



Enterprise Resource Planning System

Bureau of Finance and Management

Overview

South Dakota's current state accounting system is 35 years old and at risk of critical failure. Governor Noem's recommended budget includes \$70,000,000 in one-time funding to implement a new Enterprise Resource Planning (ERP) system to address this challenge. The ERP will replace the state's aging and at-risk legacy financial systems and processes to better serve the people of South Dakota.

Project Description

The current system was implemented in 1988 and is used by every state government agency for financial operations. These systems are at risk of failure because they exist on aging technology platforms, have limited vendor support, and it is difficult to retain staff who are knowledgeable in their operation and maintenance. This project will eliminate redundancy, improve data security, and provide opportunities to increase transparency and efficiency. It will set the foundation for how all of state government conducts its financial business for years to come.

The state will conduct a regular request for proposals. Once a partner is selected to implement this project, an independent verification and validation vendor will be hired to ensure the project remains on track and confirm that the system correctly implements the required functional and security requirements.

New staff will be required during the multi-year project implementation and to backfill state employees from all agencies, whose expertise will be needed to ensure that this process is conducted according to the needs of state government.

Funding

A feasibility study, finished in January 2022, projected a cost of \$64,350,000 over four years to complete this implementation, along with 45.0 FTE dedicated to the project. The Governor's recommended budget includes a special appropriation of \$70,000,000 of general funds to cover inflation since January 2022.