

Uniform Financial Account and Reporting Standards (UFARS) Redesign Workgroup
Approved by the Workgroup – April 14, 2010 Meeting Minutes

The redesign workgroup met on April 14, 2010. Participants in attendance: Earl Athman, Barb Gjerde, Karsten Andersen, Darin Jensen, Pat Morphey, Tom Wieczorek, Michelle Knutson, Jeff Yeager, Janet Halonen, Kenneth Moos, Lori Mohs and Jodie Zesbaugh.

Minnesota Department of Education (MDE) Staff: Greg Hein, John Paulson, Tom Melcher, Karen Dykoski, Mary Weigel, Janna Duffy, Cathy Wagner and Keri Lewis.

The meeting was opened by Tom Wieczorek at 9:05 a.m.

The committee reviewed the March 17, 2010, meeting minutes. A motion to approve the minutes was made by Barb Gjerde, seconded by Earl Athman. The minutes were unanimously approved by the committee.

John Paulson discussed the federal set-asides and their impact on UFARS. MDE IT is working with the MDE staff that oversees the Consolidated Application for Title programs. The plan is to eliminate the Electronic Management Accountability Program (EMAP), which is an expensive system to maintain and will be replacing it with a system developed by MDE. The new system will be used to complete and manage the FY 2011 Consolidated Application. Within the system, the set-asides will be managed and ultimately be reported in SERVS. Since the information will be collected via SERVS and the application process, the MDE staff that oversees the Consolidated Application for Title programs does not anticipate a need for the set-aside course codes in UFARS. However, it is not certain whether this information will still be required in UFARS in order to provide program compliance since UFARS is audited by an independent audit firm whereas SERVS is not.

Tom Melcher discussed the summary of input received from various stakeholders, which was adapted from a list initially developed by Darin Jensen. The members agreed that this was a fair representation.

Legislative Staff:

1. Wanted to maintain the flexibility UFARS currently offers.
2. Wanted more current information, are now working with data that is usually a year old.
 - Possible Use of Budget info and/or Preliminary End of Year Expenditure Data.

Auditors:

1. Expressed concerns UFARS was too complex.
2. Felt information was comparable from a program/finance point, but when moved into the object level detail may have more variance as to how districts interpret various codes.
3. Important to keep historical data if possible.
4. Felt UFARS Turnaround reports were valuable.
5. Believed current UFARS was responsive and flexible for GAAP and GASB.
6. Did not feel the November 30 deadline date should be adjusted.
7. Concerned for more timely revenue information at year end such as tuition billings and special education excess cost.

MDE:

1. New Dimension denoting Prior Period Adjustment (1 Digit)
2. Adding an additional digit to the finance dimension moving it from 3 to 4
3. Adding an additional digit to the object dimension moving it from 3 to 4
4. New Dimension denoting Time (1 - 3 digits)
5. New Project Dimension in order to track projects across fiscal years. (4 - 6 digits)

Districts:

1. Agreed with Auditors UFARS is too complex
 - Need to review the various dimensions and review if some could be collapsed.
 - Uniformity would improve if fewer codes are available.
2. Might be helpful to add a digit to Object and one or two digits to Finance (second digit to include time), but 29 digits is WAY too many.
 - Rationale for some of the proposed changes not fully developed / explained.
 - Further changes may be needed when state funding systems are moved to SERVS.
 - Concerns expressed about PPAs, project dimension.
 - Adding digits to existing dimensions is easier than adding new dimensions.
3. Would like to maintain course code as much as possible for district use.
4. Keep historical data intact/comparable. Needed for budgeting, etc.

Tom Melcher discussed the Decision Items:

1. Should MDE require budget information to be reported (e.g., by July 1 of current fiscal year), and published for use by legislators and others? If yes, when to initiate and would budget info be updated during the course of the FY?
 - Legislative staff would like some preliminary form of actual data since they often have requests for data prior to January (final UFARS).
 - Timing was discussed and it was determined that these changes could take place for the FY 2012 since the UFARS structure already supports it. Budget data had been collected by MDE in the past.
 - A member asked if most districts would be able to submit a preliminary budget by July 15.
 - Representatives from the regions responded that the bulk of the districts would be able to supply budgets on July 15, but not all. The districts may provide more refined budgets if the date was September 15.
 - A member asked what repercussions are there for districts that do not submit a budget and it was determined that ultimately it results in the lack of district information for the legislators. Schools will be responsible for the existence and integrity of their data.
 - A member asked, if the budget data is reported in UFARS, is there a need to enter on SERVS as well or could it generate the SERVS budget?
 - There was some discussion about how the upload capabilities do not always produce the information necessary for program budget approvals or program administration. SERVS collects data in addition to UFARS data.
 - There was considerable discussion about how one of the main goals behind the MDE Enterprise Data Model (SERVS Student, SERVS Organization, and SERVS Educator) was to have one core system that would reduce multiple entries of the same data. Though this may be a goal of the system, the transition years may not allow for it. For instance, the Career Technical and Levy system may allow for data collection using other methods in the future but in the meantime the existing system will be used.
 - John P. indicated that originally, SERVS Financial was intended to report only items that were reported in UFARS; however, this is no longer the case.
 - Comments were made about whether or not UFARS needed the same level of detail since the data could be collected separately in SERVS. For instance, could the EDRS codes be utilized in SERVS or must UFARS conform to provide that level of detail?

- Though there was support for simplifying UFARS, comments were made about how SERVS would simply replace EDRS and there would be two data collection systems again since we currently don't have integrated systems.
 - A member commented that simplifying UFARS would only shift the workload but not the work if it still needed to be reported elsewhere.
 - In summary, the discussion was halted since the committee felt they did not have assurance that SERVS data would be an acceptable source of data for calculating aids or validating financial information on MDE-administered programs in place of UFARS (since UFARS is audited by independent audit firms). MDE staff was asked to follow-up before next meeting.
2. Should an additional digit be added to the object dimension?
 - Will discuss at next UFARS Redesign meeting.
 3. Should an additional digit be added to the finance dimension?
 - Will discuss at next UFARS Redesign meeting.
 4. Should a second additional digit be added to the finance dimension to reflect time (e.g., federal award year)?
 - Will discuss at next UFARS Redesign meeting.
 5. Should any new dimensions be added to UFARS? If so, how many digits?
 - PPA: Will discuss at next UFARS Redesign meeting.
 - Time: Will discuss at next UFARS Redesign meeting.
 - Project: Will discuss at next UFARS Redesign meeting.
 6. What can be done to simplify/reduce the number of existing codes within various dimensions?
 - Will discuss at next UFARS Redesign meeting.

A member suggested adding another decision item: What is the best approach to training on the changes recommended by this committee and what is the appropriate timeline?

Agenda items for the next meeting: information on use of SERVS data and items 2-5 of decision items.

The meeting was adjourned at 11:48 a.m.

The next UFARS Redesign Committee meeting is scheduled on Wednesday, May 19, 2010, from 9:00 a.m. to 11:30 a.m. at the Minnesota Department of Education.