



## RUTLAND NORTHEAST SUPERVISORY UNION

49 Court Drive, Brandon, Vermont 05733

802.247.5757 – [www.rnesu.org](http://www.rnesu.org)

*...dedicated to the development of character, competence, creativity and community.*

To: The House Education Committee  
From: Brenda Fleming, RNEU Director of Business & Finance  
Date: March 11, 2021  
RE: Testimony - House Bill 91

Thank you for the opportunity to provide testimony on House Bill 91.

I'd like to share a brief history of this SSDDMS journey; approximately 8+/- years ago the AOE, with the support and input from VASBO, rolled out a new standardized Uniform Chart of Account (UCOA). Shortly afterwards Act 46 was passed and school districts began merging and implementing the new UCOA. In fiscal year 2016/2017 the AOE offered to leverage their buying power to seek an RFP for Shared School District Data Management System (SSDDMS) allowing school district to opt-in and purchase a financial software package under the terms of their bid. VASBO supported this, understanding the AOE selected vendor would provide us options but would not require a change in software. At the time, all software packages were able to comply with the new UCOA. The intentions were good. We hoped we would save money, get more services, and have the ability to keep or improve our accounting software capabilities!

With all the of best intentions, the option to opt into the selected vendor was changed to a legislative mandate requiring all district to use the selected vendor (eFinance) by July 1, 2022. PowerSchool was the selected vendors and eFinance plus was SSDDMS product. There is no reason to re-hash what, how, or if the process could have been handled differently; hindsight provides us all with insight.

The vendor was awarded the contract and with the best of intentions and commitment districts began transitioning to eFinance and AOE deployed resources and staff to assist. The first districts converted January 2019, additional district followed July 2019, January 2020, July 2020, and perhaps others January 2021. We converted January 2020.

Immediately after the first conversions in January of 2019 districts reported software deficiencies, internal control deficiencies, and an under-developed software product. Unfortunately many, including myself, minimized these reports to "inadequate training", "late changes to the UCOA", "under-staffing" and believed a nationally sold software like eFinance plus, could not be this deficient?

I humbly acknowledge the system is "this" deficient. This system, while nationally sold, operates as a cash basis system with various work-around to act as an accrual system. AOE and a committee of VASBO members have been working to outline and prioritize these deficiencies. We were granted a "seat at the national table" with other states to present these to PowerSchool; other state agreed and congratulated VT for articulating these deficiencies.

I am an auditor at heart, and since converting to this system I have had to add multiple steps and verification measures to have confidence and security in our internal controls: the system that ensures the integrity of our financial and accounting information, promotes accountability, and prevents fraud.

In addition to the accounting deficiencies enumerated by Bill Bates, VASBO Business Managers and RHR Smith please understand the eFinance hosting system stability has been inconsistent too. Since converting in January, we have had approximately 10-12 unanticipated outages where eFinance was completely off line and unavailable during standard work hours, with minimal commutation to the field about the cause and/or solution of the instability.

I humbly encourage you to "pause" future implementations and to consider returning to the initial intention of allowing school districts to opt-into this system. Please understand districts are now UCOA compliant; UCOA was not contingent on a shared system. Furthermore, by VT Statute the AOE will need re-bid this product and what happens if the vendor needs to change?



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Finally, I would like to share a little bit about myself. I am a Certified Public Accountant who, before becoming a school business manager, specialized in municipal and nonprofit accounting and auditing. I was an adjunct professor for the College of St. Joseph teaching Advanced Accounting which includes governmental, municipal, and nonprofit accounting. I traded public accounting for school business management in 1995 (yes 25+years ago...) and I earned my ASBO international certification as a Certified Administrator of School Finance and Operations, or SFO

### ***PS. Follow up to AOE Testimony on Friday 2/26/2021***

Business managers, more than anyone else, want and need this to be successful; and we are asking for a pause, I beg you to listen, this is our operations, this is what we are hired and charged to do, and we are good at our jobs!.

I do not agree with Bill Bates and Sean Cousino that a 6 month pause is enough. If it was a fix that could be accomplished in 6 months, why are we 2+ years into this project and only now setting a deadline? None of the identified issues and concerns are new; they were identified by the first 3 districts who went live in January 2019 (2 years ago).

This product is basically a cash basis product forced to "act" like an accrual system; which is why there are no bank reconciliations (challenging without interfund), no interfund accounting, and no standard accounts payable reports, no income statement (Revenue & Expenditures), no trial balance etc.

I watched Friday, February 26, 2021 testimony and was shocked when Sean Cousino indicated previous testimony was not factual and eFinance has 800 districts nationally so all we need is better training. I found that not only to be a betrayal to business managers, but a strong statement how out of touch AOE is with the product's functionality and what business managers need to do to achieve the simplest of tasks. When the Committee asked Bill if the AOE had any data on whether the project has met objectives, his response, "I'll have to get back to you" was evidence of this disconnect between AOE's perception and the reality of successfully managing school district operations. There are a lot of products sold nationally that have hundreds of users. That does not equate to a good product or a product worthy of VT taxpayers investments. While it's unproductive to look back at what could have been done better, it is important to note that, while AOE asked for business manager input, they ignored it, they chose a product that forced everyone to change systems, and a product not a single business manager indicated as their first choice --- those are the facts the Committee has not been told.

I appreciate Bill Bates has recognized there are real issues and problems and I believe he is committed to resolving the identified enhancements (as they call it) but please understand these are NOT enhancements they are the highest priority deficiencies. Assuming they are successful, at the end of that 6 months, the product will only catch up to what other systems have as standard features - nothing in this product enhances user's experiences or adds any functionality or efficiencies to our operations.

Thank you for your time and thoughtful consideration.