



## Arizona Department of Education

June 17, 2021

TO:

JR Sloan

Arizona State CIO and Chairman, Information Technology Authorization Committee (ITAC)

FROM:

Whitney Marsh

Deputy Chief of Staff, Arizona Department of Education

RE: AELAS School Finance Payment System Change Request

Dear Chairman Sloan,

The Arizona Department of Education (ADE) is presenting to ITAC a Change Request to begin Phase II of the School Finance Payment System Accelerated Plan (AP). The AP was presented to ITAC at its August 2020 meeting and was comprised of a three phase, three-year plan. While there were no changes to total financials or timeline as compared to the original plan, the AP escalates the timeline of implementation of the district payments (APOR) portion of the School Finance Payment System. The primary intent of the prioritization in the AP is to migrate away from the legacy payment system as soon as possible and to reduce manual calculations.

In August, ITAC approved with conditions a limited scope of the AP referred to as Phase I – Part 1. Following progress on Part 1, ITAC approved Phase I – Part 2 in December, which added scope to complete development of APOR minimum viable product and migrate away from the legacy payment system by June 30, 2021. ADE has demonstrated adherence to the conditions and is on track to complete Phase I on time and within budget.

### **Snapshot of Work to Date: Requirements & Development**

- 36/36 Phase I – Part 1 Milestones of the Accelerated Plan and 100% of CHAR development were complete as of 2/12/2021.
- 32/35 Phase I – Part 2 Milestones of the Accelerated Plan have been completed to date.
- APOR UAT, Go Live Prep and Go Live are the three remaining Milestones from Phase I – Part 2.
- The ADE IT Team has completed 100% of APOR development and is on track to go live by 7/01/2021.

To continue development and implementation of a customized school finance payment and budget system, ADE is requesting approval of Phase II to complete requirements gathering, design and development of the State Aid Payments and Budget system (Budget/AFR) minimum viable product.

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

**Kathy Hoffman, Superintendent of Public Instruction**

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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 Phase II, State Aid Payments and subsystem Budget/AFR development of the project.

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.

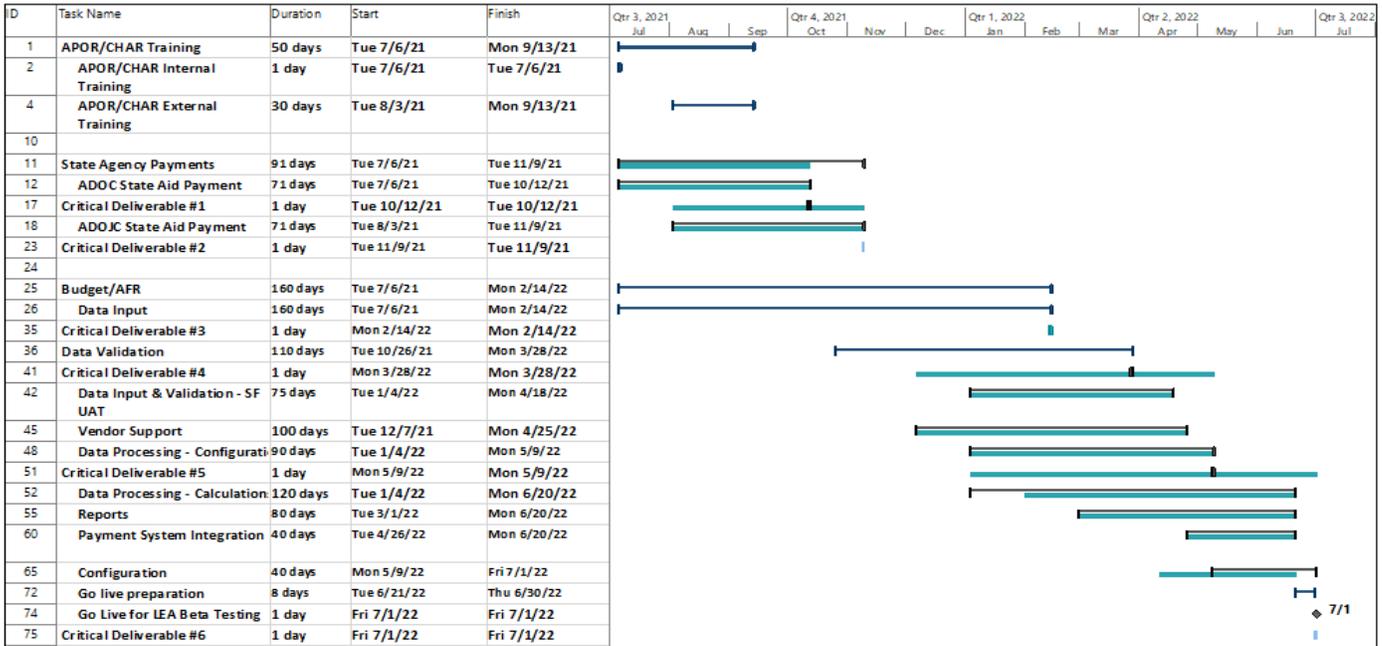
**Budget Projection:**

<b>Professional Services</b> - Fees for design, development, QA/Testing (developers, business analysts, quality assurance personnel)	\$ 1,502,147
<b>Addnl. ADE Personal Services</b>	\$ 445,770
<b>Addnl. ADE Personal ERE</b>	\$ 148,028
<b>IV&amp;V</b>	\$ 96,000
<b>Technical Advisors</b> – Documentation Review	\$ 27,000
<b>Hardware</b> – Development Workstations	\$ 12,100
<b>Software</b> – Contractor Software Applications & Licenses	\$ 87,120
<b>License &amp; Maintenance Fees</b> - Software License Renewals & Cloud Storage	\$ 60,537
<b>Contingency</b>	\$ 150,000
<b>Total Development Cost for FY [2022]</b>	<b>\$ 2,528,702</b>

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## Timeline Projection:



Thank you for the continued partnership and for ITAC's consideration of the proposed change request.

Sincerely,



Whitney Marsh  
Deputy Chief of Staff  
Arizona Department of Education