



Public Schools of North Carolina

SBSM Modernization Status

NC State Board of Education Update

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NORTH CAROLINA
STATE BOARD OF EDUCATION

Law	Description	Funding
S.L. 2016-94 § 8.15	Directs DPI to develop a plan for business systems modernization addressing scope, timeline, and expected cost. Plan approved by SBE and delivered May 2017.	N/A
S.L. 2017-57 § 7.16	Directs DPI to implement the plan, including issuing an RFP for LEA finance and HR services and working with GDAC on reporting.	\$19M [NR] 2017-18 \$10M [NR] 2018-19
S.L. 2018-97 § 7.6	Amends SECTION 7.16.(d) related to transfer of funds to GDAC	(\$200K) [NR] 2018-19

What the Plan says

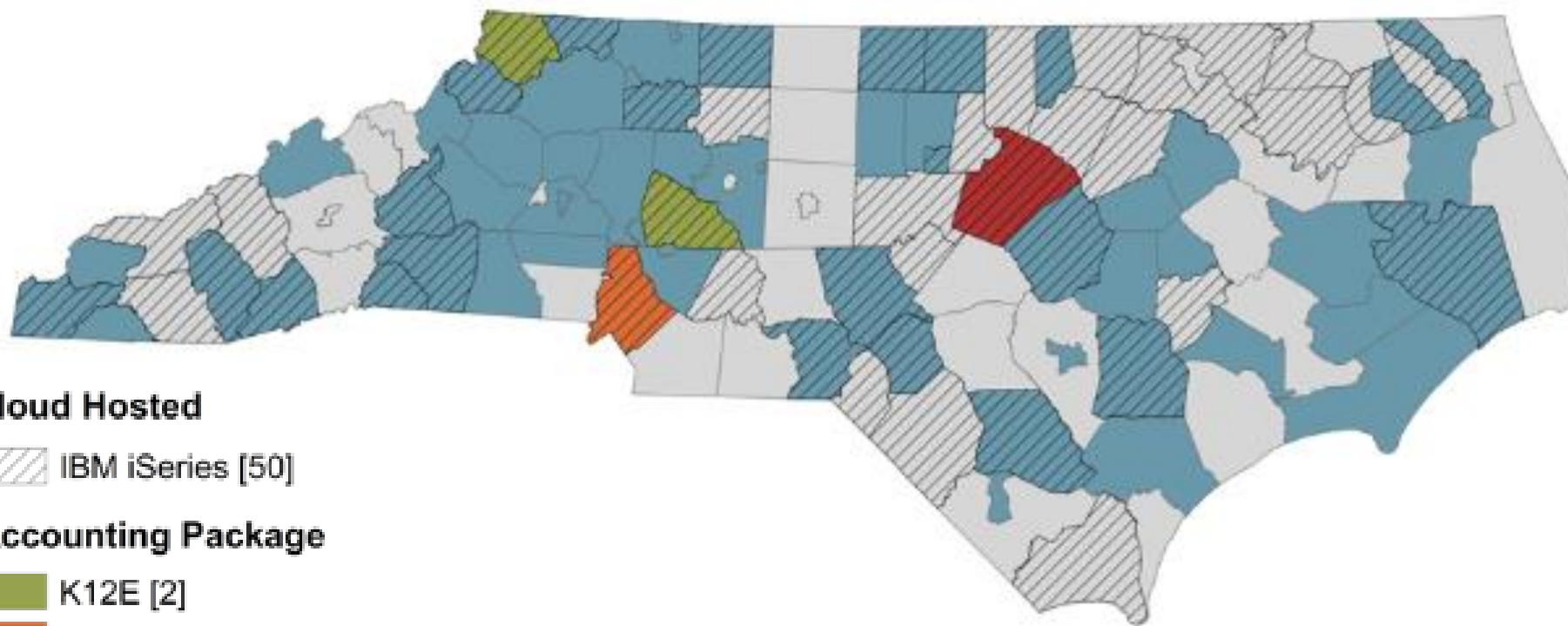
- LEAs and charter schools are the source of most of the data that feeds DPI systems – so their HR, finance, payroll systems must be modernized
- DPI business systems are at or near the end of their useful life
- Uniform education reporting system (UERS) policies and specifications need to be updated
- School business systems modernization will:
 - Comprise LEA enterprise resource planning (ERP) systems, statewide reporting, licensure and related systems;
 - Require comprehensive planning, design and implementation support;
 - Cost between \$150M and \$250M in one-time funding and take 6-8 years to implement.

- A modern Education centric ERP system, deployed at NC's LEAs, will:
 - Provide a single system for Finance and Human Resources information
 - Be tailorable to support differences in workflows between individual LEAs
 - Eliminate the rekeying of data between systems
 - Allow for the integration of “Best of Breed” third party systems to round out the LEA “systems environment”.
 - Be accessible by modern devices such as laptops, notepads, and cell phones
 - Enable the transfer UERS data, as required, to support the kind of reporting desired by NC Education stakeholders
 - Provide automated access to the most current data
 - Operate “in the cloud” so as to eliminate the need for distracting systems support required to keep systems current and safe
 - Facilitate the replacement of discontinued and obsolete systems developed in the 1980s

Modern ERP Benefits

- Foster the elimination of many systems support activities including hardware support, software support, and security monitoring
- Enable combined and integrated HR and Finance functionality will help foster (force) a more efficient and collaborative working relationship between LEA HR and Finance
- Provide a more secure environment for school data, enterprise wide, with fewer overall dollars spent on security and monitoring than by individual LEAs
- Standardize reports and other functions, and will provide more and better information for the users of modern ERP systems
- Allow for reductions in staff made possible by less support being required to keep modern, cloud based ERP systems functioning
- Allow for reductions in analytics support staff may be possible due to standardized reporting and self-service reporting functions

LEA Landscape in 2017



Cloud Hosted

 IBM iSeries [50]

Accounting Package

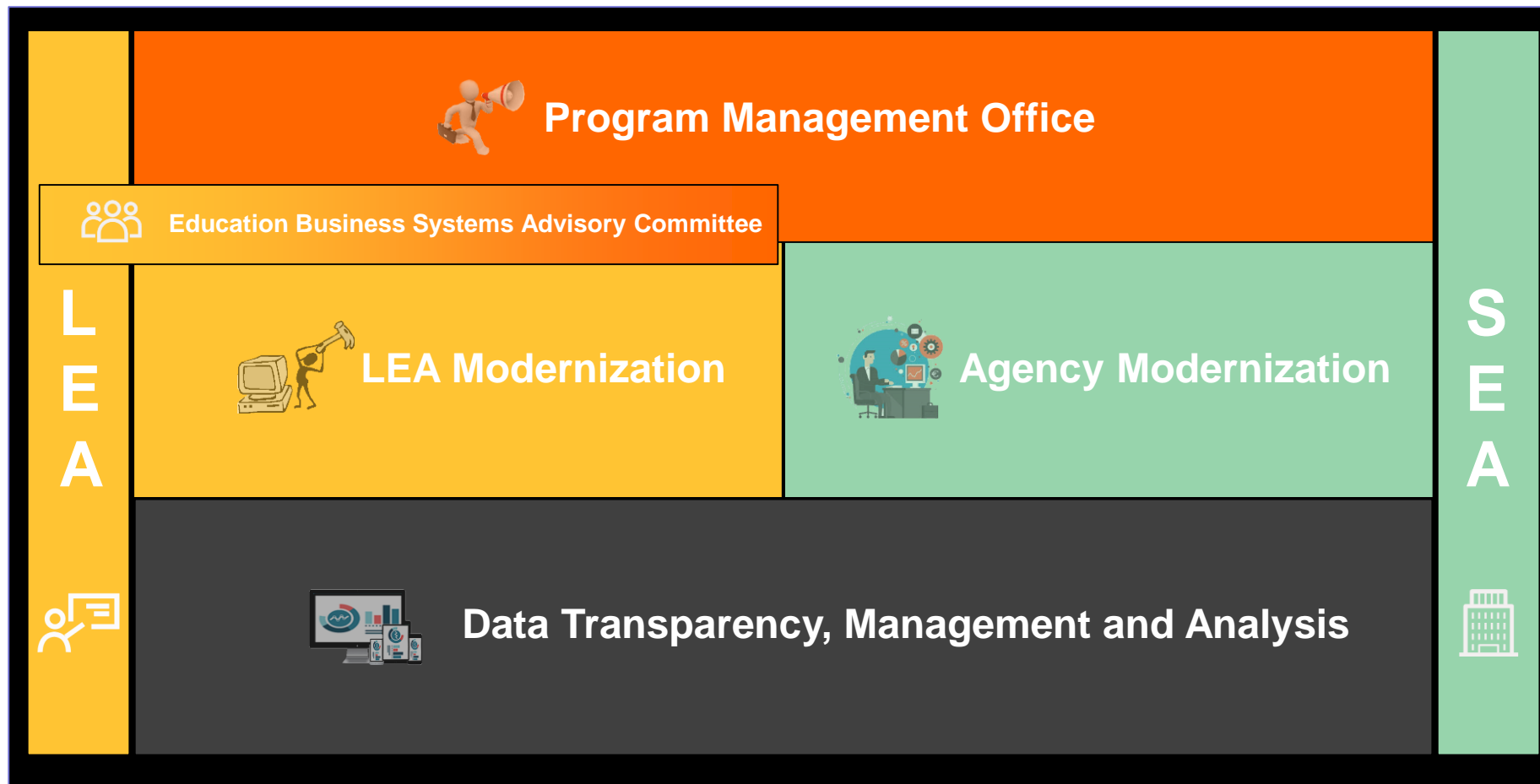
 K12E [2]

 Lawson [1]

 Linq [59]

 Oracle [1]

 SunPac [52]

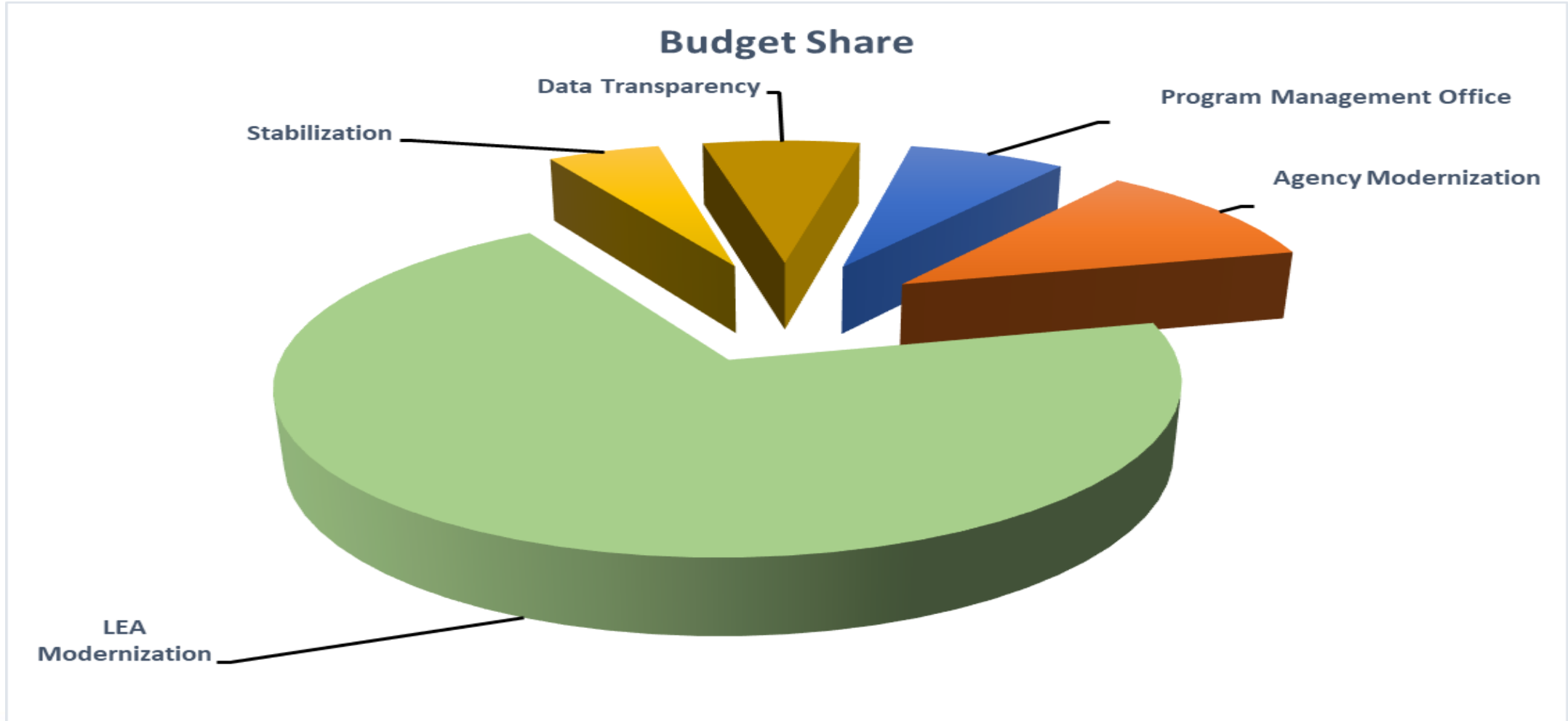




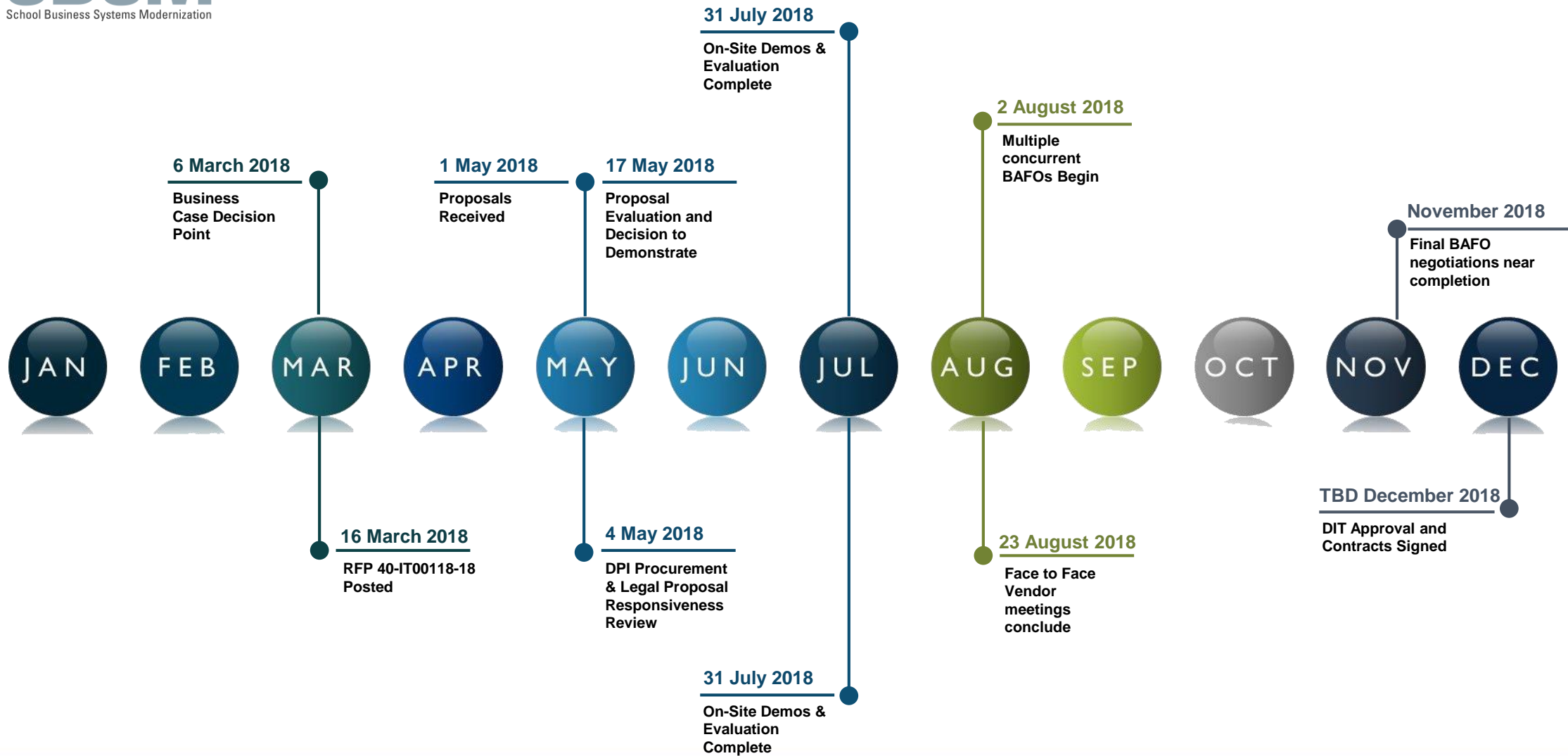
Accomplishments to date



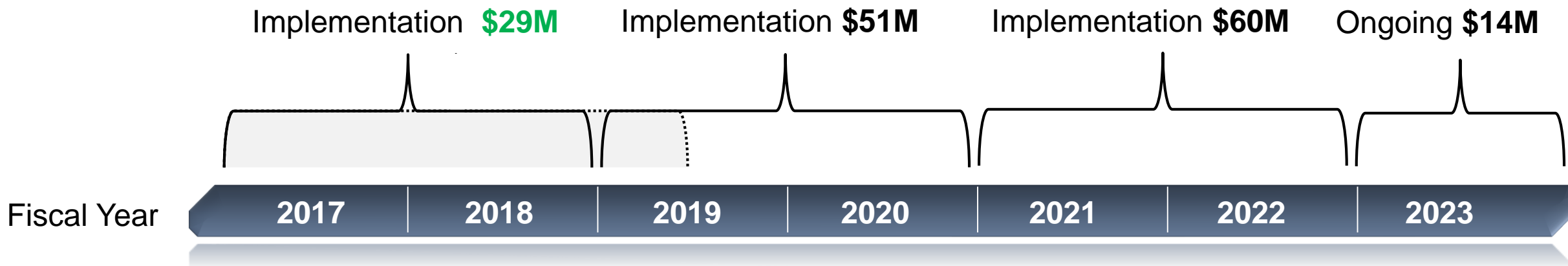
- Hired a Director
- Established a Program Management Office (PMO)
- Engaged LEAs through NCASBO, PANC, HRMS steering committee
- Formed an LEA joint HR-Finance advisory committee
- Issued LEA business systems ERP RFP – in final negotiations
- Virtually all AS/400 systems migrated or scheduled for migration to EdCloud hosted environment
- Saved LEAs nearly \$2M annually in business systems fees
- Updating UERS definitions for SIS and HR in addition to Finance
- Developing reporting Operational Data Store (ODS), Warehouse and Dashboards with GDAC



ERP RFP Timeline



5-Year Cost \$154M
Expansion request \$30M Recurring,
Supported by detailed modeling

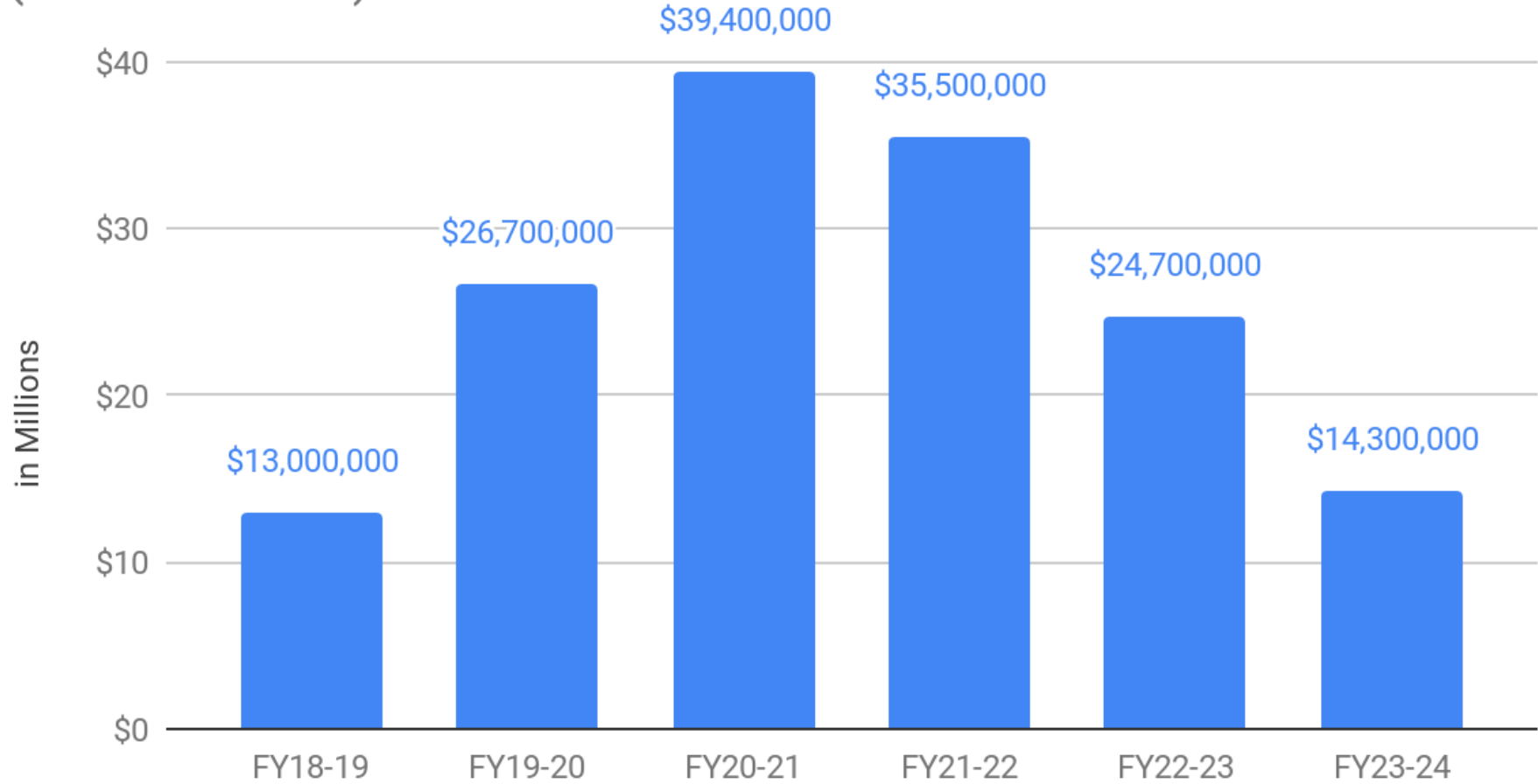


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Expansion budget request of \$30M recurring each year beginning in 2019-20

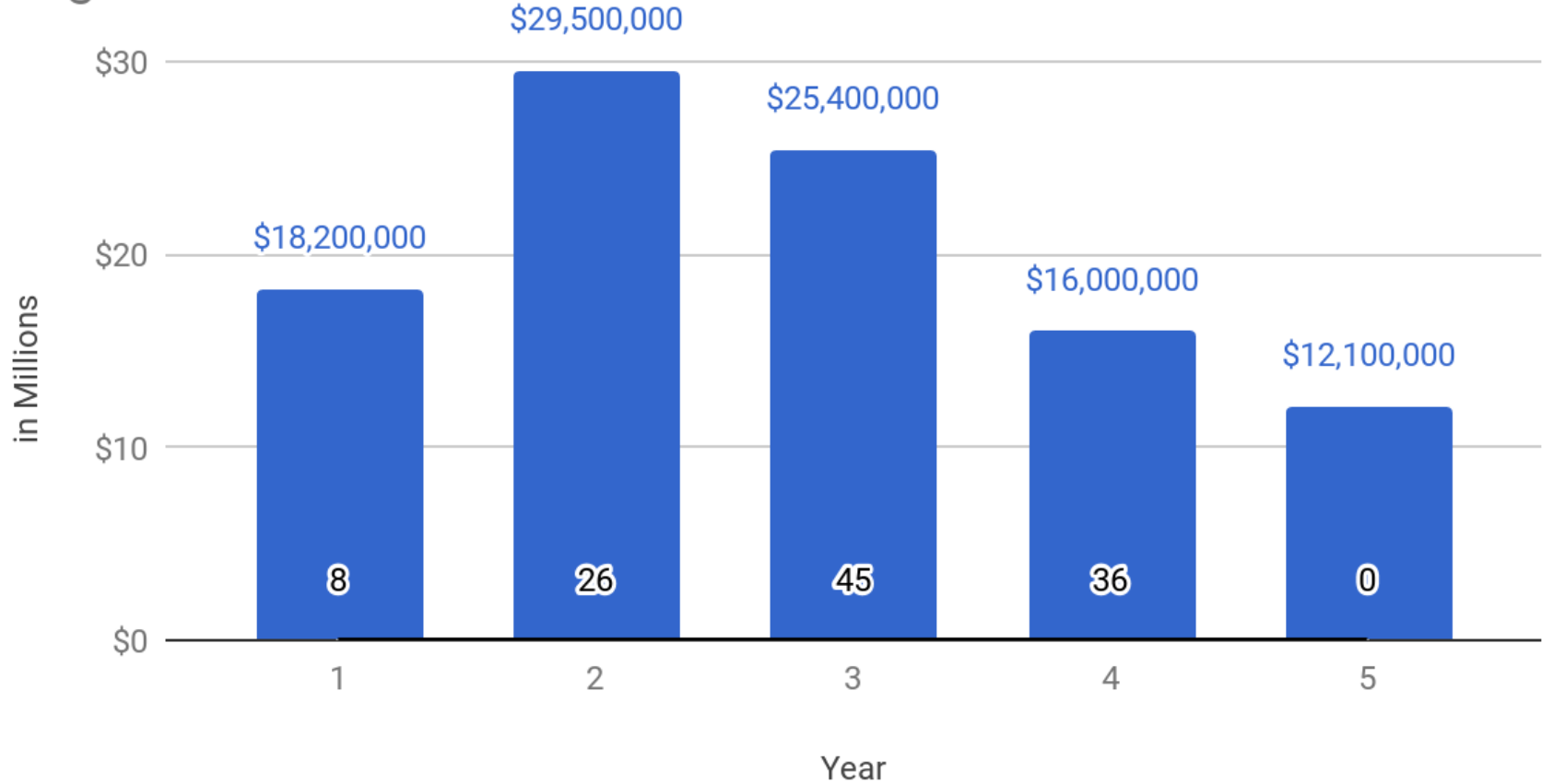
- Program spans more than two biennial budgets, with eventual decline in funding required
- Recurring funding satisfies State guidelines for identified funding of “total cost of ownership”
- ERP expenditures will occur each year but will target different LEAs each year as modern systems are rolled out
 - Most expenditures for ERP transition costs will be one-time expenditures *for each LEA*

Program Cost Projection - Complete Modernization Program (LEAs and DPI)

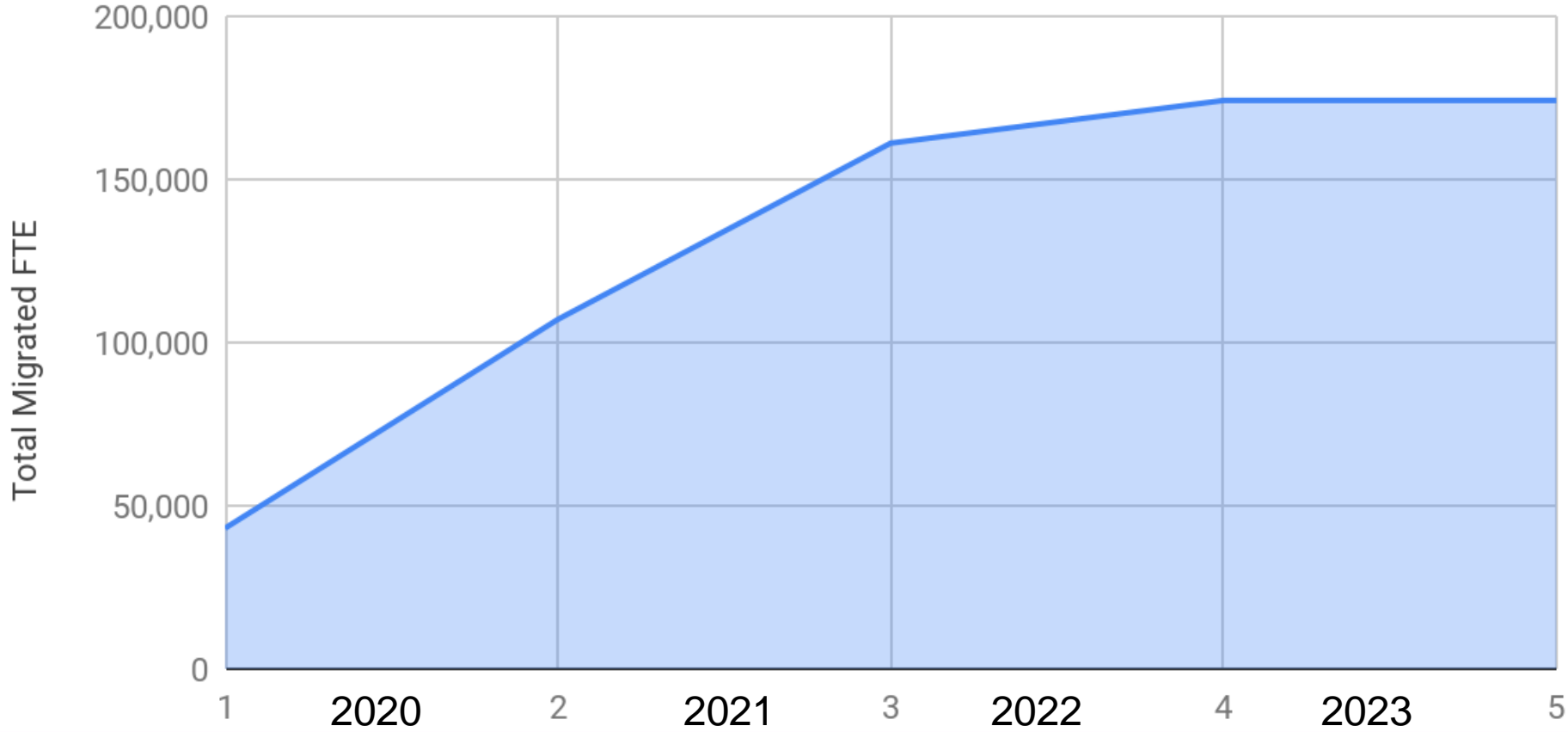


- \$12M in FY 2019-20
 - Statewide template development
 - Pilot LEA conversions
 - Stabilization of DPI systems, providers, processes
- \$39M in FY 2020-21
 - Second wave LEA conversions
 - DPI integration hub and ERP implementation
 - Stabilization ramp-up

Total Cost of LEA Modernization with Number of LEAs Migrated each Year



Running Total of Migrated FTEs



Considerations

- Budget & Timeline Forecasting:
 - LEA expenses are based on not-to-exceed prices
 - LEAs will be focused on subscription costs as they choose between the options – State subsidies on a recurring basis could affect this
 - DPI ERP solution will follow the State ERP selection
 - Year 1 in the model begins once we have ERP contracts - practically speaking that means January 1, 2019
- Other Items:
 - UERS specifications and approaches to align with modern systems
 - Current statutory requirements drive customization over configuration
 - Charter school options



<http://www.ncpublicschools.org/bsm/>



<http://bsm.fi.ncsu.edu>



Thank you!

- SBSM – School Business Systems Modernization
- GDAC – Government Data Analytics Center – DIT reporting partner
- ERP – Enterprise Resource Planning – Finance, HR, payroll application
- PMO – Program management office
- ODS – Operational Data Store – collection point for data that feeds reporting and other consuming applications
- HRMS – Human Resources Management System – legacy software system provided to LEAs by DPI
- AS/400 – IBM system that hosts finance and HR systems at most LEAs and at DPI
- UERS – Uniform Education Reporting System – Statutory requirements and specifications for LEAs and charter schools to report certain data to DPI