

CHANGE REQUEST / AMENDMENT

PIJ ID ED19002 - AELAS School Finance Payment System
Department of Education

Original Budget:

Total Development Budget \$ 9,000,000.00
Total Operational Budget \$ 2,008,264.92
Total Project Budget \$ 11,008,264.92

Areas Affected:

End Date: Yes
Development Costs: No
Scope Yes

Current End Date: 10/24/2022

Revised End Date: 4/24/2024

Phase III Approved Budget:

Development Budget \$ 3,403,235.28

Change Description:

AMENDMENT 05: (08/17/22 ITAC)

The Arizona Department of Education (ADE) is presenting to ITAC a Change Request to increase scope, timeline and end date for Phase III of the School Finance Payment System Accelerated Plan (AP).

The new Phase II plan is currently in progress, on track and under budget, with a projected completion date of October 24, 2022, however, at the request of ADOA-ASET, and in the interest of beginning Phase III earlier than planned (November 2022), ADE is bringing forth this Change Request to begin Phase III on August 22, 2022 and complete it on April 24, 2024. Phase III will include Phase I and Phase II enhancements as well a new scope for current Legislative changes. The plan to begin Phase III earlier than November 2022 does not detrimentally impact the team or its performance.

The Phase III Plan:

Phase III will provide completion of all "should have " features" and epics for both APOR/CHAR (Phase I) and Budget/AFR (Phase II), completing the three phase School Finance Payment System project. It will complete all work on the Payments System as well as provide additional features for greater efficiencies to the auditable budget tool which is used to capture, analyze, and report on school district and charter school budgets and spending while ensuring compliance with applicable laws and constitutional expenditure limits. In addition, the new system will enhance ADE's ability to implement changes enacted by policymakers as they relate to financial transparency and reporting. Finally, Phase III will include a feature specifically designed to automate the SAFR reporting structure, creating a much higher degree of accuracy in the data received annually by the Auditor General's office.

ADE is requesting the following be approved by ITAC:

- Approval of Phase III which would include additional scope and a new timeline to April 24, 2024 to complete all "should have" enhancements and work for Phases I and II.

Based on business stakeholder feedback from ADE School Finance and public school stakeholders, ADE is proposing an extended UAT and implementation period in Phase III following completion of development in Phase II. Extending the UAT period and transition will allow ADE to pilot a complete budget reporting cycle to ensure the new system is implemented accurately and efficiently.

This plan will allow for a more robust change management plan for a system that is not at great risk of failure but requires integration across multiple systems and stakeholders. During this time, chosen public schools will also participate in a Budget/AFR pilot program wherein they will be able to validate and verify the data they are reporting in the new system, while still using their existing systems to report critical information to ADE. The proposed plan will allow ADE to make necessary adjustments and meet the needs of stakeholders before retiring portions of the legacy system. At the conclusion of the pilot program (mid June 2023), the deployment of the Phase II Budget/AFR system will occur. Finally, additional enhancement features specific to Phase I will continue to be developed, tested and approved by the Business teams in UAT until Phase III conclusion in April 2024.

Budget Projection:

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

Timeline Projection:

Task Name	Duration	Start	Finish
Report - BSA21 Report (Payment System)	56 days	11/18/2022	2/20/2023
Compare Versions - Compare Versions User Interface (UI) (Budget AFR)	122 days	12/1/2022	6/5/2023
Additional Payment Streams	281 days	12/1/2022	1/24/2024
Results Based Funding	144 days	12/1/2022	7/5/2023
Store Contact Information within SF Database (Budget/AFR)	74 days	1/4/2023	4/17/2023
County small school service payment processing	126 days	2/6/2023	7/31/2023
Phase I Enhancements (Payment Systems)	237 days	3/2/2023	2/7/2024
Memo notification to LEA Business Managers (Payment System)	55 days	3/13/2023	5/26/2023
Unorganized territory payment processing	123 days	3/15/2023	9/1/2023
Budget/AFR Enhancements	197 days	4/3/2023	1/12/2024
LEA Specific window change for 915 Corrections	12 days	4/3/2023	4/18/2023
Legislative Change - Add 2 new ADM category types ("Gifted & talented" and "Free & Reduced")	18 days	4/13/2023	5/8/2023
Certificate of Education Convenience payment & processing (Payment System)	156 days	4/17/2023	11/20/2023
County juvenile detention center payment processing	177 days	5/11/2023	1/24/2024
County jail payment processing	139 days	6/1/2023	12/12/2023
CSF & Charter - Copy Prior Month data for subsequent months in case of Mid Year closure	59 days	6/20/2023	9/8/2023
Phase II Go Live	3 days	6/28/2023	6/30/2023
Crosswalk maintenance page for GPLET, SRP, and DOR. This would display Ed Org ID, Name, Taxing Jurisdiction.	69 days	7/13/2023	10/17/2023
Adj. review tool_early recapture and skip month	121 days	7/18/2023	1/12/2024
Allow Negative amounts in Current Month Payment Column for School District Payments	69 days	9/1/2023	12/6/2023
Retain filter selections on Adjustments screens upon returning to the screen	47 days	9/11/2023	11/14/2023
CSF and Charters mid year closure	29 days	9/18/2023	10/26/2023
BSL/DAA Calc Data fix to include BSL/DAA Adjustments	43 days	9/25/2023	11/22/2023
Allow upcoming Fiscal year Payment Run before Current Year Payment 12.	85 days	10/2/2023	2/7/2024
Admin - Document Type and Document Template Creation and Management	54 days	10/11/2023	1/4/2024
Add Entity ID to exported excel from LEA submitted file Dashboard	16 days	11/15/2023	12/6/2023
District and Charter Payment Details Review Screen Link to BSA 55 and 64	20 days	11/16/2023	12/13/2023
Exit or Return button from "View log" screen and retain filters	19 days	11/21/2023	12/15/2023
Exportable list of tests in a file from UI	30 days	11/22/2023	1/12/2024
Placeholder - Legislative Changes for FY24	52 days?	1/8/2024	3/19/2024

Recommendation - ADOA-ASET Oversight recommends approval of the Arizona Department of Education (ADE) Change Request to ITAC.

ASET recommends maintaining the following conditions:

The below conditions are in addition to any conditions put in place on the project through the FY2023 budget and the Joint Legislative Budget Committee:

1. ASET, with ADE input, will detail the new project development milestones to set specific deliverable dates and will include deadlines for the entire project lifecycle and full system documentation. Should a milestone not be completed by the projected date, ADE shall submit a corrective action plan within 5 business days of the missed projected milestone completion date. The corrective action plan must provide a description of the missed milestone, cause(s) of the delay and the new projected completion date. If the new projected completion date is more than a 10% increase from the original milestone timeline or if ADE fails to meet the new projected milestone completion date, ASET may cause the project to be scheduled for ITAC review at the next available ITAC meeting for consideration of pausing, stopping, resetting, or continuing the project. Proof of the completion of a milestone will be by demonstration of the completed milestone by ADE with approval by ASET Oversight and ADE Executive Steering Committee.
2. ADE will provide ASET and ITAC a baseline projected expenditure plan broken out by month and a month to month financial burndown report for the duration of the project. ADE shall provide actual project expenditures for the previous month by the 15th of each month. For any variance between actual and projected expenditures for the month, ADE shall provide an explanation of the variance. Further, ADE shall submit a corrective action plan with the actual project expenditures that month which resets project expenditure projections for the remainder of the project timeline. Should the total costs of Phase 3 exceed the estimated costs by 10% or more, the Department of Education must amend the PIJ, to reflect the changes, and submit it to ADOA-ASET for review and ITAC approval prior to the further expenditure of funds.
3. ADE shall provide ITAC with quarterly informational updates regarding the status of milestones and expenditures in accordance with the ITAC conditions above. ADE shall monitor and provide updates where appropriate as to the status, or any changes related to, risks identified in the current plan, the upcoming transition of key staff members, or new legislation not yet evaluated to determine any potential impact on the project.
4. The Department of Education must work with the Department of Administration and maintain a committee, to include an independent third party, for the purpose of performing business and system documentation review and approval.
5. ADE shall adhere to any requirements as stated and set forth in language from HB2898, HB2895, or HB2862.
6. The Department of Education shall ensure that all contracted employees are fully informed of and follow all State of Arizona Policies, Standards and Procedures located here: <https://aset.az.gov/resources/policies-standards-and-procedures>.

AMENDMENT 04: (10/20/21 ITAC)

The Arizona Department of Education (ADE) is presenting to ITAC a Change Request to approve an updated Phase II scope, budget and timeline increase as part of the School Finance Payment System Accelerated Plan (AP). In June 2021, ITAC approved with additional conditions, the scope of the AP referred to as Phase II. This scope consisted of completion of internal and external training by the School Finance Business unit, completion of State Aid Payments (ADOC/ADOJC) as well as completion of the development of Budget/AFR by June 30, 2022. After an extended Phase II Discovery period involving the IT project team, Stakeholder, and ADOA, it was evident that the original Phase II plan was missing relevant MVP scope. The collective Team underwent a comprehensive rewrite of the entire Phase II timeline and scope, implementing missing MVP scope, utilizing sound budget methodologies, and restructuring the team to run dual lines of requirements, development, and quality assurance testing for a 16-month period. Without these critical changes in the structure of Phase II, the build would have lacked functional fortitude and produced a “quality compromised” end product.

To continue development and implementation of a customized school finance payment and budget system, ADE is requesting approval of an updated plan for Phase II.

The new Budget system will provide an auditable budget tool to capture, analyze, and report on school district and charter school budgets and spending while ensuring compliance with applicable laws and constitutional expenditure limits. In addition, the new system will enhance ADE’s ability to implement changes enacted by policymakers as they relate to financial transparency and reporting.

ADE is requesting the following be approved by ITAC:

- Approval of an updated Phase II which would include additional MVP scope, budget and extended timeline to complete State Aid Payment and Budget/AFR.

Based on business stakeholder feedback from ADE School Finance and public-school stakeholders, ADE is proposing an extended UAT and implementation period in Phase III following completion of development in Phase II. Extending the UAT period and transition will allow ADE to pilot a complete budget reporting cycle to ensure the new system is implemented accurately and efficiently.

This plan will allow for a more robust change management plan for a system that is not at great risk of failure but requires integration across multiple systems and stakeholders. During this time, public

schools will be able to validate and verify the data they are reporting in the new system, while still using their existing systems to report critical information to ADE. The proposed plan will allow ADE to make necessary adjustments and meet the needs of stakeholders before retiring the legacy system.

AMENDMENT 03: (06/23/21 ITAC)

The Arizona Department of Education (ADE) is presenting to ITAC a Change Request to continue Phase II of the School Finance Payment System Accelerated Plan (AP). As ADE nears completion of this scope of work, ADE will return to ITAC for a change request for Phase III to add additional scope to include the next priority features of the payment and budget systems, with an expected completion date of all components by June 30, 2023. Based on business stakeholder feedback from ADE School Finance and public school stakeholders, ADE is proposing an extended UAT and implementation period in Phase III following completion of development in Phase II. Extending the UAT period and transition will allow ADE to pilot a complete budget reporting cycle to ensure the new system is implemented accurately and efficiently. This plan will allow for a more robust change management plan for a system that is not at great risk of failure but requires integration across multiple systems and stakeholders. During this time, public schools will be able to validate and verify the data they are reporting in the new system, while still using their existing systems to report critical information to ADE. The proposed plan will allow ADE to make necessary adjustments and meet the needs of stakeholders before retiring the legacy system.

Budget Projection:

Professional Services - Fees for design, development, QA/Testing (developers, business analysts, quality assurance personnel)	\$ 1,892,4858
Addnl. ADE Personal Services	\$ 385,035
Addnl. ADE Personal ERE	\$ 122,803
IV&V	\$ 144,000
Technical Advisors – Documentation Review	\$ 0
Hardware – Development Workstations	\$ 12,100
Software – Contractor Software Applications & Licenses	\$ 75,790
License & Maintenance Fees- Software License Renewals & Cloud Storage	\$ 94,174
Contingency	\$ 150,000
Total Development Cost for FY [2022]	\$ 2,876,387

Timeline Projection:

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	104 days	Tue 5/24/22	Fri 10/14/22
▲ Budget/AFR - Phase III**	55 days	Tue 10/25/22	Mon 1/9/23
SF UAT- Payment System Integration	20 days	Tue 10/25/22	Mon 11/21/22
SF UAT - Reporting Part 2	50 days	Tue 11/1/22	Mon 1/9/23

Recommendation - ADOA-ASET Oversight recommends approval of the Arizona Department of Education (ADE) Change Request to ITAC. As ADE nears completion of this scope of work, ADE will return to ITAC for a change request for Phase III to add additional scope.

ASET recommends maintaining the following conditions:

The below conditions are in addition to any conditions put in place on the project through the FY2022 budget and the Joint Legislative Budget Committee:

1. ASET, with ADE input, will detail the new project development milestones to set specific deliverable dates and will include deadlines for the entire project lifecycle and full system documentation. Should a milestone not be completed by the projected date, ADE shall submit a corrective action plan within 5 business days of the missed projected milestone completion date. The corrective action plan must provide a description of the missed milestone, cause(s) of the delay and the new projected completion date. If the new projected completion date is more than a 10% increase from the original milestone timeline or if ADE fails to meet the new projected milestone completion date, ASET may cause the project to be scheduled for ITAC review at the next available ITAC meeting for consideration of pausing, stopping, resetting, or continuing the project. Proof of the completion of a milestone will be by demonstration of the

completed milestone by ADE with approval by ASET Oversight and ADE Executive Steering Committee.

2. ADE will provide ASET and ITAC a baseline projected expenditure plan broken out by month and a month to month financial burndown report for the duration of the project. ADE shall provide actual project expenditures for the previous month by the 15th of each month. For any variance between actual and projected expenditures for the month, ADE shall provide an explanation of the variance. Further, ADE shall submit a corrective action plan with the actual project expenditures that month which resets project expenditure projections for the remainder of the project timeline. Should the total costs of Phase 2 exceed the estimated costs by 10% or more, the Department of Education must amend the PIJ, to reflect the changes, and submit it to ADOA-ASET for review and ITAC approval prior to the further expenditure of funds.

3. ADE shall provide ITAC with monthly informational updates regarding the status of milestones and expenditures in accordance with the ITAC conditions above. ADE shall monitor and provide updates where appropriate as to the status, or any changes related to, risks identified in the current plan, the upcoming transition of key staff members, or new legislation not yet evaluated to determine any potential impact on the project.

4. The Department of Education must work with the Department of Administration and maintain a committee, to include an independent third party, for the purpose of performing business and system documentation review and approval.

5. The proposed budget figures are subject to change based on enactment of the fiscal year 2022 budget. ADE shall adhere to any requirements as stated and set forth in language from HB2898, HB2895, or HB2862.

6. The Department of Education shall ensure that all contracted employees are fully informed of and follow all State of Arizona Policies, Standards and Procedures located here:

<https://aset.az.gov/resources/policies-standards-and-procedures>.