
Testimony to Senate Education: The Uniform Chart of Accounts and Shared School District Data Management System

Given By:

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The Vermont Agency of Education is pleased to provide the following background information, status updates and policy suggestions to the committees.

Uniform Chart of Accounts and Shared School District Data Management System

Uniform Chart of Accounts (UCOA): a shared system of accounting for supervisory unions and supervisory districts (SUs/SDs) in Vermont and includes a set of accounts to categorize school finance revenues and expenditures, as well as standardized business practices. The UCOA provides more consistent and comparable school finance data. These improvements to Vermont school finance data will provide better information for both the legislature and local decision-makers, yielding greater transparency and the opportunity for quality, data-driven policy for Vermonters. Under Act 58 of 2015, all SUs/SDs must adopt the UCOA by July 1, 2019 for the 2020 Fiscal Year. The Agency of Education has advocated for a one year delay on implementation of the chart to correlate with implementation of the SSDDMS.

Shared School District Data Management System (SSDDMS): a shared financial and human resources data management system for Vermont Supervisory Unions (SUs) and Supervisory Districts (SDs). SSDDMS supports SU/SDs implementation of the Uniform Chart of Accounts (UCOA). The platform supports continued UCOA compliance through a centrally managed chart of accounts, while allowing opportunity for local flexibility and granularity. The system also includes mechanisms for more efficient reporting to the state. The AOE has contracted for the SSDDMS as a fully vendor-hosted service (eFinancePLUS) for SU/SDs to reduce administrative costs and maximize the return on investment of State funds awarded in conjunction with 2014 Acts and Resolves No. 179, Secs. E.500.1-E.500.3 as amended by 2015 Acts and Resolves No. 58, Sec. E.500.1.

History

The UCOA & SSDDMS aims to support the initiative to control education spending. In order to do so we require more consistent and comparable school finance and staffing data:

- We began implementing SSDDMS (efinancePlus) in April 2018
- The first round was bumpy but provided for a great amount of learning
 - Our approach reflects the "agile" view of IT implementations – i.e. fail faster and take smaller bites – this follows research showing that learning is innate and adaptation is a requirement of a successful implementation
 - We are indebted to the effort put forth by this first group of SU/SDs – as well as the business managers, signed up for our current round with a clear understanding of the challenges of previous rounds.

What we've learned & how we've adapted

What is different about this implementation, as compared to a traditional accounting system implementation, is that it is not only about achieving economies of scale through a central contract, but about the technical central management of standardized data (UCOA). This requires some design work because this functionality does not exist in an off the shelf solution. To date we have worked with the vendor and our SU/SDs to finalize aspects of this nuanced system design. Some examples include:

- "Central management" of the chart: the solution allows the agency to specify state required codes within the UCOA and roll out updates to the chart through a uniform technological process, while reserving "local use" codes that roll up within the state chart.
- Job class categories: standardizes the way that SU/SDs track and categorize staffing, allowing the state to query FTE, salary, and benefit data based on place of employment, and place of service.

There are a few outstanding items, which we expect to resolve in the next month or so. These include:

- Standardization of grants management in a way that meets both local and state needs.
 - SU/SDs have been advised to track grants as is suitable to their local needs at this time
- Finalize the Handbook II – business rules for school finance accounting.
 - The agency is currently evaluating bids to hire a contractor (at the recommendation of business managers) to complete this work faster - expect to have this work completed by October

The UCOA was tested and evolved as a result of SU/SD implementation allowing us to finalize the UCOA structure in October (we continue to add codes within this structure here or there as each SD/SU comes on line).

SU/SDs are resourced variably and require a number of implementation options to be successful (implementation start date, length of implementation, level of support etc.).

- We reconfigured the implementation schedule for a variety of start dates and differing timelines
- We advocated for a delay for merging districts (to July 1, 2021 from July 1, 2020) – this is in place in Act 11 of 2018 (Special Session)
- We advocated for delayed implementation of UCOA to align with SSDDMS timeline (this is in place in the budget adjustment act - H.532)
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- We are actively seeking additional implementation resources (e.g. the AOE will be evaluating additional vendor training/implementation support tailored to SD/SU needs)

Because of the complexities of designing a system that meets both state and local needs, we have reevaluated our communication and implementation design to allow quicker and more fluid discussion between LEAs, the agency and the vendor, to reach a statewide solution more efficiently.

In response to lessons learned during our first round, the vendor is now validating incremental activities and gathering more data on project progress to target supports more quickly to struggling SU/SDs.

Delay

In summary, the agency believes that a delay makes sense for districts merging under the State Board of Education’s Final Report and Order but advocates to keep the ball rolling for everyone else:

- Accounting systems generally reflect 99% of the same functionality, but differences between products/vendors may have implications for associated business practices
- Merging districts have a moving target and may require rework depending on the outcomes of these conversations
- The agency has heard SU/SDs and have adapted our implementation schedule, and is actively seeking additional resources to better support SU/SDs to get their implementations over the line
- The implementation of this system looks slightly different for each SU/SD – a delay will not address some of the learning and implementation challenges that are inherent in any project of this scope

Delaying all SU/SDs to 2021 would only delay final implementation of the project and deprive the state of Vermont of a year of better and more consistent financial data for use by policymakers in local communities and the statewide level.

The delay would not necessarily help the SU/SDs, the AOE or the vendor implement more effectively. Learning and adapting by doing is the formula for success here. Each SU/SD is different and will surface new challenges, moving forward is the only way to realize progress.

By continuing to move forward, we will realize education spending savings as a result of economies of scale and access to consistent and comparable school finance and personnel data.

Implications for the implementation schedule

The chart below shows new implementation schedule assuming a delay for merging districts as the agency has advocated.

Current Law

Round Number	Number of SUs	go-live date
1	3	1-Jan-19
2	9	1-Jul-19
3	8	1-Jan-20
4	31	1-Jul-20
5	3	1-Jul-21

With a delay for Sec 10 Mergers, assuming all take a delay

Round Number	Number of SUs	go-live date
4	19	1-Jul-20
5	15	1-Jul-21

The delay would spread the number of SUs going live over two years more evenly, which would make implementation easier for AOE, and would allow districts mergers to settle and for new boards to be established.

51 SU/SD + 3 Tech Centers (excludes Norwich & Washington NE which dissolves beginning FY20)