

LOCAL EDUCATION AGENCY FINANCIAL
INFORMATION SYSTEMS

HB67

WHY IS A STATE WIDE FINANCIAL INFORMATION SYSTEM NEEDED?

- ▶ Lack of accountability and transparency
- ▶ Inaccurate data inputting information into multiple modules
- ▶ Many smaller LEAs don't have "real time" financial information data
- ▶ Multiple information systems used across the state don't input the same data or metrics

HISTORY OF FUNDING “END TO END” FINANCIAL INFORMATION SYSTEM

- ▶ 2017 and 2018 bills filed to fund \$80 million for new information systems - FAILED.
- ▶ 2019 HB \$17.2 million for USIMS- the financial information system and modules for the State School Board of Education (USBE) - FUNDED
- ▶ 2020 HB67 Financial Information Systems for all LEAs at \$4 million ongoing- 2020 SESSION

FUNDING LEA FINANCIAL INFORMATION SYSTEM

- ▶ 2/3 of districts are on the same system in 2020.
- ▶ State licensure saves an estimated \$7M as the more licenses the less cost
- ▶ Assists small LEAs or less affluent LEAs for compliance
- ▶ Flexibility: any LEA can use their own FIS if they comply with standards of reporting set in USBE rules, with their own \$ and resources

FINANCIAL INFORMATION REQUIREMENTS

- ▶ USBE establishes reporting criteria in rules
- ▶ Requirement for financial information system to interoperate with student information, educator information, and other requests
- ▶ Consider metrics and capabilities requested by the state treasurer or state auditor

IMPLEMENTATION

- ▶ Not required until 2023, unless purchasing new FIS
- ▶ Funding includes implementation and sustainment through grants or reimbursements
- ▶ Non-compliance may result in withholding funds



FOR EVERY \$1
SPENT, AN
ESTIMATED
\$7.00 WILL BE
SAVED WITH
A STATE
INFORMATION
FINANCIAL
SYSTEM OVER

Updated LEA Financial Information Systems

HB 67 Requirement: All LEA Financial Information Systems Include the Following Components by June 30, 2023:

- Financial Accounting System
- Standard Forms & Reports
- Content (e-doc mgmt.)
- Advanced Purchasing/ Procurement System
- P-Card
- Warehouse System that is interoperable with USIMS
- Business Intelligence (BI)
- Cloud Hosting Services
- Accounts Receivable System
- Budget Preparation System
- Training and Establishment of the minimum modules within the Financial System
- Applicant Portal
- Bid System
- Bank Reconciliation System
- Check Reconciliation System
- Fixed Asset System
- Campus/Student/Pupil Accounting (School Fees-Cost Centers)
- Human Resource System
- Utah State Reporting (interoperable with Transparency)

HB 67 Local Education Agency Financial Information Systems – Implementation and 10-Year Maintenance/Sustainment Costs Per Student/Pupil Costing Method

Example Large District Self Reported Costs (Best Configured Financial System for Interoperability with SIS Modules/USIMS)	Using Reported Student Count for per pupil Implementation Cost(s)	Using Reported Student Count for Annual Maintenance (subscription) Cost(s) beyond full implementation	Projected Costs for Updated/Sustained LEA Financial Information Systems
<p>Implementation began in 2015 and last module was in 2017—Cost to implement was reported at:</p> <p>\$1,553,393</p> <p>\$1,553,393 was for the: Financial Accounting System (G/L) Forms and Reports Content (e-doc management) Human Resource System Utah State Reporting Campus/Student/Pupil Accounting General Setup and Training</p> <p><i>All other minimum required components or modules of the financial system were included as part of the above components/specs</i></p>	<p>\$1,553,393 / 78,853</p> <p>Example LEA =</p> <p>\$19.70 Implementation Costs Per Student (assuming vendors charge per student or contract stipulates a fixed per student implementation and maintenance cost/rate)</p>	<p>\$318,914 / 78,853</p> <p>Example LEA =</p> <p>\$4.04 Sustainment/ Subscription Costs Per Student (assuming vendors charge per student/pupil or contract stipulates a fixed per student implementation and maintenance (subscription) cost/rate)</p>	<p>Projected Implementation Costs = \$11,920,115</p> <p>Projected Sustainment/Subscription Costs:</p> <p>FY 24: \$2,813,406 FY 29: \$2,961,312 FY 25: \$2,842,384 FY 30: \$2,991,813 FY 26: \$2,871,661 FY 31: \$3,022,629 FY 27: \$2,901,239 FY 32: \$3,053,762 FY 28: \$2,931,121 FY 33: \$3,085,216</p> <p>Total Projected Sustainment/Subscription Costs = \$29,474,543</p> <p>Total Projected Costs: \$11,920,115 + \$29,474,543 = \$41,394,658</p> <p>Assumptions: 675,305 Estimated Student Count for FY 21 1.03% Assumed Growth in Student Enrollment \$19.70 Implementation Costs Per Student \$4.04 Sustainment/ Subscription Costs Per Student</p>