

AOE Testimony: H.91 – Shared School District Data Management System

Testimony To: House Committee on Education

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Thank you for the opportunity to provide comments and the perspective of the Agencies of Education and of Digital Services (AOE and ADS) on [H.91](#). Our agencies share the concern of legislators, Vermont school business officials and other education administrators about the success of the Shared School District Data Management System (SSDDMS) and in particular, the performance of the project vendor, PowerSchool.

Our Agencies along with the Governance Group are currently working closely with PowerSchool to correct performance deficiencies, provide additional support to implementing school districts, and support the original legislative intent of this program. The Governance Group consists of ten Business Managers and HR Professionals that are currently live on the system. In that spirit we offer our perspective on the bill as drafted, provide recommendations for alternate legislative action that will improve the implementability of this project, and provide additional background information about the status of the project.

Agencies' Position on the Bill as Drafted

AOE and ADS are concerned that the bill as currently drafted will have the unintended consequence of ending the project. A halt to implementation as drafted, coupled with a wait on the “review group” will put the state out of compliance with our current contract obligations with the vendor, and potentially lead to a situation where the contractual relationship is ended/severed.

The halt intended by the bill will also disrupt implementation of 16 districts currently “in flight,” (Round 6 - 16 SU/SDs) and leave 19 districts which have already implemented (Rounds 1-5- 19 SU/SDs) without a clear long term accounting software solution.

One of the goals of the project was to lessen the burden of some state reporting. A long term delay would keep state reporting responsibilities at the SU level, which would place additional stress on school district resources.

We are also greatly concerned about the fiscal implications of the actions envisioned by the bill, and believe the committee should study this issue carefully. The General Assembly has already invested significant funding in the goal of creating a shared school accounting system, and these costs would be lost if the bill ends the project. Similarly, restarting the project after the

review anticipated in the bill might incur additional costs linked to renegotiation of the contract with the vendor, due to rework in repeated training and support sessions by contractors consultants (see [Costs of the Project](#), below).

Recommended Legislative Action on a “Pause”

Beginning in the end of summer of 2020, our agencies commenced a review of the status of the project, with the intent of providing recommendations to our leadership on whether a pause in the project was needed. Accordingly, we provide an alternate proposal on legislative action for the Committee’s consideration. The intent of this proposed language is to maintain the viability of the project as intended by the General Assembly in Act 11 of 2018, while giving more time, flexibility and support to school districts for implementation.

Pause with Legislative Action

Our agencies ask that the General Assembly take up and pass the following extensions to the SSDDMS project timeline, in order to help the agencies and school districts implement the project. We request that the General Assembly:

- Extend the project completion deadline six (6) months to **December 31, 2022**

This will allow our agencies and the vendor to do the following:

- Test and adopt the most recent annual system upgrade
- Allow PowerSchool the next six (6) months to focus on needed improvements identified by the state and school districts.
- Afford a six-month schedule relief for the final four implementation groups:
 - Round 6A will go live as scheduled on **June 30, 2021**
 - Round 6B will join Round 7 (implementation **October 1, 2021 – June 30, 2022**)
 - Round 8 implementation **January 1, 2022 – September 30, 2022**
 - Round 9 implementation **April 1, 2022 – December 31, 2022**
- Expand state resources devoted to the process by:
 - Assigning a business analyst from ADS to support the process
 - Retaining a school finance consultant with experience in Vermont

Pause without Legislative Action

If the General Assembly takes no action this session, our agencies will still take many of the actions outlined above, in order to address current identified risks to the project. With the current statutory project deadline remaining **June 30, 2022**, our agencies will:

- Ensure PowerSchool addresses Project Oversight findings while ongoing work continues.
- The final four implementation rounds will be shortened:
 - Round 6A will go live as scheduled on **June 30, 2021**
 - Round 6B will join Round 7 (implementation **April 1, 2021 – December 31, 2022**)
 - Round 8 implementation **July 1, 2021 – March 31, 2022**

- Round 9 implementation **October 1, 2021 – June 30, 2022**

Background and Current Status of the Project

Our agencies support the intent of the General Assembly in creating this program, to provide a common chart of accounts and a centrally managed platform to provide for comparable, reportable data set on school finances statewide. We continue to believe that implementing this intent is an important and worthy goal that will provide valuable data to both state policymakers and local school leaders.

Legislative Intent

The General Assembly in [Act 11 of 2018](#) made the SSDDMS project mandatory for all school districts. The legislative intent was to improve comparability, consistency and timeliness of school financial data, enhance the abilities of policymakers to better understand school finances and associated costs, and better categorize expenses on education and related social services provided by schools.

Act 11 made a program (SSDDMS) that was previously voluntary mandatory for all school districts. Our agencies have worked hard to manage this project in the context of expanding the scope of the project, and ensuring that the identified vendor (PowerSchool) meets its contractual obligations and provides adequate support to schools.

Current Status

The project has had feedback loops in place to identify and correct issues discovered in the application of the system to Vermont's needs. Many of the current issues identified by the RHR Smith audit firm were already listed for corrective action and being worked on by the state and the vendor.

Out of concern with the issues raised by RHR Smith, the Governance Group created additional stakeholder groups to focus on the items and validate the concerns. These groups have produced recommendations that have been set in motion with PowerSchool to correct deficiencies and implement enhancements.

Specifically, PowerSchool has committed to work with Project Team and SU's/SD's to resolve the Project Oversight Findings by 6/30/21 as follows:

1. System Outages – Data Center Infrastructure Improvements and New System Landing Page
2. Bank Reconciliation enhancements completed
3. Reporting enhancements:
 - i. Top 10 Reports in COGNOS
 - ii. Prioritize Reports to be in System
4. System enhancements:
 - i. Due To / Due From in v20.11

- ii. Refer to Development Roadmap
- 5. White Glove Training to be tailored to meet needs of all users

Costs of the Project

- Estimate total implementation cost of this project \$4,432,500
- Incurred costs to date \$3,949,077 (through Feb 2021)
- Total costs including 10 years Maintenance and Operations estimated at \$8,766,986
- Annual Maintenance and Operations costs are SU adoption rate. Currently 11,272 per SU/SD. Rate per SU decreases as adoption increases

Project Costs to Date

	Total Planned Implementation	Total Planned Maintenance	Total Project Costs	Total Spent to Date
Through Dec 2020	\$4,432,499	\$4,334,487	\$8,766,986	\$3,412,145
Through Feb 2021	No Change	No Change	No Change	\$3,949,077