

# Introduction/Background to LEA Modernization Program

In 2016, the General Assembly instructed the North Carolina State Board of Education to “develop a plan to modernize the systems used by the Department of Public Instruction, Financial and Business Services Division, to manage and deliver funds and technical support services to local school administrative units and charter schools.” (See Session Law 2016-94 SECTION 8.15.). That plan, developed in cooperation with the North Carolina Department of Public Instruction (DPI) and the Friday Institute for Educational Innovation at North Carolina State University, was provided to the General Assembly in May of 2017.

“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.”

Of the several items identified in the plan, and authorized by the General Assembly, one of the most pressing matters is that of updating the financial systems used in many of the Local Education Agencies (LEAs), which are at risk of becoming obsolete and incapable of meeting future demands, including payroll, reporting, and human resources management. A portion of the funds allocated in the 2017 budget will be applied by NCDPI to enable participating school districts to modernize the core financial and human resources management systems using a modern software as a service (SaaS) ERP solution as mandated by the legislation.

Each Local Education Agency (school district or charter school), can select the software and systems that best fit its needs, as long as the software has been selected by DPI to be part of this modernization program and meets the reporting requirements, benchmark testing, and information exchange protocols as defined by DPI. The solution or solutions selected will receive the complete support and backing of NCDPI to ensure proper integration of, or information exchange with, existing and future strategic information systems at NCDPI as well as other State agencies. By consolidating the requirements of the various LEAs, increasing the total number of users to a smaller number of platforms, the State seeks to minimize costs and reduce duplicate effort. It is expected that those LEAs with the oldest and most outdated systems will take advantage of this work being completed by NCDPI and use the platform (or one of the platforms) awarded through the program.

It is expected that NCDPI will cover the costs of the one-time configuration for the platform to be compatible with North Carolina statutes, as well as the first year of ERP subscription fees. ERP costs beyond these will be the responsibility of each participating LEA. This includes items such as cash basis accounting, the State’s public school system chart of accounts, various business rules for statewide processes, integration with the State’s student information system and certified employee licensure system, as well as other related systems.

Beginning with Year 2, LEAs may pay annual licensing and support costs at rates not to exceed those established by the program agreements. LEAs may opt to, at their own expense, further enhance their instance of the ERP platform to integrate with their existing ancillary systems, such as recruitment, applicant tracking, substitute teacher systems, etc. or the LEA may choose to use the functions included in the NCDPI-selected platform. This is a local decision for each LEA.

NCDPI shall not be a party to the agreements between CherryRoad and a K-12 Public School and shall not be responsible for payments owed to the Vendor by the K-12 Public School under these agreements.

The modernization plan listed several characteristics of a “modern” ERP environment:

All ERP systems will be cloud-based, with no local infrastructure maintenance or support requirements, and no need for iSeries consulting services. In addition to being cloud-based, a modern ERP environment will include:

- Tightly coupled Human Resources and Financial
- Employee self-service portal
- Mobile as a primary user interface
- Contemporary and standards-based application interfaces and data exchanges
- Timely linkage between licensure, position, and salary
- Advanced data integration, analytics, and visualization
- Reliable, secure, scalable, and service-oriented support
- State-level rollup and interactive dashboards

**CherryRoad’s Oracle Cloud** solution has been awarded by DPI to be a solution that meets and exceeds the LEA modernization requirements. CherryRoad aligns nicely with LEA modernization requirements as noted by the table below:

LEA and DPI Modernization Objectives	How Oracle Cloud/CherryRoad Achieves These Objectives
<b>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.</b>	The Oracle Cloud solution is an integrated set of modules that offers a single and shared data model for all ERP business functions including financials, payroll, and human resources.
<b>Provide for a common reporting system and analytics system.</b>	With Oracle Cloud, NCDPI will have access to Oracle Business Analytics, Data Visualization, and other reporting tools to support all the internal and external reporting requirements for NCDPI and the respective LEAs.
<b>The need for the exchange of information between the LEAs and NCDPI to ensure that properly certified employees are placed in positions for which they are qualified and ensure they are paid according.</b>	Oracle Cloud provides the architecture and data elements to enable this exchange of information between the LEAs and NCDPI. In similar projects, CherryRoad has experience in developing an interface with a state licensing system that touched more than 31,000 licensed professionals spanning 43+ local educational agencies.
<b>State seeks to minimize costs and reduce duplicate effort.</b>	The Oracle Cloud solution provides automated workflow, employee self-service, and intuitive end-user reporting. These are just some of the features, along with CherryRoad K-12 best practices knowledge, that will enable the organizations to reduce duplication effort and, therefore, minimize cost.

<b>LEA and DPI Modernization Objectives</b>	<b>How Oracle Cloud/CherryRoad Achieves These Objectives</b>
<b>The solution should be flexible enough to scale to districts of all sizes, but the immediate near-term need is to replace the existing and outdated financial and human resources software in use in districts with between 1,000 and 10,000+ employees.</b>	K-12 organizations of all sizes can benefit from the simplicity, yet robustness Oracle Cloud can provide. As an example, CherryRoad has implemented an Oracle solution within the San Diego County school system with 55 local educational agencies varying in size from 16 employees up to 7,300+. In total, touching 72,000 employees.
<b>A key goal of modernizing the financial and human resources systems is to ensure compliance with current rules, policies, and statutes while building a framework that is adaptable to future changes as the needs of the State and the LEAs change.</b>	Oracle's infrastructure technologies help customers manage growing amounts of data and business requirements, meet increasing compliance and regulatory demands, and reduce energy, space, and operational costs.
<b>All funding must be properly accounted for regardless of source, to provide NCDPI, the General Assembly, and the taxpayers assurances that funds are being applied properly to various educational programs and endeavors.</b>	The Oracle Cloud solution has the ability to track and report on funding sources crossing all state, federal, and local resources. CherryRoad has experience in reporting out LEAs budget, receipts, and usage of all funds on state, federal, and locally required reporting formats at the macro and micro level.
<b>Enable near real-time position visibility and control.</b>	With Oracle Cloud, all data is captured online, and updates are made immediately.
<b>Provide data management and advanced analytics for decision support.</b>	With Oracle Cloud, NCDPI will have access to Oracle Business Analytics, Data Visualization, and other reporting tools to support all the internal and external reporting requirements for NCDPI and the respective LEAs.
<b>Replace discontinued and obsolete systems.</b>	Oracle Cloud Services provide the full breadth of business operations, including financial accounting, procurement, inventory, project portfolio management, planning and budgeting, and HR/Payroll. Oracle Cloud Services are a complete and integrated enterprise suite that transforms your back office into a collaborative, efficient, and intuitive hub. And, with the latest in social, mobile, and analytic technologies, organizations can optimize the collaboration and innovation across their enterprise.
<b>Simplify monitoring and compliance.</b>	Business Analytics and Data Visualization are embedded within Oracle Cloud to provide NCDPI and the LEAs dashboards and infolets that provide real-time monitoring.
<b>Eliminate unnecessary duplication and increase efficiency of operations.</b>	The Oracle Cloud solution provides automated workflow, employee self-service, and intuitive end-user reporting. These are just some of the features, along with CherryRoad K-12 best practices knowledge, that will enable the organizations to reduce duplication effort and, therefore, minimize cost.

<b>LEA and DPI Modernization Objectives</b>	<b>How Oracle Cloud/CherryRoad Achieves These Objectives</b>
<b>A modern data management and reporting environment will enable consolidation of reporting applications.</b>	Oracle ERP Cloud Service provides the full breadth of business operations. Oracle ERP Cloud Service is a complete and integrated enterprise suite that transforms your back office into a collaborative, efficient, and intuitive hub. And, with the latest in social, mobile, and analytic technologies, organizations can optimize the collaboration and innovation across their enterprise.
<b>All ERP systems will be cloud-based, with no local infrastructure maintenance or support requirements, and no need for iSeries consulting services. In addition to being cloud-based, a modern ERP environment will include:</b>	Oracle Cloud applications are 100% SaaS, providing capabilities customers expect out of SaaS applications including lower total cost of ownership, with no hardware to purchase or software to manage, and automatic upgrades and rapid feature advancement. Oracle's Cloud Services are architected from the ground up to operate in the Cloud.
<b>Tightly coupled Human Resources and Financial</b>	Our proposed solution is a fully integrated ERP solution that offers integration tools.
<b>Employee self-service portal</b>	Our proposed Oracle Cloud solution puts the power of access in the hands of end-users through a variety of "self-service applications". These applications are designed for end-users, are simple to use, and provide employees with appropriate access to the ERP data and transactional activity.
<b>Mobile as a primary user interface</b>	Oracle Cloud applications provide mobile capabilities to users in a number of ways.
<b>Contemporary and standards-based application interfaces and data exchanges</b>	Oracle Cloud provides for open standards and user-friendly integration tools to enable easy integration, interfaces, and data exchanges.
<b>Timely linkage between licensure, position, and salary</b>	CherryRoad has experience in developing an interface with a state licensing system that touched more than 31,000 licensed professionals spanning 43+ local educational agencies.
<b>Advanced data integration, analytics, and visualization</b>	With Oracle Cloud, NCDPI will have access to Oracle Business Analytics, Data Visualization, and other reporting tools to support all the internal and external reporting requirements for NCDPI and the respective LEAs.
<b>Reliable, secure, scalable, and service-oriented support</b>	With Oracle data centers supporting its Cloud solution, NCDPI and its LEAs will benefit from the most scalable and secure Cloud solution in the marketplace.
<b>State-level rollup and interactive dashboards</b>	With Oracle Cloud, NCDPI will have access to Oracle Business Analytics, Data Visualization, and other reporting tools to support all the internal and external reporting requirements for NCDPI and the respective LEAs.