

## **BUSINESS SYSTEM MODERNIZATION – LEA ALLOTMENT (PRC 153)**

PROGRAM REPORT CODE: 153  
UNIFORM CHART OF ACCOUNTS CODE: 1-XXXX-153-XXX  
STATUTORY REFERENCE: SL 2016-94, Section 8.15  
SL 2017-57, Section 7.16

TYPE: Dollars

TERM: July 1 - June 30

PURPOSE: Funds are appropriated to implement the State Board of Education School Business System Modernization Plan and support the modernization of local education agency (LEA) business systems, particularly those that support financial, payroll, human resources, and related human capital functions.

ELIGIBILITY: Each LEA that selects an NCDPI-approved ~~M~~modern ~~B~~business ~~S~~systems vendor to provide services is eligible to receive funding after it enters into a Memorandum of Understanding with NCDPI for the planning, governance and funding of the project. ~~Presently, NCDPI-approved Modern Business Systems vendors are CherryRoad Technologies Inc. and IBM Consulting, Inc. for Oracle Fusion ERP Cloud, and Tyler Technologies, Inc. for Tyler MUNIS Cloud ERP.~~

FORMULA: An LEA that selects an NCDPI-approved modern business system vendor may request funding for one-time implementation costs and initial software costs. Funding for each LEA will be a maximum of 90% of the one-time implementation costs and 90% of one year SaaS (Software as a Service)/Managed Services costs if the LEA has overlapping subscription/Managed Services costs.

### SPECIAL PROVISION:

- 1) These funds shall be used for the initial transition to a modern internet-based system. Allowable expenditures are limited to the following:
  - a) One Time Implementation Fees - Implementation fees for an individual LEA for services associated with making an individual implementation map to the LEA's individual or unique human resources and/or finance needs.
  - b) Overlapping Software Subscription Fees – These fees are for Software as a Service (SaaS) subscription fees incurred during implementation and are limited to one year.
  - c) Additional Service Fees – Additional service fees include:

- i) Fee for services associated with making an implementation map for the core needs of the North Carolina K-12 human resources and financial functional business needs in order to facilitate state-wide implementation of modern business systems;
  - ii) Services fees associated with satellite (i.e., third-party) systems provider solutions needed to integrate or work with the NCDPI's modern ERP system or SBSM Operation Data Store (ODS) solutions environment (i.e. APIs, SIF, etc.);
- 2) NCDPI shall establish a memorandum of understanding with the LEA for the planning and funding for the project based on available budget and in alignment with the selected vendor's statement of work.
- 3) Unexpended funds as of June 30 in the current fiscal year may be reallocated to the LEA for use in the subsequent fiscal year. The reallocation of carryover funds is contingent upon Office of State Budget and Management approval.
- 4) An LEA that fails to complete implementation of the new system within 3.5 years from the execution of the memorandum of agreement will be subject to a repayment penalty of up to 100% of the allotted funds, depending on progress towards implementation.

Amended February 1, 2024