Our Mission

The mission of the Arizona Department of Education is to serve Arizona's education community, ensuring every child has access to an excellent education.

**Arizona Superintendent of Public Instruction
Kathy Hoffman**

Project Name

ED19002 - AELAS School Finance Payment Systems

July 15, 2020

Status Through: June 30, 2020

Agenda for School Finance Payment System (SFPS)

- Program Summary

- Program Snapshot

- ITAC Approved Conditions Update

- Program Timeline/Roadmap

- Program Accomplishments

- Project Milestones

- SFPS Documentation Review and Approval Committee Update

- Current Financial Position

- Contingency Plan

- MVP Plan

Program Summary

Overall

Current Main Focus of the Program

To modernize Phase 1, known as "Charter Schools Payment Software," of a three-phased project that supports $6B in state aid payments

Current Snapshot: Requirements & Development

- Designed scalable framework for payment streams including the common requirements for both charters and districts
- CHAR Requirements gathering is in the final phase (completed by 7/14) and the Functional Requirements Document is near completion
- Key foundational CHAR software development upgrade milestone has been completed
- Began Data Inputs and Calculations development on June 1, 2020
- Additional project resources have been onboarded during the controlled development ramp up with no budget impact
- Minimum Viable Product was defined and included in the Functional Requirements Document
- In collaboration with ASET, ADE developed and completed the Acceleration Plan for APOR/CHAR/AFR-Budget

Program Snapshot

Next Steps Q1 FY21

- Complete development of Data Inputs and Calculations
- Begin development on Adjustments
- Complete all Functional Requirements documents for review by the Technical Advisors
- Begin Phase 2 of the Communication Plan
- Complete the Organizational Change Management Plan

Current Concerns

- Current Coronavirus pandemic places the project at risk for onboarding resources, planning and connecting with team members

- Since there is **currently no funding for the project** beyond January 2021, the focus of the accelerated plan is to replace the legacy system function in Phase 1, which will provide further enhancement and iterations to expand and improve overall functionality

ITAC Update: Conditions and Status

From the initial ITAC approval on January 15, ITAC required the following bulleted conditions be met. We have complied and completed the following:

✔ **The Department of Education shall provide informational updates regarding project progress and expenditures on a quarterly basis to ITAC; unless otherwise requested by ADOA-ASET.**

✔ **ADE is collaborating with ADOA-ASET and is on hand today to present its mandated quarterly update.**

✔ **Prior to beginning development, the Department of Education must work with the Department of Administration and establish a committee, to include an independent third party, for the purpose of performing business and system documentation review and approval.**

✔ **The SFPS Documentation Review and Approval Committee has been established consisting of school finance system experts from districts and charters throughout the state, two technology experts from ADOA-ASET, as well as an option for other subject matter experts to attend and contribute. The Committee Charter, as well as the documentation that the committee will be reviewing and approving, has been voted on and approved by the committee.**
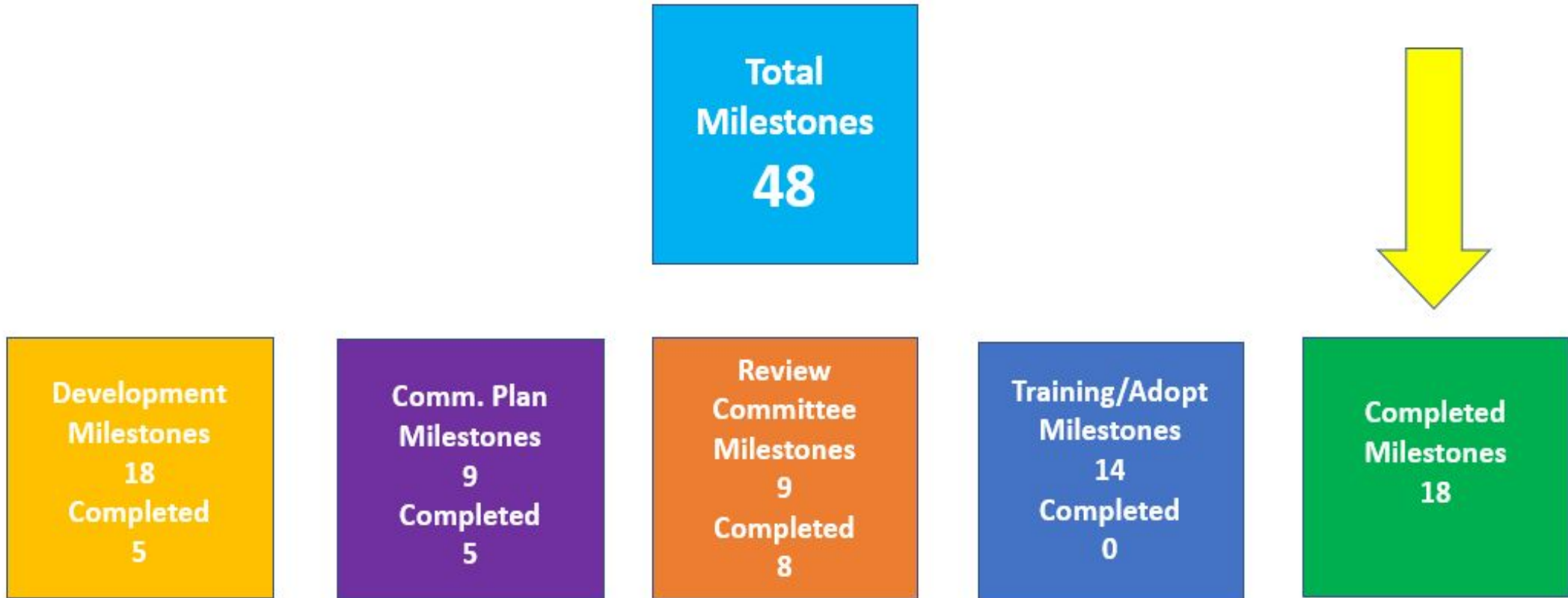
Project Timeline – Phase 1

Program Accomplishments

- Our IV&V vendor, Info-Tech, completed its first and second quarter reports

- SFPS Documentation Review and Approval Committee approved the first Business Requirements Document at our second meeting on June 16, 2020

- The first part of our project Communication Plan was approved by the Stakeholders and oversight committees

- ADE IT completed two sets of Functional Requirements Documents for Data Inputs and Calculations and provided them to the Technical Advisors for review

- The CHAR Payment Project Requirements milestone was completed to 99.2%

- Key foundational CHAR software development upgrade milestone has been completed

- ADE IT began development on CHAR Data Inputs and Calculations on June 1, 2020

- An accelerated project plan for Phases 2 and 3 (APOR and AFR/Budget) was completed and presented to ADOA on June 26, 2020

Project Milestone Accomplishments

Total Milestones
48

Development Milestones 18 Completed 5

Comm. Plan Milestones 9 Completed 5

Review Committee Milestones 9 Completed 8

Training/Adopt Milestones 14 Completed 0

Completed Milestones 18

Document Review & Approval Committee Update

- Business Requirements Document (BRD) underwent discussion and revision by the Business Document Review & Approval Committee on June 16, 2020.

- The Committee requested the addition of Success Criteria, Risks and Priorities (MVP) to the BRD, which was accomplished by ADE IT on June 26, 2020.

- The BRD was conditionally approved by the Committee.

- New Committee members Thomas Bogart of Pima County JTED and Omran Sheikh of Info-Tech were introduced at the meeting.

- Upcoming documents designated for review include:
    - Functional Requirements Document
    - Conceptual Data Model
    - Logical Data Model

Current Financial Position

State Funding

	Appropriated	Favorably Reviewed	DOA Transferred
Total FY20 Appropriated	$ 3,000,000	$ 3,000,000	$ 1,136,000
Total APF	$ 3,000,000	$ 3,000,000	$ 1,136,000

General Fund

Fiscal Year	Appropriated	Planned
FY20	$ -	$ -
Total General Fund	$ -	$ -
Total of All State Funding		$ -

Federal Funding

	Appropriated	Approved to Spend	Available to Spend
	$ -	$ -	$ -

Actuals

	APF Spent	Federal Spent
FY20 Hardware	$ 29,353	$ -
FY20 License & Maintenance Fees	$ 39,220	$ -
FY20 Professional Services & Outside Services as of 06/30/2020	$ 320,382	$ -
FY20 Personal Services as of 6/30/2020	$ 78,013	$ -
FY20 ERE as of 6/30/2020	$ 21,615	$ -
FY20 Contingency	$ -	$ -
Total APF Spent	$ 488,583	$ -

Total Fund Remaining

Total Funds Available to Spend	$ 3,000,000
Total Funds Spent	$ 488,583
Total Funds Remaining	$ 2,511,417

Financial Notes:

- FY20 - ADE provided funding from State Legislature via APF

- January 2020 - ADE received approval for Phase 1 of project from ITAC & JLBC

Financial Health:
- The current financial position for the program is green. The program is funded through April FY21

Contingency Plan

ADE has a contingency plan in case of failure of the current system and has been provided to OSPB. This plan is divided into a multi-step process:

- If the system fails, the goal is to bring the system back up by rebooting and restoring the components. If successful, this is the best outcome in case of failure.

- If the system could not be brought back to normalcy, then there are manual steps that need to be implemented in order to generate the payments.

For that, there are two approaches that can be implemented:

- Payments can be generated using prior month data or by using YTD average. This is a **short term plan** and **may not reflect the accurate payments.**

- There are Excel workbooks based calculations that can be used for generating payments. But these workbooks have not been updated to all the current formulas that generate payments.

Minimal Viable Product Plan

ADE IT has defined an MVP for the project:

- The MVP is defined as all manual processes being automated
- The MVP includes all of the items marked "must-haves" and "should haves - priority 1" in our acceleration plan
- "Must haves" and "should haves – priority 1" includes core payment calculations and reports

The MVP **does not** include:

- a fully auditable system
- API integration and data analytics

Acceleration Plan

The original School Finance Payment System was planned to be built in three phases: APOR(districts), CHAR(charters) and AFR/Budget over three years for $9M.

ADE IT submitted three options to accelerate the project to be finished by July 1, 2021. The **recommended plan** is as following:

- **Without the prospect of additional funding until July 2021, and under the existing condition of the APOR portion of the Payment System, the proposed accelerated plan has a primary focus on migrating away from the high-risk legacy system (APOR/CHAR) for school districts and charters first and the Budget/AFR system next.**

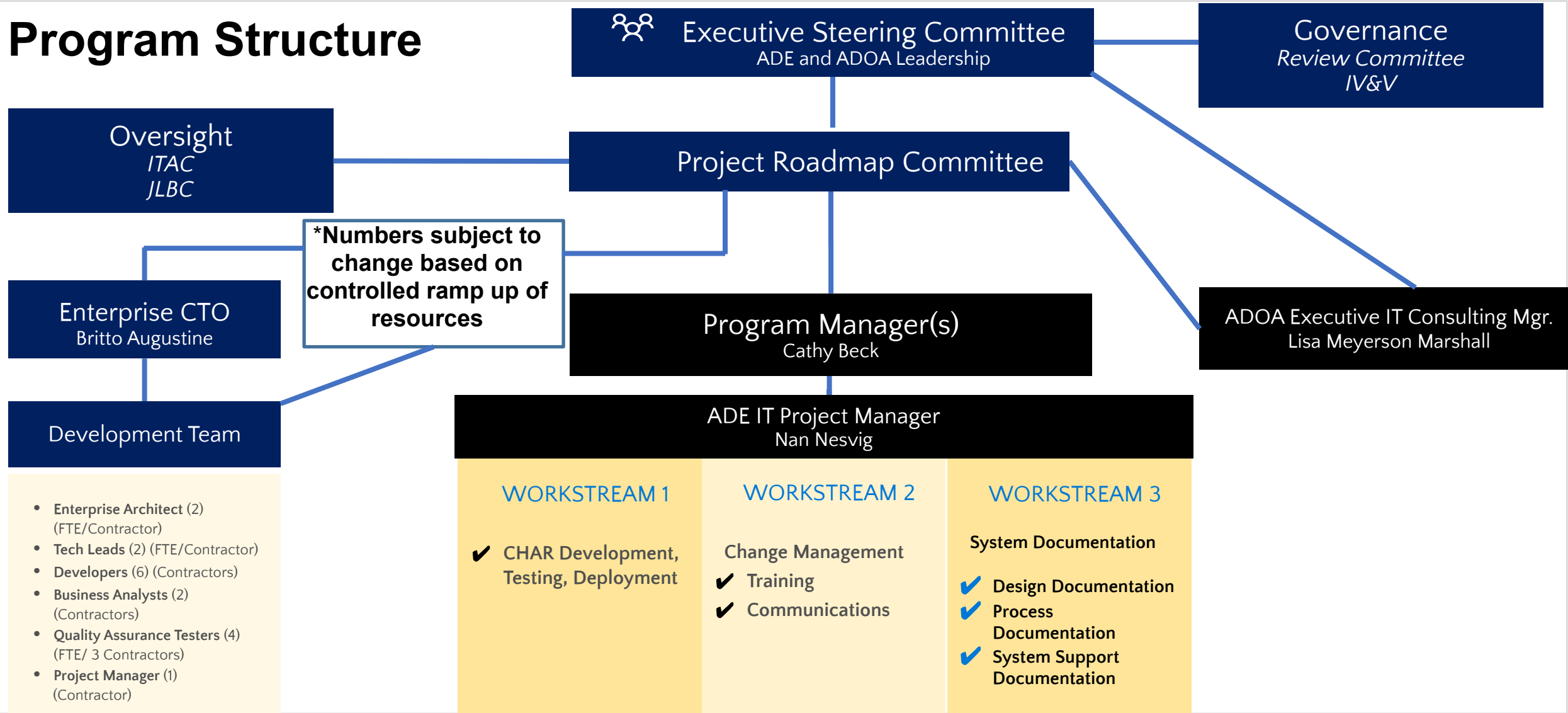**Concerns:** No additional funding beyond the original $3M, additional time using the antiquated legacy system and no operational MVP of APOR/CHAR until July 2021.

*The MVP cannot be completed with just the initial $3M appropriation allocated by the Legislature. The complete cost of the MVP will be approximately $6M and only the APOR/CHAR "must haves" will be completed by July 2021

Q & A
Session

Reference Materials

Program Structure

Executive Steering Committee
ADE and ADOA Leadership

Governance
Review Committee
IV&V

Oversight
ITAC
JLBC

Project Roadmap Committee

*Numbers subject to change based on controlled ramp up of resources

Enterprise CTO
Britto Augustine

Program Manager(s)
Cathy Beck

ADOA Executive IT Consulting Mgr.
Lisa Meyerson Marshall

Development Team

ADE IT Project Manager
Nan Nesvig

- **Enterprise Architect** (2) (FTE/Contractor)
- **Tech Leads** (2) (FTE/Contractor)
- **Developers** (6) (Contractors)
- **Business Analysts** (2) (Contractors)
- **Quality Assurance Testers** (4) (FTE/ 3 Contractors)
- **Project Manager** (1) (Contractor)

WORKSTREAM 1

✔ **CHAR Development, Testing, Deployment**

WORKSTREAM 2

Change Management
✔ **Training**
✔ **Communications**

WORKSTREAM 3

System Documentation

✔ **Design Documentation**
✔ **Process Documentation**
✔ **System Support Documentation**

Program Responsibilities

ADE

1. Project Management
2. Architectural Design
3. Development
4. Testing
5. Deployment
6. Training
7. Adoption

Shared

1. Project Management & Oversight
2. Business – Design, Process & System Support
3. Documentation Review & Approval Committee

Vendor/Contract

1. IV&V
2. Knowledge Services –Professional Contractor Services

SFPS Documentation Review and Approval Committee Members

Dr. Chuck Essigs (Chairman) – Director of Government Relations, AASBO

Ken Hicks (Vice Chairman) – Chief Financial Officer, Dysart Unified School District

Jeremey Calles – Chief Financial Officer, Tolleson Unified School District

Norman Purdy – Director of Student Data and Outreach, Vail Unified School District

Dale Ponder – Chief of Finance and Operations, Crane Elementary School District

Dan Bigler – Director of Finance, Paradise Schools

Sean Rickert – Superintendent, Pima Unified School District

Scott Thompson – Assistant Superintendent for Business and Support Services, Mesa Public Schools

Thomas Bogart – Pima JTED

Anny Ulrey – ADOA, ASET member

Sangeetha Sivakumar – ADOA, ASET member

Third-Party Reviewer: Omran Sheikh, Info-Tech