



VERMONT ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

SERVING EDUCATION THROUGH SOUND BUSINESS PRACTICE

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April 17, 2019

Senator Baruth and Senate Education Committee

Dear Senators:

Thank you for inviting me here today. The Vermont Association of School Business Managers (VASBO) are committed partners to applying, implementing and improving school business office accounting and business operations. Four legislature initiatives: Act 46, Act 173, UCOA and the SSDDMS support these improvements, but, the timelines of these initiatives present challenges to our success.

Current timelines:

- Act 46: A 5-year process with the first **voluntary mergers** beginning operations FY2017 – FY2021. **Involuntary mergers** initially envisioned beginning operations FY2020
- Act 173 implementation 7/1/2020 FY21, delay requested to FY2022
- Uniform Chart of Accounts (UCOA) mandated for FY20 7/1/2019, AOE has requested delay until FY21
- SSDDMS/eFinance Accounting System mandated for FY21 7/1/2020

As we testified to the House Education Committee, on February 26, 2019 (copy attached), there are many factors to consider when transition and implementing these system-wide changes. The above systemic changes being primary, coupled by local district considerations ie, staffing and human resources, existing system capacity and functionality.

Please understand while we hope you will consider a statutory delay until July 1, 2022 many district want to and are anticipating advancing sooner. We are thankful for their initiative and their time and investments. We have already seen improvements in training, set up and anticipate operating improvements with the next 7-9 implementations schedule for July 1, 2019. Secretary French's letter to the field, dated April 16, identified improvements the initial 3 district requested. These districts moved forward and initiated both the UCOA and the SSDDMS because the timing, for various reasons, was right for their district(s). In February, VASBO collected data on members at their meeting regarding members ideal/anticipated timeline for UCOA & SSDDMS implementation – from that data we anticipate the following:

3 SU/SD currently live – 1/1/2019 – FY20

7-9 SU/SD for 7/1/2019 - FY20

6-7 SU/SD for 1/1/2020 - FY20

12-15 SU/SD for 7/1/2020 - FY21

10-12 SU/SD for after 7/1/2020 -- FY21-FY22

We are requesting dovetailing these initiatives by extending the mandatory delay until July 1, 2022 or FY2023, understanding that many districts will not utilize this delay and be positioned to make the best decisions on implementation timelines for the best possible outcomes.

Sincerely,

Brenda L. Fleming, CPA, SFO
VASBO Past President

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February 26, 2019

House Committee on Education
Testimony re: SSDDMS & UCOA

Dear Committee Members:

Thank you for the opportunity to share more information on our request for consideration of delaying the SSDDMS implementation to July 1, 2022.

There are many factors to consider when planning for a successful accounting system upgrade/transition. A successful transition must weight all factors and considerations for a smooth outcome and long term success. Examples may include:

- Existing accounting system functionality and limitation – Approximately 1/3 of VT school district have older legacy software applications with more limited functions.
- The status of mergers – consideration should be given to when is the best time to merge accounting systems -- One option would be with the “birth” if you will of a new district. However, forced mergers presents additional challenges of unification and therefore the first year may not be optimal and unifying practices and procedure before accounting system must be considered.
- Standard or unified operating procedures and practices or business rules are used to set up the accounting systems. VT School business rules begin with handbook II which outline required reporting as well as optional levels of information and provide detailed definitions for consistent outcomes – ideally a fully operational handbook would be the basis for these rules - the handbook is close to completed but not yet finalized. As the handbook changes, the structure of reporting may be affected.

Finally, quality training and realistic transition timelines is our best bet for successful transition and meeting our joint goals. There are currently 2 districts operating in the new accounting system with the new uniform chart of accounts. As of February 8, 2019 neither district had a fully integrated accounting system relying on journal entries to add either payroll or account payable to provide complete financial information. The initial rollout illustrated some Generally Accepted Accounting Principles (GAAP) weaknesses but was limited to 2 districts vs. all district in the state. We will learn from these district adjusting both our business rules and the vendors system to provide the necessary GAAP compliance and safeguards, that essential for managing taxpayer funds.

Thank you for your consideration of delaying the SSDDMS and UCOA implementation until July 1, 2022.

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