SHARED SCHOOL DISTRICT DATA MANAGEMENT SYSTEM

Path Forward Recommendation

January 26, 2022

Joint Recommendation to the General Assembly by:

Vermont Agencies of Education and Digital Services
Vermont Association of School Business Officials
Vermont School Human Resources Professionals

VERMONT AGENCY OF EDUCATION
AGENCY OF DIGITAL SERVICES

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Introduction

In late summer of this year, Secretary of Education Dan French, echoing the sentiment from SU/SD business and HR office leaders, testified before the House Education Committee that the AOE is inclined not to move forward with any additional eFinancePlus (eFinance) implementations in Vermont supervisory unions (SU/SDs). He proposed that the AOE continue working with SU/SD business office leaders to develop a more formal recommendation to the General Assembly in January regarding the Shared School District Data Management System (SSDDMS). Beginning in October, a group of stakeholders was assembled, to represent the AOE and SU/SD Business Managers (VASBO) and HR Directors (VSHRP) to develop this "path-forward" recommendation.

It should be noted that SU/SD implementation of and compliance with the Uniform Chart of Accounts (UCOA) is not part of this proposal. The group recognizes that adoption of the UCOA was a driving factor behind SSDDMS, but at this time, a distinction should be made between SSDDMS efforts and UCOA adoption. UCOA adoption shall move forward independent of SSDSMS progress. Those 20 SU/SDs already on SSDDMS are meeting this obligation and those yet to implement are responsible for complying to the statute within their current environment. (The AOE is aware of approximately 27 SU/SDs fully implementing UCOA, 13 partially converted, 14 not converted.) All SU/SDs are currently reporting to the AOE under the UCOA in the yearly expense and revenue collections (Statbook).

Background and History

A brief history of the implementation of UCOA and SSDDMS will help to provide context to this recommendation.

The idea of a uniform chart of accounts (UCOA) was discussed in the General Assembly as early as 2009, and legislation regarding it evolved over time. In 2016, the AOE considered three options to develop state systems to support the implementation of UCOA and commissioned a study by a consulting firm to recommend one of the three. The three options were:

A. Modify or replace existing systems to facilitate UCOA and state reporting requirements
B. SU/SDs choose from list of state contracted/compliant vendors
C. SU/SDs all use a single centrally managed state system

The consultants initially recommended option B, but after a vote at an early 2017 VASBO meeting, Business Managers were unanimously in favor of option C, which changed the scoring the consultants were using to equalize B and C. AOE adopted option C which became the SSDDMS. It was also understood at this time that adoption into the SSDDMS was voluntary.

An RFP procurement process in 2017 produced three bids from which eFinance was selected. The product selection was due in part to it being the only vendor that explicitly met the requirement for central management of the chart of accounts and an operational data store (ODS) for real-time data capture, as well as significantly lower cost. The Legislature mandated SSDDMS in Act 11 of 2018 (Special Session). Most districts planned on migrating their accounting charts to the UCOA upon converting to eFinance, but there have been 2 significant

legislative pauses to SSDDMS that have contributed to the delay of the comprehensive adoption of the UCOA.

A timeline of SSDDMS legislation:

- [Act 66 of 2021](#) – Most recent SSDDMS legislation, extended the statutory implementation deadline to January 1, 2023, paused implementations until January 1, 2022.
- [Act 72 of 2019](#) – Extended deadline from July 1, 2020 to July 1, 2022.
- [Act 11 of 2018](#) (Special Session) – The original SSDDMS mandate.

SSDDMS Goals

The original SSDDMS legislation (Act 11 of 2018) mandates that all districts will use the same finance data management system, and that the AOE shall work with participating districts to:

1. conform to the UCOA
2. improve the comparability, consistency and timeliness of school financial data

The [SSDDMS Charter of Feb. 2018](#) spells out the three primary purposes of SSDDMS:

1. Central management of the UCOA will improve data quality and comparability.
2. Management of the UCOA and business rules will reduce resources needed by the state to monitor compliance.
3. A common system will save taxpayer dollars by leveraging economies of scale.

Current State

As of late 2021, roughly three quarters of districts have migrated to some degree to the UCOA. 20 of 54 districts have adopted eFinance, the first group (of four) going live on the system in January of 2019 and the most recent group (of five) going live in July 2020. 27 of the remaining 34 districts use a Tyler Technologies ERP product (14 on Infinite Visions, 13 on an older system called Profund) and a few use a system called NEMRC.

Spending on the project to date:

	Total IT-Activity (Total Project)	Total Spent to Date (Actuals)	%
Implementation Cost	$3,340,514	$1,688,514	51%
Ongoing Maintenance	$4,284,311	$2,043,055	48%
Totals	**$7,624,825**	**$3,731,569**	**49%**

Stakeholders, including the SSDDMS Governance group (Business Managers and human resources personnel representing user districts), the AOE and ADS, and the General Assembly Vermont have made good-faith efforts to improve eFinance's implementation and functionality. Twice the General Assembly extended the required deadline, in part to accommodate the pressures from Act 46 of 2015 and similar demands on business offices, and also to allow for needed system improvements. Currently, new implementations are paused until January 1,

2022 at the earliest. The statutory deadline for being live on the SSDDMS system is January 1, 2023. The system improvements included an improved Bank Reconciliation module, additional reporting functionality (e.g. detailed Trial Balance report), filling training gaps and improved system uptime and hardware upgrades, all of which were promised for July 1, 2021. As of writing, not all improvements have been delivered in full.

The SSDDMS Governance Group has also identified roughly 20 additional high-priority enhancement requests for eFinance. The 20.11 update, originally scheduled for November of 2020 but not made available until the following May, included two crucial updates for Vermont – a new Due To/Due From interfund accounting system and a Student Activities accounting system. The rollout of the interfund system, especially, introduced several unresolved issues and exacerbated preexisting frustrations with the update. PowerSchool's 21.11 update has similarly been postponed until spring of 2022. The AOE team met with SU/SDs after the 20.11 upgrade for after action and lessons learned reviews, and thereafter met with PowerSchool to review the feedback collected and visit two impacted districts to enable PowerSchool to visualize firsthand the issues, frustrations and workarounds experienced by districts.

Many Vermont eFinance users report that the software, in its entirety, lacks 'sophistication' - integrations, automations, internal controls, documentation and an intuitive user interface experience, resulting in steep and ongoing learning curves, user frustration, overall inefficiency and a costly over-allocation of scarce business office resources to complete routine day to day business functions. Additionally, the vendor is not able to provide a satisfactory customer support experience, particularly with regard to product updates and quality controls. There were well over 400 support tickets submitted as part of the v20.11 update. While not all users have voiced these concerns universally, many users have spoken out the course of the implementation and diligently documented and recorded specific deficiencies with the system and with product support. (Roughly 100 unique enhancement requests have been submitted to the SSDDMS Governance Group over time. PowerSchool is still only finalizing work on the top 10 of those items.)

eFinance does provide a central management module and ODS data capture. Central management, for various reasons, has not been fully implemented at this time and in some ways has unreasonable negative impacts to the local user interface experience. ODS, while buggy at times, does capture local data, but as currently configured, imposes some not insignificant system impacts to the user interface experience (e.g. Job Class). In other words, both features are not transparent and come at some cost to local users, and at this time do not fully provide the expected project outcomes. Most importantly, these SSDDMS related benefits are not valuable enough to outweigh the day-to-day costs that local districts are incurring.

Problem Statement

The Agencies of Education and Digital Services, the Vermont Association of School Business Officials, and Vermont School Human Resources Professionals agree that the following problem statement captures the current situation:

"We agree that the SSDDMS strategy is worthwhile. However, PowerSchool, through eFinance, has so far been unable to efficiently or satisfactorily provide all of the features and functionality needed by the AOE and the SU/SDs, making it difficult to meet the established success criteria or satisfy the statutory requirements."

Options

In consideration of the above, the path-forward group has identified three possible options at this time, related to the SSDDMS project:

1. No change – preserve current SSDDMS mandate, as legislated, continue to implement eFinance as the single ERP system.
2. Suspend the current SSDDMS mandate, and form a stakeholder study committee to evaluate and recommend the best path forward by January 2023. During the interim study period, allow SU/SDs to switch systems as desired, after consultation with the AOE.
3. End SSDDMS permanently. SU/SDs can convert systems at will. AOE retains the current contract with PowerSchool (expires March 31, 2025), maintaining PowerSchool support and improvements for the 20 SU/SDs on the system, and continuing to sponsor SU/SDs who voluntarily wish to opt in to eFinance. Districts will work with their vendors and AOE to comply with reporting requirements.

Proposal and Recommendation

The group believes that given the difficulties experienced so far, it would not be advantageous or beneficial to require that the remaining 34 SU/SDs convert to eFinance at this time.

Further, the group has unanimous support for **option two**. There may be worthwhile benefits from a statewide common system or systems that other options would not be able to provide, that should not be abandoned without further review. Even if eFinance is not perceived to be the best software to achieve this, it is possible that some other solution(s) can be identified that both meets the objectives of SSDDMS and effectively meets the functional needs of SU/SD business offices. But this determination will take more time. The group recognizes that it may be asking some districts to further delay conversion to systems of choice, but requests that those districts be willing to consider such a delay in light of this recommendation.

Proposal Review and Polling of Support with SU/SD Stakeholders

This report, in its entirety, was shared with and presented to the memberships of VASBO and VSHRP during their regular December meetings. Afterwards, a survey was provided allowing members to vote yes or no, in support of this recommendation, the results of which are shown below:

	VASBO	VSHRP
Yes – Support Plan/Recommended Option Two	48	24
No – Don't support	2	2

Path Forward Group Members

Name	Location	Title/Role	Finance/ HR/AOE*	eFP implemented?
Bill Bates	AOE	AOE Chief Financial Officer, VT Project Sponsor	AOE	Implemented*
Germaine Cross	Maple Run	Benefits Coordinator, Gov Group Member	HR	Implemented
Heather Bushey	Essex Westford	Director of Finance, Gov Group Member	Finance	Implemented
James Fenn	Windsor Central	Director Finance & Ops	Finance	Not Implemented
Jim Vezina	Hartford	Business Administrator	Finance	Not Implemented
Kevin Viani	Agency of Digital Services	AOE IT Director	AOE	N/A
Megan DeVinny	Grand Isle	HR Coordinator, President Elect VSHRP President, Gov Group Member	HR	Not Implemented
Michelle Baker	Harwood	Director Finance & Ops, President VASBO, Gov Group Member	Finance	Implemented
Rick Pembroke	Springfield	Chief Financial Officer, Chairperson Gov Group	Finance	Implemented
Sean Cousino	AOE	AOE Finance Manager, Project Business Lead	AOE	Implemented*
Ted Gates	AOE	AOE Product Support Specialist	Finance/ HR/AOE	Implemented*
Tim Holland	Agency of Digital Services	State Project Manager	N/A	N/A
Tisha Hankinson	Kingdom East	Director of Finance	Finance	Not Implemented

*The AOE uses eFinancePlus to facilitate the integration of key business rules and central management of those codes in support of the UCOA and SU/SD data collection.