



**NORTH CAROLINA**  
State Board of Education  
Department of Public Instruction

# Report to the North Carolina General Assembly

*Improve Education Financial and Information  
Transparency:*

*Annual Progress Report*

*S.L. 2017-57, Section 7.16.(f)*

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**Date Due: March 15, 2023**

DPI Chronological Schedule, 2022-2023

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## NC DEPARTMENT OF PUBLIC INSTRUCTION

**Catherine Truitt, State Superintendent :: 301 N. Wilmington Street :: Raleigh, North Carolina 27601-2825**

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## EXECUTIVE SUMMARY

In Session Law 2016-94, the General Assembly directed the North Carolina Department of Public Instruction (NCDPI) to begin the work to modernize business systems, with an initial focus on finance, payroll, and human resources. The scope was expanded by the General Assembly in 2017 to include other statewide strategic applications including Licensure and the Student Information System (SIS). The initial focus of finance and HR was selected because so many Local Education Agencies (LEAs) were using a legacy computing architecture introduced to the marketplace in 1979, two years before the invention of the IBM PC. The concept was to develop a modern, cloud-based, integrated finance and HR system that would work seamlessly with NCDPI's Uniform Education Reporting System (UERS) and databases.

The primary work of the School Business Systems Modernization (SBSM) initiative remains the modernization of PSU ERP Systems. The two convenience contracts (awarded to Tyler Technologies for Munis ERP and CherryRoad Technologies for Oracle Cloud ERP) were opt-in for interested PSUs during a pilot phase. New Hanover County Schools went live on Tyler Munis ERP on July 1, 2021, and Gaston County Schools went live on Oracle Fusion Cloud ERP January 1, 2022. These implementations had many issues that needed to be addressed to stabilize their operations and before any other districts could go live. Gaston County Schools had significant conversion issues impacting their payroll. Due to these complications, DPI paused the program for 90 days beginning March 17, 2022, and introduced a new comprehensive "Pre-Go-Live Checklist" on June 17, 2022. The PSU, NCDPI School Business and School Modernization teams must sign off in agreement on readiness and appropriate testing prior to new go-lives. This governance has improved the outcomes of subsequent implementations. Guilford County Schools also released their own RFP for an ERP solution, resulting in the addition of IBM Consulting, Inc. as an approved vendor for the SBSM project.

In addition to PSU ERP systems modernization, SBSM funding will also address NCDPI Agency ERP modernization, new SIS migration, Licensure system modernization, and update Agency/State Interface/Middleware/Data Warehouses to leverage modern PSU ERP, SIS and Licensure systems.

Accomplishments for the program to-date:

- Consolidation of three separate agency grants systems into one single system (CCIP), resulting in cost savings, streamlined effort, and consistency for PSUs.
- Deployment of critical "Say Something–Anonymous Reporting System" (SS-ARS) for the Center for Safer Schools
- Deployment of an applicant tracking system (ATS) for PSUs and statewide job-board
- Consolidation of all AS/400 mainframe systems to the Cloud
- Partial phaseout of outdated NCDPI infrastructure and applications

- Reset PSU ERP deployments and published new twelve-page Pre-Go-Live Checklist governance document requiring full proforma parallel payroll, ORBIT, and UERS testing and validation and Sign-Off by NCDPI School Business
- Released Licensure System Modernization RFP and conducted bids. Due to the ongoing work of the PEPSC commission, the bid was cancelled with the intent to rebid once clearer requirements of the new licensure model are finalized.
- Released Student Information Systems Modernization RFP

#### Ongoing work:

- All but three LEAs and a handful of charters meet the requirement outlined in S.L. 2022-74 Section 7.1.(a) requiring PSUs to store an immutable (unable to be encrypted) and recent enough to allow for recovery from ransomware encryption copy of their School Business Data off the premises by June 30, 2023
- Add Statewide Vacancy Reporting by Job Category to the Statewide Job Board as well as additional interactivity and PSU training hours
- Student Information System (SIS) modernization RFP evaluation, selection, pre-implementation
- Agency NCAS to NCFS interface migration and testing ahead of NCFS go-live October 2023
- Maintain and revise new PSU ERP Pre-Go-Live Checklist and support the work of the ERP pilot districts and ensure accountability for deliverables being met
- Licensure System Modernization RFP re-bid, evaluation, selection, pre-implementation
- Development of Consolidated Plan for operational data warehouse framework and solution for all pertinent PSU and agency data
- Agency business process workflow modernization

#### New work for 2023-2026 biennium:

- Work with the vendor and Teacher Pipeline Working Group to stand up the Statewide Vacancy Reporting to inform Teacher Pipeline stakeholder organizations
- Move PSU ERP Pilots to full production and expand ERP deployments based on lessons learned
- Develop a new “integration layer” between PSUs and the Office of the State Controller
- Modernize data interfaces, reporting, and financial transactions between NCDPI and PSUs
- Determine and implement appropriate ERP modules to transform business processes related to Agency financials including Finance and School Business because of the statewide NC Financial System (NCFS) rollout
- Combine and modernize the Financial Transparency Dashboard and School Report Cards to provide value to all stakeholders to inform data driven decisions

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## FOREWARD

School Business Systems Modernization (BSM) is specified in *Session Law 2017-57* as follows:

### IMPROVE EDUCATION FINANCIAL AND INFORMATION TRANSPARENCY

*SECTION 7.16.(a) The Department of Public Instruction shall implement the School Business System Modernization Plan, as proposed by the State Board of Education in the report required by Section 8.15(b) of S.L. 2016-94, using the funds appropriated by this act for that purpose. It is the intent of the General Assembly to fund a multiphase, multiyear project to (i) modernize State and local education financial, human capital, and school information systems, (ii) provide for a common reporting system and analytics system, (iii) integrate financial, payroll, human resources, and related human capital systems through the use of a new software as a service enterprise resource planning (ERP) solution, make enhancements to existing local systems, or both, and (iv) link the State licensure system with the upgraded local systems. The State Superintendent of Public Instruction (State Superintendent) shall review and improve business processes in the Department of Public Instruction, as appropriate, and modernize State systems at the Department.*

The NC Office of the Superintendent of Public Instruction provides this report pursuant to Section 7.16.(f) that specifies:

*The State Superintendent shall submit annual reports to the Committee and the Fiscal Research Division by March 15 of each year on the expenditure of funds for the project and progress of implementation until the completion of the project.*

## BACKGROUND

The 2016 NC General Assembly directed the development of a plan to modernize the systems used by the Department of Public Instruction (NCDPI), Financial and Business Services Division, to manage and deliver funds and technical support services to local school administrative units and charter schools (*S.L. 2016-94, Sec. 8.15*). The School Business Systems Modernization plan was presented to the General Assembly in 2017, and the 2017 General Assembly provided initial funding (*S.L. 2017-57*) and directed that the State Superintendent implement the plan. Key elements of the plan include modernized local systems that interact with NCDPI systems, modernized NCDPI systems that support and interact with local and other State agency systems, and modernized data integration, analytics and reporting for improved transparency and efficiency of operations and compliance monitoring.

Since the beginning, the program has made significant accomplishments in several areas, including grants management, anonymous safety reporting, applicant tracking and hiring, and IT consolidation efforts. In 2018-19, two vendors were awarded convenience contracts to provide modernized ERP systems to North Carolina Public School Units (PSUs). A series of

pilots were selected to begin the development of a standard template that would identify business requirements consistent across Local Education Agencies (LEAs) and allow for more streamlined implementations for districts that implemented the systems in the future. Significantly underestimated technical complexity in combination with a global pandemic that restricted travel and state budget delays slowed down or halted the progress of these pilot implementations. The first two district implementations to go fully live, New Hanover County Schools on Tyler Munis ERP on July 1, 2021, and Gaston County Schools on Oracle Fusion Cloud ERP January 1, 2022, both struggled post go-live. While New Hanover's struggles were significant and burdensome on financial and HR staff, they had minimal outward-facing impact. However, Gaston County's struggles were significant and public. Gaston County had numerous struggles with payroll errors for several months post conversion. While many errors were addressed quickly via paper checks or next 24-48 hour off-cycle payroll runs, some errors took several months and deep analysis to correct. A significant post-implementation effort has been provided by the Gaston county finance team, the CherryRoad implementation team, and Oracle Advanced Client Services payroll subject matter experts to get issues resolved and the district is now in significantly better shape.

In order to prevent similar issues in other PSUs and based on lessons learned, NCDPI paused all new PSU ERP go-lives for 90 days effective March 17, 2022, while work began to stabilize the districts and develop new governance. This includes a new twelve-page Pre-Go-Live Checklist which requires sign-off from NCDPI School Business, School Business Systems Modernization, the PSU, and the Vendor prior to any new Go-Live. The new governance requires full pro forma parallel payroll testing and validation and new UERS and ORBIT testing and validation. Following two months of full pro forma parallel testing and validation sign-off Swain County Schools had a successful HR/Payroll Go-Live on Tyler Munis ERP in January 2023.

Guilford County Schools experienced multiple issues with their implementation well prior to moving to production. Combined with the challenges observed in Gaston County, Guilford County Schools and CherryRoad Technologies mutually agreed to terminate their contract. Guilford County Schools issued a comprehensive RFP for a new Software Integrator for Oracle Fusion Cloud ERP on September 19, 2022. Following a fair and open competitive bidding process an evaluation team (including representation from the NCDPI Office of Systems Modernization) determined a proposal from IBM Consulting, Inc. represented the best value. Guilford County Schools awarded a contract to IBM Consulting, Inc. on January 10, 2023. NCDPI subsequently issued a vendor approval letter acknowledging that IBM Consulting, Inc. is now an approved implementation provider for Oracle Fusion Cloud ERP software under School Business Systems Modernization.

#### **DEFINING "MODERN"**

Before a modernization initiative can be successful, it is critical to identify the end goals of the modernization initiative and what it means to be "modern." In many circles, this simply means

“shifting away from a mainframe system.” While that is indeed a component of a modernization initiative, the success of a modernization initiative starts with clearly articulated design principles that every project can exemplify. The School Business Systems Modernization initiative defines a “modern system” as one that is:

- **People first:** Modern systems put people first. They are aware of the users of the system and provide a user experience to allow users easy access to the functions they need at any given time.
- **Cloud-Based:** Moving IT infrastructure out of traditional server rooms and into the cloud enables systems to be scalable, redundant, secure, and highly available.
- **Security and Privacy as a Mindset:** Instead of applications where security and privacy are an afterthought, modern applications are built with security and privacy in mind from the ground up. Multiple technical and non-technical resources are in place to prevent data breaches and cyberattacks, and users have access only to the information they need and nothing else.
- **Buy Services, Not Tools:** For the State and PSUs, where IT personnel are at a premium, procuring software from vendors as a full-stack service instead of a tool that needs to be configured and maintained makes the most of limited resources.
- **Robust, Extensible Services:** The tools in a software-as-a-service offering have the capabilities to complete the business functions they are designed to complete, while also offering the ability to interoperate and integrate with other services to form a more complete, modular ecosystem.
- **Improve Processes:** Modern systems do not just provide a new interface for the same processes but allow operational processes to be modernized in conjunction with software tools.
- **The Data You Need, When and How You Need It:** Users of the system should be able to see detailed data, summary data, dashboards, and raw data based on what they need at any given time.
- **Transparency:** Modern systems are designed to promote transparency and accountability for all stakeholders.

## COMPLETED PROJECTS

### GRANTS MANAGEMENT SYSTEM

This work involved the collapsing of three separate agency grant systems into one single grant system across the agency. After reviewing the grants system that was on state contract through DIT and after conducting market research, the decision was made to use the existing Comprehensive Continuous Improvement Platform (CCIP) for all agency grants. This system uses LINQ’s E-Grants product (formerly owned by HMB) and can host all agency grants. In 2021, the contract was restructured to ensure that it was easy for new divisions to onboard to using the system. Grant Award Notifications (GAN) are now exclusively through CCIP, and the agency is working to also include monitoring and support plans in the system, starting with the bi-annual AIG plan. A governance committee, led by the Modernization Division, meets regularly to collect feedback from various divisions and the PSU contacts serve to manage the growth of the system and to communicate needs and enhancement requests back to the vendor. This governance committee also created efficiency in the agency by replacing a separate contract for each grant with a combined contract and streamlined protocols for



getting new grants online in the system. The time before a grant can be implemented in the system has been cut from several months to under a week.

#### **ANONYMOUS REPORTING SYSTEM**

The Say Something – Anonymous Reporting System (SS-ARS) statewide implementation for the Center for Safer Schools and the annual student training requirement has saved lives and proven vital to the health and safety of students and staff. From November 4, 2019, through April 30, 2021, the system received 5,528 tips. Now in production, the operational management of this system has been turned over to the Center for Safer Schools, with support from IT divisions as needed.

#### **APPLICANT TRACKING SYSTEM AND STATEWIDE JOB BOARD**

In 2019, NCDPI released an RFP for a convenience contract for an applicant tracking system and a statewide job board. This RFP was awarded to TeacherMatch for their IntelliGlance platform, and School Spring for their platform as the statewide job board. 283 PSUs opted to use the IntelliGlance platform at no cost to the PSU and all PSUs can send job postings from their applicant tracking system into the statewide job board. Both TeacherMatch and SchoolSpring have since been acquired by PowerSchool. The IntelliGlance platform was fully deprecated on October 31, 2022, with a completed transition to the PowerSchool's new Unified Talent Applicant Tracking platform (formerly Talent-ED) and Onboarding Module (formerly Talent-ED). These services continue to be available to PSUs at no cost to the PSU. Access to the deprecated TeacherMatch servers ended on January 27, 2023.

#### **AS/400 MAINFRAME CONSOLIDATION**

Districts using the statewide HRMS system used to be required to have a legacy AS/400 system on premises. This requirement created significant technical complexity for the district, as most districts lacked experience with these systems to maintain and administer them properly. This presented significant risk to the district's data and their continuity of operations. As a result, NCDPI executed a contract in 2012 to move these systems to the cloud at SAS, where they would be administered centrally. This saved each district the significant expense and risk of managing these systems on site. This work was completed in 2020, with only Guilford County Schools still using an AS/400 on premise due to specific customizations.

### **ONGOING WORK**

#### **PSU FINANCIAL AND HR SYSTEMS MIGRATION**

In 2011, NCDPI engaged with SAS to host the AS/400 systems that house the HRMS systems on behalf of DPI and PSUs. These systems were previously housed and managed within the PSU. However, these systems require specialized skills to administer, and centralizing them to SAS enabled much better support and maintenance. SAS agreed to this as a limited engagement, which has lasted much longer than anticipated due to delays in the project. Because of the significantly extended timeline, SAS has indicated that they no longer want to provide this service. As a result, NCDPI is currently engaged in the planning process with NCDIT to move the AS/400 hosting from SAS to an NCDIT managed hosting solution by June 30, 2024, for the 112 districts currently hosted at SAS and one system hosted by Guilford County Schools. This is important as 44 districts plus the Division of Child

Development and Early Education at the Department of Health Human Services still use HRMS in production, and the remainder of the districts use the historical data.

In February 2023 NCDPI signed an Amendment to the PowerSchool Applicant Tracking Service contract to implement a new Interactive Consortium Job Board and new Statewide Reporting (e.g., job vacancy by job category) along with 150 additional PSU training hours for Applicant Tracking and Onboarding. Currently 90 districts and 61 charter schools are live on PowerSchool Unified Talent Applicant Tracking with 60 additional charters signed up for training.

In 2018, after an RFP process, two vendors were selected to provide modernized ERP systems to North Carolina PSUs. The goal was that NCDPI would cover a portion of the implementation costs for each PSU along with the development of a “Golden Template” that would identify business requirements consistent across LEAs and allow for more streamlined implementations and reduced costs for districts that implemented the systems in the future. Two vendors were selected with input from multiple stakeholders, including NCDPI staff and PSU finance and HR officers: Tyler Technologies, for their Munis platform, and CherryRoad Technologies as an integrator for Oracle Cloud ERP. The implementation costs for these systems were higher than expected relative to the systems currently in use in PSUs due to the expanded feature set, but operational costs were consistent.

Because of the size and scope of these projects, many PSUs were hesitant to be the first to move to a new system, especially while managing COVID-19 and staffing shortages.

Fourteen districts signed up for the original pilots for the CherryRoad Oracle Cloud and Tyler MUNIS ERP solutions. Several have dropped out of the program for several reasons – mostly around complexity or personnel changes due to COVID (Cabarrus, Cleveland, Chapel–Hill Carrboro, Harnett, Stanly, Craven, Northampton). Six PSUs did not wait for funding or pilot completion and chose to self-fund their programs with the hope of getting funding later (Cumberland, Forsyth, Guilford, Lexington City, Rowan-Salisbury, The Math and Science Academy of Apex [TMSA]). Of those six, Lexington City and TMSA have dropped out. Of the 14 districts, Gaston, along with New Hanover and Swain are fully live with both Financial and HR components of the software. Swain successfully went live on Tyler Munis HR/Payroll in January 2023. Union is live with financials only. For a variety of reasons ranging from staffing shortages experienced by both the vendors and PSUs to unexpected complexities in implementation, most of these 14 implementations were delayed at least twice.

Approximately 80 districts currently use the server-based LINQ (v6), with 49 of those now hosted by LINQ and 31 of those still hosted on-premise. Three districts (Ashe, Hyde, and Clay) and 202 charters now using LINQ’s cloud-based ERP solution. Craven and Lexington City are scheduled to go live on LINQ Cloud ERP in April 2023. The remaining 28 districts are SunPac hosted on AS/400 LPARS (i.e., virtual machines) at SAS. Two districts are using other systems, as are two charters. Serenic (owners of SunPac) recently purchased WenGAGE,

which is the Oklahoma Statewide K-12 cloud-based ERP system. WenGAGE is refining it through an Agile process to make it a multi-state product including supporting North Carolina districts.

The level of complexity associated with upgrading legacy, and often customized, on-premise K-12 HR and Financial systems to modern cloud-based ERP systems while maintaining continuity of operations has been significant, and has been underestimated by the Vendors, DPI, and the PSUs during the project. There have been numerous lessons learned by all parties that will help inform future migrations. PSUs will be able to have a much better understanding of the time, effort, complexity, and the total cost of ownership involved in a migration to a new ERP system in the future.

After Ransomware attacks in several PSUs that impacted financial functions, the General Assembly included a provision in S.L. 2021-180, Section 7.79, to require migration to a cloud-based ERP system for all PSUs and Charter Schools. S.L. 2022-74 Section 7.1.(a) revised Section 7.79 to articulate the requirement for PSUs to store backup copy of their HR and financial data that meets the following criteria by June 30, 2023:

- Immutable (unable to be deleted)
- Recent enough to allow for recovery from a ransomware attack
- Off-site

All but three LEAs and a handful of charters meet this requirement as of January 1, 2023. It also requires PSUs to move to cloud-based HR and Financial systems, providing a mechanism for NCDPI to establish a grant program for PSUs choosing select solutions other than Tyler MUNIS or Oracle Fusion Cloud ERP from an approved provider. NCDPI intends to perform a fit-gap benchmark analysis of ERP software vendors including LINQ and WenGAGE in 2023.

The additional funding provided in the last biennium budget also allowed new projects to start using the selected Tyler MUNIS or Oracle Fusion Cloud ERP platforms. The first MOU since the program pause was issued to Guilford County Schools in February 2023, covering: 90% of the one-time implementation and one year of Software as a Service (SaaS)/Managed Services fees for IBM Consulting, Inc. to implement Oracle Fusion Cloud ERP. The Guilford MOU includes a repayment requirement of up to 100% should the district fail to complete their implementation within 3.5 years.

The MOU that has been issued between Guilford and NCDPI has been updated based on lessons learned during pilots to delineate expectations more clearly for both the Agency and the PSUs, and to ensure that funds are best utilized to ensure successful implementations. All new MOUs will include a return of funds clause if the PSU terminates prior to Go-Live. Based on our projections for the remaining (approximately 105) districts, NCDPI expects at least \$52 million in additional funding from the General Assembly will be necessary on or before 2026/2027.

## Oracle Fusion Cloud ERP Rollout Status as of February 15, 2023

ORACLE FUSION CLOUD ERP IMPLEMENTATION SCHEDULES (PROJECTED GO LIVES)												
PSU	Legacy System	Imp. Phase										
			10/1/21	11/1/21	12/1/21	1/1/22	2/1/22	4/1/22	10/1/23	1/1/24	7/1/24	1/1/25
<a href="#">Charlotte Mecklenberg</a> <b>VENDOR?</b>	Lawson	HCM-PR-ERP+CORE									HCM-PR + ERP + CORE + SHP-BEN GO-Live (DATE TBD)	
		EXT. Functions									EXT. Fcnctns GO-Live (DATE TBD)	
<a href="#">Gaston (ERP Live 7/21)</a> <a href="#">(HCM Payroll Live 1/22)</a> <b>CHERRYROAD TECHNOLOGIES</b>	SunPac & HRMS	HCM-PR-ERP+CORE				HCM-PR (LIVE)						
		EXT. Functions				EXT. Fcnctns (CANCELLED)						
<a href="#">Guilford</a> <b>IBM CONSULTING</b>	SunPac & HRMS	ERP-Finance										ERP-FIN GO-LIVE (Tentative)
		HCM-Payroll										HCM-PR GO-LIVE (Tentative)
<a href="#">Cumberland</a> <b>VENDOR?</b>	SunPac & HRMS	HCM-PR-ERP+CORE									HCM-PR-ERP +CORE GO-Live (DATE TBD)	
		EXT. Functions									EXT. Fcnctns GO-Live (DATE TBD)	

**Key Notes:** There is an ERP/HCM PR Go-Live blackout month of June to permit PSU / DPI Year End Financial Close and avoid key resource constraints.

## Tyler MUNIS Cloud ERP Rollout Status as of February 15, 2023

TYLER - MUNIS CLOUD ERP IMPLEMENTATION SCHEDULES (PROJECTED GO LIVES) Page 1												
PSU	Legacy System	Imp. Phase										
			10/1/21	11/1/21	12/1/21	1/1/22	2/1/22	1/1/23	4/1/23	7/1/24	10/1/24	1/1/25
<a href="#">New Hanover</a> (HCM Payroll & ERP) Live July 1 2021	SunPac & HRMS	ERP										
		HCM-PR										
<a href="#">Union</a> (ERP LIVE 8/21)	SunPac & HRMS	ERP										
		HCM-PR							HCM-PR GO-Live (DATE TBD)			
<a href="#">Swain</a> (ERP LIVE 10/21) (HCM-PR LIVE 1/23)	SunPac & HRMS	ERP	ERP LIVE									
		HCM-PR						HCM-PR				
<a href="#">Macon</a>	SunPac & HRMS	ERP							ERP (On HOLD)			
		HCM-PR							HCM-PR (On HOLD)			

**Key Notes:** There is an ERP/HCM PR Go-Live blackout month of June to permit PSU / DPI Year End Financial Close and avoid key resource constraints.

TYLER - MUNIS CLOUD ERP IMPLEMENTATION SCHEDULES (PROJECTED GO LIVES) Page 2												
PSU	Legacy System	Imp. Phase										
			10/1/21	11/1/21	12/1/21	1/1/22	2/1/22	1/1/23	4/1/23	7/1/24	10/1/24	1/1/25
<a href="#">Rowan-Salisbury Schools</a>	SunPac & HRMS	ERP							ERP & Payroll GO-Live (DATE TBD)			
		HCM							HR-ONLY GO-Live (DATE TBD)			
<a href="#">Winston Salem - Forsyth County</a>	SunPac & HRMS	ERP								ERP GO-Live (Tentative)		
		HCM-PR										HR & Payroll GO-Live (Tentative)
Key Notes: There is an ERP/HCM PR Go-Live blackout month of June to permit PSU / DPI Year End Financial Close and avoid key resource constraints.												

### LINQ Cloud ERP Rollout Status as of February 15, 2023

LINQ CLOUD ERP IMPLEMENTATION SCHEDULES (PROJECTED GO-LIVES) PAGE 1												
PSU	Legacy System	Imp. Phase										
			3/1/23	4/1/23	7/1/23	8/1/23	10/1/23	11/1/23	12/1/23	1/1/24	2/1/24	3/1/24
<a href="#">Ashe (Finance Live 7/21)</a> <a href="#">(HCM-PR Live 5/22)</a>	LINQ & LINQHR	LIVE										
		LIVE										
<a href="#">Hyde</a> <a href="#">(Finance and HCM-PR Live 1/23)</a>	LINQ & LINQHR	LIVE										
		LIVE										
<a href="#">Clay</a>	LINQ & LINQHR	FIN	GO-LIVE									
		HCM-PR										
<a href="#">Lincoln Charter</a>	LINQ & LINQHR	FIN	GO-LIVE									
		HCM-PR										
<a href="#">Pine Lake Prep Charter</a>	LINQ & LINQHR	Fin	GO-LIVE									
		HCM-PR										
<a href="#">Craven</a>	SunPac & HRMS	FIN		GO-LIVE								
		HCM-PR										
<a href="#">Lexington City Schools</a>	SunPac & HRMS	FIN		GO-LIVE								
		HCM-PR										
Key Notes: There is an ERP/HCM PR Go-Live blackout month of June to permit PSU / DPI Year End Financial Close and avoid key resource constraints.												

LINQ CLOUD ERP IMPLEMENTATION SCHEDULES (PROJECTED GO-LIVES) PAGE 2												
PSU	Legacy System	Imp. Phase	3/1/23	4/1/23	7/1/23	8/1/23	10/1/23	11/1/23	12/1/23	1/1/24	2/1/24	3/1/24
<a href="#">Catawba</a>	LINQ & LINQ HR	FIN			GO-LIVE							
		HCM-PR										
<a href="#">Elkin</a>	LINQ & LINQ HR	FIN				GO-LIVE						
		HCM-PR										
<a href="#">Anson</a>	SunPac & HRMS	FIN						GO-LIVE				
		HCM-PR										
Key Notes: There is an ERP/HCM PR Go-Live blackout month of June to permit PSU / DPI Year End Financial Close and avoid key resource constraints.												

### LICENSURE SYSTEM UPDATE

An RFP for a new Licensure System was released in July 2021. The RFP was terminated in late 2022 with intent to rebid in early 2023, with the goal of incorporating recommendations advanced by the State Board of Education and the PEPSC commission.

### OPERATIONAL DATA STORE FRAMEWORK

An updated DPI Statewide Data Integration and Consolidated Reporting plan is being implemented focusing on increasing interoperability utilizing modern standards such as Ed-Fi and OneRoster for data and application integration and CEDS for federal and state reporting.

The plan calls for providing PSUs with near real time access to their operational data as well as reports and dashboards via a modern reporting data warehouse.

## **NEW WORK**

### **AGENCY FINANCIAL SYSTEMS MODERNIZATION**

NCDPI is currently engaged with the Office of the State Controller (OSC) to determine the impacts to DPI as the state moves their ERP system from the old North Carolina Accounting System (NCAS) to the new NC Financials System (NCFS) using Oracle Fusion Cloud ERP.

Currently, NCDPI runs a separate copy of NCAS, where accounting ledgers from each PSU are recreated monthly, aggregated, and then transferred to NCAS at the Office of the State Controller. Based on the requirements from the OSC, NCDPI will need to adopt an approach to re-imagine our approach to support new, modern environments at both the State and PSU levels. The current data exchange process from PSUs to NCDPI is old and prone to errors. The goals of this project are to:

- Enable a modern environment for NCDPI to adopt a standards-based approach to receive data from PSUs
- Receive data in near real-time to allow more accurate reporting and decision-making, to reduce the reporting burden on PSUs
- Enable DPI ensure data quality from the PSU
- Enable a cleaner process to aggregate PSU budget data for transfer to OSC.

This is a high-risk project, as OSC has set a transition date of November 2023. NCDPI is currently working with OSC/DIT to complete the first phase, which includes the migration of our existing NCAS interfaces to NCFS. System Integration Testing on these new interfaces began in January 2023 with User Acceptance Testing set to begin in April 2023. All NCDPI NCAS interfaces were submitted to OSC for testing by February 15, 2023. The announced and expected NCFS overall go-live date is November 2023. As NCDPI completes this Phase 1 it will be looking to see what interfaces or processes may no longer be necessary such as BUD/IRM (aka Internal Budget Adjustment System) that could save PSUs time. Once NCDPI has full access to the new Oracle Fusion Cloud ERP report builder query tool additional modernization phases will take place including implementation of appropriate modern ERP modules based on transforming business processes related to NCFS and PSU data and cash management.

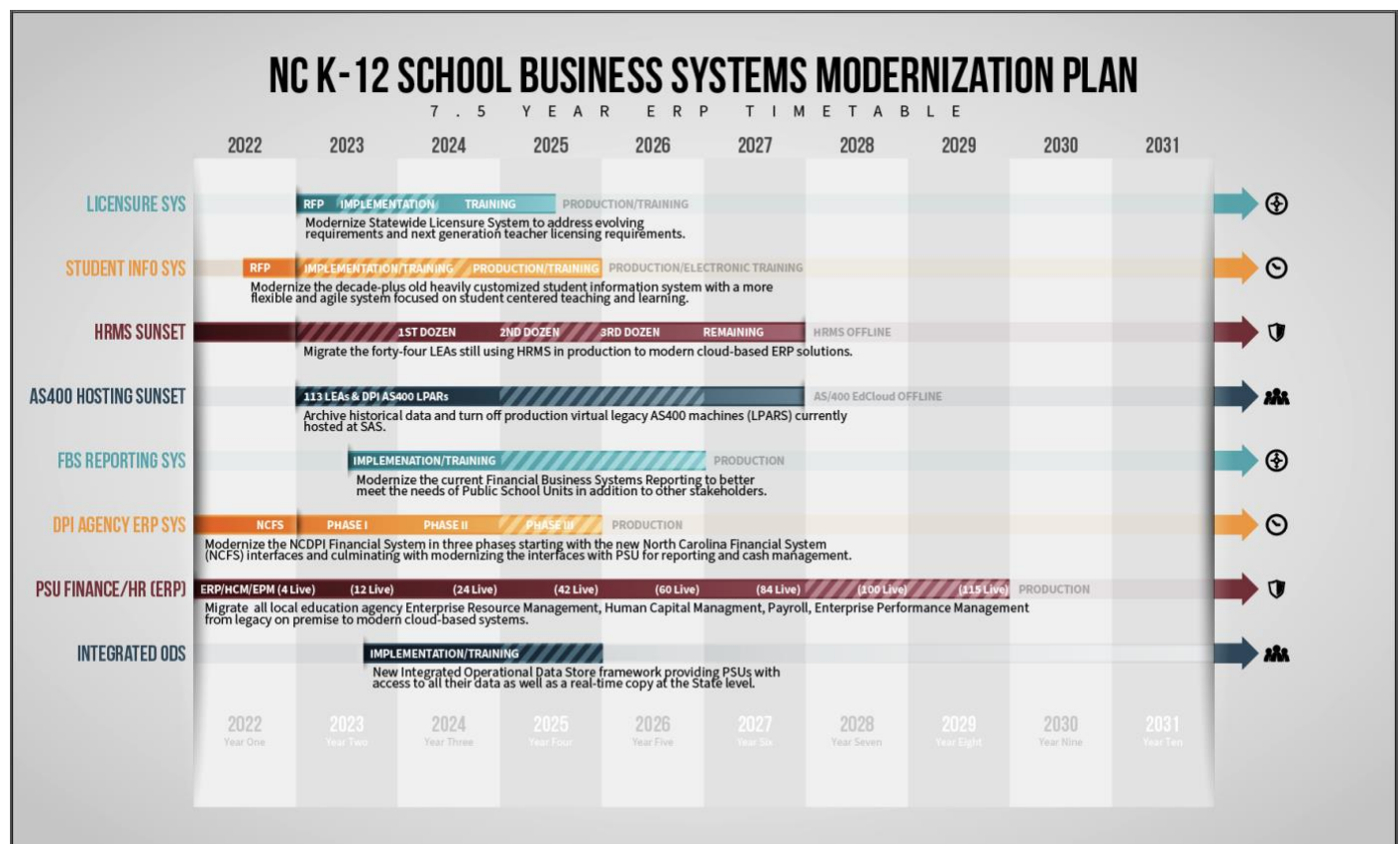
### **STUDENT INFORMATION SYSTEM**

The current Student Information System (SIS) solution was implemented in 2012, after the previous product experienced an acquisition and end-of-life. The Student Information System was last competitively bid in 1997, when SIMS was replaced with NCWise. Additionally, the current SIS was heavily customized at deployment creating a “version drift” where North Carolina’s instance of the system is out of date and has significant differences with the

vendor's core product. This creates significant technical complexity for maintenance and support on the part of NCDPI and the Vendor. It creates additional complication for PSUs because they depend on documentation and community support to get data from the SIS, which does not exist for North Carolina's customizations. In addition, vendors who can integrate with the SIS in other places often cannot do so in North Carolina without considerable time or expense. As a result, the move to a modern system was legislated in SL2017-57. An updated Student Information System, while taking time to learn and revise business processes to support, should bring both efficiency and a new set of modern and powerful tools to the building, classroom, and home to help accelerate personalized learning.

An RFP for the SIS was issued in 2020 but canceled due to a combination of the lack of a state budget and the COVID-19 pandemic. A new RFP for the SIS was released in late 2022 with selection anticipated by June 2023 with a planned implementation in the 2025-2026 school year. We know from the past two SIS changes over the last 20 years that it is imperative that multiple communication channels are utilized so that all stakeholders are aware of this coming change. The SIS is the most visible information system to students and their families, so ensuring that communication about this change happens early, often, and widely is critical to the success of the program and for supporting families and PSU faculty and staff through the transition.

## MODERNIZATION TIMELINE



## BIENNIUM BUDGET

Due to the program pause and reset NCDPI projects the current funding from S.L. 2021-180 to be sufficient for the next biennium to cover Licensure, SIS, Agency, ODS, Financial Transparency Dashboard, AS/400 hosting migration, and projected PSU ERP implementations. NCDPI is projecting, however, a need for, at minimum, an additional \$52M in the following biennium (or 2026-2027 at the latest) to continue PSU ERP modernization. These projections are based on the best available information for the remaining approximately 105 districts regarding their preferred choice of software and preparation for a successful implementation. The current funding available to SBSM is not projected to be sufficient to provide funding for Wake County Schools ERP modernization project implementation which is projected to cost approximately \$24.2M and run from 2025-2028.

### PRC 153 SBSM MOU Obligation of Funding as Of February 1, 2023:

Date of signed MOU	Updated signed MOU	Vendor	LEA#	LEA_Name	MOU Total Allotment	FY20 Expenditures	FY21 Expenditures	FY22 Expenditures	FY20 & FY21 & FY22 Total Expenditures	FY23 Expenditures	Total Remaining on Contract
9/26/19	11/10/20	Cherry Road	600	Char-Mecklenburg	\$ 12,024,925	\$ 4,887,214.07	\$ 3,097,758.21	\$ 3,707,403.66	\$ 11,692,375.94	\$ -	\$ 332,549.06
3/20/20	5/7/20	CherryRoad	360	Gaston	\$ 4,625,002	\$ 788,427.25	\$ 1,399,858.46	\$ 1,926,844.98	\$ 4,115,130.69	\$ 179,894.47	\$ 329,976.84
8/8/19	5/7/20	Tyler	650	New Hanover	\$ 1,364,380	\$ 391,756.29	\$ 201,223.00	\$ 248,381.68	\$ 841,360.97	\$ -	\$ 523,019.03
8/13/19	5/7/20	Tyler	250	Craven	\$ 673,745	\$ 351,965.54	\$ 311,535.68	\$ -	\$ 663,501.22	\$ -	\$ 10,243.78
8/13/19	7/7/20	Tyler	560	Macon	\$ 246,957	\$ -	\$ 1,650.00	\$ 157,988.43	\$ 159,638.43	\$ 15,711.50	\$ 71,607.07
8/13/19	5/7/20	Tyler	870	Swain	\$ 199,316	\$ -	\$ 46,816.00	\$ 1,734.14	\$ 48,550.14	\$ 15,000.00	\$ 135,765.86
3/10/20	5/7/20	Tyler	900	Union	\$ 2,309,204	\$ 441,388.11	\$ 344,611.95	\$ 10,982.10	\$ 796,982.16	\$ -	\$ 1,512,221.84
YTD				TOTAL	\$ 32,330,091	\$ 10,457,622.06	\$ 6,113,826.59	\$ 6,083,907.69	\$ 22,655,356.34	\$ 210,605.97	\$ 2,915,383.48
										Current AFS Budget for Existing MOUs (Acct #: 2531-1AB)	8,653,056.00
										Remaining Budget	5,737,672.52

Guilford's March 2023 MOU adds \$8,691,835 to the table above over three fiscal years.

W-S Forsyth's March 2023 MOU adds \$2,292,038 to the table above over three fiscal years.

### Original 5 Year Preliminary Budget Planning Table from 2019-2020 (Pre-COVID):

	19-20 All Pilots	20-21	21-22	22-23	23-24	24-25	Total
Program Administration	\$2,096,598	\$1,872,000	\$1,872,000	\$1,872,000	\$1,872,000	\$1,457,000	\$11,041,598
LEA Modernization	\$19,804,411	\$18,821,756	\$19,791,431	\$18,791,431	\$17,146,756	\$13,857,405	\$108,213,190
Agency Modernization	\$503,078	\$712,921	\$18,697,008	\$16,697,008	\$0	\$0	\$36,610,015
Stabilization	\$1,759,050	\$2,441,000	\$1,000,000	\$750,000	\$500,000	\$250,000	\$6,700,050
Data Transparency	\$2,649,700	\$1,050,000	\$1,050,000	\$1,050,000	\$450,000	\$450,000	\$6,699,700
Total	\$26,812,837	\$24,897,677	\$42,410,439	\$39,160,439	\$19,968,756	\$16,014,405	\$169,264,553

Based on the current project state, we expect the project to continue longer than originally expected and take at least until 2029-2030 to complete.

## FUTURE NEEDS

The implementation of the Modernization initiative remains a critical need for NCDPI and the PSUs. NCDPI's systems are in critical need of modernizing because of the ongoing migration to NCFS. NCDPI also continues to maintain HRMS, a 40-year-old system Supporting HR functions in 44 LEAs along with the Division of Child Development and Early Education at the Department of Health Human Services. Most LEAs also continue to rely on decades-old systems for basic financial and HR functionality and the migration to a modern cloud-based ERP system can be incredibly challenging to already lean Finance and HR departments.



Because of the new procurements for software taking place, the State will need to consider sustainable funding models to support operations and maintenance costs at both the Agency and PSU levels, including the statewide applicant tracking system, a new agency financial system, a new licensure system, a new consolidated data and reporting framework, and an updated student information system. The current UERS budget is limited in its ability to sustain operations and maintenance of these systems, as costs for the new systems are all expected to be significantly higher than the current systems, and vendors are now typically increasing prices 3-5% per year or more due to inflation. More recurring funding will be necessary to maintain modern, secure, flexible systems and interfaces that improve efficiency and transparency for data driven decisions and ensure all State and Federal reporting requirements continue to be met accurately and timely. NCDPI projects the annual recurring budget for UERS will need to double by 2024-25 to maintain the systems currently funded by the Department. This is in addition to the approximately \$52 million in one-time funding which will be required by 2026-27 to complete migrations to modern cloud-based ERP systems.

We note that future technical corrections or amendments to statutes (e.g., G.S. 115C) may be required to align with modern cloud-based ERP and SIS systems by removing the need for specific customizations, configurations, or reports. We will continue to communicate these items through our legislative team as they arise.