

Rudolph F. Crew, Ed.D. , Superintendent of Schools

**SUBJECT: STATUS REPORT ON THE BUSINESS OPERATING SOLUTIONS FOR SCHOOLS (BOSS) AND REQUEST FOR APPROVAL OF A REDUCTION-IN-FORCE OF SELECTED POSITIONS**

- 1. APPROVE A REDUCTION-IN-FORCE FOR MANAGERIAL-EXEMPT PERSONNEL**
- 2. AUTHORIZE THE SUPERINTENDENT TO IMPLEMENT A SEPARATION PLAN TO ALL IMPACTED EMPLOYEES (WHICH INCLUDES OUTPLACEMENT ASSISTANCE)**
- 3. AUTHORIZE THE SUPERINTENDENT TO PROVIDE TERMINAL PAY (FOR ACCRUED SICK LEAVE) TO ALL IMPACTED EMPLOYEES**
- 4. AUTHORIZE THE SUPERINTENDENT TO MAKE MINOR PERSONNEL ADJUSTMENTS, IF NECESSARY, AND REPORT IN WRITING TO THE BOARD**

**LINK TO DISTRICT STRATEGIC PLAN:**

**REFORM BUSINESS PRACTICES TO ENSURE EFFICIENCY AND EFFECTIVENESS**

The Enterprise Resource Planning (ERP) initiative, named by the District as Business Operating Solutions for Schools (BOSS), was first approved by the Miami-Dade County Public Schools Board on December 14, 2005, as part of the District's Comprehensive Information Technology Blueprint. On July 11, 2007, the Board authorized the Superintendent to enter into a contract with Deloitte Consulting LLP (Deloitte) to provide implementation services for the ERP Solution software (SAP) and to award a contract to Bank of America to finance the project cost up to \$85.4 million.

The initial statement of work (SOW) included implementation of the following modules:

**Release 1 – Finance**

- General Ledger
- Grants Management
- Accounts Payable
- Accounts Receivable
- Fixed Assets
- Funds Management
- Travel Management
- Project Systems

**Release 2 – Human Resources/Payroll**

- Personnel Administration
- Organizational Management
- eRecruitment
- Benefits
- Employee Self-service
- Time and Attendance
- Payroll
- Position Budget Control

**Release 3 – Procurement**

- Inventory Management
- Supplier Relationship Management
- Supplier Self Service

**SP-1**

## **Current Status**

The BOSS Initiative has successfully concluded the vision, planning and the design phases. During the design phase, an analysis was done of business processes, procedures (including Financial, Human Resources/Payroll and Procurement) and current system environments. This analysis identified and validated the size, scope, available resources and skill sets required to successfully complete the statement of work (SOW) as described in the Master Services Agreement with Deloitte. In order to successfully implement SAP, changes in project scope were deemed necessary because of staffing constraints and competing, time-sensitive priorities of District subject matter advisors (SMAs), especially those in the Finance and Information Technology Services areas.

## **Modifications in Project Scope**

As provided in the Master Services Agreement Sub-section 2.3.1- Initial Statement of Work<sup>1</sup>, completion of the design phase provides the opportunity to refine and finalize the Final Statement of Work. District staff, in collaboration with Deloitte, conducted a comprehensive assessment to determine the best alignment of the BOSS initiatives with other concurrent District initiatives and the availability of District SMAs to ensure a successful implementation. Based on this joint assessment, the following modifications are being made to the Final Statement of Work, as provided for in the Master Services Agreement:

1. Postpone the Finance modules to a date to be determined later.
2. Include General Ledger Master data and only basic functionality for Position Budget Control.
3. Change the project schedule to "go live" with all of Release 3 (Procurement) modules in April 2009.
4. Maintain the current schedule to "go live" with the Human Resources/Payroll in July 2009.

## **Reduction-in-Force**

This modification in scope will result in a Reduction-in-Force of 24 Managerial Exempt positions (MEP) on the BOSS team.

The aforementioned project scope changes and proposed Reduction-in-Force will result in a net cost-savings to the BOSS initiative of approximately \$2.0 million. Such savings will be placed into a contingency account and will not alter the terms of the bank financing agreement for the project.

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<sup>1</sup> Sub-section 2.3.1 states that "The Parties shall work diligently and in good faith, in accordance with the Project Plan (as defined in Section 2.6), and shall refine, finalize, and complete such scope of work in the form of a revised or amended Initial Statement of Work by the end of the "blueprint" portion or sub-phase of the initial Phase (as defined in Section 2.4) of the Project to be conducted under the Initial Statement of Work. Any such revisions or amendments to the Initial Statement of Work shall be executed consistently with Section 17.1".

### **Separation Plan and Outplacement Assistance**

The employees affected by these reductions will be treated with dignity, respect, and appreciation of their contributions to the District. The Office of Human Resources, Recruiting, and Performance Management, with assistance from Labor Relations, will review the current title and credentials of each impacted employee to determine their eligibility to seek re-employment in vacancies for which they qualify, within the school system. Additionally, a separation plan has been developed to provide an array of services, including outplacement assistance. Each employee will be directly notified of these services and provided with an individual assistance plan. The separation plan will also address any individual issues affecting impacted employees.

### **Terminal Pay (Sick Leave), Annual Leave (Vacation Leave), and Employee Benefits**

Upon termination, all individuals will be compensated for their accrued annual leave (vacation leave) in accordance with School Board Rule 6Gx13-4E-1.18. Although not mandated by collective bargaining agreements or School Board Rule, the Superintendent is requesting authorization to provide terminal pay (accrued sick leave) to all employees who are terminated as part of the Reduction-in-Force.

Employee benefits which include healthcare for employees and covered dependents, flexible benefits and life insurance will be provided in accordance with the provisions of the pertinent employee organization and according to Federal and State laws, including COBRA continuation of benefits.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida, effective June 30, 2008, or as soon thereafter as can be facilitated, do the following:

1. Approve a Reduction-in-Force Managerial Exempt Employees as described herein
2. Authorize the Superintendent to implement a separation plan to all impacted employees (which includes outplacement assistance)
3. Authorize the Superintendent to provide terminal pay (for accrued sick leave) to all impacted employees
4. Authorize the Superintendent to make minor personnel adjustments, if necessary, and report in writing to the Board