

Uniform Financial Account and Reporting Standards (UFARS) Redesign Workgroup December 2, 2009 Meeting Minutes

The redesign workgroup met on December 2, 2009. Participants in attendance: Kristine Carr, Tom Wieczorek, Lori Mohs, Jaber Alsiddiqui, Pat Morphew, Darin Jensen, Barb Gjerde, Janet Halonen, Karen Dykoski, Mary Weigel, Keri Lewis, Tom Melcher, Ken Moos, Michelle Knutson, Cathy Wagner, John Paulson, Audrey Bomstad, Lisa Barnidge, Jodie Zesbaugh and Karsten Anderson. Member via webex: Teresa McCready, Earl Altman and Jeff Yeager.

Attendees to discuss UFARS data: Legislative staff: Tim Strom, Greg Crowe, Shelby McQuay, Danielle Punelli, Eric Nauman and Judy Randall from the Office of the Legislative Auditors

The meeting was opened by Tom Wieczorek at 9:32 a.m.

The committee reviewed the October 21, 2009, meeting minutes. No corrections were made to the minutes. Motion to approve the minutes was made by Earl Athman, seconded by Jaber Alsiddiqui. A committee member requested a copy of the Special Interest Group (SIG) responses as referenced in the meeting minutes. Cathy Wagner apologized for the oversight and explained that the responses would be emailed out to the committee members. The minutes were unanimously approved by the committee.

Lori Mohs discussed the email attachment that she had distributed to the committee titled “Skyward States that had Code Structure or Dimension Changes.” She talked about the software changes that occurred in Illinois, Indiana and Michigan, which affected their account coding and dimension structure. She also provided other state examples from Florida, Idaho, Kansas, New Mexico, Pennsylvania, South Dakota, Tennessee, Texas, Utah and Washington. The summary includes links to Websites that discuss the accounting structure. She volunteered to provide contacts at district and state level to field questions. Committee members felt that would be helpful. In conclusion, she provided a summary of comments and questions that the committee may want to discuss.

The presentation generated discussion in the following areas:

- It was noted that Illinois does not use cross-walks. Committee members felt strongly about maintaining cross-walks for local record keeping.
- A member suggested the state not use certain codes so the districts can use them for cross-walk purposes.
- It was suggested to add a digit or two at the end of a dimension to help with local record-keeping purposes. It was noted that it is easier to implement additional digits at the end of a dimension.
- One member stated that it should be determined what the state needs for legislative, federal and state purposes and then determine how the districts can meet the state requirements.
- It was stated that with the additional codes needed for ARRA and Stabilization the finance dimension is running out of codes, which could be a problem with the change of state special education from EDRS to UFARS.
- The workgroup talked about the finance code running out of available numbers and that potential solutions would be to extend the dimension to 5-digits. Of the two extra digits one could represent a fiscal year and the other digit used for extra coding.
- The members discussed why they use cross-walks. Members explained they use cross-walks to keep track of sports, special funding, utilities, adaptive PT, elementary classroom, teachers, small grants. May want to pursue reasons for cross-walks through a survey.
- It was suggested there are potentially three options: add a new dimension for MDE or local use, extend an existing dimension or continue to do what they are currently doing.

One concern was how to handle multiple fiscal years in UFARS. Continue to use course codes or add a field?

- A suggestion was made to use Zoomerang/Survey to ask business managers which would have a smaller impact to their workload, adding a dimension or increasing the size of an existing dimension?
- One suggestion was to add a new fund to handle special education activity. One state did that and are currently experiencing problems. That state may be contacted to find out the benefits and issues associated with their decision.
- In summary, the committee will be looking at the following potential changes to UFARS: create a new dimension, expand an existing dimension and adding a year indicator.
- A member felt the committee must pursue and determine what problems we are trying to solve. Why are we changing? A list of issues with solutions that includes pros and cons will be developed. The committee reviewed the initial summary of issues. As part of identifying and addressing the different issues, the committee will talk with various groups to see how UFARS is meeting their needs, its shortcomings and suggested changes.

Cathy Wagner noted several important topics had been identified during the discussion. She recommended preparing a list of issues and problems including solutions with pros and cons. This could be a working document to identify deliverables and change as additional items are added to the list.

Karen Dykoski stated that the National Center for Education Statistics (NCES) fulfills a Congressional mandate to collect, collate, analyze and report complete statistics on the condition of American education; conduct and publish reports; and review and report on education activities internationally. She discussed three handouts that illustrate information about the state reporting process. These handouts included, "Introduction," "Instructions," and "Other Issues Affecting Educational Entities" from NCES. The "Introduction" provides a summary of the data that NCES is requesting. The "Instructions" handout provides guidance on NCES reporting requirements and MDE works with the UFARS codes to obtain the required data. Karen walked through a couple of examples of how the UFARS data is summarized for federal reporting purposes. The federal government will review the data and they will distribute or impute data when they feel the state was unable to provide sufficient data as compared with other states. The federal government does this with some of Minnesota's data to make it comparable to other states' data. The "Other Issues Affecting Educational Entities" handout was provided as an information item for the committee's review. Karen discussed the process used to keep track of Title I and Impact Aid maintenance of effort. Karen emphasized the need to maintain more accurate and uniform data as it is reported throughout the country. In Minnesota, this goal could be met if the UFARS codes more closely aligned with the federal reporting structure.

The committee met with UFARS data users to discuss the capacity of the current reporting structure. Attendees included: Legislative staff Tim Strom, Greg Crowe, Shelby McQuay, Danielle Punelli, Eric Nauman and Judy Randall from the Office of the Legislative Auditor. Tom M. explained to the attendees that the committee is evaluating the UFARS system and potential changes, modernizing technology and reviewing stresses on the system. We are talking with groups to become familiar with their perspective to identify potential changes and what shouldn't be changed.

The following points were brought to the committee's attention:

- The legislators need financial information to change legislation or analyze legislation.
- The need for information can be driven by such things as news reports or school board meetings.
- Legislators will want information so they can respond to an inquiry or an issue.

- There may be a need for a sub-category of data; however, that is very difficult to predict.
- Data needs can be cyclical -- driven by elections, the end of session, referendums.
- The timing of the data is very important, the earlier the data is provided the better. They would prefer to receive FY09 preliminary data rather than FY08 final data. They understand that the preliminary data may not be perfect but it is better for purposes of discussion with the legislators.
- They would use budgetary information if available. The committee felt more comfortable providing budgetary information rather than September 15 UFARS financial data.
- They generally have a handle on the revenue data; it's the expenditure data that they are seeking to obtain.
- One attendee explained they use financial data and would prefer to have data more timely even if it is preliminary and with, hopefully, a limited number of errors. The September data would be usable (with a disclaimer that it's preliminary data); November 30 data is too late for reporting purposes. The person also requested data at a more detailed level; however, they are concerned about detailed data because it becomes less reliable or consistent. So they tend to use data at a level higher because of the reliability factor of the data.
- One concern was the large fluctuation in debt numbers in Profiles, largely due to refinancing. The committee will look at this to see what can be done with UFARS and Profiles.
- One item that the attendees like is the flexibility of UFARS -- they recommend not eliminating that feature.
- It was stated that there are local costs when changes in UFARS are implemented, i.e., a new code.
- Overall, the legislative staff/auditors would rather use estimated data of current fiscal year than actual data from past years. They would also like current data in mid-September, even if it's not completely accurate.

Tom W. called for items for the next redesign meeting: continue to talk with other users of the system; develop a working document to list issues and problems that will include potential solutions, with pro's and con's; follow up with discussion on issues raised by legislative staff and auditor; and review special education issues as EDRS goes away.

The meeting was adjourned at 12:06 p.m.

The next Redesign Committee meeting is scheduled on Wednesday, January 20, 2010, at 9:00 a.m. to 11:30 a.m. at the Minnesota Department of Education.