

Monthly Update (Phase I) and Change Request (Phase 2) 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

June 23, 2021

Monthly Update – Phase I

Accelerated Plan Phase II Change Request

Introductions

Whitney Marsh - Deputy Chief of Staff

Kate Wright – Chief of Staff

Lyle Friesen – Associate Superintendent, School Finance

Nan Nesvig – Senior IT Project Manager

Project Overview

- ADE School Finance is responsible for processing student data and calculating approximately \$6 billion per year in state aid funding to school districts and charter schools in Arizona.
- The current business process is built around an unsupported legacy technology platform that is a collection of web and desktop applications, Excel spreadsheets and manual calculations, which are processing the payment streams.
- The goal of the School Finance Payment System project is to streamline the various payment processes under a unified system that is automated, accurate, auditable, transparent and maintainable.

Monthly Update (Phase I)

Project Health Card – May 2021

* Overall Project Health is **Green**

Schedule



- We have completed development of Phase I – Part 2.
- All features of Phase I - Part 2 have been released to UAT.
- Currently, we are completing Go-Live prep.

Milestones



- APOR UAT milestone is in progress and will continue until June 21, 2021.
- The internal and external training and user manuals milestone has been completed.
- Launch of the new CHAR/APOR system will occur on July 1, 2021.

Budget



May 2021 Financials			
Phase I - Part 1 Budget Forecast	\$1,952,342	Phase I - Part 2 Budget Forecast	\$1,227,007
Phase I - Part 1 Actuals through December 2020	* \$1,758,448	Phase I - Part 2 Actuals through May 2021	\$866,688
Remaining Budget Carried Forward to Part 2	\$193,894	Phase I - Part 2 Projection	\$360,319
* December actuals partially supported Part 2 estimate at \$70,698			
Total Spend to Date plus Projection:			\$2,985,455

Risks



- There are no current risks in the project.

Issues



- There are no issues in this project.

Phase I – Parts 1 & 2 Progress

Current Focus of the Program

To modernize “Charter School Payments” or “CHAR” and “School District Payments” or “APOR”, including CHAR and APOR requirements, for Phase I - Parts 1 & 2 of a three-phased project that supports \$6 billion in state aid payments.

Snapshot of Work to Date: Requirements & Development

- All of the Phase I – Part 1 milestones have been completed.
- 32/35 Phase I – Parts 2 milestones of the Accelerated Plan have been completed to date.
- The ADE IT Team has completed 100% of CHAR requirements and development.
- The ADE IT Team has completed 100% of APOR requirements and development.
- Three remaining milestones for Phase I – Part 2 include UAT, Go-Live Prep and Go Live.
- All CHAR and APOR requirements and development milestones have been demoed and approved by the Stakeholder, the Executive Steering Committee and ADOA-ASET.
- The IT Team deployed the Charter Estimated Counts piece of the CHAR development into production on May 24, 2021, and it is currently being used by the LEAs.

User Acceptance Testing

- UAT Releases 1-3 have been approved by the School Finance Business Team
- Currently, the Team is completing Release 4 with an expected end date of June 21, 2021

SFPS APOR UAT Stats - Release #4											
As of 6/11/2021					Severity				Priority		
	Opened	Resolved	In Progress	Scheduled/Backlog	Critical	High	Medium	Low	1	2	3
Bugs	36	23	9	4	7	3	26		10	26	
Enhancements	13	6	6	1					2	8	3
<i>Total Features Released: 22</i>											
<i>Total Features being Tested: 22</i>											
<i>Total Features Completed Testing: 6</i>											
<i>Total Test Cases Executed: 32</i>											
<i>Total Number of Test cases created across all Features : 41</i>											

Budget Actuals & Projection – Phase I

Phase I Actuals through May 2021	\$ 2,625,136
Phase I Projected Spend through June 30, 2021	\$ 360,319
Total Expenditures Phase I	\$ 2,985,455

Current Accelerated Plan

In January, 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 - Part 1 (August 2020 – December 2020) Development of payments to charters (CHAR) and any common components (used by both charters and districts) and requirements for school districts (APOR).
- Phase I – Part 2 (December 2020 - June 2021) Development and requirements gathering of payments to school districts (APOR).

Phase I \$3,000,000 approved; Entire plan \$9,000,000

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.

Change Request (Phase 2)

First Change Request

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.*
- Will ensure compliance with applicable laws and constitutional expenditure limits.*
- Will enhance ADE's ability to implement changes enacted by policymakers as they relate to financial transparency and reporting.*

Budget Projection – Phase II

Projected Spend for Phase II July 1, 2021 – June 30, 2022	\$ 2,528,702
Professional Services – Fees for design, development, QA/Testing (developers, business analysts, quality assurance personnel)	\$1,502,147
Addnl. ADE Personal Services	\$ 445,770
Addnl. ADE Personal ERE	\$ 148,028
IV&V	\$ 96,000
Technical Advisors – Documentation Review	\$ 27,000
Hardware – Development Workstations	\$ 12,100
Software – Contractor Software Applications & Licenses	\$ 87,120
License & Maintenance Fees – Software License Renewals & Cloud Storage	\$ 60,537
Contingency	\$ 150,000
Total Development Cost for FY2022	\$2,528,702

**This total does not include the additional \$600,000 requested by ADOA-ASET for consulting fees during Phase II*

Phase II Timeline

ID	Task Name	Duration	Start	Finish	Qtr 3, 2021			Qtr 4, 2021			Qtr 1, 2022			Qtr 2, 2022			Qtr 3, 2022
					Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
1	APOR/CHAR Training	50 days	Tue 7/6/21	Mon 9/13/21	[Bar]												
2	APOR/CHAR Internal Training	1 day	Tue 7/6/21	Tue 7/6/21	[Bar]												
4	APOR/CHAR External Training	30 days	Tue 8/3/21	Mon 9/13/21	[Bar]												
10																	
11	State Agency Payments	91 days	Tue 7/6/21	Tue 11/9/21	[Bar]												
12	ADOC State Aid Payment	71 days	Tue 7/6/21	Tue 10/12/21	[Bar]												
17	Critical Deliverable #1	1 day	Tue 10/12/21	Tue 10/12/21				[Bar]									
18	ADOJC State Aid Payment	71 days	Tue 8/3/21	Tue 11/9/21	[Bar]												
23	Critical Deliverable #2	1 day	Tue 11/9/21	Tue 11/9/21							[Bar]						
24																	
25	Budget/AFR	160 days	Tue 7/6/21	Mon 2/14/22	[Bar]												
26	Data Input	160 days	Tue 7/6/21	Mon 2/14/22	[Bar]												
35	Critical Deliverable #3	1 day	Mon 2/14/22	Mon 2/14/22							[Bar]						
36	Data Validation	110 days	Tue 10/26/21	Mon 3/28/22				[Bar]									
41	Critical Deliverable #4	1 day	Mon 3/28/22	Mon 3/28/22							[Bar]						
42	Data Input & Validation - SF UAT	75 days	Tue 1/4/22	Mon 4/18/22							[Bar]						
45	Vendor Support	100 days	Tue 12/7/21	Mon 4/25/22				[Bar]									
48	Data Processing - Configuration	90 days	Tue 1/4/22	Mon 5/9/22							[Bar]						
51	Critical Deliverable #5	1 day	Mon 5/9/22	Mon 5/9/22							[Bar]						
52	Data Processing - Calculation	120 days	Tue 1/4/22	Mon 6/20/22							[Bar]						
55	Reports	80 days	Tue 3/1/22	Mon 6/20/22							[Bar]						
60	Payment System Integration	40 days	Tue 4/26/22	Mon 6/20/22							[Bar]						
65	Configuration	40 days	Mon 5/9/22	Fri 7/1/22							[Bar]						
72	Go live preparation	8 days	Tue 6/21/22	Thu 6/30/22							[Bar]						
74	Go Live for LEA Beta Testing	1 day	Fri 7/1/22	Fri 7/1/22							[Bar]			7/1			
75	Critical Deliverable #6	1 day	Fri 7/1/22	Fri 7/1/22							[Bar]						

Potential Risks to the Timeline

IT Leadership Transitions

- Chief Information Officer resigned, last day 6/30 – Executive Steering Committee member
- Chief Technology Officer resigned, last day 6/30 – 50% allocated to the project
- IT Program Manager retiring, last day 6/30 – 25% allocated to the project

Legislation that has passed, has potential to pass or is included in the proposed budget that will have a direct impact on the payment system and business capacity:

- 2124 – Career and Technical Education (CTED) enrollment (ADM) calculations
- 2817 – Adding gifted Group B weight (in budget)
- 2862 – Revisions to instructional time models (revisions in budget)
- 1179 – CTED 4th year funding (in budget)
- 1189 – Special Education Group B weights (in budget)
- 2403 – High school enrollment (ADM) and course requirements
- Budget bills

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.
- At the end of Phase II, the Budget/AFR and the State Aid Payments development will be completed.
- 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.

ADE Request for ITAC

Based on the current progress in Phase I, adherence to the ITAC conditions, and maintaining both budget and variance throughout the project to date, ADE is requesting approval of Phase II to complete Budget/AFR and the State Aid Payments development during FY22.

Q & A Session

APPENDIX

Project Financials

ADE Phase I - Part 2

ITAC Approval Date: 12/16/2020

Phase I - Part 2 Est. End Date: 6/30/2021

ITAC Approved Phase I - Part 2 Budget:	\$1,227,007									Phase I - Part 1 Actual:	\$1,758,448
ITAC Approval Date:	12/16/2020									Phase I - Part 2 Actual:	\$866,688
Phase 1 - Part 2 Est. End Date:	6/30/2021									Projected Spend Part 2:	\$360,319
										Unassigned Dollars:	\$14,545
											\$3,000,000

	School Finance Payment Systems										
	21-Jan	21-Feb	21-Mar	21-Apr	21-May	21-Jun	21-Jul	21-Aug	FY20	FY21	Cumulative
Baseline Projection (\$)	\$166,566	\$182,617	\$195,170	\$180,945	\$202,261	\$138,920	\$55,016	\$24,000	\$904,891	\$2,532,549	\$2,903,940
Actual (\$)	\$167,026	\$169,729	\$178,967	\$176,653	\$174,312	N/A	N/A	N/A	\$608,038	\$2,017,097	\$2,625,135
Variance (\$)	(\$460)	\$12,888	\$16,202	\$4,291	\$27,949	N/A	N/A	N/A	\$296,853	\$515,452	\$278,805
Variance (%)	0%	8%	9%	2%	16%	N/A	N/A	N/A	33%	20%	10%

Project Financials Corrective Action Report

ADE Phase I - Part 2

ED19002 Corrective Action Plan	
Problem Statement:	The Payment System project ED19002 encountered an actual project expenditure variance greater than 10% of the projected expenditure for the month of May 2021 for two reasons.
Root Cause:	<ol style="list-style-type: none">1. There were three Personal Services and ERE pay periods planned for May, the last to be processed May 31st which did not occur till June 1st.2. Delays in ability to pay AZURE invoices due to late receipt of invoices. This year ADE has been challenged with not receiving invoices in a timely manor and having to continuously follow-up with CDW-G to obtain invoices. CDW-G is a state contracted vendor. This is not an ADE contract, it is a SPO contract.
Permanent Corrections:	<ol style="list-style-type: none">1. There is no permanent correction, the variance of \$22,560 will catch up in June.2. ADE CPO and staff are working with the SPO and have filed two vendor performance reports with SPO on the lack of timeliness on both quotes, and invoices from CDWG.
Corrective Verifications:	<ol style="list-style-type: none">2. Continue to work with CDW-G to receive timely invoices for AZURE.
Status:	Open