

# Quarterly Performance Review of the Arizona Education Learning and Accountability System: AELAS

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Submitted to the Arizona Department of Education  
by WestEd and CELT

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## INTRODUCTION

This report documents a quarterly performance review of the Arizona Education Learning and Accountability System (AELAS) by an independent evaluator as required by *Arizona Revised Statutes* (A.R.S.) 15-249 that was conducted January 18-19, 2017. WestEd, the prime contractor, and the Center for Educational Leadership and Technology (CELT), the subcontractor, were hired by the Arizona Department of Education (ADE) to serve as that independent evaluator. This quarterly monitoring report is a follow-up to the initial performance review conducted in 2013, with a report submitted on September 9, 2013. This report follows all previous quarterly monitoring reports, updating commendations and recommendations.

This report has a changed structure due to the findings and focus from the monitoring visit. We have elected to not present the typical findings and recommendations for the 11 topics as we have done in previous reports. Instead, the report will specifically focus on one main finding from the monitoring visit that potentially could have adverse effects on the future usefulness of AELAS. That finding is the fiscal instability of the funding sources for the completion of the development work and the ongoing maintenance needs. This finding overshadows any other topic the report addresses because, without sufficient funding, the data system will cease to function, and ramifications of such an event will be problematic for education across the State of Arizona.

## SUMMARY FINDINGS

The main findings from this monitoring visit include:

1. **Fiscal Year 2018 Sustainability Funding:** The FY2018 budget request was \$10.1 million for the support, maintenance, and ongoing operation of AELAS and \$7.5 million for further development. This report acknowledges the importance of sustaining and continuing to build on the work of AELAS. However, during the first day of the January 2018 site visit, the WestEd/CELT team learned that the Governor's proposed budget for ADE IT for fiscal year 2018 is currently zero dollars. This will leave the ADE IT group with less than \$3.6 million in the recurring operating budget to maintain daily operations and to support all existing systems. This amount is less than 50% of the minimum funds needed, based on the budgeted needs and in comparison with the requests of what other states require for their systems. The lack of funding means that the ADE IT department will be unable to maintain the systems it has most recently constructed (which includes the AELAS systems of AzEDS, AzDASH, ADEConnect and the new ADE ODS data marts) as well all of the other existing ADE systems and legacy SAIS applications. The budget reduction will mean that planning for layoffs and contract terminations will need to begin in February 2017 in order to prepare for the eventual transition point in the coming fiscal year. This will create a loss of talent and institutional knowledge that will be un-recoverable. Should adequate funding not be available for basic systems, the systems that have been recently developed may need to be shut down for lack of support resources. The legacy SAIS systems that previously supported payments to districts cannot (and should not) be placed back into production; the hardware and operating system components upon which the

rely are no longer sold or supported. This will result in the state of Arizona returning to the manual processes of funding calculations that pre-dated SAIS. This finding has been documented in prior monitoring reports over the past three years.

Concern for AELAS funding and ongoing support has been a finding by the WestEd/CELT reports since the first report in 2013. The following findings and recommendations have been directly extracted from that report and describe budgetary needs going forward:

*Findings:*

*The AELAS, SAIS, and SLDS project costs, actual spend to date, funding sources and future costs are not well understood by the key stakeholders, governing bodies and legislature. This is a complex project, and the costs and funding structures are difficult to convey and to comprehend. This lack of understanding will make it more challenging over time to advocate for continuing expenditures.*

*The budgeted \$5.3 million for IT operations for 2014 is low compared to a recent Gartner study conducted on behalf of the State of Washington Office of the Superintendent of Public Instruction. This study cites a range of \$5.7 to \$6.8 million for peer state (e.g., Washington peer state) agencies for 2013.*

*The FY 2014 AELAS appropriation (\$7 million) does not provide the money to sustain the aggressive schedule that was planned for AELAS rollout, and will delay some of the benefits anticipated in the business plan.*

*The long-term sustainability for a system such as AELAS in Arizona is a serious issue. Funding streams can be in danger of being reduced or eliminated each year. Staffing for the full project and long-term ongoing support is unknown at this point.*

*Recommendations:*

*ADE should:*

- \* Develop a comprehensive plan for the full implementation of AELAS and the SAIS rewrite. It would include each of the projects and their accompanying resource needs, funding requirements, stakeholder resources, district resources, major deliverables and milestones over a multi-year period, and likely funding sources and funding gaps.*
- \* Outline all of the projects (in progress and to be launched), the scope/deliverables, schedules, sponsors and team members, costs, and funding source. Be transparent as regards the AELAS/SAIS/SLDS budget, publishing its planned budget to date, actual spend to date, burn rate, percent complete by project for all efforts associated with these efforts, and sources of funding.*

The ongoing funding concern documented in previous reports is due to the history of SAIS, where funding for ongoing support and needed enhancements had been cut and the system was allowed to age out until it became untenable to support. A zero-budget for ADE IT would go far beyond repeating the negative effects in that it will shut down the only viable replacement for SAIS when it is successfully nearing approximately 80% of the way to replacing the SAIS systems.

Even with the full 100% of the funds needed to maintain the current systems (estimated at approximately \$7.8 million) this still leaves the ADE IT with insufficient funds to finish the migration off of SAIS. The APOR/CHAR system re-write and the replacement of the SAIS legacy applications will be shut down prior to completion and these systems will need to be

supported in their present state. This is a very risky position in which to be frozen, in that the hardware and operating system infrastructure for these applications is obsolete.

The WestEd/CELT team recommends the following:

- Allocate at least \$7.8 million to the recurring ADE IT budget beginning in FY 2018. This figure is based on the rationale for the original request for ADE IT as well as comparisons to other competitive and comparable states for their IT budgets.
  - Request that ADE submit a list of projects that are proposed for next year with each project fully estimated as to total cost to complete, even if it spans beyond FY 2018. The list should be in priority order with the impact of no funding clearly articulated for each project. APOR/CHAR and legacy application conversion should be included in the list.
  - Use the list to determine the amount of non-recurring budget to allocate to ADE IT for FY 2018.
2. **Re-write of APOR and CHAR:** The APOR/CHAR project is preparing to enter into the design phase in the 3<sup>rd</sup> quarter of FY 2017. The team elected to determine the business rules and financial calculations for APOR/CHAR prior to these systems being re-written by using a combined approach of legislative review and reverse engineering of the legacy code, followed by a gap analysis of the two results. This work needs to continue uninterrupted, and the estimate for full completion of the APOR/CHAR re-write should be provided as described in item 1 above.
  3. **Help Desk Services:** A finding in the previous report (October 2016) was that the ADE help desk services did not reflect the commonly accepted best practices and use of metrics as recommended by such frameworks as ITIL or COBIT. This had resulted in a backlog of tickets and long average resolution times. The ADE focused immediately on this issue, making organizational adjustments in November 2016. This has resulted in an improved help desk service and a better focus on KPIs for help desk operations. There is still some remaining work to be done, but it appears that the average resolution time and ticket backlog have been significantly reduced.
  4. **SIS Opt-in:** The improvement of the help desk should greatly improve the experiences of the SIS opt-in districts and increase the likelihood that additional districts might opt-in over time. Given that the ADE will no longer actively market the SIS opt-in approach to other districts, this will be an important consideration.
  5. **Legacy Apps:** Converting the legacy applications off of SAIS is an important next step for the AELAS project. This conversion has begun by pointing the legacy applications to new data marts populated from the ODS. The next phase of the legacy app conversion will look at collapsing and combining the legacy applications. This work will carry on for an as-yet undetermined amount of time. During this time, ADE will work to convert the older (2003) servers for these apps to newer servers to avoid the need to maintain unsupported system software. This legacy re-write work needs to be estimated as to its cost to complete (beyond FY 2018 if necessary) and communicated as recommended in item 1 above.

## COMMENDATIONS

Commendations pertain to activities that ADE is doing especially well and are highlighted as examples of superlative performance. The WestEd/CELT team has noted the following commendations from observations during the January 2017 site visit:

1. **Conversion to AzEDS:** The new data reporting process is reported to be working well. Estimates as to the amount of savings from more accurate student counts is \$40 million. This represents a one-year payback for the overall AELAS project cost to date of \$38 million.
2. **Broadband** – The ADE is continuing its efforts to provide broadband services to school districts across the state. Progress has been made. This issue was raised in the original focus groups, and continued to be an issue for the most rural districts across the state. Broadband is a service that will greatly benefit the state and especially the smaller and more rural districts.
3. **Teacher Preparation Program** – Increasing the data literacy of educators across the state is technically not part of the WestEd/CELT monitoring. However, data literacy in the districts and at ADE is a foundational skill set that will enable broader and more effective use of AzEDS. ADE is at the cutting edge here among states. The ADE is requiring that teacher preparation programs show evidence that they provide training on data literacy for educators beyond just assessment literacy and to have data literacy embedded in all aspects of teacher preparation program, not a separate strand. ADE is one of the first, if not the first state, to collaboratively work with its colleges of education to develop a rubric and set of standards against which curricula can be built. It would be helpful, however, for ADE to ensure that data literacy skills and knowledge are included in the required skill sets for educator and have those skills sets available for dissemination via the Department’s website. ADE will be the topic of a white paper for the Michael and Susan Dell Foundation, highlighting the data literacy work as cutting edge and recognizing ADE was one of the leaders in the field.
4. **Strategic Plan for ESSA** – ADE is ahead of most states in the development of the strategic directions for ESSA. ADE was the first state to submit their ESSA plan to the U.S. Department of Education.
5. **Cost Estimating and Tracking** - The ADE IT department has developed good tools for tracking planned and actual costs for the projects that they manage. These include not only cost tracking but also change request management/tracking and modeling tools to help project future costs for things such as cloud services. The department very closely manages the funding they receive. They are to be commended for continuously improving the project estimating/tracking tools and processes. This will be important going forward to be able to more accurately establish and track funding costs by major project. This level of cost planning and accountability will help to establish credibility for funding requests in the future. The site visit yielded several examples of careful project planning documents that outlined tasks, timelines, budgets, and possible challenges being used to monitoring project progress.