

**State of Vermont**  
**Agency of Digital Services**

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*John Quinn III, State CIO & Secretary*

TO: The House Committee on Government Operations

S.286 proposes to amend various public pensions and other post-employment benefits including changes to the State Teachers Retirement System. Section 20 of the bill creates a study of the Vermont teachers' retirement system contribution rates and asks the Secretary of Digital Services and the State Treasurer "in consultation with the Vermont Association of School Business Officers, the Vermont Superintendents Association, and the Vermont-NEA, shall study and make recommendations on the implementation of the marginal rates"

These changes will impact the Vermont State Teachers Retirement System managed by the Treasurer's Office as well as the eFinance system implemented by AOE and ADS in 20 Supervisory Unions/Districts (SU/SD). It may also have an impact on the financial systems used in the remaining SU/SDs currently using their own financial systems.

The requirements for the proposed changes have been considered at a high level by the Shared School District Data Management System (SSDMS) project team and the eFinance Governance Change Advisory Board (GCAB) which includes representative Business Managers and Human Resources Administrators. The eFinance vendor, PowerSchool has indicated they can implement the required changes by July 1st, 2022 at a cost yet to be determined. This, of course, will delay additional development work that has been identified and prioritized by the GCAB to support district use of the system.

The 20 districts using eFinance have successfully piloted standard reports out of the system that greatly reduces the manual work associated with preparing this information for the VSTRs system. These reporting and submittal requirements will have to be addressed in collaboration with the Treasurer's Office.

For the remaining districts that have chosen not to implement the eFinance system, they continue to manage their contracts and relationship with their vendors. To implement these changes the remaining districts would be responsible for ensuring that changes to the retirement system could be met with their existing system or the development of the required changes requests.

With the recent lessons learned in working with the SU/SDs in the SSDMS project and the limited capacity of ADS resources to support the Agency's priorities, ADS is not positioned to provide district-level analysis and mitigation. ADS will continue to work with the Treasurer's Office, AOE, and the eFinance Governance Change Advisory Board to complete the necessary enhancements to the eFinance system for the required reporting. ADS is willing and able to partner with the Treasurer's Office and AOE to review how districts look to affect these changes through their technology but lacks the resources to perform in-depth analysis and solutioning on behalf of the different districts.