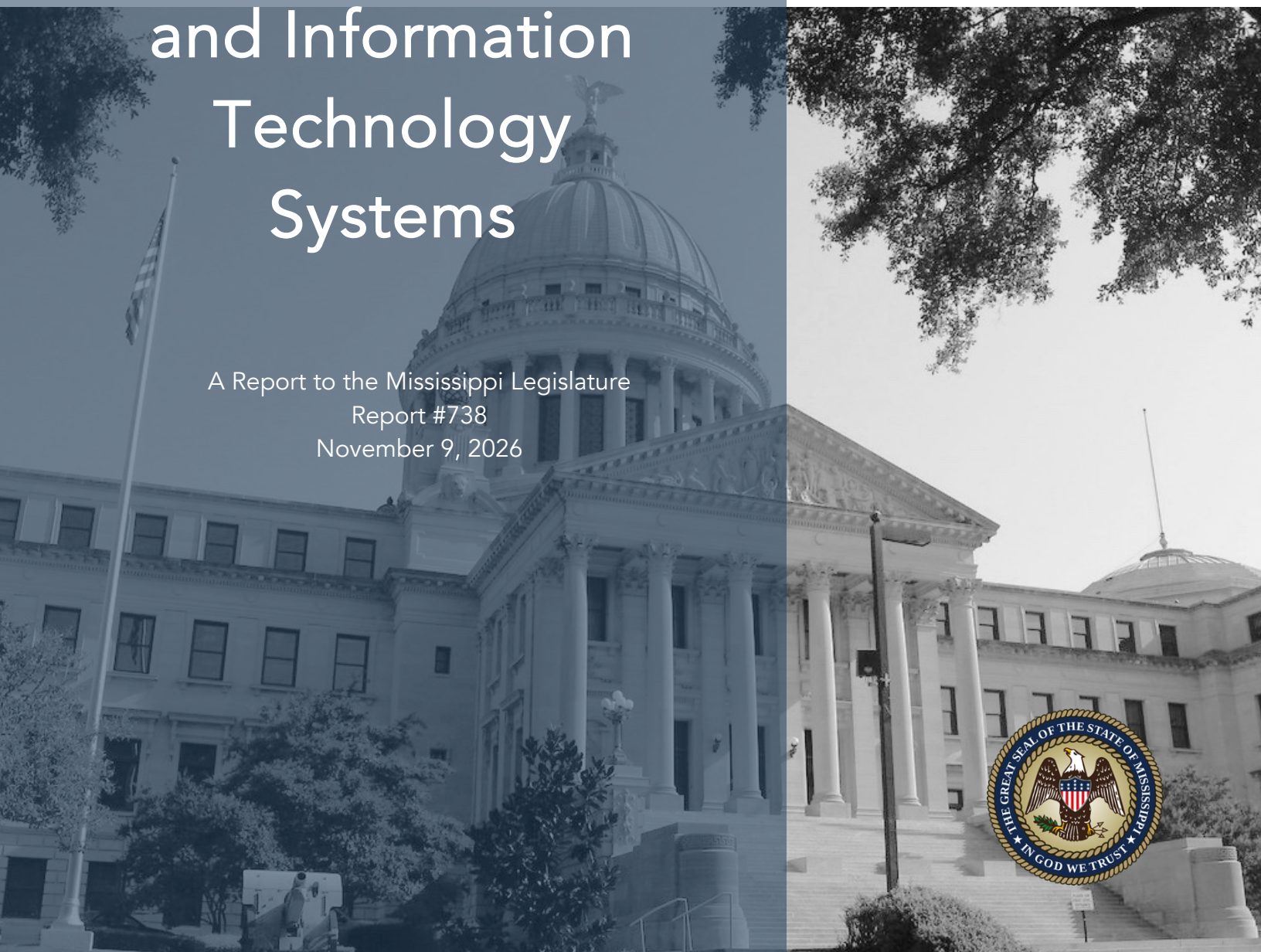
A Review of Mississippi State Government's Administration of Selected Human Resource Functions and Information Technology Systems

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review



A Report to the Mississippi Legislature
Report #738
November 9, 2026

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Joint Legislative Committee on Performance Evaluation and Expenditure Review
PEER Committee

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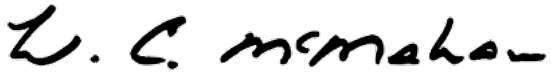
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November 9, 2026

Honorable Tate Reeves, Governor
Honorable Delbert Hosemann, Lieutenant Governor
Honorable Jason White, Speaker of the House
Members of the Mississippi State Legislature

On November 9, 2026, the PEER Committee authorized release of the report titled ***A Review of Mississippi State Government's Administration of Selected Human Resource Functions and Information Technology Systems.***



Senator Chad McMahan, Chair

This report does not recommend increased funding or additional staff.

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A Review of Mississippi State Government's Administration of Selected Human Resource Functions and Information Technology Systems

Report Highlights | #738 November 9, 2026

CONCLUSION: The Mississippi State Personnel Board (MSPB) is the governing authority for Mississippi's human capital system. While agencies generally expressed satisfaction with the timeliness of MSPB's processes for hiring, certain aspects of the process could be inefficient and result in agencies not being able to hire desirable candidates (e.g., using potentially restrictive minimum job requirements for certain positions). Regarding compensation of employees, the Legislature, MSPB, and state agencies have responsibilities that impact the state's ability to attract and retain a qualified workforce. Planning and implementation issues inhibited the state's original vision for MAGIC to serve as an integrated human resource and financial data system. As a result, state agencies have experienced inefficiencies in fulfilling their HR functions.

Background

Public personnel management is one of the most important state government support functions, as it provides principles by which employees are utilized efficiently and effectively. MSPB, governed by a five-member board, serves as the governing authority for the statewide human capital system as established in MISS. CODE ANN. § 25-9-1 (1972) et seq. Agencies are responsible for hiring and managing their own staff, while MSPB oversees the recruitment process, salary awards/amendments, and general compliance with the state personnel system. For FY 2027, the Legislature appropriated MSPB $5.4 million to carry out its functions. MSPB employs 42 full-time staff, including 20 staff in the area of classification, compensation, and recruitment.

Key Findings – Hiring and Minimum Qualifications

- Staff of 12 state agencies PEER interviewed reported satisfaction with the timeliness of MSPB in posting jobs and providing a list of candidates to agencies after the job announcements close.

- Issues Regarding the Substitution Process

  If job applicants do not meet a position's minimum education qualifications, they may request that a MSPB substitution committee review their skills, employment, and education history to determine if they might otherwise qualify. Although these reviews do not significantly delay the hiring process, minimum education criteria may deter otherwise qualified applicants from applying or continuing in the process.

- Issues Regarding Minimum Position Qualifications

  From July 2024 to June 2026, 2,042 applicants requested substitution panel reviews, and 1,764 (86%) were approved. This high approval rate suggests that at least a portion of state jobs that require certain minimum qualifications may not fully align with current state hiring practices and needs.

Efforts By States to Reduce or Eliminate Four-Year Degree Requirements for State Jobs

- At least 19 states no longer require a four-year degree for most state government jobs.
- Reducing education requirements for selected state positions could reduce the reliance on MSPB substitution committees, expand the pool of qualified applicants, simplify the hiring process, and allow MSPB staff to devote more time to other critical functions.
- MSPB is involved in a pilot project regarding the potential for reducing the number of state jobs requiring a degree.

Issues Regarding Compensation

- MSPB is responsible for providing state employee salary adjustment recommendations to the Legislature based on relevant market data, while the Legislature is responsible for weighing these recommendations against available resources.
- State agencies are ultimately responsible for ensuring fair and equitable compensation among their employees, and MSPB has observed that certain agency HR personnel more effectively justify salary increases that account for equity.
- Together, these decisions have an impact on the state's ability to attract and retain a qualified workforce.
- Based on its most recent salary studies, in FY 2025, MSPB recommended to the Legislature an upward salary adjustment for 56 of the state's 641 job classifications. This would have increased the minimum salary level for 2,201 state employee positions at a total annual cost of approximately $12 million.

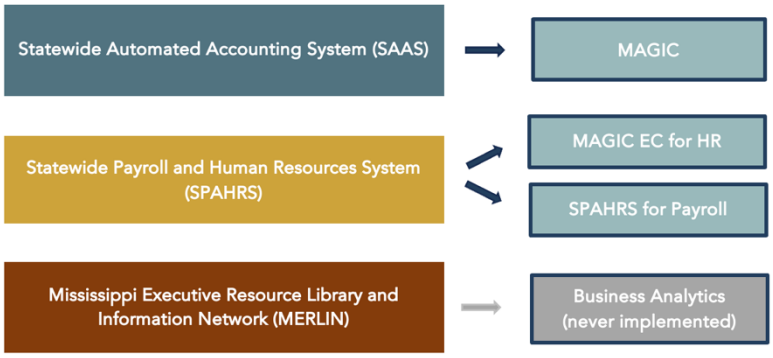
Planning and implementation issues inhibited the state's original vision for MAGIC – an enterprise resource planning (ERP) system – to serve as an integrated human resource and financial data system.

Despite planning efforts for the ERP system as early as 2006, the state has ultimately chosen to abandon MAGIC Employee Central (MAGIC EC) more than 10 years later and is considering restarting the process for a new ERP system.

The State's Original Vision for MAGIC

Beginning in 2006, initial planning began to implement a unified data system that could integrate the functions of the state's three legacy human resources and financial data systems. However, numerous implementation issues and delays resulted in state agencies still utilizing multiple separate systems.

Current Functionality of the 3 Legacy Systems



Implementation Issues Inhibiting Vision for MAGIC

1) Lack of a formal governance structure for the operations of the MMRS Steering Committee:
   - DFA, under its former executive director, often proceeded with implementation decisions without collaboration between MSPB and ITS.
2) Inconsistent collaboration throughout the procurement and implementation process
3) Deficiencies in the IT systems interoperability

Impact on Agencies

Because the system has not worked as intended and has resulted in numerous data issues when trying to replicate data between MAGIC EC and SPAHRS, agencies reported experiencing inefficiencies in fulfilling their HR functions (e.g., use of dual data systems, increased staff time, and procurement of additional systems to be in compliance with reporting requirements).

Summary of Report Recommendations

1. The Legislature should amend MISS. CODE ANN. § 7-7-3 (5) (1972) to replace the Mississippi Management Reporting System Steering Committee with the Mississippi Enterprise Resource Planning Steering Committee, which shall:
   a. be comprised of the directors of DFA, ITS, and MSPB, Committee action shall require two votes (of three);
   b. meet at least twice a year;
   c. record formal minutes;
   d. establish an agency advisory committee;
   e. annually report to the Legislature, including submission of a joint legislative package pertaining to the ERP system; and,
   f. require the ERP system to be subject to an annual cyber threat test.
2. Due to MSPB's high approval rate (86%) for substitution requests, MSPB should:
   a. continue efforts to reevaluate which positions should require a college degree, and which positions should be open to skill-based hiring; and,
   b. consider identifying a method to preclear applicants that apply outside of NEOGOV.
3. MSPB should track the reason for which the substitution committee approves or denies a substitution request.
4. Agencies should take greater effort to ensure their staff are able to justify salary award/amendment requests by comparing the awardee's credentials to others the agency employs in the same job classification.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A Review of Mississippi State Government's Administration of Selected Human Resource Functions and Information Technology Systems
November 9, 2026
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Senator Chad McMahan, Chair | James F. (Ted) Booth, Executive Director

A Review of Mississippi State Government's Administration of Selected Human Resources Functions and Information Technology Systems

Introduction

Authority, Scope, and Purpose

Due to legislative concerns regarding the state's processes for hiring and compensating state employees, the PEER Committee authorized this review. The Committee acted in accordance with MISS. CODE ANN. § 5-3-51 (1972) et seq.

State agencies must be able to recruit and hire qualified employees in an effective manner to deliver public services and maintain a strong workforce. Because state agencies compete with other employers for qualified workers, unnecessarily lengthy or burdensome processes may hinder agencies' ability to hire desirable candidates. This review examines the processes used to recruit and hire state employees with a focus on identifying inefficiencies or other factors that may impede agencies' ability to hire and retain employees in an effective manner. By addressing these inefficiencies, the state could increase the effectiveness of its hiring and its ability to compete for a qualified workforce.

In conducting this review, PEER sought to:

- describe the roles of the Mississippi State Personnel Board (MSPB) and state agencies regarding the hiring of state employees;
- evaluate MSPB's effectiveness and efficiency regarding the classification, recruitment, hiring, and compensation of state employees; and,
- identify issues encountered due to operational deficiencies with MAGIC Employee Central (MAGIC EC) and the Statewide Personnel and Human Resource System (SPAHRS).

Method

To conduct this analysis, PEER:

- interviewed human resources staff in 12 state agencies;
- interviewed MSPB staff;
- analyzed data pertaining to the MSPB substitution process for FY 2025 and FY 2026;
- researched efforts by other states to eliminate college degree requirements for state positions;
- interviewed human resource and executive level staff of the Department of Finance and Administration and the Department of Information and Technology Services regarding their

experience with MAGIC EC and SPAHRS, including the role of the Mississippi Management and Reporting System Steering Committee (MMRS Steering Committee), implementation hurdles, flaws, and the status of the MMRS Steering Committee, MAGIC EC, and SPAHRS; and,

- interviewed, via written information request, the MSPB Executive Director regarding his experience with MAGIC EC and SPAHRS, including implementation hurdles, flaws, and the status of the MMRS Steering Committee, MAGIC EC, and SPAHRS.

Background

Public personnel management is one of the most important support functions in state government, as it provides the principles by which employees are utilized efficiently and effectively. Generally, public personnel administration includes the processes for classifying work, hiring and compensating workers, and training workers to perform their jobs more effectively.

Governments spend more money on the salaries and fringe benefits of personnel than on other assets capable of producing services. The importance of personnel management explains why many states, including Mississippi, have a central personnel management agency that oversees agency use of human resources. In Mississippi, that agency is MSPB.

This chapter provides an overview of MSPB including its role in overseeing human resources in the state.

Overview of MSPB

MSPB serves as the governing authority for the statewide human capital system as established in MISS. CODE ANN. § 25-9-1(1972) et. seq.

Governed by a five-member board appointed by the Governor, MSPB serves as the governing authority for the statewide human capital system as established in MISS. CODE ANN. § 25-9-101 (1972) et. seq.

Roles/Functions of MSPB

Per MISS. CODE ANN. § 25-9-103, MSPB *shall administer a state personnel system in accordance with the following principles:*

- *to recruit, select and advance employees on the basis of their relative ability, knowledge and skills, including open consideration of qualified applicants for initial appointment;*
- *to provide equitable and adequate compensation;*
- *to train employees, as needed, to assure high-quality performance;*
- *to retain employees based on the adequacy of their performance, to correct inadequate performance, and to separate employees whose inadequate performance cannot be corrected;*
- *to assure fair treatment of applicants and employees in all aspects of personnel administration without regard to political affiliation, race, national origin, sex, religious creed, age, or disability;*
- *to assure that employees are free from coercion for partisan or political purposes and to prohibit employees from using their official authority for the purpose of interfering with or affecting the result of an election or a nomination for office; and,*
- *to provide authority for the establishment and abolishment of employment positions within the departments, agencies, and institutions covered under this chapter's provisions.*

State Service Employees Versus Non-State Service Employees

For all state employee hires, promotions, and salary increases, MSPB must receive and approve salary award and amendments and verify the state employee (or applicant) meets the qualifications for the job.[1] "State Service" shall mean all employees of state departments, agencies, and institutions as defined in MISS. CODE ANN. § 25-9-101 et. seq., except positions exempted under § 25-9-107 (c). According to MSPB policy, *unless otherwise provided for by law, the appointing authority shall determine job qualifications for non-state service employees.* "Non-state service" is defined as the officers and employees that are excluded from state service by MISS. CODE ANN. § 25-9-107(c).

In its FY 2025 Annual Report, MSPB reported that 24,570 full-time state employees were under MSPB's purview, accounting for approximately 30% of the total state workforce.[2] As of August 26, 2026, MSPB reported 23,902 state employees including 17,738 state service employees (74%) and 6,164 non-state service employes (26%).

One of the primary differences is that employees in state service positions can appeal employment-related decisions (e.g., terminations, demotions) to the Employee Appeals Board.

Organization, Staffing, and Funding

For FY 2027, the Legislature authorized MSPB to employ up to 47 staff. According to its website, MSPB employs 42 full-time staff members. Twenty (48%) of those staff members are employed in the area of classification, compensation, and recruitment. For FY 2027, the Legislature appropriated MSPB approximately $5.4 million to carry out its functions.

According to MSPB's appropriation bill for FY 2027, it is authorized to hire up to 47 permanent employees. MSPB currently employs 42 employees to work in the following areas:

- Executive staff (3);
- Administrative Services (5);
- Communications and Projects (2);
- Employee Appeals Board (2);
- Classification, Compensation, and Recruitment (20);
- Office of Information Technology (3); and,
- Training and Development (7).

An attorney from the Mississippi Office of the Attorney General also provides staff support. Each year, the Legislature must appropriate general funds for MSPB to operate. In FY 2027, the Legislature appropriated MSPB approximately $5.4 million from the state's General Fund for the support and maintenance of the agency.

[1] Excludes X-16 positions.

[2] Including public school teachers, public university employees, and community college employees.

Issues Regarding the Hiring Process and Minimum Position Qualifications

State agencies interviewed by PEER are generally satisfied with the timeliness of MSPB in posting job announcements and providing a Referred List of candidates after job postings close. However, certain aspects of MSPB's hiring processes could be inefficient and result in agencies not being able to hire desirable candidates (e.g., using potentially restrictive minimum job requirements for certain positions).

The employee hiring process is a key component of public personnel administration. Generally, the hiring process involves recruiting and screening job candidates for specific positions, conducting interviews, and selecting the best candidate for the position. While state agencies are responsible for certain processes, all state agencies under MSPB's purview must also interact with MSPB during hiring. Further, MSPB is responsible for establishing the job classifications for every state position. Because MSPB's role is critical to the success of the hiring process within state agencies, MSPB must conduct its responsibilities in an effective and efficient manner.

This chapter includes the following:

- timeliness of MSPB's eligible job candidate referral process;
- issues regarding the substitution process;
- issues regarding minimum position qualifications; and,
- efforts by states to reduce or eliminate four-year degree requirements for state jobs.

Timeliness of MSPB's Eligible Job Candidate Referral Process

Staff of the 12 state agencies PEER interviewed reported they were generally satisfied with the timeliness of MSPB in posting job announcements and providing a Referred List of candidates to agencies after the job announcements close. Notably, agencies expressed that MSPB had improved its timeliness in providing the Referred List, which enables agencies to review candidate applications in a timely manner.

Agencies Interviewed

To obtain agency feedback regarding timeliness of the hiring process and any issues encountered as it relates to going through MSPB, PEER interviewed administrative executive staff or human resource directors at the following 12 agencies:

1. The Mississippi State Department of Health (MSDH);

2. The Mississippi Department of Human Services (MDHS);
3. The Office of the State Treasurer of Mississippi;
4. The Mississippi Department of Transportation (MDOT);
5. The Mississippi Forestry Commission;
6. The Mississippi Department of Wildlife, Fisheries, and Parks (MDWFP);
7. The Mississippi Department of Insurance;
8. The Mississippi Department of Marine Resources;
9. The Mississippi Department of Archives and History;
10. The Mississippi Department of Information Technology Services (ITS);
11. The Mississippi Department of Agriculture and Commerce (MDAC); and,
12. The Board of Nursing.

Appendix A on page 42 includes the list of questions PEER asked agencies regarding MSPB's role in the hiring process.

Job Postings

According to the *MSPB Policy and Procedures Manual,* Section 3.1.2, agencies must use MSPB's recruitment and selection software system (i.e., NEOGOV) to request recruitment for vacancies that are not exempt from regular recruitment. NEOGOV is the statewide recruitment and selection system for positions under the purview of MSPB. Agencies should submit the requisition at least five working days prior to the opening date of the recruitment posting in the system.

Transactions entered through NEOGOV are considered to be initiated and approved by the head of the submitting agency. Once entered, transactions are automatically forwarded to the proper reviewer at MSPB for appropriate action. NEOGOV is maintained by MMRS within the Department of Finance and Administration.

Additionally, MSPB authorizes agencies to use concurrent recruitment methods as determined by the hiring agency to include job boards, agency websites, and job fairs or through job search engines such as Indeed or Zip Recruiter. Agencies interviewed reported Indeed typically aggregates state job listings and adds them to their website. If accepting applicants that apply through a method other than NEOGOV, agencies must coordinate beginning and ending dates of advertisements for concurrent recruitment with MSPB (i.e., advertisements for a position need to begin on the same day and the deadline for accepting applications should be the same).

Agency Feedback Concerning Job Postings

Each agency reported utilizing MSPB to post job announcements through NEOGOV. Agencies did not report any delays in the timing of MSPB to post job announcements. The NEOGOV Insight system allows MSPB to create and post job openings on its website, as well as track, evaluate, and refer applicants to state agencies. Agencies also reported greater flexibility in where to post job openings, including on their own website, Indeed (or other job search engine), or networking site (e.g., IT, parks director, etc.). To track the number of applicants outside NEOGOV, agencies must

report to MSPB data regarding the number of applicants who seek to apply through methods other than NEOGOV.

Although MSPB requires an agency post a job opening for at least three days, agencies generally reported posting job openings for the minimum of three days up to two weeks. Applicants must apply for the specific agency job opening to be eligible. This would exclude applicants that applied for a similar prior job posting (e.g., Accountant I at MDWFP) two months prior but did not apply for the current job posting (e.g., Accountant I at MSDH).

Agency Feedback Concerning MSPB Referral Process

Once the job opening closes, agencies reported MSPB typically provides referrals (i.e., non-vetted eligible job candidates) the next business day or up to three days. Agencies consistently noted improvement in this process compared to two years ago. MSDH stated that MSPB's change to a team model to process assistance requests (versus an individual assigned to the agency) has helped prevent any backlog that may have previously resulted from requests backing up. For example, MSDH stated MSPB now provides referrals within one to three days. In the past, the time to provide a referred list may have been between one to two weeks. Most agencies reported that the time to provide referred lists has been reduced from between three to five days to one to three days.

> MSPB provides a Referred List of candidates to agencies for each job posting. This includes only applicants who reported meeting the minimum qualifications. Agencies are responsible for verifying applicants' education, training, and experience.

Agencies expect to vet the referred candidates themselves to determine if they qualify, understanding that MSPB has not checked an applicant's references or verified their level of education at the time MSPB referrals are made. Agencies noted applicants may not always answer MSPB's questionnaire accurately (e.g., marking they have a bachelor's degree when they have only taken classes toward completing a degree).

Applicants Excluded from Referral Process

MSPB referrals would also generally exclude candidates who do not meet the educational requirements included in the job description (e.g., bachelor's degree) but the agency determines if the candidate has relevant experience that warrants being hired for the job.

Agencies noted job candidates who submit applications directly through the hiring agency (in writing or via their website) or a non-MSPB site during the job posting period would not be part of the referral process and would need to be vetted by the agency anyway. These candidates may still be considered by the agency but must be approved by MSPB once they have been selected as the agency's hiring choice. Examples of positions agencies noted this may more likely apply to include IT staff, state park managers, and maintenance managers or those in certain scientific research positions.

Applicants that submit applications through the agency or a third-party before the job posting goes live on NEOGOV or after the job posting closes on NEOGOV must be excluded from the hiring pool.

Issues Regarding the Substitution Process

If job applicants do not meet the minimum qualifications for a position, they may request a review by a substitution committee at MSPB to determine whether their background fulfills the minimum job requirements in lieu of the posted education or experience requirements. Although these reviews do not significantly delay the hiring process, they introduce an additional step that may discourage some applicants from continuing in the process. As a result, agencies may lose otherwise qualified candidates who choose to withdraw rather than pursue the substitution committee review.

Substitution of Minimum Qualifications Process

The *Mississippi State Personnel Board Policy and Procedures Manual*, Section 4.3.3, outlines the process for substitution of minimum of qualifications (i.e., substituting other educational or career experience in lieu of the minimum qualifications specified in the job posting). Section 4.3.3 states:

> *An applicant, employee, or an agency (for non-competitive intra-agency transfers only) may request in writing that the State Personnel Director substitute the substantial equivalent of education/training and experience for the minimum qualifications required for entry into a job classification, thereby allowing the certification to a Referred List or in-service movement of an individual not otherwise meeting the stated minimum qualifications.*

However, Section 4.3.3.A states no consideration shall be *given to the substitution of equivalent education/training or experience where licensing, certification, or state or federal statutes or regulatory guidelines preclude evaluation on this alternative basis.* (NOTE: If the state were to move to eliminating the degree requirement, this clause would be retained).

Composition and Process of the MSPB Subsitution Committee

A substitution committee includes four MSPB staff appointed by the Executive Director to approve or deny substitution requests.

An internal four-person MSPB substitution committee appointed by the MSPB Executive Director makes determinations regarding substitution requests. MSPB staff stated the committee typically convenes informally via email, as substitution requests are submitted.

Although the process allows for applicants to appeal the MSPB substitution committee's decision to the MSPB Executive Director, MSPB stated only one applicant has done so. In that case, the applicant was denied because the applicant did not meet the required licensing requirements for a registered nurse (RN) position.

Timeliness of Substitution Process

NEOGOV generally processes applications for a job posting within 24 hours after a job posting closes. MSPB stated applicants determined not eligible by NEOGOV receive a notification within 24 hours with a link to appeal to the MSPB substitution committee if they so choose.

MSPB tracks:

- the time between when an applicant – having already been determined not eligible by NEOGOV to not meet the posted job criteria – submits a request for substitution; and,
- when the MSPB substitution committee issues a decision.

From June 2024 to June 2026, the average time between a substitution request being submitted and approved or denied by the substitution committee was 1.4 working days.

If the agency seeks a substitution request on behalf of an agency employee (or applicant), MSPB tracks:

- the time between when the agency submits the request for substitution; and,
- when the MSPB substitution committee issues a decision.

Once an applicant (or agency on behalf of an applicant) submits a request to go through the substitution process, PEER determined MSPB's average processing time between substitution request and MSPB substitution committee decision, excluding weekends, was 1.4 working days, with a range of 0 days to 5 days.[3] MSPB does not track the time between when the applicant is denied via NEOGOV and the applicant appeals to the MSPB substitution committee for review.

Agencies interviewed stated it is advisable to have applicants that may not meet the posted job requirements due to not having a college degree apply for substitution on the front end (i.e., submission of resumes) versus being selected by the agency contingent on the agency successfully seeking substitution for the applicant on the back end (candidate selection) of the hiring process.

Impact on Hiring Process

PEER determined the substitution process has minimal impact on the timing of the agency's hiring process or the candidates it can bring in. However, some job candidates may see the addition of an extra step (i.e., having to seek to have the MSPB substitution committee approve substituting the job candidate's skills in lieu of the primary job posting criteria) as a deterrent.

See discussion regarding efforts by states to reduce or eliminate degree requirements and MSPB's ongoing participation in a pilot project with the National Governors Association beginning on page 13.

Utilization of Substitution Process for Purposes Not Intended

Agencies that did cite the substitution process as having an impact on the hiring process may have been utilizing the process in error. For example, an agency posted a job with a fixed salary or a salary range that is less than what is permissible for that particular job classification. During the application process, the agency identified a candidate they sought to hire within the job classification's pay range but above the maximum amount in the job posting. In such a case, requests to go through the substitution process or seek salary amendments would be denied because the agency is seeking to offer a salary greater than the amount advertised in the job posting.

[3] Includes substitution requests received and processed between June 26, 2024, and June 9, 2026.

Efforts by Agencies to Preclear Applicants

In other cases, the candidate applied directly through the hiring agency or a third-party hiring platform (e.g., Indeed) resulting in their application being sent directly to the hiring agency. In either case, the applicant did not apply through NEOGOV and therefore did not have their credentials automatically vetted by MSPB (via NEOGOV). This results in the substitution committee having to determine if the candidate meets the qualifications post-selection by the agency versus pre-clearing the candidate to be on the referred list. MSPB and two agency HR managers PEER interviewed stated it is advised for a candidate – who might not meet the education requirements but would otherwise be a good candidate for a particular position – to apply directly through MSPB to obtain preclearance as opposed to waiting.

In competitive hiring situations, the substitution process could negatively affect an agency's ability to hire qualified candidates because some candidates may choose to accept another job opportunity rather than remain in a hiring process requiring additional steps.

Issues Regarding Minimum Position Qualifications

From July 2024 to June 2026, 2,042 applicants requested substitution panel reviews, and 1,764 (86%) were approved. This high approval rate suggests that at least a portion of state jobs that require certain minimum qualifications may not fully align with current state hiring practices and needs. Further, MSPB does not track the reason for approving or denying substitution requests or which qualifications are approved in lieu of minimum qualifications. This information could be useful in efforts to adjust minimum qualifications to better reflect the competencies needed for positions (thereby removing unnecessary barriers for job applicants) and promote consistency in substitution committee decisions.

High Approval Rate for Substitution Requests, FY 2025 to FY 2026

From July 1, 2024, to June 9, 2026, the MSPB substitution committee received 2,042 substitution requests for 1,580 different applicants. As shown in Exhibit 1 on page 11, PEER identified the top 20 positions in which substitutions were requested during the previous two-year period.

Exhibit 1: Top 20 State Job Classifications for Which Applicants Seek Substitution Approval Through MSPB[1]

	Job Classification	Number of Substitution Requests
1	Benefit Program Specialist I	151
2	Program Specialist III	90
3	Benefit Program Team Lead	74
4	Human Resources Generalist II	54
5	Correctional Officer IV	50
6	Program Specialist IV	48
7	Accountant II	45
8	Transportation Infrastructure Maintenance Technician I	43
9	Benefit Program Specialist II	34
10	Program Specialist II	34
11	Accountant III	29
12	Program Specialist Team Leader	29
13	Transportation Infrastructure Maintenance Technician II	25
14	Accountant I	24
15	Program Specialist Supervisor	24
16	Human Resources Generalist I	22
17	Benefit Program Specialist III	20
18	Procurement Officer II	20
19	Accounting Team Lead	19
20	Training Specialist III	18

[1] PEER did not merge the entries for the same job classification (e.g., Accountant III) when separated if the position had a notation indicating there may be a variance. For example, in addition to the 29 "Accountant III" positions, there are eight additional Accountant III positions with notations such as "county funds accountant/budgets," "funds reconciliation manager," "general accounting/federal reporting," and "110895."

SOURCE: PEER analysis of substitution data provided by the Mississippi State Personnel Board for the period July 1, 2024, to June 9, 2026.

Of the 2,042 substitution requests, the MSPB substitution committee approved 1,764 (86.4%) substitution requests and denied 274 (13.4%) requests. Of the four remaining substitution

requests, one was rescinded by the requesting agency; one did not require MSPB approval;[4] one the agency did not reply to a request for additional information;[5] and, one the applicant chose not to provide additional supporting information.

This high approval rate suggests the following:

Minimum job requirements may be more restrictive than necessary for some state positions.

Actual position roles or current salaries offered may not be sufficient to recruit individuals with a bachelor's degree (or higher).

Agencies may not utilize these positions in a way that necessitates someone having at minimum a bachelor's degree (e.g., state park managers).

MSPB notes the approval rate may be skewed higher because there is a greater likelihood that candidates that would be approved would more likely request substitution review than candidates that would not be approved, particularly among candidates directed to seek substitution by an agency, either directly or indirectly.

PEER notes that there are individuals among the substitution requests who may submit applications for several different positions; then, upon not meeting degree requirement criteria, apply for substitution. For example, *Job Candidate A* applied for four state jobs that required the candidate to go through the substitution process around the same period. *Job Candidate A* was approved for substitution for two positions and denied for two positions. Another job candidate, *Job Candidate B,* applied 19 times for 19 different positions over a four-month period. *Job Candidate B* was approved for substitution fifteen times and denied four times.

Reason for Approving or Denying Substitution Requests Not Tracked

PEER sought to determine the reasons in which MSPB approves or denies substitution requests. However, MSPB does not track reasons for approving or denying substitution requests, nor does MSPB track which qualifications MSPB approved in lieu of the minimum requirements.

Without systematically tracking the reasons for its decisions regarding substitutions, MSPB may miss an opportunity to identify potentially restrictive minimum qualifications that could be limiting the applicant pool and hindering agencies' ability to compete for qualified employees.

Thus, MSPB cannot determine what types of experience were substituted in lieu of minimum education for a particular job classification (or range of classifications) such as Accountants I-III without reviewing individual case data. This type of information could help MSPB managers determine which positions may have requirements that are too restrictive and should be modified. This information could be useful in forecasting what recruits are currently being targeted for the position and what level of education can potentially be replaced by experience.

[4] X-16 positions do not require MSPB approval.

[5] The applicant was later approved for another higher-level position.

MSPB does maintain a spreadsheet that tracks the applicant's name, the person's unique ID number (if provided), the occupation code, the job title, the date the substitution request was received, the date the substitution request was approved or denied, and the MSPB staffer who entered data related to the request. MSPB does note if an agency made the request, and if so, which agency and who. MSPB may also note if the applicant submitting the substitution request was previously approved for a similar position.

MSPB stated substitutions are generally sought because an applicant lacks the education, experience, training, or required licensure identified as part of the minimum job requirements. While the MSPB substitution committee can authorize substitution of relevant experience in lieu of education requirements, MSPB cannot override licensure requirements. MSPB generally operates on the basis that:

- two years of experience supplants an associate's degree;
- four years of experience supplants a bachelor's degree;
- five years of experience supplants a master's degree;
- six years of experience supplants a specialist degree; and,
- seven years of experience supplants a doctoral degree.

MSPB noted the MSPB substitution committee has leeway in decision-making, given the subjectivity and variances in type of experience a candidate may have. For example, if a position requires a bachelor's degree and eight years of experience (12 years total), the MSPB substitution committee could approve the candidate to move forward process if the candidate had an associate's and eight years of experience if all eight years were directly related to the position being applied for. However, MSPB does not track which specific qualifications the MSPB substitution committee approves in lieu of minimum requirements.

Tracking the specific qualifications approved in lieu of minimum requirements would allow MSPB to identify patterns in the types of alternative qualifications that have been deemed acceptable. This data could be useful for evaluating minimum job qualifications to ensure they accurately reflect competencies needed for the job and ensuring consistency in substitution decisions.

Efforts by States to Reduce or Eliminate Four-Year Degree Requirements for State Jobs

At least 19 states no longer require a four-year degree for most state jobs. Reducing education requirements for selected state positions could reduce the reliance on MSPB substitution committees, expand the pool of qualified applicants, simplify the hiring process, and allow MSPB staff to devote more time to other critical functions.

Through a mix of executive and legislative actions, at least 19 states no longer require a four-year degree for most state jobs. The intent is to open more government jobs to candidates that are skilled through alternative routes (also referred to as STARs). This might be through some combination of community college, workforce training programs, military service, or on-the-job learning. This would also give agencies more flexibility in finding candidates to fill positions that are difficult to recruit, either because of the skillset needed to do the job, the pay scale currently offered for a particular job classification, or changes in tasks/functions assigned to a particular job classification within an individual agency.

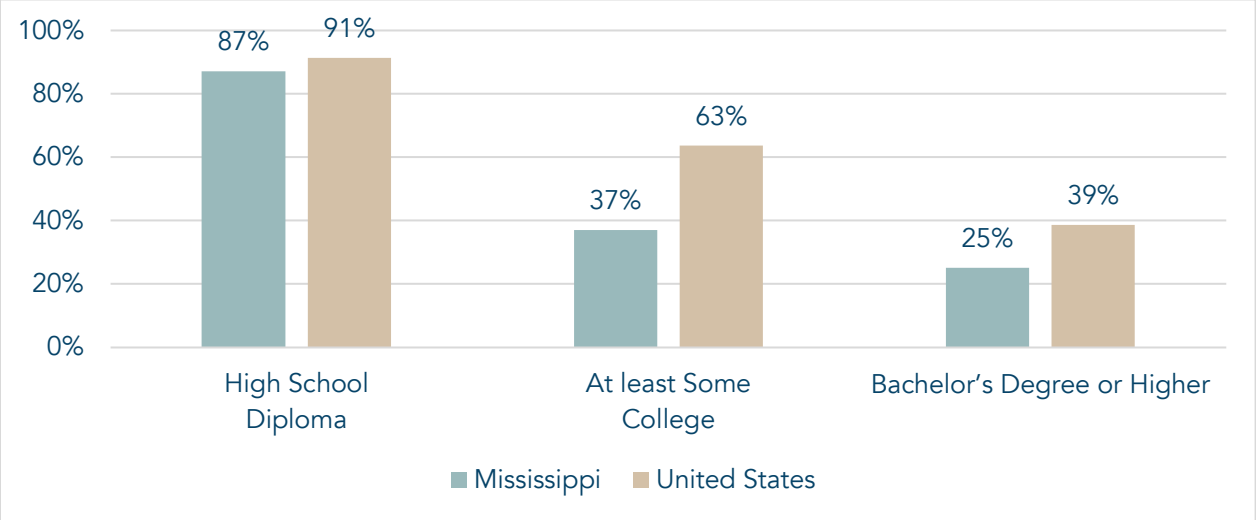
> The intent of removing the four-year degree requirement is to allow candidates skilled through alternative routes (e.g., community college, workforce training programs) to qualify for government positions.

Mississippi's relatively low educational attainment makes this issue particularly relevant. Exhibit 2 on page 14 charts educational attainment, by category, for Mississippi and the United States. The U.S. Census Bureau reported:

- 25.1% of Mississippians age 25 and older held a bachelor's degree in CY 2024 compared to 87.1% with a high school diploma;[6] and,
- 38.7% of the U.S. population age 25 and older held a bachelor's degree in CY 2024 compared to 91.4% with a high school diploma.

In January 2026, the National Conference of State Legislatures (NCSL) reported more than 60 million American workers have a bachelor's degree or higher while more than 70 million in the workforce are considered STARs.

Exhibit 2: Educational Attainment, by Category, as of CY 2024



SOURCE: Data obtained via U.S. Census Bureau, American Community Survey (ACS).

[6] Must be 25 years or older. Data obtained via U.S. Census Bureau, American Community Survey (ACS). Five-Year Estimate CY 2020 to CY 2024. Survey updated every year.

States Eliminating or Reducing College Degree Requirements for State Jobs

PEER found, as of February 2025, at least 19 states have acted through legislation or executive order to shift to skills-based hiring and remove formal degree requirements for most state government positions.

In March 2022, Maryland Governor Larry Hogan announced that Maryland would become the first state in the country to remove the requirements. According to estimates released at the time of the announcement, more than half of the Maryland's 38,000 positions could substitute relevant experience for a four-year degree. In 2022, state employment data showed that there were more vacant positions in state government than any time in the previous 14 years. A year later, the same report found a slight decrease in the number of vacant positions.

Six of the 19 states passed legislation aimed at eliminating degree requirements for state jobs, including:

- Tennessee: passed H.B. 1916 (2022), prohibiting bachelor's degree requirements unless the job specifically requires such knowledge;
- Georgia: passed S.B. 3 (2023), requiring regular assessment and reduction of degree requirements for state jobs;
- Florida: passed S.B. 1310 (2023), allowing relevant experience to substitute for degrees;
- Missouri: passed H.B. 417 (2023), ensuring applicants aren't denied solely for lacking a degree;
- Arizona: passed S.B. 1159 (2022) for public school teachers; broader bill was vetoed, but H.B. 2225 requires evaluation of positions for skills-based hiring; and,
- Connecticut: passed S.B. 1124 (2023), requiring a study on eliminating degree requirements.

In addition to Maryland, twelve state governors[7] have taken action to eliminate degree requirements for most state positions or reduce the number of jobs requiring degrees. The 19th state, Michigan, waived the college degree requirement but only for those with at least two years of active-duty military experience at the rank of E-6 (staff sergeant) or better.

Attracting STARs

STARs – short for Skilled Through Alternative Routes – refers to job candidates that have either work experience or military service but may be turned away during the application process because they do not have the degree the job is posted to require.

NCSL reported Colorado implemented an initiative to advance talent-based hiring practices. Colorado Governor Jared Polis signed an executive order that led to over 1,500 STARs being hired in 2024, 36% of them in January. The year ended with STARs representing 56% of new Colorado hires.

[7] Alaska, California, Colorado, New Jersey, North Carolina, Ohio, Pennsylvania, South Dakota, Utah, Virginia, Minnesota, and Indiana.

MSPB Studying Potential for Reducing Number of State Jobs Requiring a Degree

MSPB is currently partnering with the National Governors Association, the American Institute of Research, Arizona, Washington, and Vermont to conduct a pilot project on the value of maintaining the four-year degree requirements and the pros and cons regarding the potential for eliminating degree requirements for non-licensed state positions. Specific hurdles include:

- how to advertise for specific job classes and job families no longer requiring degrees;
- identifying which job classes, if any, still require degrees; and,
- how to conduct salary surveys for job classes across states, where there may be a greater discrepancy in how job classes or positions are determined.

Additionally, MSPB stated the state's current enterprise resourcing planning (ERP) system (MAGIC EC and/or SPAHRS) is not designed (i.e., does not have the capacity) to efficiently handle skill-based hiring decisions. MSPB stated this would need to be considered when procuring a new ERP system, namely an off-the-shelf system designed for human resource and payroll-related functions.

Obstacles to Eliminating Degree Requirements

Eliminating degree requirements can also increase the hiring pool and thus the time commitment related to the hiring process. However, hiring managers may still default to degree requirements as one method to reduce the applicant pool in cases where applicant pools remain strong. Agencies seeking candidates for positions that have smaller applicant pools, less competitive hiring pay scales, and/or positions with skills that have greater propensity for learning on the job or through trade may be more apt to hiring candidates that do not have at least a bachelor's degree.

Between 2019 and 2022, LinkedIn found employers emphasized skills over degrees in their job listings on their LinkedIn website. LinkedIn found paid job listings that did not require a degree increased more than 200% than those requiring a degree in the areas of financial services, accommodation and food services, and technology, information and media services. However, hiring those without degrees only increased 3-11% in the same service categories. Given such, LinkedIn found eliminating degree requirements did not necessarily translate to increased hiring of those without degrees.

Hiring managers still must identify if the candidate has the right skill set for the job and the potential costs to keeping the candidate's skills up to date. Hiring managers may also have to determine if a skills-based candidate is a good fit for the job being hired for today and what level of upside/upskilling the candidate may have to fill higher level roles.

Issues Regarding Compensation

MSPB is responsible for providing state employee salary adjustment recommendations to the Legislature based on relevant market data, while the Legislature is responsible for weighing these recommendations against available resources. State agencies are ultimately responsible for ensuring fair and equitable compensation among their employees, and MSPB has observed that certain agency HR personnel more effectively justify salary increases that account for equity. Together, these decisions have an impact on the state's ability to attract and retain a qualified workforce.

Mississippi state government faces competition to attract and retain a qualified workforce, as it must compete directly against both the private sector and other public agencies. Salary discrepancies in particular can affect the state's ability to recruit and retain high performing staff. Agencies must also be fair in their compensation practices, as this impacts recruitment and retention, and mitigates legal risks. PEER determined how the state's processes ensure that compensation for state positions is competitive with the relevant labor market and based on the responsibilities of the job.

This chapter discusses the following:

- implementation of SEC^2;
- MSPB's salary survey process;
- MSPB paygrade reassignment recommendations; and,
- issues regarding equity and the salary award/amendment process.

Implementation of SEC^2

In 2022, the state overhauled its classification and compensation system with Project SEC^2. A key component of Project SEC^2 was for MSPB to establish and update job classifications and pay grades based on relevant labor market data. This is necessary to ensure that compensation for state employees is competitive to attract and retain qualified employees.

Change in Structure/Operation from Variable Compensation Plan to SEC^2

A key concept of Project SEC^2 was the establishment and updating of pay grades based on relevant market data. SEC^2 also sought to solve two other problems identified with the prior compensation systems:

- the proliferation of agency specific job classifications; and,

- the proliferation of agencies placing employees in job classifications not related to their role.

Regarding the latter, this included placing staff in management level PINs (e.g., Bureau Director) despite not overseeing other staff. This was primarily done to offer pay increases or offer competitive pay when attracting positions in which the existing state pay scale for the position was below market (e.g., internal auditors).

Approval of Changes to Payscales

Under the prior compensation system, the Legislature exercised greater control over when and how pay increases occurred through the funding of realignment or one-time, across the board raises. Under SEC^2, the MSPB Board must approve changes under the Variable Compensation Plan pertaining to increasing market salaries (i.e., the midpoint salary range) and the maximum salary range. The Legislature, which still must appropriate funding for agencies including their personnel budget, must approve changes to a position's minimum salary within the same paygrade (X-5) and escalation of a position to a higher-level pay grade (X-5 to X-6) since both would require increased funding from the Legislature to fund the position at minimum level. However, SEC^2 gave agencies greater flexibility, within their budget, to fund personnel changes. One agency did note it may be more difficult for agencies with a greater number of personnel in one job classification to implement raises.

Establishment of New Job Classes Pegged to Pay Grades with Four Distinct Pay Zones

One of the major changes under SEC^2 was the creation of new job classifications. Each job classification is assigned to a specific pay grade level. Within each job classification's paygrade level are four distinct pay zones:

Job classifications are assigned to a specific pay grade level, each with four pay zones.

- Zone 1 – minimum salary to 10% above minimum salary;
- Zone 2 – 10% above minimum salary to market salary;
- Zone 3 – market salary to 10% above market salary; and,
- Zone 4 – 10% above market salary to maximum salary.

Exhibit 3 on page 19 describes the key aspects of the state employee career ladder under SEC^2. Because paygrades can cover a wide salary range, it is possible for the higher range of a paygrade for a lower job class to overlap or be higher than the lower pay range of higher job class.

Exhibit 3: Key Aspects of State Employee Career Ladder Under SEC[2]

- **Job Families/Levels**: Career ladders usually follow a structure from Entry-level (I), to Experienced (II), to Specialized/Lead (III) or Managerial roles.
- **Requirements**: Advancement often requires a combination of a bachelor's degree and two to four years of relevant experience for mid-level positions.
- **Pay Structure**: Pay grades are divided into four zones:
    - *Zone 1:*
        - Pay range – minimum salary to 10% above minimum salary.
        - Qualifications – Meets minimum qualifications with little or no prior experience.
    - *Zone 2:*
        - Pay range – 10% above minimum salary to market salary.
        - Qualifications – Has minimal prior closely related experience.
        - Salary decisions in Zones 1 and 2 are made at the agency level.
    - *Zone 3:*
        - Pay range – market salary to 10% above market salary.
        - Qualifications – Has previous closely related experience and a demonstrated ability to perform assigned duties.
        - Salary decisions in Zone 3 require State Personnel Director or designee approval prior to processing.
    - *Zone 4:*
        - Pay range – 10% above market salary to maximum salary.
        - Qualifications – Has exemplary performance, a deep knowledge of the position, and/or scarce skills or certifications that are highly valued in the market.
        - Salary decisions in Zone 4 require MSPB approval with the exceptions noted in policy or salary scales in statute.
- **Progression**: Movement between roles (e.g., from Program Specialist II to Program Specialist III) generally occurs as employees gain, or are asked to assume, higher levels of decision-making and independence.

SOURCE: MSPB Fiscal Year 2025 Recommended Pay Grade Reassignments, based on MSPB Salary Surveys.

Initially, MSPB limited the in-range adjustment (i.e., the maximum pay increase in a given fiscal year) to 10% during a given fiscal year from FY 2022 to FY 2024.[8] MSPB later reduced the in-range adjustment to 7% in FY 2025. MSPB stated the in-range adjustment was lowered after agencies had time to implement a maximum of 30% in raises, pending

[8] MSPB sets the maximum in-range adjustment, in consult with the Legislative Budget Office and the Legislature.

available funding, over three fiscal years. MSPB stated the adjustable raise cap is a component of SEC[2].

For the approximately 16,000 individuals who remained employed by the state from January 2022 through September 2024, they received a total average pay increase of 28%.

Exhibit 4 on page 20 shows the increase in average salary for five general position groups, by dollar amount and percentage, over the 33-month period January 1, 2022, to September 30, 2024.

Exhibit 4: Change in Position Counts and Average Salary for State Employees in Purview Agencies on Both January 1, 2022, and September 30, 2024

Category	Position Count	Average Salary Increase
Total Employees in Purview Agencies on Both Dates	**17,013**	
Non-Purview OCCUs,[1] Education, Elected, and Statutory	895	
Total Employees in Purview Agencies and OCCUs[1] on Both Dates	16,118	28%
Comparison A		
Employees in Same Title on Both Dates	7,022	22%
Employees in Different Title on Both Dates	9,096	33%
Comparison B		
Employees in Same Agency on Both Dates	12,925	27%
Employees in Different Agency on Both Dates	3,193	31%

[1] Occupational codes.

SOURCE: PEER analysis of information provided by the Mississippi State Personnel Board.

At least one agency reported the new limit for in-range adjustments has hindered it from being competitive with the private sector, particularly regarding rewarding employees who have received certifications within their specialty/track.

Because paygrades can cover a wide salary range, it is possible for the higher range of a paygrade for a lower job class to overlap or be higher than the lower pay range of higher job class.

Limited Concerns Related to Transition to SEC[2]

Agencies interviewed were generally satisfied with the transition to SEC[2] and how it modified the salary structure. Agencies did note limited exceptions in which their agency was working with MSPB to better develop career ladders for positions that were condensed or consolidated under SEC[2].

Although two agencies interviewed noted the process may have been expedited or "rushed" and cut short, impact concerns were generally limited to the over consolidation or simplification of job classes for a particular job category or the lack of career ladders for a particular job type. When the job classes are oversimplified, positions may be lumped together despite variation in the work they do. For example, a program manager that operates a one-person program lumped into the same position as a program manager that operates and manages a 10-person program.

While this was a complaint of one agency, at least three other agencies stated MSPB suggested the development and additional clarification of functional job classes to further distinguish between types. One other agency – MDRS's Office of Developmental Disability Services – stated MSPB worked together to better establish career ladders as part of PEER's prior review of disability determination services.

MSPB's Salary Survey Process

MSPB is responsible for recommending pay adjustments to the Legislature based on relevant market data. MSPB primarily focuses on Mississippi's four contiguous states to compare public sector salaries, while also utilizing Mississippi Bureau of Labor Statistics (BLS) data to compare public sector versus private sector data. If determined necessary by the MSPB director or at the request of an agency regarding a particular position class, MSPB will incorporate data from other like states beyond four contiguous states or obtain market data specific to that class to make recommendations for paygrade reassignments.

Survey of Contiguous States

Annually, MSPB staff conduct salary surveys on a job classification basis. A member of National Compensation Association of State Governments (NCASG), MSPB stated they apply universal salary surveying standards when conducting salary surveys to maintain consistency across surveyed classifications. Historically, NCASG and MSPB survey the journey level of work (typically the second level or worker in a job family).

MSPB utilizes this data to compile its survey for contiguous states. MSPB noted, due to Tennessee's growth, Mississippi is no longer as comparable to Tennessee as it may have been in the past. MSPB reported Tennessee's average state employee salary was $22,000 more than Mississippi's average state employee salary ($73,591 compared to $50,960), while Alabama's average state employee salary of $66,115 was $15,000 more than Mississippi's average state employee salary. MSPB stated Arkansas and Louisiana more comparably equated to Mississippi with state employee salaries averaging $58,963 in Arkansas and $57,927 in Louisiana.

MSPB reported the following updates regarding Mississippi's contiguous states. Arkansas implemented across the board increase of 3% (i.e., realignment) and is undergoing efforts to modernize its classification and compensation system. Louisiana, conversely, experienced negative salary growth for certain benchmarked classifications. Alabama capped in-range adjustments at 4% below market and 2% above market and established an IT Trainee classification that can be occupied for 12 months with no qualifications or competitive recruitment. MSPB also

noted Montana created statewide compensation plans for all job families and agencies with no flexibility allowed in deviating from the plans.

Market Data

To obtain market data, MSPB utilizes both Bureau of Labor Statistics (BLS) data and data provided by contractor CompAnalyst (aka Salary.com). MSPB primarily utilizes FactorsBLS data to compare public sector versus private sector data. However, BLS data has an 18-month lag time (e.g., MSPB may obtain a BLS report in June 2026 reporting salary data for January 2025).

CompAnalyst stated it does not conduct its own surveys but instead culminates data from 300 to 400 private and public sector surveys. This enables CompAnalyst to provide salary data and that is updated monthly, 100% employer reported, and can be analyzed by zip code to enable city or regional salary comparisons.

However, CompAnalyst does not make recommendations regarding whether MSPB or other utilizers are accurately defining the market. CompAnalyst limits its role to providing the data and access to a system to enable the contractor (MSPB) to modify the categories to tailor to the entity seeking employees and the job sought.

MSPB can adjust the following factors in the system when running a query to determine salary range for a particular job classification include job classification, number of agency employees, annual agency budget, zip code for job location, zip code(s) for target hiring market, minimum education and experience required to be eligible, and required job skills and competencies.

MSPB Paygrade Reassignment Recommendations

Based on its most recent salary studies, in FY 2025, MSPB recommended to the Legislature an upward salary adjustment for 56 of the state's 641 job classifications. This would have increased the minimum salary level for 2,201 state employee positions at a total annual cost of approximately $12 million. The Legislature must weigh MSPB's recommendations against available state resources and other budget priorities when determining whether to authorize and fund salary adjustments. These decisions have an impact on the state's ability to attract and retain qualified state employees.

MSPB's Role Regarding Recommended Paygrade Adjustments

As part of MSPB's annual salary survey process, MSPB makes recommendations to the Legislature – via the Legislative Budget Office and the Joint Legislative Budget Committee – to raise the minimum salary for a position. The market rate salary and maximum salary can be adjusted by the MSPB Board.

The Legislature must approve changes to a job classification's minimum salary within the same paygrade (e.g., X-5) and escalation of a job classification to a higher-level pay grade (e.g., X-5 to X-6), since both types of changes would require increased funding from the Legislature to fund the position at the minimum salary level.

MSPB Recommended FY 2025 Pay Grade Reassignment

Based on its analysis of all job classifications, MSPB contends that 56 of the state's 641 job classifications need to be moved to the next pay grade within their respective pay plans. To date,

the Legislature has not funded the increase in the minimum salary for any of the 56 job classifications MSPB has recommended since implementation of SEC[2] in 2022.

However, pending available funding, agencies may still pay up to the cap of Zone 1 (i.e., 10% above minimum) or up to the market rate without prior approval by MSPB. The market rate can change annually with changes subject to MSPB market survey results.

Cost to Fully Fund MSPB Recommended FY 2025 Pay Grade Reassignments

If fully funded at a total cost of $11,990,380 (including cost of fringe benefits), MSPB projects 2,201 employees across 56 job classifications would see an increase in their base salary to the new minimum for their job classification. MSPB's recommendations are targeted at keeping salaries for state employees relatively comparable to the labor market. However, MSPB reported the Legislature has not funded these recommendations since moving to this model.

In deriving these recommendations, MSPB staff considers salary survey data, range penetration of current employees within each job classification, and other market factors. Through this review, salary market data from the relevant labor market may be higher than what Mississippi government reality necessitates in terms of pay. In those instances where market salary data did not align with range penetration of current employees, no recommendation for adjustment was made.

If it were implemented, MSPB projects 38% ($4,556,344) of the cost would be expensed to the state General Fund, while 62% ($7,434,036) of the cost could/would be paid for out of federal or other special funds. MSPB will provide revised recommendations for the FY 2027 budget utilizing FY 2025 data.

The Legislature must weigh these recommendations against available state resources and other budget priorities when determining whether to authorize and fund salary adjustments. These decisions have an impact on the state's ability to attract and retain qualified state employees.

Issues Regarding Equity and Salary Award/Amendment Process

Agencies may request approvals for salary increases from MSPB and must document that the salary requested is equitable with the employee's peers performing similar work. MSPB reported reviewing more than 20,000 salary awards and amendment requests in FY 2026. According to MSPB, some agency HR staff are more capable than others in providing the information necessary to demonstrate that the salary requested is equitable. HR personnel must be able to document equitable salaries within their agencies to ensure legal compliance, build trust within the agency, and retain employees.

Pay equity is not a policy provision that directly results in MSPB approval or denial. Equity is not defined in MSPB policy, nor is their specific policy in the MSPB manual regarding how equity must be applied. However, agency concerns related to equity primarily pertain to MSPB's process for approving salary awards and salary amendments.

Which Salary Awards/Amendments Must Be Approved by MSPB?

Agencies must submit all salary awards and salary amendments to MSPB for approval. According to MSPB, it reviews and either approves or denies all salary awards and salary amendments for MSPB covered personnel, including establishment of new hire's initial salary and salary changes related to raises or decreases, promotions/demotions, and/or position changes. MSPB reported reviewing more than 20,000 salary awards and amendments in FY 2026.

MSPB reported reviewing more than 20,000 salary awards and amendments in FY 2026.

As discussed previously, job classifications are assigned to a specific pay grade level. Within those job classifications are four pay zones:

- Zone 1 – minimum salary to 10% above minimum salary;
- Zone 2 – 10% above minimum salary to market salary;
- Zone 3 – market salary to 10% above market salary; and,
- Zone 4 – 10% above market salary to maximum salary.

Salary decisions are made at the agency level based on the agency's ability to pay, market competitiveness, and current pay for agency staff in the same job classification. For example, entry level Human Resource Generalist I may enter at the low end of Zone 1, while entry level social workers may enter at the midpoint of Zone 2, primarily due to the difference in degree requirements and the size of the applicant pool. MSPB Office of Classification, Compensation, and Recruitment staff approve salary awards/amendments in Zones 1 and 2. MSPB's Director of Office of Classification, Compensation, and Recruitment (and two designees) approve salary decisions in Zone 3 prior to processing. Salary decisions in Zone 4 require MSPB Board approval, although there are exceptions.

How Does MSPB Make Salary Awards/Amendments Determinations?

MSPB makes salary amendment equity determinations based on:

- the position's alignment with similar positions within the agency in which the determination is for;
- the requesting agency's past practice in making salary determinations for the applicable position class; and,
- the requesting agency's justification in the system of record (i.e., MAGIC EC).

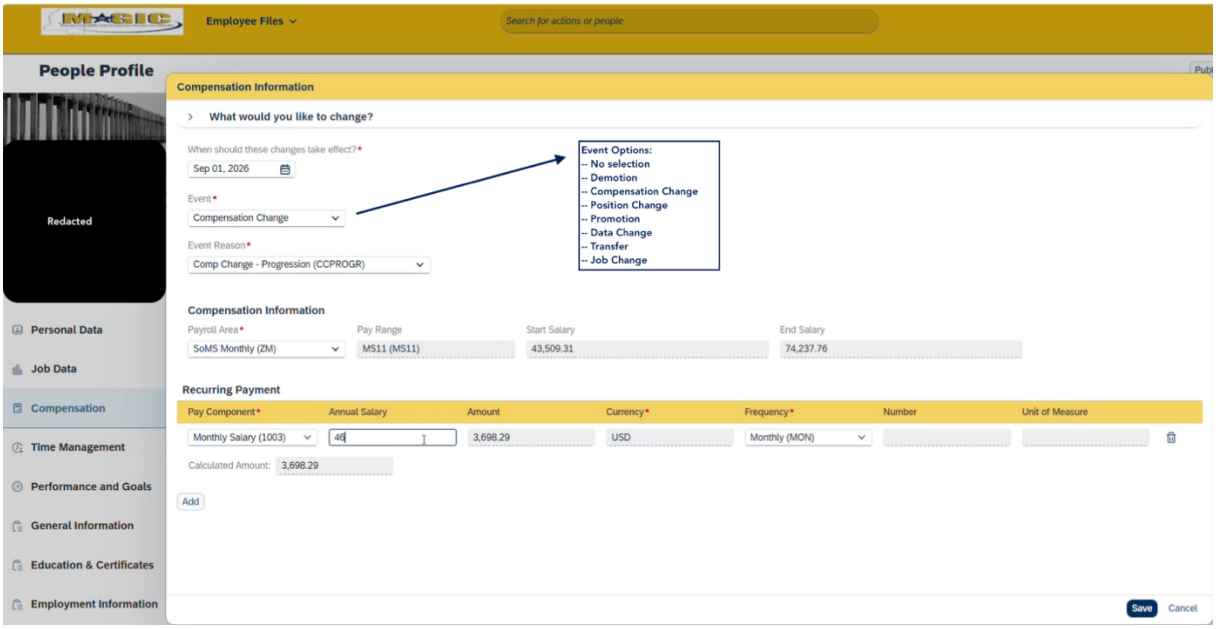
In reviewing the requesting agency's justification in the system of record, MSPB considers two things:

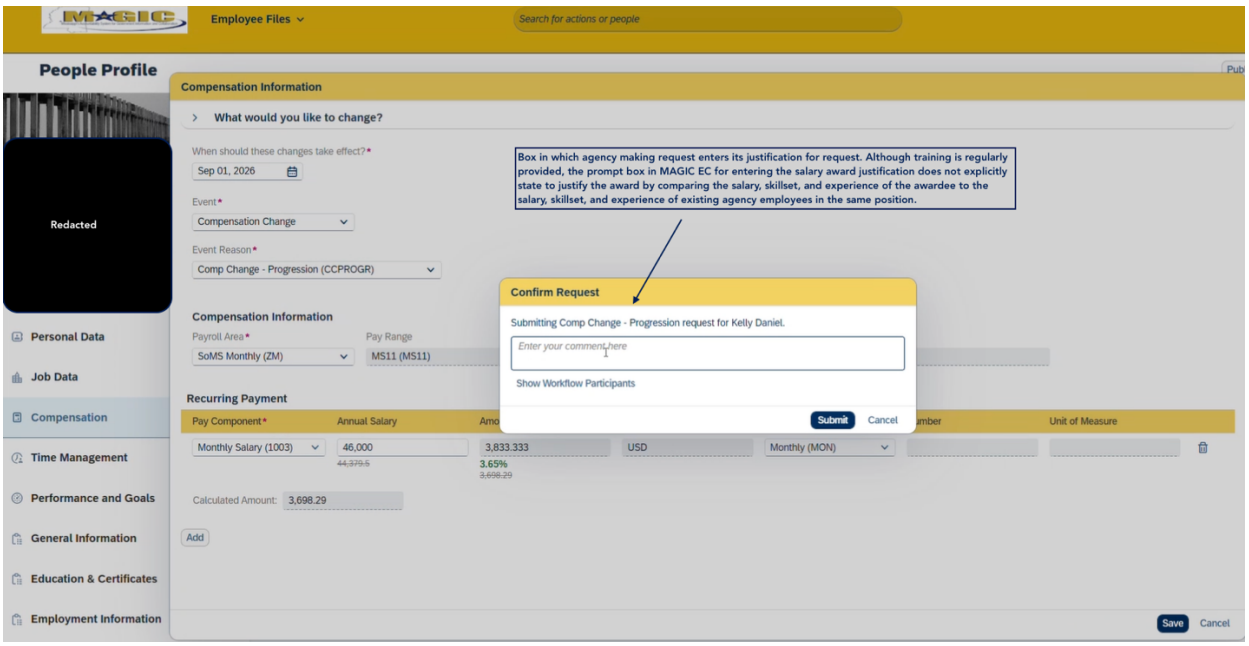
- When compared to his/her position group, does the applicable employee have or not have additional applicable skillsets/credentials that warrant such an increase?
- When compared to his/her position group, does the applicable employee perform or not perform additional functions that warrant such an increase?

Exhibit 5 on page 25 illustrates where in MAGIC EC agencies must enter their justification and the instructions in the prompt.

MSPB stated its primary focus is to protect the state personnel system from liability concerns that may arise from lawsuits concerning fair and equitable pay for similar work. MSPB added that the agency's justification should be part of their defense in any potential suit, not a hindrance or absent from the system of record.

Exhibit 5: Prompt in MAGIC Employee Central Where State Agencies Enter Justification for Salary Awards or Salary Amendments





SOURCE: Screenshots of salary award/amendment process in MAGIC Employee Central, as provided by MSPB.

For instance, in reviewing the proposed salary for Agency ABC for John Doe, MSPB is primarily concerned that John Doe's proposed salary aligns with similar positions within Agency ABC (not all state agencies in which the determination is for). If John Doe's salary does not align with similar positions within Agency ABC, the agency must justify why John Doe's salary should be more or less than those currently holding the same position within the agency by comparing John Doe's work, skill set, or oversight responsibilities to those in a similar position.

Denial of Salary Awards/Amendments and Common Mistakes

MSPB does not "officially deny actions based on equity reviews," noting that "pay equity is not an MSPB policy provision that results in approval or denial." MSPB reiterated the concept of pay equity is there to protect the state and ensure that the requested amount does not create long-term problems for the agency. Pay equity is not a deciding factor in approval or disapproval so long as it is addressed.

However, MSPB may alert the agency to potential equity issues and ask the agency to provide justification for salaries deemed outside of the norm. MSPB stated agencies then have the option to either provide MSPB additional justification for the salary award/amendment, modify the submitted salary award/amendment submission, or withdraw the actions on their own accord.

MSPB stated a common mistake agency HR staff make is to justify John Doe's salary difference by only discussing John Doe without mentioning what about John Doe's work, skill set, or oversight role is different than those in a similar position. According to MSPB, some agency HR staff are more capable than others in providing the information necessary to show that the salary requested is equitable. HR personnel must be able to document equitable salaries within their agencies to ensure legal compliance, build trust within the agency, and retain employees.

Examples of MSPB HR Training Related to Equity

As it pertains to the implementation of salary awards and amendments and agency equity issues, MSPB cited the following examples of HR-related training MSPB provided at the introduction of the new SEC[2] pay model and at previous annual MSPB hosted HR summit:

- November 2022 (and at the 2024 and 2025 HR Summit): MSPB stated:

  > *For these* [salary awards and amendment] *actions where an agency has discretion, comments in* [MAGIC EC] *explaining equity on the front end is a huge help. MSPB staff's role in this process is to ensure the agency has considered equity. If you make a reasonable case for why it is equitable, that is sufficient.*

- HR Summit 2023 (and at the 2024 and 2025 HR Summit): MSPB stated:

  > *We need a reasonable case as to why it is equitable. Your comment in* [MAGIC EC] *should be Exhibit A in an* [Employee Appeals Board] *or* [Equal Employment Opportunity Commission] *response. If a salary request deviates from what your agency normally pays for the position, you need to articulate why.*

- HR Summit 2025 (response to Question-and-Answer Slide 46): In response to a question submitted by an agency regarding the salary award/amendment process, MSPB communicated to hiring agencies the following regarding a new hire earning more than current employees):

> *If the new person is more qualified, based on education, experience, credentials, licensure, certifications, etc., they can make more. That being said, we are not mind readers. You need to articulate any deviation in your comments on the transaction. Emailing is not sufficient as that is not the system of record.*
>
> MSPB added that *one paragraph telling us why in the comments is sufficient. If it looks off, we're going to ask unless you've already addressed it.*

In documentation regarding training efforts provided by MSPB, an unidentified agency HR staff person cited concerns about incumbent staff still making the minimum and its impact on hiring new employees. It was not clear whether these staff remained at the minimum because they were underperforming, had not gained additional certification, and/or the agency lacked funding for raises. It was also not clear why the agency sought to hire a new hire at more pay than the existing staff. For example,

- Did the cost to hire for the position (i.e., competitive starting salary) increase faster than the agency increased salaries for staff currently holding said position, or,
- Did the potential new hire have additional experience or skillset (certification or otherwise) that incumbent staff did not have?

These are issues MSPB attempts to understand as part of the agency justification process for salary awards/amendments. Such cannot occur without the requesting agency adequately justifying salary awards/amendments.

Issues Related to MAGIC EC and SPAHRS

Several planning and implementation issues inhibited the state's original vision for MAGIC to serve as an integrated human resource and financial data system. As a result, agencies have experienced inefficiencies in fulfilling their HR functions.

When interviewing agencies regarding potential inefficiencies in the state's human resource function, state agencies noted issues with MAGIC EC. Therefore, PEER reviewed the state's decision to implement MAGIC EC and its impact on state agencies.

This chapter discusses:

- the state's original vision for MAGIC;
- implementation issues inhibiting the vision for MAGIC; and,
- impact on state agencies.

The State's Original Vision for MAGIC

Beginning in 2006, initial planning began to implement a unified data system that could integrate the functions of the state's three legacy human resources and financial data systems. However, numerous implementation issues and delays resulted in state agencies still utilizing multiple separate systems.

MISS. CODE ANN. § 7-7-3 (5) (1972) establishes the Mississippi Management and Reporting System Revolving Fund to be used to develop and maintain an executive information system within state government, alternatively known as an enterprise resourcing planning (ERP) system. In state government, the ERP system is to be used by the legislative, executive, and judicial branches[9] to monitor the receipt and expenditure of funds. Planning efforts began in 2006 to replace the state's three legacy human resources and financial systems with a new enterprise resourcing planning (ERP) system. This system would be ultimately known as MAGIC, which is an acronym that stands for Mississippi's Accountability System for Government Information and Collaboration.

The following sections briefly discuss the overarching vision of MAGIC, how some of the goals were not achieved upon implementation, and delays that occurred over the actual implementation timeline in comparison to the planned one. While there were numerous implementation issues that can be attributed to some of the delays, those are discussed in detail beginning on page 33.

[9] Used by portions of the judicial system (i.e., the Supreme Court, Administrative Office of the Courts), the Institution of Higher Learning, and the Mississippi Community College Board, but not by universities or community colleges.

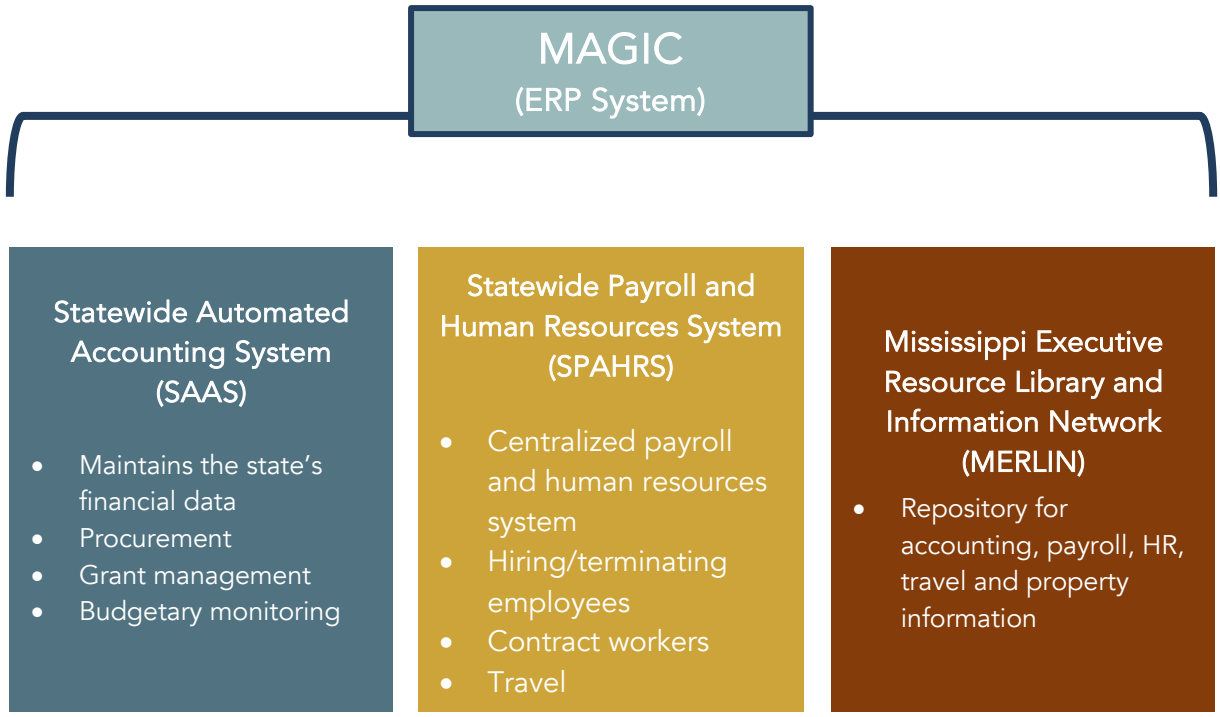
Goal: Combine Three Separate Legacy Systems into One Unified System

In 2009, the state began procuring the enterprise system that was intended to ultimately replace three aging legacy systems. These three legacy systems included:

- a centralized automated accounting system known as **SAAS** (i.e., the Statewide Automated Accounting System), which held the state's financial data;
- a centralized automated human resource and payroll system known as **SPAHRS** (i.e., the Statewide Payroll and Human Resources System), which is an integrated, mainframe-based, centrally controlled enterprise payroll and human resource system; and,
- an enterprise data warehouse known as **MERLIN** (i.e., the Mississippi Executive Resource Library and Information Network), which held accounting, payroll, human resources, travel, and property information.

Mississippi adopted SAAS in 1989, MERLIN in 1993, and SPAHRS in 1998. The Department of Finance and Administration, through the Department of Information Technology Services, procured SAP.[10] SAP offered the IT product SAP solution, which would later be rebranded in Mississippi as MAGIC. The goal of MAGIC was to integrate and combine the three legacy systems into one single system that would be utilize by state agencies. Exhibit 6 on page 29 briefly illustrates the three legacy systems and the roles of each.

Exhibit 6: Original Vision for MAGIC Implementation



SOURCE: PEER analysis.

[10] SAP is an acronym for the German company Systems, Applications, and Products.

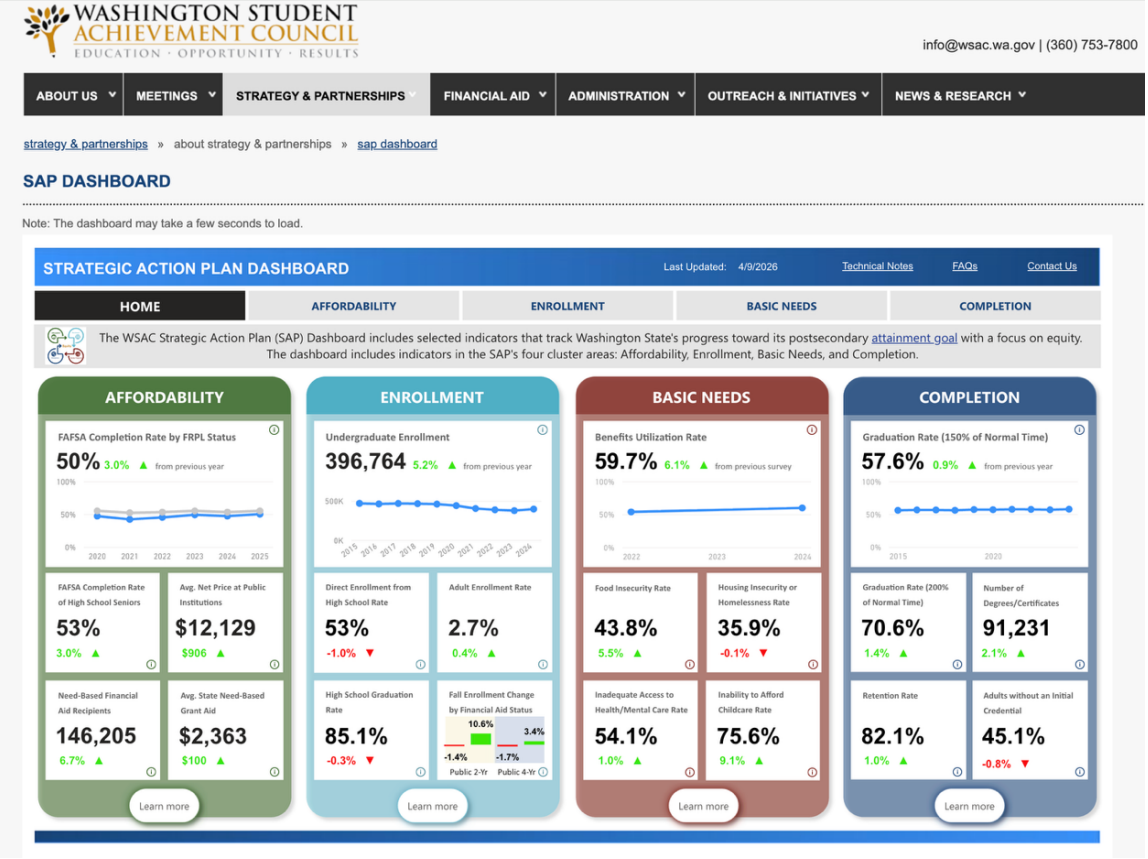
Reality: Systems are Not Integrated

While the original goal was to have a single ERP system (i.e., MAGIC) that could integrate the functionality of the three legacy systems, currently only SAAS has been fully replaced by MAGIC. Efforts to replace the payroll portion of SPAHRS with MAGIC EC's payroll system were not successful and had to be abandoned by the end of 2023. Therefore, SPAHRS is still being utilized for payroll and there is currently little to no institutional knowledge in troubleshooting any errors due to the age of the system.

Although SPAHRS remains the system of record, some SPAHRS functions were transitioned to MAGIC EC including functions related to the hiring and terminating of employees, the addition and expiration of contract worker agreements, and transactions related to board members.

SAP's Business Analytics component was intended to replace MERLIN to provide agencies and outsiders access to analytic tools (i.e., dashboards) to track agency metrics (e.g., expenditures, revenue, performance, utilization). However, this component never materialized. Exhibit 7 on page 30 depicts a variant of an SAP business analytics dashboard currently being utilized by the Washington Student Achievement Council.

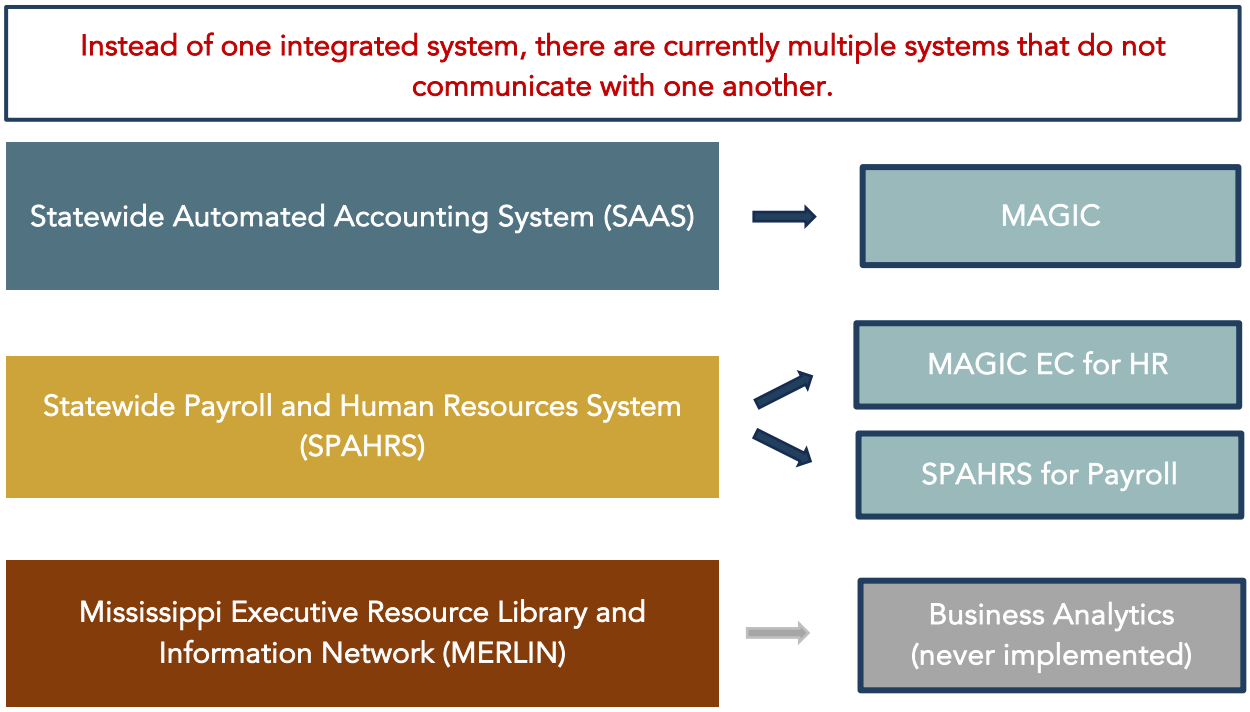
Exhibit 7: Example of Interactive SAP Business Analytics Dashboard Displayed on Agency Website



SOURCE: Washington Student Achievement Council website located at https://wsac.wa.gov/sap-dashboard. September 14, 2026.

Exhibit 8 on page 31 briefly illustrates how the three legacy systems function currently. As shown in the Exhibit, instead of one integrated system, there are still multiple separate systems that maintain the state's HR and financial data.

Exhibit 8: Current Functionality of the Three Legacy Systems



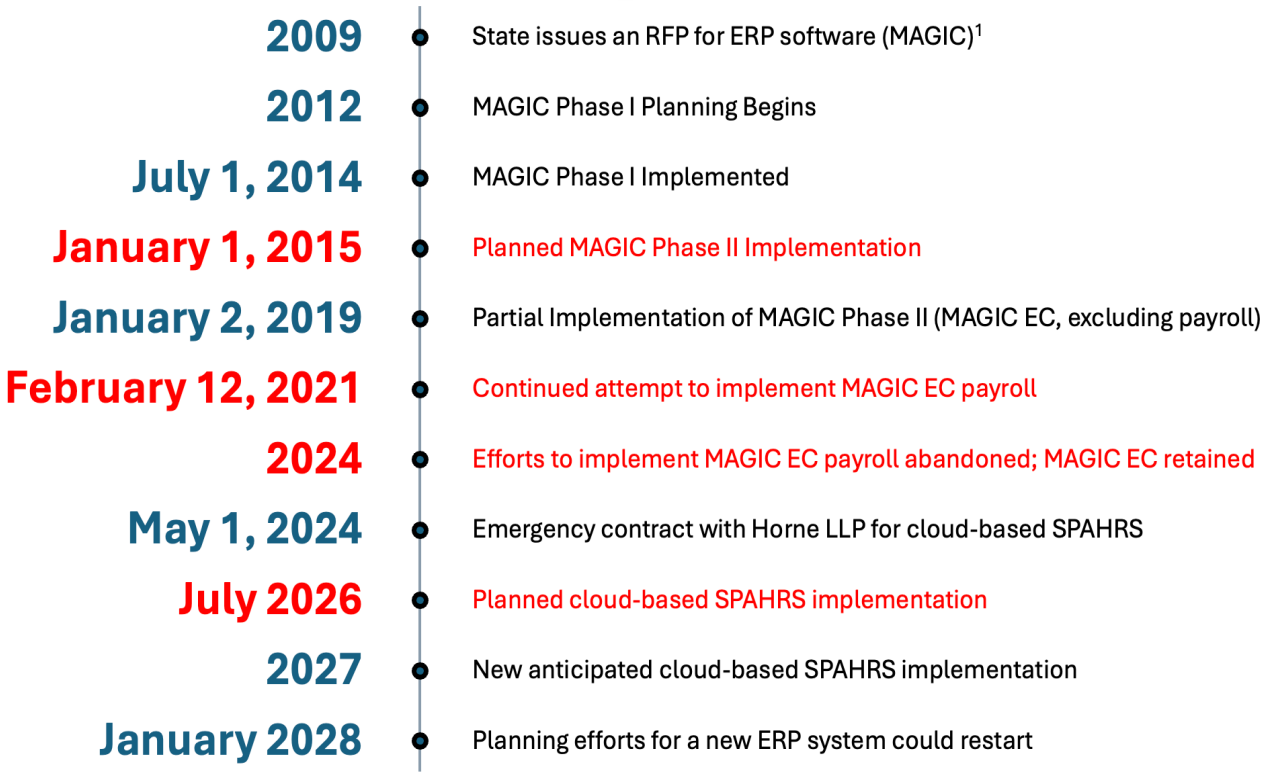
SOURCE: PEER analysis.

MAGIC Implementation Timeline

In 2006, Mississippi began planning to transition the state to a new ERP system to replace the three legacy systems. Due to the significant amount of work involved with transitioning the state to a new ERP system, DFA opted to move forward with a phased implementation (i.e., MAGIC Phase I would include the financial component, and MAGIC Phase II would include the HR and payroll component). However, there have been numerous delays in the actual implementation timeline as a result of multiple issues.

Exhibit 9 on page 32 provides the planned implementation timeline (blue dates) versus the actual timeline (red dates) for MAGIC.

Exhibit 9: MAGIC Implementation Timeline Summary



[1] Initially referred to as SAP Solutions.

Blue – planned implementation timeline.

Red – actual implementation, if different from planned.

SOURCE: PEER analysis.

DFA first prioritized replacing SAAS with MAGIC (i.e., Phase I). This delayed the intended replacement of SPAHRS with MAGIC EC (i.e., Phase II). In 2012, Mississippi began the process to implement MAGIC Phase I (Finance, Procurement, Grants) with MAGIC Phase I going live July 1, 2014. Initially, MAGIC Phase II was to be implemented January 1, 2015. MAGIC Phase II consisted of the HR, Payroll, Travel, and Training components.

While parts of Phase II were implemented, the payroll portion of the transition was never completed. MAGIC EC was intended to become the state's HR platform fully replacing SPAHRS. However, efforts to replace the payroll portion of SPAHRS with MAGIC EC's payroll system were not successful and had to be abandoned.

> While MAGIC Phase II had a planned implementation date of January 1, 2015, numerous issues have caused delays. Ultimately, almost ten years later the attempt to implement MAGIC EC payroll was abandoned in 2024. Currently, informal planning efforts have begun to procure a completely new ERP system.

DFA is currently in the process of eliminating MAGIC EC altogether and transitioning to a cloud-based system[11] until the state can plan and procure a completely new ERP solution for HR management and payroll functions. To date, DFA has spent approximately $8 million with contractor Horne LLP (BDO) since 2024 to close out MAGIC EC and transition SPAHRS to the cloud. As of October 14, 2026, the deadline for BDO to have MMRS conduct user acceptance testing (i.e., upon completing refactoring effort) for the cloud version of SPAHRS is January 8, 2027. Following such time, DFA plans to convene an MMRS Steering Committee meeting January 19, 2027, to determine if BDO has met its commitment and if to move forward with training and agency user acceptance testing. Pending such determination, a calendar will be developed regarding training and implementation statewide.

Because MAGIC was procured as one system for approximately $98 million, DFA was unable to separate the costs related to MAGIC EC (including MAGIC EC payroll) and from the total costs to procure and implement MAGIC. DFA did state DFA has paid and continues to pay an annual $573,000 license fee to operate MAGIC EC since FY 2020. The expected timeline for the new ERP solution is January 2028. DFA added they are working with ITS and MSPB on developing a Request for Proposal to procure a new ERP that would ultimately replace MAGIC and SAAS.

Implementation Issues Inhibiting the Vision for MAGIC

Without a formal structure on the operations of the MMRS Steering Committee established in law, the member agencies lack clarity on how often the committee should meet and how decisions should be made. This resulted in DFA often being the driving force on when and whether to call a meeting of the committee to discuss implementation decisions regarding MAGIC. In many instances, DFA, under its former executive director, proceeded with implementation decisions without collaboration between ITS and MSPB. Due to technical challenges between MAGIC EC and the aging SPAHRS system, repeated efforts to transition payroll functions away from SPAHRS ultimately failed due to outdated coding language and replication errors between MAGIC EC and SPAHRS. Therefore, DFA issued an emergency declaration to enter into an emergency contract with Horne LLP to migrate legacy data from SPAHRS to a cloud-based environment in an attempt to maintain payroll functionality for the state.

[11] On May 1, 2024, DFA issued an emergency declaration for DFA to enter a new emergency contract with Horne LLP to serve as the Project Manager for migration of data from SPAHRS to a cloud-based environment.

Three primary issues inhibited implementation of the vision of MAGIC as the state's new ERP system to replace its legacy HR and financial data systems: lack of a formal governance structure to oversee and administrer the ERP system, inconcsistent collaboration throughout the procurement and implementation process of the state's key three agencies involved in system operations, and deficiencies in the interoperability and data transfer of the data within MAGIC and SPAHRS. The following sections briefly discuss each of these issues.

Lack of a Formal Governance Structure

In 1993, pursuant to MISS. CODE ANN. § 7-7-3 (5) (1972), the Legislature established the MMRS Steering Committee comprised of the executive directors of DFA, ITS, and MSPB. It also stated that this committee shall establish policies and procedures for the administration of the Mississippi Management and Reporting System Revolving Fund.

Each agency considers itself to serve various roles in relation to the state's ERP system:

- DFA houses MMRS office to support the implementation of and provide day-to-day technical operation support for the state's ERP components.
- ITS:
    - houses the physical infrastructure – in this case, house the mainframes MAGIC and SPAHRS and provides disaster recovery services;
    - serves as the mechanism for cost allocation and recovery (i.e., ITS has the authority to bill other agencies for the costs incurred to utilize SAAS, SPAHRS, MAGIC, and other services associated with ITS); and,
    - serves as the state's centralized IT procurement and contracting arm.
- MSPB provides input from a human resource perspective, both for MSPB in carrying out its role and for agencies in managing their day-to-day HR functions.

However, unlike other boards or committees typically established by the Legislature, there were no statutory requirements regarding voting, quorum, or meetings specified in state law. Without a formal structure on the operations of the MMRS Steering Committee established in law, the agencies lack clarity on how often the committee should meet and how decisions should be made. The absence of voting powers permits one member – in this case DFA – the ability to act without obtaining the support of a second voting member. Because DFA is ultimately responsible for financial decisions and payment, ITS and MSPB considered DFA to have final decision-making authority regarding ERP solution acquisition and implementation services decisions.

Inconsistent Collaboration throughout the ERP Procurement and Implementation Process

The issues related to governance of the MMRS Steering Committee have also impacted the procurement process regarding the procurement and implementation of MAGIC. For example, DFA, depending on the executive director at the time, became the driving force on when and whether to call a meeting of the MMRS Steering Committee to discuss implementation decisions regarding MAGIC with ITS and MSPB.

When planning efforts to pursue a new ERP system began in 2006, the MMRS Steering Committee met periodically to discuss the state's ERP system. However, the Committee subsequently experienced a period of inactivity. Following a change in DFA leadership in 2015, the role of the MMRS Steering Committee diminished as DFA and its MMRS office assumed a greater role in the

state's ERP procurement and implementation efforts. As the Committee became inactive, the three agencies no longer formally coordinated planning and implementation efforts for the new system and left the sole decision-making authority with DFA.

Therefore, DFA moved forward with replacing SPAHRS with MAGIC EC without obtaining necessary buy-in from fellow MMRS Steering Committee members ITS and MSPB. DFA procured and identified a vendor to implement MAGIC EC to replace SPAHRS, the state's human resources system, as part of Phase II efforts without including MSPB as part of the procurement process.

MSPB voiced concerns that despite being the entity charged by statute with regulating and enforcing the state personnel system, "MSPB was neither consulted about nor involved in the procurement of the MAGIC Employee Central system." It also questioned DFA's procurement of MAGIC EC. However, DFA at that time considered the procurement matter closed and moved forward with MAGIC Phase II implementation efforts.

It was not until February 12, 2021, that DFA's current executive director resumed having formal meetings of the MMRS Steering Committee. The purpose of these meetings was to address implementation issues resulting from MAGIC EC implementation under the prior director and to pursue implementation of the MAGIC EC payroll component.

Deficiencies in the IT Systems Interoperability

Initially, MAGIC Phase II was to be implemented January 1, 2015. MAGIC Phase II consisted of the HR, payroll, travel, and training components (i.e., MAGIC EC). However, due to delays and functionality issues related to MAGIC Phase I, DFA postponed MAGIC Phase II implementation.

One primary challenge was that MAGIC EC did not have interoperability with SPAHRS. Due to the differences between SPAHRS legacy coding and the way MAGIC EC was coded, data could not be seamlessly transferred from one system to the other, thus resulting in replication errors when transferring data entered in MAGIC EC to SPAHRS. This issue was exacerbated by the fact that SPAHRS itself was built using a programming language that has since become outdated. MMRS stated another complicating factor was the more than 100 different pay methods utilized by the state due to the variations in pay dates, hourly versus salary, overtime versus non-overtime, shift differences, etc., thus increasing the level of customization necessary for MAGIC EC to communicate with SPAHRS.

In addition, DFA and the MMRS office only had one staffer with the institutional knowledge to troubleshoot SPAHRS and handle interoperability issues with MAGIC EC. The culmination of these issues resulted in MAGIC EC being used for most HR-related data, but efforts to utilize it to replace SPAHRS for payroll purposes remained unsuccessful over multiple iterations.

The MMRS Steering Committee met on September 1, 2022, to recommend DFA declare an emergency and procure implementation assistance as a result of the challenges in MAGIC EC. DFA hired EPI-USE (an SAP-affiliated company) to serve as the project management team with its review of the ERP system beginning January 11, 2023. Despite seeking further technical assistance, efforts to replace SPHARS with MAGIC EC for payroll ultimately proved unsuccessful as the contractor's (and MMRS's) inability to resolve data discrepancy errors when transferring data from MAGIC ECP to SPAHRS continued.

At its November 29, 2023, meeting, DFA's Director informed the MMRS Steering Committee that after some research regarding implementation of the payroll system, DFA would like to hire a firm to do a complete audit of the SPAHRS system. The minutes reflected that the DFA executive

director, "noted that during the last evaluation process, it became evident that this audit was necessary." DFA asked that the committee pause moving forward with the new system until the audit was complete. The MMRS Steering Committee then voted to hire a firm and proceed with the audit.

On May 1, 2024, DFA issued an emergency declaration for DFA to enter a new emergency contract with Horne LLP to serve as the project manager for migration of data from SPAHRS to a cloud-based environment. In its declaration, DFA stated:

> *MMRS has had an ongoing implementation to replace SPAHRS with Human Resource (HR) and Payroll functionality in Mississippi's Accountability System for Government Information and Collaboration (MAGIC). As part of the implementation, internal key stakeholders went through an initial Go-Live Readiness check for the proposed MAGIC HR and Payroll application.*
>
> *During this readiness evaluation, it was determined a more structured System Readiness Audit (SRA) by an outside vendor was needed. Horne LLP was the vendor selected to complete the SRA of MAGIC. Horne LLP examined key system modules, procedures, reporting, data and controls to formulate a fact-based opinion on the adequacy of MAGIC. During the SRA, multiple critical errors were found.*

On June 15, 2025, DFA extended the emergency declaration related to the SPAHRS data migration and subsequently extended/modified its contract with Horne LLP to permit Horne LLP to continue to serve as the project manager for migration of data from SPAHRS to a cloud-based environment via Microsoft Azure. ITS's director stated this would convert SPAHRS's outdated code language to a more modern programming language, enabling SPAHRS to move to the cloud, obtain additional support (due to modern coding), and more importantly, additional expected lifespan years and some added functionality.

Impact on State Agencies

MAGIC EC was implemented without full participation or buy-in from the other key entities (e.g., MSPB and ITS). Because the system has not worked as intended and has resulted in numerous data issues when trying to replicate data between MAGIC EC and SPAHRS, agencies have experienced inefficiencies in fulfilling their HR functions (e.g., use of dual data systems, increased staff time, and procurement of additional systems to be in compliance with reporting requirements). Despite planning efforts for the new ERP system beginning as early as 2006, the state has ultimately chosen to abandon MAGIC EC more than 10 years later and is considering the potential to restart the process for a new ERP system.

The implementation of MAGIC EC created inefficiencies for state agencies in managing their human resources and for MSPB in overseeing them. While the implementation of MAGIC EC relied primarily on three agencies, almost all state agencies have been impacted due to their respective payroll functions. Due to communication and interoperability issues previously discussed regarding MAGIC EC and SPAHRS, many agencies have seen increased burdens on staff time and resources, data reliability, and reporting due to having to work in multiple data systems.

State Employee Landscape

Much of the state's workforce is impacted by individuals' ability to effectively utilize MAGIC. As stated previously, MAGIC is used by all agencies under MSPB, portions of the judicial system (i.e., the Supreme Court, Administrative Office of the Courts), the Institution of Higher Learning, and the Mississippi Community College Board. As of August 26, 2026, MSPB reported 23,902 state employees including 17,738 state service employees (74.2%) and 6,164 employes (25.8%) that are non-state service. This accounts for approximately 30% of the state workforce.

Increased Burden on Agency Operations

PEER interviewed state agency personnel to assess how the failed implementation of MAGIC EC has impacted human resources and other administrative operations. While the level of direct impact varied among these agencies, each reported data discrepancy issues and having to manage working within dual systems to ensure data transfers were accurate and reporting requirements were met. Agencies also reported the need for staff to spend additional time to verify the data between the systems and some had to utilize funding and resources to procure additional systems to meet report requirements.

> The failed implementation of MAGIC EC created inefficiencies for state agencies in managing their human resources due to having to work in dual systems and take extra steps to verify data transferred correctly from MAGIC EC to SPAHRS.

For example, MDWFP noted it designates one HR staff member to ensure that data transfers correctly from MAGIC EC to SPAHRS. In contrast, MDHS reported it procured a separate, customizable internal human resource information system (HRIS) called Bamboo at a cost of $165,000 per year to assist MDHS with HR tasks and federal reporting and compliance.

MDMH reported that data inaccuracies impacted its PIN appropriation due to system issues identifying verifiable and reliable staffing, position, and vacancy counts during the appropriation process.

MSPB Specific Functionality Issues

MSPB identified MAGIC EC related implementation issues pertaining to functionality, workflow, and data issues. For example, MAGIC EC also did not include "hard stops" that would prevent data entry errors that are not applicable or relevant to the data category (e.g., entering "7" when the answer is "Yes/No"). Other examples of MAGIC EC functionality issues MSPB cited included:

- permitting agencies to re-enter the same transaction multiple times with the same effective date, even after the original action was approved;
- instances where salary awards greater than the 10% yearly cap were not routed to MSPB for approval;[12]
- unnecessarily routing salary awards/amendments below market rate to the second level of MSPB approval when not required;

[12] MSPB noted its only way to find out such instances occurred was when an agency self-reported it, and that MMRS had been unable to resolve the issue.

- organizational charts that do not have the necessary information for MSPB to make determinations (e.g., employee salary data); and,
- MAGIC EC permitting agencies to withdraw actions even after the action was approved in its final state by MSPB.

MAGIC EC incorrectly replicated the employee "state hire date" in some cases where some employees accrued more leave than they should have while some employees received less leave than they should have.

MSPB also cited data issues pertaining to an employee's State Hire Date (Continuous State Hire Date) in MAGIC EC as a primary area of concern related to data not correctly replicating to SPAHRS. While many ongoing issues with the data in MAGIC EC ultimately can be cross walked to SPAHRS, MSPB stated this issue has been persistent since implementation and that MMRS has been unable to resolve. For example, an employee with a break in state service could accrue leave for which he or she is not entitled. Another example is where an employee may have a change in status (e.g., promotion), which causes the continuous state hire date to reset, which would result in the employee accruing too little leave.

Continued Lack of Coordination over MAGIC EC

The MMRS Steering Committee has not formally met since November 29, 2023. While the directors of DFA, ITS, and MSPB periodically communicate regarding the status of MAGIC EC and how to proceed with data issues related to SPAHRS, there is still no formal governing structure in place over the state's ERP system. Assigning authority for all state ERP decisions to the three-member steering committee, including voting authority, and mandating required meetings could potentially address some of the communication issues and technical and operational issues that hampered MAGIC implementation.

Currently, DFA and its contractor Horne LLP (now BDO) continue efforts to eliminate MAGIC EC and transition SPAHRS to the cloud, initially planning a targeted transition in July 2026. However, DFA's MMRS office stated that legislative (e.g., PERS tier changes) and agency changes (e.g., Department of Public Safety consolidation of its divisions) to the state HR system combined with the contractor's underestimate of the work needed to transition to a cloud-based SPAHRS system has pushed the implementation date back until at least 2027. Even if or when this cloud-based SPAHRS system is successfully completed, both DFA and ITS noted that this would only be an intermediary solution to enable the state to have additional time to plan and procure a new ERP system.

However, if transition to a cloud-based SPAHRS system is unsuccessful, the state could have to procure an off-the-shelf HR management and payroll solution. Under such a scenario, the directors of ITS and DFA project the state would have to undergo changes to its HR and payroll processes to adapt to the off-the-shelf solution. This could include legislative and administrative changes to streamline the payroll process including but not limited to reducing the number of variations in how state employees are paid.

DFA stated informal planning efforts have already begun to pursue a new ERP solution, but that more formal efforts would likely not begin until at least January 2028. DFA added that part of the planning process will include the potential to modify the state's current operations (e.g., number

of pay periods) to enable the state to procure a more off-the-shelf system instead of procuring a system that must be heavily customized to comply with the state's unique way of operating.

DFA noted the state could not move to an off-the-shelf system in the past because of the more than 100 different pay models in SPAHRS to compensate for hourly pay, compensatory pay, overtime, and use of different pay periods. DFA MMRS's director stated that taking SPAHRS to the cloud (SPAHRS 2.0) via Microsoft Azure should make it easier to move to an off-the-shelf model, primarily because the state would be working with a more modern coding language at the time of the next conversion. MSPB's Director also stated that such a policy shift (i.e., one fixed payroll option versus the over 100 currently) could significantly reduce the number of payroll cycles currently used by all branches of government and thereby reduce costs to the state.

Recommendations

1. The Legislature should amend MISS. CODE ANN. Section 7-7-3 (5) (1972) to strike the references to the Mississippi Management Reporting System Steering Committee and create the Mississippi Enterprise Resource Planning Steering Committee comprised of the directors of the Department of Finance and Administration, the Department of Information Technology Services, and the Mississippi State Personnel Board or each director's designee.

    a. Each member of the Steering Committee shall have one vote with two votes in the affirmative required for committee action, including, but not limited to purchasing, procurement, and implementation decisions.

    b. The Steering Committee shall meet at least twice a calendar year and other times as determined necessary by the Steering Committee.

    c. Minutes shall be recorded at each meeting. However, members of the Steering Committee may reserve the right to meet informally without recording minutes when determined necessary by two Steering Committee members.

    d. The Steering Committee shall be responsible for the planning for and procurement of centralized state information technology systems for accounting and fiscal management, purchasing/procurement, human resource management and payroll actions, and other areas as determined by the Committee.

    e. The Department of Finance and Administration, the Department of Information Technology Services, and the Mississippi State Personnel Board shall provide support for the Steering Committee, as applicable.

    Further, the Legislature should:

    f. establish an agency advisory committee for the purpose of providing feedback regarding ERP development, implementation, and operation;

    g. require the Mississippi Enterprise Resource Planning Steering Committee to annually report to the Legislature on its progress in procuring, implementing, and operating an ERP system, any issues that have arisen that impacted agency operations, and needs for the upcoming session. This includes the submission of a joint legislative package pertaining to the ERP system regarding any necessary funding request, staffing request, and potential legislation that would improve ERP system interoperability and reliability or safeguard the state due to unforeseen gaps in the ERP system; and,

    h. require the adopted ERP system be subject to at least an annual cyber threat test by Department of Finance and Administration, the Department of Information Technology Services, and the Mississippi State Personnel Board and user agencies. The Department of Information Technology Services shall serve as lead.

2. Due to its high approval rate of 86% for substitution requests, MSPB should:

    a. taking into consideration recent hiring practices and impact of salary offered on available applicant pool, continue efforts to reevaluate which positions should require a college degree, and which positions should be open to skill-based hiring. This could reduce the number of substitution requests MSPB receives for select positions, while also enabling agencies to better attract a combination of degree and/or skill-based hires; and,

    b. in consultation with its Personnel Advisory Council or other agencies MSPB identifies to include, consider identifying a method to preclear applicants agencies receive directly or through Indeed or another third party to have them also go through the referral process. This may be the agency routing applicants they receive through NEOGOV while developing a method to connect third party applications to NEOGOV.

3. As part of its substitution tracking process, MSPB should track the reason for which the MSPB substitution committee approves or denies a substitution request including which qualifications are approved in lieu of minimum qualifications (and which are not). Tracking the specific qualifications approved in lieu of minimum requirements would allow MSPB to identify patterns in the types of alternative qualifications that have been deemed acceptable. This data could be useful for evaluating minimum job qualifications to ensure they accurately reflect competencies needed for the job and ensuring consistency in substitution decisions. Additional effort should be taken to ensure consistency and accuracy in keying in dates for submittal of and approval of a substitution request and other data.

4. When submitting salary award and salary amendment requests, agencies should take greater effort to ensure their leadership, managers, and HR personnel are able to justify the salary award/amendment by comparing the awardee's credentials to others the agency employs in the same job classification. This would ensure legal compliance and reduce the number of requests MSPB returns seeking additional justification.

5. MSPB should work with its Personnel Advisory Council to better develop more clear directions for agencies to follow when justifying salary award/amendments. In addition, MSPB should consider offering additional training to agencies (or staff) whom MSPB has had to regularly seek additional information regarding the justification process.

Appendix A: Initial Scoping Interview Questions Regarding MSPB's Hiring Process

Round 1: Summary of Interview Questions related to MSPB's Role Regarding Agency Hiring Process

To gain an understanding of the role of MSPB and the agency in the hiring process, PEER asked agencies about the role of the agency versus MSPB when seeking to hire a new employee, stages at which MSPB are involved in the hiring process, and who is responsible for communication with applicants at stages during the hiring process. Agencies reported MSPB notifies applicants if they made the referral list, while agencies notify applicants if they have been selected to interview for a job opening, if they have been selected for the position, and if they were no longer being considered for the position.

1. Does MSPB provide your agency with a list of eligibles (i.e., referral list) including applicants that apply and are eligible for the posted available position?
    a. How long does it take MSPB to provide this list?
        i. Has this improved compared to the past?
    b. How helpful is the referral list provided by MSPB?
    c. Is the list up to date, i.e., does the referral list include applicants that specifically applied for the agency's current job posting?
        i. In the case of positions that cross agencies (e.g., accounting, human resources, etc.), would the referral list include those who applied for past generic MSPB postings?
2. On the back end of the hiring process (i.e., beginning once the agency has identified an applicant to hire), have you encountered any issues with MSPB to obtain approval?
    a. How long does it take to get MSPB to approve hires?
        i. Has this impacted your ability to hire identified candidates?
    b. If your agency is hiring an applicant at an amount greater than start salary, what is the process and how long does it take to obtain approval?
    c. If your agency is hiring an applicant that was not on the MSPB provided referral list for the job posting, what is the process and how long does it take to obtain approval?

Round 2: Other Concerns Raised by Agencies Related to the Personnel System

Following the first phase of interviews, PEER conducted a second round of interviews related to other aspects of the state personnel system. These primarily pertained to issues with the following:

- purpose of and timeliness of the substitution process, particularly in competitive hire situations;
- MSPB oversight of the salary award and amendment process and equity;
- any benefits and drawbacks to the new classification and compensation structure SEC[2]; and,
- functionality and data quality issues related to utilization of MAGIC EC and SPAHRS.

SOURCE: PEER.

Agency Response – Mississippi State Personnel Board

MISSISSIPPI STATE PERSONNEL BOARD

KELLY HARDWICK
EXECUTIVE DIRECTOR

October 20, 2026

James F. (Ted) Booth, Executive Director
Joint Committee on Performance Evaluation and Expenditure Review
Suite 301-A
501 North West Street
Jackson, MS 39201

RE: A Review of Mississippi State Government's Administration of Selected Human Resource Functions and Information Technology Systems

Director Booth,

The Mississippi State Personnel Board is in receipt of your draft report titled "A Review of Mississippi State Government's Administration of Selected Human Resources Functions and Information Technology Systems" (hereinafter "Report"). After thoroughly reviewing the document, my team and I have the following response. Overall, the PEER Committee staff has done substantial work in encapsulating our work, the progress we've made, the opportunities ahead, and the challenges we face.

With regard to the report itself:

- MSPB is in agreement that, while not perfect, MSPB staff have greatly improved our referral process over the past 24 months. It was encouraging to see that the agencies your team interviewed were positive about the progress we've made.
- MSPB is in agreement with the minimal impact of the substitution process on the overall hiring timeline for the agencies we serve.
- MSPB wants to highlight from your report our work with NGA-AIR and their pilot project for skills-based hiring. While this project is ongoing, we are optimistic its results will bear fruit across many of our job families. We also want to point out that the two families being studied (Public Benefits and Agency Human Resources) represent 7.5% of the workforce under our purview while contributing to over 21% of our received substitution requests.
- MSPB agrees with the synopsis of Project SEC^2 as well as our salary survey process. This monumental undertaking was necessary to modernize the state's classification and compensation system and needed to be done before moving to recruitment processes.

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MSPB would also add that approximately 20 states across the country are currently in some form of classification modernization similar to SEC[2].

- While PEER's summation of the Paygrade Reassignment Recommendations is accurate, that recommendation was for Fiscal Year 2025. MSPB would note that at its September 2026 meeting, the Board approved staff's recommendation totaling approximately $169,765,900 and including adjusting the pay grades of 171 classifications impacting 8,045 employees ($28,783,663.00) as well as an up to 10% increase to the minimum salaries for all employees in classifications under MSPB purview ($140,982,237.00). MSPB forwarded these recommendations to the Legislative Budget Office for funding consideration during the 2027 Legislative session.
- MSPB does not have anything to add beyond what is stated in the report regarding Employee Central.

With regard to the recommendations:

- MSPB staff will continue our work towards more clarity and direction related to skills-based hiring and necessary qualifications. MSPB staff will take into consideration substitution requests when prioritizing which families receive this review.
- MSPB has started reviewing the substitution process to expedite and better track requests. As part of this review, we have tasked MSPB's IT staff with including what was substituted and the reason for the approval or denial.
- MSPB is in full agreement with agencies submitting better justification from their leadership, managers, and HR personnel in support of their salary requests.
- As you are aware, in addition to our annual VCP training and HR Summit, MSPB staff has conducted several one-on-one trainings with agencies at their request. MSPB will continue to advertise this availability to all agencies under our purview.

Sincerely,

Kelly Hardwick

SOURCE: Mississippi State Personnel Board.

Agency Response – Department of Finance and Administration

The Department of Finance and Administration reviewed the last chapter of the report pertaining to the MMRS Steering Committee, MAGIC EC, and SPAHRS. The agency elected not to provide a formal agency response, as it noted no issues with the report as written.

SOURCE: Department of Finance and Administration.

Agency Response – Department of Information Technology Services

The Department of Information Technology Services reviewed the last chapter of the report pertaining to the MMRS Steering Committee, MAGIC EC, and SPAHRS. The agency elected not to provide a formal agency response, as it noted no issues with the report as written.

SOURCE: Department of Information Technology Services.

PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

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