

**State of Vermont
Joint Fiscal Office**

**Independent Review
of
State Information Technology Projects
and Operations
(FY19 Act 42 Sec. 32)**

**Project: Shared School District Data
Management System Project (Agency of
Education - AOE)**

Initial Review

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Executive Summary

Project Overview: From the Agency of Education’s website¹: “The Uniform Chart of Accounts (UCOA) is a shared system of accounting for Supervisory Unions and School Districts (SUs/SDs) in Vermont.” 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.” Compliance with this directive is being achieved in part 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. As directed by Act 58 of 2015 and amended by Act 6 of 2019 (deadline extension to 2020) and Act 076 of 2019 (deadline extension to 2022), all SUs and SDs must implement the SSDMS by July 1, 2022.

Project Status: Since late in 2018 SUs and SDs have been transitioning to SSDMS/eFinancePlus through a series of eight rounds and two or more phases. A round consists of one or more SUs/SDs that implement the SSDMS as a group with a common completion date, and a phase consists of the deployment of specific functionality within a round. The deployments are currently 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 or 3 items may continue to be deployed beyond that date. At this time the Agency of Digital Services (ADS) considers the project status as Red (High Risk), primarily due to challenges regarding the project schedule, scope, and cost.

Project Analysis: This project is rated as weak overall. Risks to the project schedule and scope, as well as some user’s dissatisfaction with the system or concern about transitioning to it, make the timely, successful conclusion of the project in question. However, it must also be recognized that the transition to a new system is always going to be difficult, especially when not all functionality will be available from the beginning due to the phased rollout described above. Additional challenges to the project include the inability to work on site or in person (due to Covid-19), the need for more extensive training by the contractor, and the varying level of resources available at different SUs/SDs. It must also be acknowledged that the eFinancePlus system is not a novel or incomplete solution: it is being used successfully in multiple states, and while Vermont has requested additional enhancements to the core system these will apply to and benefit all current customers.

Project Recommendations: Given the current state of the project, my recommendation is to continue with the project plan as it currently exists. This may include some delay in deployment to certain SUs/SDs as AOE and ADS deem appropriate, while the contractor works on the required enhancements and other services. As a general rule I do not support the use of legislation to manage or control IT projects, as statute usually does not respond well to changing circumstances and can in some instances make a challenging situation even worse. The most current legislation (Act 076 of 2019) directs that all SUs and SDs use a common system by July 1, 2022. Unless AOE and ADS request an extension to this date it should be left intact, without further legislation directing the execution of the project.

¹ <https://education.vermont.gov/vermont-schools/school-finance/ucoa>

Overall Status:



This project is not proceeding on schedule, some users are dissatisfied, and deploying the solution in phases does not provide all required functionality when users may expect it. However, the chosen solution appears to be basically sound and capable of meeting legislative and executive branch expectations once the current challenges are overcome.

1. Project Justification: (Why are we doing this? Is the project necessary and beneficial?)



A new financial system was not necessarily required to meet the requirements of the Uniform Chart of Accounts (UCOA), as existing systems may have been capable of extracting the mandated data with additional modifications or manual intervention. However, in consideration of potential long term cost reduction the choice was made to move to a common statewide system, and the state has committed to this path.

2. Clarity of Purpose: (Is there a clear definition of success? Is the scope statement complete?)



The project goals are clear, concise, understandable, and well documented. At the same time, it must be recognized that one of the project goals (a common statewide system) is not necessarily in line with the needs and expectations of the end users.

3. Organizational Support: (Is the organization ready to undertake this project? Has the potential need for business process change been acknowledged, and is there a Change Management Plan?)



The SSDDMS project is being supported by both AOE and ADS, and both agencies are fully engaged in the project. While the fact that neither agency is directly involved in the day to day use of SSDDMS is a challenge, both agencies are working with the end users to achieve project goals.

4. Project Leadership: (Has a qualified person been designated to lead the project, and has that person been empowered to do so?)



Project leadership is split between two agencies, AOE (as the sponsor) and ADS (as the manager). While this is not unusual in the current organizational structure, in the case of SSDDMS where there are significant problems it is critical that there is a single individual that is taking the lead on addressing them.

5. Project Management: (Is the project management staff appropriate, and will project management conform to State of Vermont standards?)



Project Management is being performed by ADS personnel that are qualified to manage the project.

6. Financial Considerations: (How much will it cost to complete the project, how much will it cost to maintain and operate the system, and how it will all be paid for?)



Initial estimates of procurement and maintenance costs were developed, and appear to have been appropriate at the time. However, the rollout delays and addition of enhancements to eFinancePLUS system means that costs will likely rise. At this point actual costs of the SSDDMS project must be described as unknown, due to the uncertain path forward.

7. Technical Approach: (Is the proposed solution achievable, realistic, and appropriate?)



The technical approach chosen was to deploy eFinancePLUS (a COTS system) to the SUs/SDs via a phased rollout. However, some locations that have installed eFinancePLUS have reported that it does not provide all required functionality and requires much more work than previous systems. At this point the state and the vendor are working to identify and add required functionality, however the timeline for this effort and the actual results are not yet certain.

IT Project Review and Analysis

Shared School District Data Management System Project

1 Background

The purpose of the Vermont Agency of Education (AOE) Shared School District Data Management System (SSDDMS) project is to provide a common system to state educational organizations in order to meet the goal of statewide data reporting and aggregation. While there were potentially alternate means of compliance (enhancements to existing systems, manual workarounds, etc.), the parties involved, including AOE, ADS, and SU/SD business managers, felt that the long term benefits of having a statewide school financial system made it the best solution.

Following the normal procurement process the application selected for SSDDMS was eFinancePlus, a commercial off-the-shelf solution that is provided by PowerSchool, Inc. SUs and SDs have been transitioning to SSDDMS/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 SSDDMS (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. The deployments are currently 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 specific functionality may continue to be deployed beyond that date.

In January of 2021 the Joint Fiscal Office (JFO) requested that an IT Project Review be conducted for the SSDDMS. This request was driven by reports to the legislature that the SSDDMS project was not meeting the needs and expectations of the end users, and represented a step backwards in terms of financial management. Several school districts have requested that the eFinancePLUS system not be deployed at their location on the current schedule, and these requests are currently under consideration by AOE/ADS. In addition, draft legislation has been developed (SFY22 H.91²) that mandates a suspension of system deployment until a further review of the project is completed and there is additional legislative instruction. While this draft bill has not yet been acted on, it does reflect the level of concern that the SSDDMS project has caused. The purpose of this review is to examine the project, researching and analyzing its status and identifying any significant risks. Based on the IT Project Review process that was developed previously the project review is focused on seven key subject areas:

² <https://legislature.vermont.gov/bill/status/2022/H.91>

- Project Justification
 - *Does the project really need to be done?*
- Clarity of Purpose
 - *Is there a clear definition of success so that all participants will know when the project is properly completed?*
- Organizational Support
 - *Is the affected organizational entity (“the business”) fully supportive of the project, and is the business willing and able to adapt where required?*
- Project Leadership
 - *Will there be strong and effective leadership to guide the project?*
- Project Management
 - *Will there be qualified and effective project management to assist project leadership?*
- Financial Considerations
 - *Are costs through the system lifecycle properly estimated, and is there funding?*
- Technical Approach
 - *Are the proposed technical solutions achievable, realistic, and appropriate for this project?*

2 Project Analysis

The SSDDMS project was begun on August of 2017 with the submission of the IT Activity Business Case & Cost Analysis (IT ABC Form). This document described the need for the project and the proposed solution as follows:

In the current environment supervisory unions (SUs) maintain disparate systems with their own chart of accounts and data dictionaries. In accordance with Vermont Act 58 of the 2015 legislative session (section E.500.1), the State has established a Uniform Chart of Accounts (UCOA) for implementation by all public Vermont education entities. In order to achieve compliance, all 62 SUs must implement the new uniform chart of accounts and associated business rules by FY2020 (July 1, 2019). As per statute, AoE is the responsible agent for ensuring compliance and implementation of this law. The goal of this legislation is not just to establish and share the UCOA with all public Vermont education entities, but more broadly to achieve higher quality school finance, personnel, and operations data, so that data are more comparable and consistent across schools, districts, and supervisory unions.

In order to alleviate the burden to SUs in managing each their own reconfiguration or system implementation, leverage economies of scale (given impending district mergers and sunseting of existing technology), and reduce monitoring costs that would be borne by AoE under a decentralized solution, we propose the procurement of a single shared software solution via RFP. This solution would not only meet the UCOA and business rule requirements as per Vermont Act 58 of 2015 (section E.500.1) but would also maintain, if not improve the user value that SUs realize from their current integrated data management solutions. AoE would centrally maintain any standardized metadata, but allow districts certain fields/codes through which they

could customize aspects of their chart of accounts if necessary. In pursuing such a solution, a secondary goal would be to streamline data collection processes from the SUs, districts, and schools via automated reporting mechanisms in the shared technology solution.

Essentially, the project was undertaken in response to legislative mandate for statewide data collection, and expanded beyond that to implement a single software solution to be used by all SUs/SDs. The thinking was that the use of a common system among SUs/SDs would result in lower overall costs over time while still meeting the requirements of the UCOA legislation.

While the rollout of a new IT system is always challenging, this becomes more so when the new system is replacing existing systems from different vendors. While new systems may be generally superior to older ones, users normally become comfortable with their current systems, and transitioning to a different system can increase workload, cause frustrations, and result in a lack of acceptance. To alleviate these issues extensive training and assistance in making the transition is critical. In the case of SSDDMS, the impact of the COVID-19 pandemic has had a significant effect on the ability of SUs/SDs to make the transition to eFinancePlus. The restrictions on in-person meetings, the additional workload from other factors, and the lack of more extensive training from the vendor have had a detrimental effect on deployments.

The documentation examined during the review is listed below. Those that are publicly available on the Internet are hyperlinked; the remainder can be accessed by request through AOE and ADS.

- a) IT Activity Business Case and Cost Analysis (ABC Form) (08/21/2017)
- b) SSDDMS Procurement Findings and Recommendations (AOE, 2/21/2018)
- c) [Independent Review of the Shared School District Data Management System](#) (BerryDunn, 2/23/2018)
- d) SSDDMS - FY20 Detailed Legislature Report (AOE, 10/30/2019)
- e) SSDDMS Project Roll Forward Plan (AOE, 2/28/2020)
- f) [ADS EPMO FY21 Information Technology Activity Report](#) (ADS, 9/30/2020)
- g) Accountant observations on eFinancePlus (RHRSmith & Company, 10/6/2020)
- h) Kingdom East School District Letter to AOE Secretary regarding eFinancePlus (KESD, 11/10/2020)
- i) SSDDMS Path Forward (“Delight the Customer”) (AOE, 11/12/2020)
- j) AOE Response to KESD Letter of 11/10/2020 (AOE, 1/12/2021)
- k) eFinancePlus Systemic Weaknesses (Various SU/SD Business/Finance Directors, 1/12/2021)
- l) North Country Supervisory Union Letter to AOE Secretary regarding eFinancePlus (NCSU, 1/12/2021)

The following excerpt from ADS’s Enterprise Project Management Office (EPMO) FY21 Annual Summary Report provides a description of the SSDDMS project as of late 2020:

IT ACTIVITY ANNUAL SUMMARY REPORT					
Project	Shared School District Data Management System (SSDDMS)				
Agency	Agency of Education	Report Date	9/30/2020		
Department	Finance				
Project Start Date	08/30/2017	Project End Date	3/31/2023	Solution Life Cycle (Years)	7
Current Project Phase	Exploring	Initiating	Planning	Executing	Closing
Project	Status	Update			
Scope	Needs Leadership Intervention	There are over 50 requested enhancements that reflects a significant amount of missing and/or desired features impacting the quality of the solution. With only a small funding reserve to address 4 of the top requests, the scope is considered RED. These changes are being managed and vetted through a formal change request process and contract amendments are being completed as changes are approved.			
Schedule	Manageable Risks	PowerSchool (PS) not providing timely responses to the top escalated issues that spread across their different divisions supporting VT's scope. Together with the extra work placed on SUs/SDs resources from COVID-19, it puts the schedule at risk.			
Budget	Manageable Risks	Related to Scope issue noted above, the team will need to continue working with SUs/SDs to ensure requested development is justified and seek additional funding that may be required. Any changes to the budget are being managed through a formal change request process.			
Scope Summary					
Recently the Legislature mandated all Vermont Supervisory Unions and School Districts (SUs/SDs) use a standard accounting format structure dictated by the Agency of Education (AOE), enabling more efficient rollup of Statewide data reported. This standard is known as the Uniform Chart of Accounts (UCOA). Additionally, its been mandated that all SUs/SDs manage their accounting and HR in one unified system established by the AOE. This project is the procurement and implementation of this system for all 54 SUs/SDs. Procurement was done and PowerSchools eFinancePLUS was selected and being implemented as all SUs/SDs and their sub-Districts are migrated in Groups from their current systems into the SSDDMS.					
Schedule Summary					
By July 2020, PowerSchool and the AOE led several successful Rounds of SUs/SDs in completing their first of two phases, going live in the new system with a target completion of the second phase by 12/31/2021. These first five Rounds represent 35% of the total SUs/SDs, and Round 6 will raise that to over 60% by 7/1/2021. As noted above, the many additionally requested enhancements and their timely completion along with resources constraints on SUs/SDs resulting from COVID-19 put the project at risk of migrating all SUs/SDs successfully by the statutory deadline of 6/30/2022. Changes to scope that impact the schedule are being vetted and managed through a formal change request process with the schedule constraint considered when approving.					
Budget Summary					
Total Implementation Cost	Total State Implementation Cost		State Fund Type		
\$4,432,499	\$4,211,949		Special, General, Education		
Total Operating Cost	Total State Operating Cost		State Fund Type		
\$4,334,487	\$4,313,137		Special, Education		
Total IT Activity Cost	Total State IT Activity Cost				
\$8,766,986	\$8,525,086		Special, General, Education		
FY22 Legislative Funding Request Amount	\$1,419,610	FY22 Legislative Funding Request Fund Type	Special (State Medicaid) - \$138,600 General - \$4,400 Education - \$1,276,610		

The February 12, 2021 Project Status Report also reported the project as Red (high risk) due to concerns about schedule, budget, scope, resources, and risk:

Category	Last Week	This Week	Comments
Overall Project Assessment	Red	Red	State Leadership intervention is still required to continue negotiating a proposed Corrective Action Plan by Vendor to resolve top issues and meet project deadlines. A number of SU/SD stakeholders are requesting the project be paused due to handful of enhancements/fixes required before another VT Group goes live in the system. This has now been introduced as a Bill H-91. The Vendors ability to complete all of the top items by July 1, 2021 is not likely, but they have committed to modify the systems Bank Reconciliation feature to meet VT's specifications by that date.
Schedule	Red	Red	Vender is not yet maintaining a comprehensive project plan/schedule to plan for and track all the work activities, so Team is unable to validate schedule. Vendors Program Mgr (John Dawson) and PM (Barrika Wilson-Coy) are proposed as being assigned to manage all the resources and work across multiple divisions involved, and to provide VT with updates. Up until now, the lack of an assigned oversight has required the VT Team to perform more individual follow up than desired. Vendor is also sunsetting a number of contracted modules and wants VT to purchase their replacements. Without such replacements yet agreed upon, there is no updated schedule in place to address the implementation of these replacements. Although the Vender is not charging VT for many of the enhancements agreed upon, initial delivery targets of top items are slipping and adding to the concerns of SUs/SDs scheduled to start their implementations, thereby prompting their requests for pausing further rounds until resolved. The Vender could do a better job in overseeing timely delivery of these forthcoming improvements. In a mtg on 2/26/21, the VT Project Sponsor asked the Legislature (House Ed) to extend the current statutory deadline of 7/1/22 another 6 months out to 12/31/22.
Budget	Yellow	Yellow	Related to Scope and Schedule issue noted above, Team will continue working with SUs/SDs to ensure requested development is agreed upon by Governance and Change Advisory Group (GCAB), and potential cost increases for enhancements or replacement modules are identified. Any cost increases for these will likely require more funding than is available in the current budget.
Scope	Red	Red	There are over 50 requested enhancements that reflects a significant amount of missing and/or desired features impacting the quality of the solution. The Vender will develop most of these at no cost to VT, but not all. With only a small funding reserve of \$200K, the scope is considered RED. There are also numerous custom reports being requested and while there is already funding for these reports, the accuracy of several developed by PS has come into question by Districts and their Auditors and require some rework to ensure accurate reconciliation and usability across all SUs/SDs. Additional specific re-training on these reports is also anticipated here.
Resources	Yellow	Yellow	Team member availability from SUs/SDs has been impacted due to COVID-19. Additionally, they often have to spend more time than before to complete manual workarounds while they await fixes and enhancements to be completed. The Vendor has also changed resources often, creating a continued impact from loss of project knowledge. The VT Project Team has also seen significant reduction in responsiveness to VT since the change of Project Sponsor and the addition of a Program Manager by Vendor. Some recent improvements have been seen following VT Leadership intervention, however it remains spotty and requires more consistency.
	Red	Red	There are a number of project risks, of which many have become actual issues and of those a half dozen or more have required escalation to Vendor Sponsor and

Risk	Red	Red	Leaders for the past year or more. Response and consistent support by the Vendor in addressing these top issues has required much follow-up by the VT Team/Sponsor. This has impacted the project and end user experience, and VT constantly reminds Vendor of this. Top issues include a Reporting tool End Users do not care for and some of the data produced is in question of its accuracy, often declaring contracted apps as being sunset, outages and an inconsistent communications approach to end users during outages, disruption in access to training videos, and repeated requirements gathering sessions and slow/no progress on several key enhancement requests. Again, recent VT Leadership intervention has gotten Vendors attention on these items, however VP PM is leaving them in this report as Red until more corrective action is underway and significant progress made. One example is Vendors recent commitment to develop Bank Reconciliation enhancement and 10-15 priority reports by 7/1/22, including some reports being built directly into the system vs. their Cognos Tool.
Quality	Yellow	Yellow	Product quality is perceived by end users as lacking some functionality they are used to in their current environments. They have requested over 50 system enhancements and many customized reports. It's fair to say that not all enhancement requests should be implemented, however several have been confirmed as critical by the SU/SD Governance Group. This group helps prioritize the requested items and advise the AOE on requested enhancements they don't agree should be added to the system. The vendor has agreed to add many at no cost over the next 5 years having checked with other customers to confirm value added. Meanwhile, waiting for the vendors development will require extra time for workarounds and risks to making mistakes. The top items are on the roadmap for correction/implementation in the next 1-2 yrs, with Bank Reconciliation being delivered before another new SU/SD is added to the system (by 7/1/2021). Additionally, the accuracy of several custom reports developed by PS has now come into question by Districts and their Auditors, and was evaluated by a Team focused on improvements. This Team identified a need for add'l training to apply what they already learned in using the product but now in a deeper way in relation to their VT business practices. A series of 8 sessions has been initiated with feedback collected by stakeholders, and will continue for the next 2 months for SUs/SDs already in the system.
Legend	Description		
Green	On track for completion on or before planned completion date, no issues.		
Yellow	Behind schedule or risk of falling behind. Date will be missed unless issues are resolved quickly. Budget at risk of going over budget. Expectations need management or resetting.		
Red	Project at risk of stoppage, major delays, budgetary constraints. Executive decisions must be made to mitigate.		

In summary, the project is not achieving expectations despite the fact that all initiation, planning, procurement, and implementation processes have been carried out properly. This is primarily due to user dissatisfaction with the chosen solution, including the perceived lack of all expected functionality and the resulting increase in user workload. Plans to get the project back on track may include implementation delays, negotiations with the vendor for system enhancements and better training, and possibly increased funding. In a worst case scenario the deployment of the new system could be abandoned and the entire project started over. This approach is not recommended, since while we must recognize the challenges that the project faces, abandoning the implementation of eFinancePlus would simply shift the existing challenges to a different system while requiring a new cycle of training, testing, and deployment.

The following sections describe the seven key subject areas that were considered in developing this project review and analysis.

2.1 Project Justification

The reasons provided in the various documents available (primarily the IT ABC Form) represent sufficient justification for initiating the project. However, in the case of SSDDMS there are multiple drivers that are not necessarily independent of each other. The initial driver was the legislative direction (Act 58 of 2015) which required the Uniform Chart of Accounts (UCOA). This direction was then expanded upon to focus on the implementation of a common software system among SUs/SDs to meet the UCOA requirement, rather than modifying existing systems to export required data. This was due in part to a recognition that not all existing systems could be reconfigured, meaning users would have to find other methods of providing the required data. As a result, the justification for the new system was a combination of factors that combine to add project complexity.

Summary: A new financial system was not necessarily required to meet the requirements of the Uniform Chart of Accounts (UCOA), as existing systems may have been capable of extracting the mandated data with additional modifications or manual intervention. However, in consideration of potential long term cost reduction the choice was made to move to a common statewide system, and the state has committed to this path.

Keys to success: None; since project execution is underway and systems have been deployed, and lack of full justification is no longer a consideration.

2.2 Clarity of Purpose

Clarity of purpose, defined as having a clear, detailed description of success, is strong from the standpoint of project management: documentation is clear and specific regarding how the system rollout is to be completed. The overall goals are clear, specific, understandable, and well documented.

Summary: The project goals are clear, concise, understandable, and well documented. At the same time, it must be recognized that the project goals are not always reflective of the needs and expectations of the end users.

Keys to success: A renewed focus on the needs and desired outcomes for the end users is called for. Simply deploying the new system on time and on budget, without considering whether it is a net gain or loss for the affected organizations and users, is not a guarantee of success.

2.3 Organizational Support

Based on the documentation reviewed and the interviews conducted, organizational support appears strong at the Agency level (ADS/AOE). In addition, SU/SD business managers and other staff have been actively coordinating with ADS/AOE on the project for over two years. However, in some instances support for the project has dropped off at the level of the SUs/SDs, and in at least two instances these organizations have requested that deployment of SSDDMS to their units be deferred.

Summary: The SSDDMS project is being supported by both AOE and ADS, and both agencies are fully engaged in the project. While the fact that neither agency is directly involved in the day to day use of SSDDMS is a challenge, both agencies are working with the end users to achieve project goals.

Keys to success: Continue to monitor the level of end user organizational support, and respond accordingly.

2.4 Project Leadership

As with most recent projects, leadership responsibilities are divided between the sponsoring agency (AOE) and the implementation/support agency (ADS). While this is a reasonable arrangement when projects are going well, there can be difficulties when obstacles are encountered and decisions need to be made. In the case of SSDDMS, leadership has not always responded in a timely manner to project setbacks, and with the added complexity of potential legislative action there is not a clear path forward at this time.

Summary: Project leadership is split between two agencies, AOE (as the sponsor) and ADS (as the manager). While this is not unusual in the current organizational structure, in the case of SSDDMS where there are significant problems it is critical that there is a single individual that is taking the lead on addressing them.

Keys to success: Ensure that the appropriate individual at the sponsoring agency (AOE) takes the lead in responding to project challenges.

2.5 Project Management

Project Management (PM) for the SSDDMS project is being performed by ADS staff, and is adequate for this project. All required artifacts have been produced, and accurate status reports are generated and distributed in a timely manner.

Summary: Project Management is being performed by ADS personnel that are qualified to manage the project.

Keys to success: All participants in Project Management (both project level and oversight) must continually review their activities and outputs with the Project Leader, and ensure that they are actively contributing to project success.

2.6 Financial Considerations

The SSDDMS project appears to be generally on track financially, however the large number of requested enhancements and the possible impact on schedules mean that the overall cost is not fully known. In addition, the remote possibility that the existing SSDDMS solution may be abandoned and the procurement process restarted means that the overall project cost could rise

substantially. The result is that the actual project cost is unknown at this time, and may be significantly more than initial estimates.

Summary: Initial estimates of procurement and maintenance costs were developed, and appear to have been appropriate at the time. However, the rollout delays and addition of enhancements to eFinancePLUS system means that costs will likely rise. At this point actual costs of the SSDDMS project must be described as unknown, due to the uncertain path forward.

Keys to success: Continue to monitor project costs, and ensure that any discussions regarding possible paths forward consider the potential that project costs could rise significantly.

2.7 Technical Approach

The technical approach for the SSDDMS project is line with best practices: a commercial off-the-shelf product was selected that is in use in other states, and end users were able to participate in product demonstrations and the selection process. Deployment was done incrementally in order to discover problems at small scales before all users converted to the new system. However, once rolled out SSDDMS has not met all expectations, and as a result some users are requesting that their transition to the new system be delayed. This could be a result of actual system deficiencies, inadequate training, increased workload, preferences for their old systems, or some combination of these. Regardless of cause, the net result is that the new system is not currently meeting all expectations, and additional work may be required before the product is deemed acceptable.

Summary: The technical approach chosen was to deploy an existing, commercially available system to the SUs/SDs via a phased rollout. However, some locations that have installed eFinancePLUS have reported that it does not provide all required functionality and requires much more work than previous systems. At this point the state and the vendor are working to identify and add required functionality, and the timeline for this effort and the actual results are not yet certain.

Keys to success: Continue to work with the vendor and the end users to ensure that product functionality meets expectations, while complying with schedules set by the legislature.

3 Risk Summary

Three common types of failure for an IT project are:

- The system was never completed (i.e. nothing was built);
- The system was completed, but did not meet the requirements (i.e. it was built, but doesn't work as desired);
- The system was completed and meets the requirements, but is unsupportable (i.e. it works, but is too difficult or expensive to maintain and operate).

At this point SSDDMS falls into the second category: a system has been at least partially deployed, but it does not meet appear to meet all of the requirements of the end users.

4 Recommendations

The Shared School District Data Management System (SSDDMS) project is in a difficult position. Despite organizational adherence to standards and processes that should reduce risk in a large IT project, the deployed system is not meeting user expectations and is therefore in danger of being deemed unsuccessful. However, the core system is commonly used in other states and should be able to meet requirements with additional enhancements and better training. My recommendation is that AOE and ADS stay the course, and make every effort to improve user acceptance in subsequent rollouts through better training and more focus on meeting user requirements (reports, etc.). While the overall UCOA / SSDDMS goals and schedule have been enacted through legislative action, further legislation should not be used to change project direction. The only exception to this should be if AOE/ADS determine that the current project deadline is unreasonable, and that a change to the requirements of Act 076 of 2019 is warranted. A final recommendation is for AOE/ADS to be responsive to user needs in a timely manner. The fact that the legislature needed to get involved in this situation despite active SU/SD participation in the project management indicates that there is a breakdown in communication that should be addressed.

AOE/ADS Comments on the 3/5/2021 Project Review

The following comments were provided by the ADS SSDDMS Project Manager on 3/7/2021:

As the State's Project Manager on this effort since the selection of PowerSchool as our Vendor for the SSDDMS, I would submit the following additional comments and personal opinions:

1. There is an established group of Business Managers and HR Professional Stakeholders selected by the SUs/SDs to represent them and work with the AOE and Vendor in an advisory capacity. Both the AOE and Vendor have worked successfully with this Governance and Change Advisory Board (GCAB) for almost 2 years now, positively influencing the implementation and training processes and prioritization of District requests. I do however believe that many of the requests reflected in H-91 and the communication leading up to it were not vetted through this established GCAB of 10 members (6 of them Business Managers and 4 HR Professions, all from Districts currently using the eFinancePLUS system). I believe that this group which meets 2x per month and it's established processes are the correct way to manage these recent requests not run through the GCAB yet, and not spend more State dollars to duplicate the work they and their sub-groups are currently underway with.
2. Some of the testimony I've heard and/or heard-of in the last few weeks is incorrect and misleading. Some examples include statements about the system being "not tested," and that Districts are unable to submit tax files, and this could be throwing good money after bad. My responses to each are listed below:
 - a) I will say that each District does test and verify throughout the process including but not limited to, a detailed payroll run from both their current system and this new system in parallel, to ensure figures match between both systems, and that checks print correctly and much more before they every go live.
 - b) There are no systemic problems loading tax files reported, but I am aware of some individual district issues primarily tied to the files being incorrectly loaded (i.e. submitter did not identify the correct file format before starting their file load).
 - c) I strongly disagree with the notion that VT may be throwing good money after bad. There is far more to this system and project objectives than features alone. The establishment of the UCOA in a tremendous step to normalizing the data and enabling it's aggregation and automated reporting. To have the data standardized but still spread across numerous systems throughout the districts would still require each district to obtain extracts each time needed with or without the assistance of their individual vendors (possibly at some cost each time), and to then submit separately to the AOE who would then have to aggregate all the data and still ensure the data is accurate and meeting the UCOA standards, all with some manual intervention, time, and cost. If changes to the Coding structure are required from year to year, the AOE would have to publish that information and there again, each district would have to update their individual systems (possibly with assistance from their Vendors and possibly at some cost), and timeliness of achieving that change to all districts would take time and likely some follow up as does the current requests for such annual reports as Teacher Data and Statbook, risking their timely publications. However, **AND THIS IS REALLY IMPORTANT**, the structure of the UCOA coding **and** the editing of these business rules has been architected and built into each individual VT District

eFinancePLUS Database so as to enable real time editing so that only acceptable coding is entered. Additionally, a separate custom developed UCOA System Administration Tool is now in place allowing the AOE Team to add/modify/delete UCOA code changes and business rules.

Directly related to these two incredible features, is the data warehouse referred to as the Open Data Store (ODS) that allows the AOE to run a report that pulls the now stored District data out of the ODS so Districts don't have to manually produce and submit it to the AOE on their own, and the AOE no longer has to spend countless hours aggregating the data or following up to collect it. Many of the Districts currently use a similar legacy system whose Vendor did bid on this project but did not propose or present a solution to address these must have requirements, further outlined in the following report findings. The takeaway with my point here is that much of the big lift or sunk costs are behind us and while addressing the extra enhancements and reports are both important and next on the list, those features are not all of the story, and why I don't believe VT would be throwing good money after bad.

Highlighted in a summary report published on February 21, 2018 before contracting with PowerSchool, the following was concluded:

FINDINGS

Of all the proposals, the highest scoring vendor produced a bid that was most in line with the requirements outlined in the RFP. Not only does the winning proposal fit the needs of the SUs/SDs in terms of daily functionality and system requirements, but it also proposes to meet the State's requirements for succinct management of the UCOA and more streamlined state reporting tools. Furthermore, this solution is the only solution that reflects the proper balance between system standardization across SUs/SDs with built in flexibility where variance between SUs/SDs is needed. The other two vendors' proposals fall short in these critical areas. While one is highly standardized, and would make the central management of the UCOA simpler, the vendor is unable to provide a solution with the flexibility needed for variance across SUs/SDs. The other vendor provides the flexibility needed across SUs/SDs, but is unable to provide a convincing solution for the central management of the UCOA.

Functionality alone could not win this RFP. *The other criteria for selection is that the cost to implement and sustain the preferred solution must enable the State to save money through economies of scale, in particular through the transition of SUs/SD's from 60+ disparate solutions to the unified solution. This criteria underpins the states commitment to reduce the burden to tax payers for costs that are purely administrative. In comparison, this highest scored bid was significantly less expensive than the second-place vendor (more than two-times less expensive), but a bit more expensive than the last place vendor. In summary, we feel that the most highly scored vendor clearly satisfies our goal of meeting the mandated UCOA objectives while balancing the value of the solution to end-users with the affordability and cost savings to Vermont tax payers.*