

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #41 (98-99)

October 12, 1998

TO: SCHOOL BOARD
FROM: OFFICE OF THE SUPERINTENDENT
SUBJECT: BUDGET TRANSFER--NEW BUSINESS SYSTEM

RECOMMENDATION:

It is the Administration's recommendation that the School Board authorize the Superintendent to make the FY 1998-99 budget transfers required to allocate an additional \$250,000 for consultant support, equipment, contingency, and extra help/over-time in the implementation of the Payroll/Human Resources modules of the new business system.

PERTINENT FACTS:

The School Board authorized \$500,000 in FY 1995-96 for lease purchase of a new business system. An additional \$2,000,000 was authorized by the School Board in FY 1996-97 for the purchase of a new system rather than lease purchase. On June 22, 1998, the School Board authorized a budget transfer within Data Processing on ASD Memorandum #373 to allow \$56,128 in additional contracted services for the business system. In addition, \$25,000 in extra help and over-time salaries were incurred in FY 1997-98 to support the implementation of the financial module. This brings the total project cost to \$2,581,128.

Our experience from the implementation of the financial module going "live" in July 1998 is that there will be extensive need for hands-on support for the payroll/human resources modules after the "live" date in July 1999. Therefore, it is anticipated that \$40,000 may be required in fiscal year 1999-2000 for extra help and overtime salary requirements. This will reduce the amount of anticipated savings from the Accounting (011) budget.

The \$250,000 in this budget transfer will be allocated as follows:

Consultant fees	\$100,000
Equipment/data lines/software	28,000
Extra Help/Overtime	42,000
Contingency	<u>80,000</u>
Total	\$250,000

The funding for this increase in expenditure authorization would come from expected savings from favorable responses to the copier Request for Proposal. School Board approval of this \$250,000 recommendation will bring the total project to \$2,831,128.

The financial modules of the new Integrated Fund Accounting System (IFAS) was successfully implemented in July 1998. The need for Data Processing support of the financial modules continues to be critical; however, sufficient Data Processing support for implementation of the Payroll/Human Resources modules is limited. This will impact the scheduled January 1, 1999 implementation date for the Payroll/Human Resources modules. The Administration has determined that additional data processing support through contractual services is required in order to recover from this setback. In addition, extra help and overtime will be required to meet the scheduled implementation date.

These additional resources should help the Administration to meet the January 1, 1999 initial implementation date for Payroll/Human Resources; however, we are highly concerned that this time schedule will not allow sufficient parallel testing of the system in order to overcome any "bugs" in the system. Therefore, it is also proposed that sufficient time be allowed after January 1, 1999 to run parallel payrolls with the existing system until sufficient confidence is established. It is anticipated that the test period will not extend beyond July 1, 1999.

BC/MP/JS/BM

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