Joint Information Technology Oversight Committee – December 11, 2020

Agency of Education / Shared School District Data Management System (eFinance) Project Update

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Background: "The Uniform Chart of Accounts (UCOA) is a shared system of accounting for supervisory unions and supervisory districts (SUs/SDs) in Vermont."[1] The UCOA is intended to provide a consolidated repository of school system financial data in order to "provide better information for both the legislature and local decision-makers, yielding greater transparency and the opportunity for quality, data-driven policy for Vermonters."[1] As directed by Act 58 of 2015[2] and amended by Act 6 of 2019[3] (deadline extension to 2020) and Act 076 of 2019[4] (deadline extension to 2022), all SUs and SDs must implement the UCOA by July 1, 2022. Compliance with this directive is being achieved through the Shared School District Data Management System (SSDMS), which is being implemented through the use of eFinancePlus, a commercial off the shelf (COTS) software system that is currently provided by PowerSchool, Inc.

Implementation Plan: SUs and SDs are transitioning to SSDMS/eFinancePlus through a series of eight rounds and two phases. A round consists of one or more SUs/SDs that implement the SSDDMS as a group, with a common completion date. A phase consists of the deployment of specific functionality within a round. For example, the Rutland Northeast Supervisory Union went live on phase one of the SSDMS (General Ledger, Purchasing, Accounts Payable, etc.) in January of this year; the later phase two deployment would include things like budgeting, timesheets, external interfaces, etc.

Status: The deployments are currently is complete through Round 5, Phase 1. Additional rounds and phases are scheduled to complete over the next 18+ months; for example, Round 6 / Phase 1 by 7/1/2021, and Round 8 / Phase 1 by 7/1/2022. SUs/SDs that have difficulty meeting a schedule can request a transition to a later round, however there are limits to this as resources cannot support too many deferments to the last round in the schedule. Not all functionality will be in place by the July 1 2022 cutoff, as that represents the deadline for core functionality only, and Phase 2 items may continue to be deployed beyond that date. The overall project status at this time is considered Red, primarily because there are more requests for enhancements than there is funding to address them.

Project Characteristics: The SSDDMS project has many similarities to the current Judiciary/Odyssey rollout:

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[1] https://education.vermont.gov/vermont-schools/school-finance/ucoa
[2] https://legislature.vermont.gov/Documents/2016/Docs/ACTS/ACT058/ACT058%20As%20Enacted.pdf
[3] https://legislature.vermont.gov/Documents/2020/Docs/ACTS/ACT006/ACT006%20As%20Enacted.pdf
[4] https://legislature.vermont.gov/Documents/2020/Docs/ACTS/ACT072/ACT072%20As%20Enacted.pdf

- System implementation extends outside of a core unit. In the case of Judiciary, the core unit is the Court system, but implementation also involves the State's Attorneys, the Defender General, the Bar Association, Law Enforcement, etc. For SSDDMS, the project sponsor and manager is AOE/ADS, but implementation involves multiple external SUs/SDs;
- Deployment is done via a phased rollout, rather than a single, universal deployment. This allows participants to learn from previous rollouts and ideally improve with each group. The downside is that this results in a longer deployment schedule;
- The longer deployment schedule results in a greater chance of personnel turnover throughout the project, complicating project execution and project management;
- The COVID-19 pandemic has greatly complicated implementation due to the restrictions on in-person meetings, additional demands on resources, etc.

Project Financials: The estimated total implementation cost of this project as of January 2020 was $4,432,499.[5], and incurred costs through the date of this report are approximately $3,412,145. The final cost for SSDDMS (including operations for 10 years) is currently estimated as $8,766,986.

Kingdom East Memo: Based on problems experienced in the Addison Central SD, the Kingdom East SD is requesting a delay in their rollout. Although generally supported by AOE and ADS, care must be taken in how it is handled. While it can be relatively easy to approve a delay or a shift into a later round, this can have detrimental effects on the project as a whole, especially given the legislative mandate of completion by July 1, 2022. Having too many SUs/SDs in the final group could negatively impact the success of each, as support resources could be stretched too thin. With regards to the specific issues described in the memo, some represent problems that need to be addressed (reconciliations, for example), some may represent functionality that has not yet been deployed, some represent user desires for customization and enhancement, and some represent general user dissatisfaction. Shifting to a uniform accounting system may be beneficial from a statewide perspective, but still represent a degradation of capability for those SUs/SDs that had systems in place that they preferred.

Recommendation: Based on my review of the project and conversations with both AOE and ADS, my recommendation is that AOE and ADS continue to manage the project in the manner that they have done to date. While the Kingdom East memo certainly deserves consideration, the decision as to whether to delay their rollout in whole or in part must factor in the potential risks and impacts to the project as a whole. In addition, the introduction of the COVID-19 pandemic as a complicating factor may require the Legislature to consider an additional change to the mandated July 1, 2022 completion date. A request for such a change should be at the discretion of AOE and ADS, as it is possible that all SUs/SDs could still meet the requirement that they "shall utilize the same school finance and financial data management system", but that all phases would not necessarily be complete by the target completion date.

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[5] https://digitalservices.vermont.gov/sites/digitalservices/files/documents/ADS_2020_Annual_Report.pdf