

July Monthly Update and Change Request - Phase III Presentation to ITAC



ADE Vision

Equity for all students to achieve their full potential

Mission

The Arizona Department of Education advances equity and excellence for all students by serving school leaders, educators and staff, collaborating with communities, and leading with data-driven best practices

Arizona Superintendent of Public Instruction
Kathy Hoffman

Project Name

ED19002 - AELAS School Finance Payment Systems

July Report Presented in August 2022

Monthly Update and Accelerated Plan Phase II Change Request

Introductions

Ben Henderson – Chief Operations Officer

Lyle Friesen – Associate Superintendent, School Finance

Beth Neeley – Chief Information Officer

Nan Nesvig – Director of IT Project Management

Qur'an Nero – Director of Program Management

Joe Carrillo – Chief Technology Officer

Monthly Update (Phase II)

Project Health Card – July 2022

* Overall Project Health is **Green**

Schedule



Epic	Stage	Team	Status
Fiscal Year Rollover	Requirements	BA	Completed
Fiscal Year Rollover	Development	Dev	Completed
Fiscal Year Rollover	Testing	QA	Completed
Fiscal Year Rollover	UAT	SF Business	Completed
Calculations	Requirements	BA	Completed
Calculations	Development Analysis	Dev	Completed
Calculations	Development	Dev	Completed
Calculations	QA Analysis	QA	Completed
Calculations	Testing	QA	In Progress
Reporting II - Reports Designer	Requirements	BA	Completed
Reporting II - Reports Designer	Development Analysis	Dev	Completed
Reporting II - Reports Designer	QA Analysis	QA	Completed
Reporting II - Reports Designer	Development	Dev	In Progress
Payment System Integration	Requirements	BA	Completed
Payment System Integration	Development	Dev	In Progress
Payment System Integration	QA Analysis	QA	In Progress
Payment System Integration	Testing	QA	In Progress

Stats Box by Epic Stage (In progress)

IT Requirements – 0
 Requirements Review TA – 0
 Dev Analysis - 0
 Development – 2
 QA Analysis - 1
 QA Testing – 2
 Business UAT – 0

Milestones



- Five of seven epics have been completed.
- Critical Deliverables 1-6 have been completed and approved. One Critical Deliverable and the Final Demo for Phase II are pending completion.
- Final two epics are in Development.

Budget



- The current Budget spend is \$1,836,881 as of July 2022.
- Projected spend at the conclusion of Phase II is \$2,393,312.

Risks



- There are four current risks in the project. Eighteen risks have been closed.

Issues



- There are no issues in this project.

Phase II Progress

Current Focus of the Program

To modernize “Charter School Payments” or “CHAR” and "School District Payments" or "APOR", including CHAR and APOR for Phase I - Parts 1 & 2, School Finance Business Team Trainings, State Aid Payment and Budget/AFR for Phase II and completion of all Phase I and Phase II enhancements in Phase III of a three-phased project that supports \$6 billion in state aid payments.

Snapshot of Work to Date: Requirements & Development Phase II

- The IT Team continues to provide Support & Maintenance for Phase I. In June 2022, the first full year of CHAR/APOR payments to the LEAs was completed. The system has been well received by the school districts and charters.
- The Business Analyst Team has completed all Phase II Requirements and is currently working on backlog grooming and UAT administration for the final two epics in Phase II.
- The Development Team just concluded a five-month build for the Calculations epic.
- The Development Team continues to complete our last two epics, Reports II and Data Integration.
- The QA Team is testing Calculations and completing test cases for the Reports II and Data Integration epics.
- The Business Team is preparing for Calculations UAT. Reports II and Data Integration UAT will be completed into Phase III.
- Six of the eight Critical Deliverables have been demoed and approved.
- All Phase II documentation to date has been approved by the Technical Advisors and the Document Review & Approval Committee.
- Phase II will timely complete on October 24, 2022 and will come in under budget.

Change Request (Phase III)

Original Project Plan

In January 2020, ITAC reviewed and approved Phase I of a three-year project scheduled to begin in February 2020 and complete in June 2023. An Accelerated Plan was approved by ITAC on August 19, 2020 which provided for the following approach:

- Phase I - Parts 1 & 2 (August 2020 – June 2021) Development of payments to charters MVP for CHAR Common and APOR.
- Phase II (July 2021 – June 2022) Development and requirements gathering for State Aid Payments (ADOC/ADOJC) and Budget/AFR MVP.
- Phase III (June 2022 – June 2023) Development and requirements gathering for should-haves Phases 1 & 2 for CHAR Common and APOR and Budget/AFR; Pilot program Budget/AFR and Go-Live June 2023.

Phase I \$3,000,000 approved; Phase II \$3,000,000 approved; Phase III \$3,000,000 appropriated, reviewed and approved by JLBC, but pending ITAC approval.

Entire plan \$9,000,000

Phase II Timeline – ITAC Approved October 2021

Task Name	Duration	Start	Finish
▲ APOR/CHAR Training	50 days	Tue 7/6/21	Mon 9/13/21
▶ APOR/CHAR Internal Training	1 day	Tue 7/6/21	Tue 7/6/21
▶ APOR/CHAR External Training	30 days	Tue 8/3/21	Mon 9/13/21
▲ State Agency Payments	83 days	Fri 7/16/21	Tue 11/9/21
▶ ADOC & ADJC State Aid Payment	83 days	Fri 7/16/21	Tue 11/9/21
▲ Budget/AFR - Phase II	322 days?	Fri 7/16/21	Mon 10/24/22
▶ Data Input	183 days	Fri 7/16/21	Tue 4/12/22
▶ Reporting Part 1	123 days	Fri 10/15/21	Tue 4/19/22
▶ Management UI	175 days	Mon 11/1/21	Fri 7/15/22
▶ Configuration	126 days	Tue 12/21/21	Fri 6/24/22
▶ Data Processing - Calculations	201 days	Tue 12/21/21	Fri 10/7/22
▶ Reporting Part 2	152 days	Thu 3/24/22	Fri 10/21/22
▶ Payment System Integration	105 days?	Tue 5/24/22	Mon 10/17/22
▲ Budget/AFR - Phase III	61 days	Mon 10/17/22	Mon 1/9/23
SF UAT- Payment System Integration	20 days	Mon 10/17/22	Fri 11/11/22
SF UAT - Reporting Part 2	50 days	Tue 11/1/22	Mon 1/9/23

Change Request

To continue development and implementation of a customized school finance payment and budget system, ADE is requesting:

- Approval of Phase III to add scope and change the timeline in order to complete requirements gathering, design and development of the Phase I and Phase II enhancements, conduct the Budget/AFR pilot program and go live with the Phase II system.*
- New timeline stretches from August 2022 through April 2024.*
- New scope additions include enhancements, the SAFR report, and Legislative changes.*

The new enhancements will add efficiencies, accuracies, and greater performance to the Phase I and Phase II system features

Phase III Timeline

▷ Budget/AFR - Phase III (From Phase II)	171 days	Mon 10/17/22	Tue 6/27/23
▣ Budget/AFR Additional Features	195 days	Mon 8/22/22	Mon 6/5/23
Phase III Requirements Analysis	20 days	Mon 8/22/22	Fri 9/16/22
▷ Data Output - Data Sharing with OSPB, JLBC and AG (Budget/AFR)	63 days	Mon 9/19/22	Wed 12/14/22
▷ Store Contact Information within SF Database (Budget/AFR)	74 days	Wed 1/4/23	Mon 4/17/23
▷ Compare Versions - Compare Versions User Interface (UI) (Budget AFR)	122 days	Thu 12/1/22	Mon 6/5/23
▷ SAFR - Superintendent Annual Financial Report (SAFR) (Budget AFR)	222 days	Mon 9/19/22	Wed 8/9/23

▣ Payment System Additional Features	159 days	Mon 10/3/22	Fri 5/26/23
▷ Reports - School District Employee Reports (SDER) (Payment System)	60 days	Mon 10/3/22	Mon 1/9/23
▷ Shortfall/Surplus Report (Payment System)	115 days	Mon 10/17/22	Mon 4/10/23
▷ Report - BSA21 Report (Payment System)	56 days	Fri 11/18/22	Mon 2/20/23
▷ Memo notification to LEA Business Managers (Payment System)	55 days	Mon 3/13/23	Fri 5/26/23
▣ Additional Payment Streams	281 days	Thu 12/1/22	Wed 1/24/24
▷ Results Based Funding	144 days	Thu 12/1/22	Wed 7/5/23
▷ County small school service payment processing	126 days	Mon 2/6/23	Mon 7/31/23
▷ Unorganized territory payment processing	123 days	Wed 3/15/23	Fri 9/1/23
▷ Certificate of Education Convenience payment & processing (Payment System)	156 days	Mon 4/17/23	Mon 11/20/23
▷ County jail payment processing	139 days	Thu 6/1/23	Tue 12/12/23
▷ County juvenile detention center payment processing	177 days	Thu 5/11/23	Wed 1/24/24
▷ Phase I Enhancements (Payment Systems)	237 days	Thu 3/2/23	Wed 2/7/24
▷ Budget/AFR Enhancements	197 days	Mon 4/3/23	Fri 1/12/24
▷ Placeholder - Legislative Changes for FY24	52 days?	Mon 1/8/24	Tue 3/19/24
Phase II Go Live	3 days	Wed 6/28/23	Fri 6/30/23
Final Demo for Phase III	5 days	Mon 3/25/24	Fri 3/29/24

Phase III Deliverables

Phase I – Payment System Enhancements

- LEA Payments – Results Based Funding
- County Payments SS Service Payment, Unorganized Territory Payment, County Juvenile Detention and Jail Payments
- Assessed Valuations – APOR Data Spreadsheets for NAV/SRP/GPLET, Crosswalk Maintenance Page for EdOrg ID Info
- Reports - Memo notification to LEA Bus Mngrs, SDER, Appropriation Shortfall/Surplus, BSA 21
- Certificate of Education Convenience - Payments and Processing
- Twelve Phase I feature enhancements brought over from Phase I Support & Maintenance

Phase II – Budget/AFR Enhancements

- Data Output – Data Sharing with OSPB/JLBC/AG
- Data Input – Contact Info storage within the SF Database
- Compare Versions – Compare versions of automated budget submissions
- Admin Views – automated version workflow
- Federal Data Submissions – NPEFS, SLFS, Form 33
- Five Phase II feature enhancements brought over from Phase II

New to the Plan

- SAFR – automation of the reports included in SAFR
- LEA Pilot Program – a six-month pre-production trial pilot Phase II Budget/AFR program for use by select LEAs prior to launch

Budget Projection – Phase III

Appropriation for Phase II & Phase III	\$6,000,000.00
Total Projected Spend for Phase II	\$ 2,393,311.88
Remaining Appropriation	\$ 3,606,688.12
Projected Spend Phase III, Aug 21, 2022-April 21, 2024	
Professional Services	\$2,228,675.64
ADE Personal Services	\$ 531,395.25
ADE Personal Services ERE	\$ 180,674.39
IV&V	\$ 144,000.00
Software(Inrule of 66K)	\$91,270
Cloud Storage (Azure)	\$ 77,220.00
Contingency	\$ 150,000.00
Total Costs	\$3,403,235.28

Omitted Phase III Timeline Items

- **Proposition 1-2-3**
 - *Currently a manual process
 - *Minimal number of years that this report is needed
 - *Stakeholder decided that it's not worth investing development hours in an automated solution
- **LEA Data Submission API**
 - *Six-month development effort – not plausible in current timeline
 - *LEAs can maintain current data submission process without major impact to School Finance
 - *Can add this feature into a possible future phase
- **Admin Version Workflow**
 - *Completed along with other workflow documents in Phase II
- **Cash Advance Signature Routing**
 - *Stakeholder designated as very low priority
 - *Stakeholder decided that it's not worth investing development hours in an automated solution

Risks/Dependencies/Constraints to the Phase III Timeline

Timeline Risks:

□ **Resource Attrition:**

- *Team attrition has been a perpetual issue during Phases I and II.
- *Acquiring quality resources has proven both difficult and challenging.
- *In the case of attrition, we must substitute a new team member on an immediate basis to complete the timeline.

□ **Requirements are not Approved by the DRC prior to the start of Development:**

- *This is a low risk that we have carried throughout Phases I & II.
- *Development begins before the Requirements are reviewed by the DRC due to timing.
- *The Technical Advisor team performs gap analysis and review of all documents.

□ **Unknown/Unplanned Legislative Changes:**

- *Future Legislative changes could have a direct effect on the scope of work on Phase III.
- *To mitigate this risk, we have included extra time at the end of the timeline to develop any outstanding Legislative work.

Dependencies/Constraints:

□ **Stakeholder Business Team Availability:**

- *The Stakeholder Business Team engages in Requirements gathering, approval, and UAT.
- *The project timeline has been carefully orchestrated to accommodate the Business Teams and their schedules.
- *Changes to the timeline/schedules could impact the ability of the Business Teams to timely perform their duties.

Eliminate Legacy System & Manual Processes

- At the end of Phase I, APOR/CHAR legacy system will not be utilized for generating payments enabling retirement of that portion of the legacy system June 30, 2021.
COMPLETED
- At the end of Phase II, the Budget/AFR and the State Aid Payments development will be completed. June 30, 2023 **PENDING COMPLETION**
- At the end of Phase III, the Budget/AFR system will undergo User Acceptance Testing and deployment and remaining manual miscellaneous payments and federal reporting processes will be automated by June 30, 2024. The Legacy system data migration will conclude and the necessity to maintain the Legacy system will be adjusted to complete by June 2024 versus June 2027. **REQUIRES APPROVAL BY ITAC**

Based on the current progress in Phase II, adherence to the ITAC conditions, and maintaining both budget and variance throughout the project to date

ADE is requesting approval of a new Phase III plan:

- ❖ To complete enhancements to the Budget/AFR and Payment Systems phases
- ❖ Complete the SAFR automated reports
- ❖ Conduct pre-production Budget/AFR pilot program
- ❖ Launch the Phase II Budget/AFR system by June 30, 2023

Q & A Session

APPENDIX

Project Financials

ADE Phase II

ITAC Approval Date: 06/2022

Phase II End Date: 11/24/2022

ITAC Approved Phase II Budget:	\$2,876,391																	
		School Finance Payment Systems Phase II																
		21-Jul	21-Aug	21-Sep	21-Oct	21-Nov	21-Dec	22-Jan	22-Feb	22-Mar	22-Apr	22-May	22-Jun	22-Jul	22-Aug	22-Sep	22-Oct	FY22
Baseline Projection (\$)		\$74,020	\$161,584	\$146,436	\$180,018	\$173,710	\$163,743	\$178,951	\$166,666	\$191,258	\$174,884	\$234,506	\$241,884	\$184,463	\$167,890	\$162,727	\$273,651	\$2,876,391
Actual (\$)		\$0	\$52,962	\$279,036	\$114,905	\$205,414	\$115,911	\$177,282	\$168,545	\$153,503	\$135,254	\$160,336	\$216,164	\$57,569	\$0	\$0		\$1,836,881
Variance (\$)		\$0	\$108,622	(\$132,600)	\$65,113	(\$31,704)	\$47,832	\$1,669	(\$1,879)	\$37,755	\$39,630	\$74,170	\$25,720	\$126,894	\$0	\$0	\$0	\$234,328
Variance (%)		0%	67%	-91%	36%	-18%	29%	1%	-1%	20%	23%	32%	11%	69%	0%	0%	0%	8.15%
		October includes contingency of 150K																