2020 Supplemental Budget
Decision Package

Agency: 350 Office of Superintendent of Public Instruction

DP code/title: Apportionment System Maintenance

Budget period: 2020 Supplemental

Budget level: ML

Agency RecSum text:

The Office of Superintendent of Public Instruction (OSPI) uses a series of applications for fiscal reporting and the allocation of over $13 billion of state and federal funds annually. OSPI is required to track expenditures by sub-fund and location, which are critical requirements of the Every Student Succeeds Act (ESSA) and HB 2242 (2017). In order to comply with state statute and budget language, OSPI requests $450,000 in FY 2021, and $500,000 in each of FY 2022 and 2023 to perform routine system maintenance and make legislatively mandated updates to current systems including enrollment reporting (P-223), budgeting (F-195), budget extension (F-200), four-year budgeting (F-195F), financial reporting (F-196), and apportionment.

Fiscal detail:

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
State General Fund	$0	$450,000	$500,000	$500,000
Total Expenditures	**$0**	**$450,000**	**$500,000**	**$500,000**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0.0	0.0	0.0	0.0
Average Annual	**0.0**		**0.0**	
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. E	$0	$450,000	$500,000	$500,00

Package description

OSPI is requesting $450,000 in fiscal year (FY) 2021, and $500,000 in each of FY 2022 and 2023 for annual maintenance and legislatively mandated changes to the various applications utilized for fiscal reporting and the allocation of over $13 billion of state and federal funds annually. Applications supported by this funding include the enrollment reporting (P-223), budgeting (F-195), budget extension (F-200), four-year budgeting (F-195F), financial reporting (F-196), and apportionment. These applications are required to track expenditures by sub-fund and location, which are critical requirements of the federal Every Student

Succeeds Act (ESSA) and House Bill (HB) 2242 (2017). This request will ensure that districts will receive the correct amount of state dollars in accordance with underlying statute and budget language.

The primary purpose of this funding is to make necessary changes to the applications as required by the state budget and legislation as approved each spring. Examples of these changes in recent sessions include the addition of Learning Assistance Program (LAP) high poverty funds, K–3 class size compliance, adding regionalization factors, and the school counselor enhancement for 20 schools.

These funds will also pay for routine changes to the systems that would be required if there were no changes to underlying budget language or statute. Examples of these changes include, but are not limited to, updating new fiscal drivers by inflation (where applicable) and adding any new state-tribal education compact or charter schools to the systems.

What is the problem, opportunity or priority you are addressing with the request?

Current apportionment systems are outdated and do not support new reporting and accounting requirements passed by the Legislature in HB 2242 (2017). These funds are necessary to ensure that districts receive the correct amount of state funds annually and have the tools necessary to report their revenue and expenditure data in accordance with state and federal law. This funding is a priority because just over half of the state general fund budget is allocated or tracked through these applications. In addition, these applications are critical for compliance with the new accounting requirements included in HB 2242 (2017).

What is your proposed solution?

In order to make the necessary changes to the applications as required by the state budget and other legislation, systems must be updated. Securing the funding included in this request will ensure the fiscal systems utilized by school districts and OSPI perform efficiently, dollars are released to districts in a timely manner, and the necessary data are provided to the Legislature and taxpayers with respect to the various accountability measures in statute.

What are you purchasing and how does it solve the problem?

These funds will be used to secure a contract for services that will provide the IT support necessary to update and maintain the school apportionment and financial services system (SAFS) on an annual basis.

What alternatives did you explore and why was this option chosen?

OSPI also considered hiring full-time staff, rather than contracted staff, for the purposes of providing this technical work. This option was not chosen for two reasons. First, the agency is not confident we would be able to recruit and retain quality programmers necessary to do this work. In addition, the time it would take to train and integrate a full-time state resource into the existing contract work would not be efficient or effective.

Assumptions and calculations

OSPI used historical expenditure patterns of state dollars on SAFS maintenance and upgrades to arrive at the requested dollar amounts. The funding request increases over time due to the increased complexity of the new financial reporting system (F-196). Starting with the 2019–20 school year, this application will collect infinitely more data points that the old system, and thus will require a higher investment for annual maintenance.

Expansion or alteration of a current program or service

This request will provide funding to meet increased programming demand on the SAFS systems based on historical trends and the projected need related to implementing a more complex financial reporting system.

Detailed assumptions and calculations

Below is a chart detailing OSPI's historical spend on SAFS systems, as well as the projections for the 2020, 2021, and 2022 state fiscal years. These are based on historical trends, and the estimated cost is due to the introduction of the new F-196 financial reporting application.
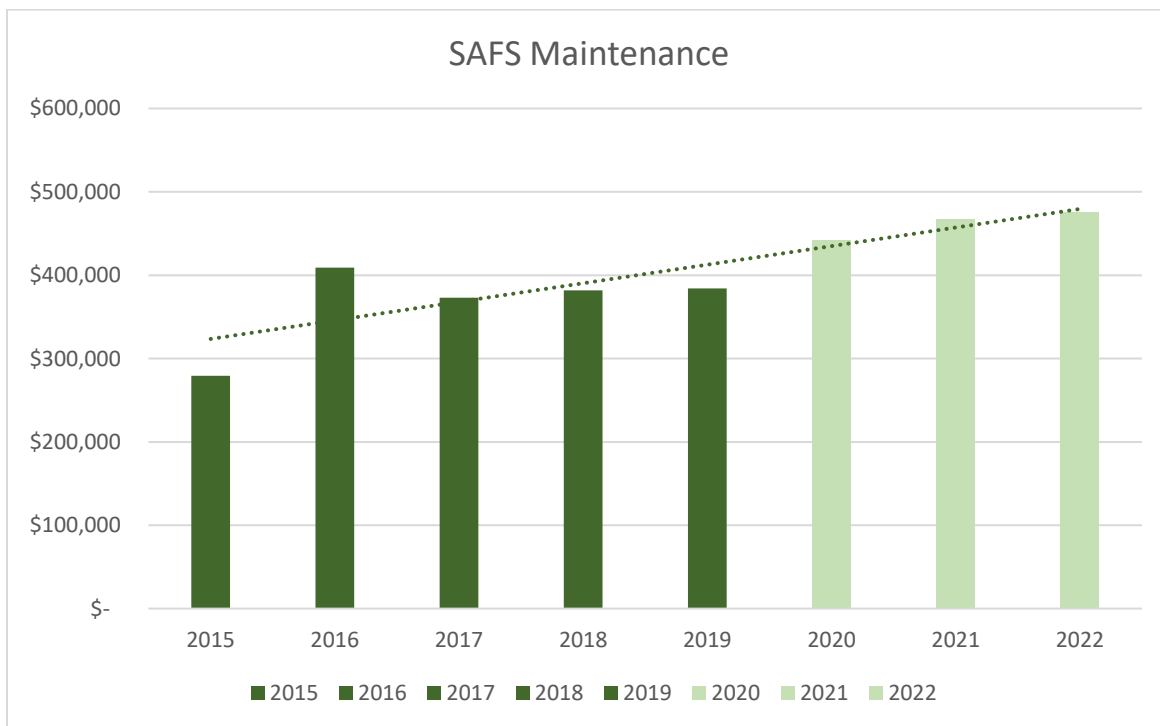
This will increase the current budget proviso solely for maintenance of the apportionment system, including technical staff and the data governance working group, from its current $857,000 to $1,307,000 in FY 2021 and $1,357,000 in FY 2022 and 2023.

Workforce assumptions
Funding will be used to secure contracted IT staff for the purpose of providing maintenance and upgrades to the SAFS applications on an annual basis.

Strategic and performance outcomes

Strategic framework
This request would increase funding to the agency for the purpose of maintaining and upgrading applications necessary to meet state and federal requirements. These dollars are necessary to support the state objective of tracking school district expenditures of enrichment levy funds, and the federal requirements of school-level accounting.

Performance outcomes
Securing these dollars will ensure critical SAFS applications perform at a high level, meaning calculations will be accurate, applications will be available to end users in a timely manner, and data will be provided to the Legislature and taxpayers regarding school-level expenditures and expenditures of enrichment levy funds.

Other collateral connections

Intergovernmental
State-tribal education compact schools are required to use many of the SAFS applications to secure and report the usage of their state funding. Timely release of accurate SAFS applications will benefit tribal compact schools, as well as all other educational entities in the state.

Stakeholder response
OSPI anticipates school districts and taxpayers would support this request for two reasons. First, it ensures accurate calculations and timely release of the SAFS fiscal systems. Second, these systems play a key role in OSPI's ability to provide the data necessary to implement the accountability measures required in HB 2242 (2017).

Legal or administrative mandates
None.

Changes from current law
This request would require an increase to an existing budget proviso amount.

State workforce impacts
None.

State facilities impacts
None.

Puget Sound recovery
This request is not related to the Puget Sound recovery.

Other supporting materials
None.

Information technology (IT)

Information Technology

Does this DP include funding for any IT-related costs, including hardware, software (including cloud-based services), contracts or IT staff?

○ No

◉ Yes

Please download the IT-addendum and follow the directions on the bottom of the addendum to meet requirements for OCIO review. After completing the IT addendum, please upload the document to continue.

2019-21 IT ADDENDUM

NOTE: Only use this addendum if your decision package includes IT and does NOT relate to the One Washington project.

Part 1: Itemized IT Costs

To itemize IT costs for this submittal, agencies must complete the imbedded IT Fiscal Estimates Worksheet (Excel workbook) and submit that with their final decision package.

2020 Supplemental IT
Fiscal Estimates Works

When itemizing costs in this workbook, please consider the total cost of the combined level of effort which includes: the associated costs, from planning through closeout, of state, vendor, or both, in order to purchase, acquire, gather and document requirements, design, develop or configure, plan or conduct testing, and complete implementation of enhancement(s) to an existing system.

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? ☐Yes ☒ No

2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) ☐Yes ☒ No

3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.) ☐Yes ☒ No

If you answered "yes" to any of the above questions, you must answer the questions in Part 3 to finish the IT Addendum. Refer to Chapter 10 of the operating budget instructions for more information and a link to resources and information about the evaluation criteria questions.

Part 3: IT Project Questions
Agency readiness/solution appropriateness
Organizational change management
1. Describe the types of organizational changes expected because of this effort. How has your agency considered these impacts in planning the project and within this funding request? Include specific examples regarding planned Organizational Change Management (OCM) activities and whether or how the requested funding will support these efforts.

Agency technology portfolio risk assessment
2. How does this project integrate into and/or improve the overall health of your agency's IT portfolio? Include specific examples such as system efficiencies, technology risks mitigated, technology improvements achieved, etc.

Solution scale
3. Explain how this investment is scaled appropriately to solve the proposed business problem. Described what considerations and decisions the agency has made to determine the sizing of this investment and why it is appropriate to solve the business problem outlined in the decision package.

Resource availability
4. How has the agency determined the resources required for this effort to be successful? How does this funding request support that resourcing need? If the agency intends to use existing resources for this effort, how are risks around resource availability being addressed?

Investment urgency
5. With regards to the urgency of this investment, please select one of the following that most closely describes the urgency of your investment, and explain your reasoning:

☐ This investment addresses a currently unmet, time sensitive legal mandate or addresses audit findings which require urgent action.
Reason:

☐ This investment addresses imminent failure of a mission critical or business essential system or infrastructure and will improve that issue.
Reason:

☐ This investment addresses an agency's backlog of technology systems and provides an opportunity for modernization or improvement.
Reason:

☐ This investment provides an opportunity to improve services, but does not introduce new capability or address imminent risks.
Reason:

Architecture/Technology Strategy Alignment
Strategic alignment
6. Using specific examples, describe how this investment aligns with strategic elements of the Enterprise Technology Strategic Plan. Examples of strategic principles that tie back to tenets of the strategic plan include, but are not limited to: buy don't build, solutions hosted on modern hosting solutions, solutions promoting accessibility, early value delivery of functionality throughout the project, and modular implementation of project features.

Technical alignment
7. Using specific examples, describe how this investment aligns with technical elements of the Enterprise Technology Strategic Plan. Examples of technical principles that tie back to tenets of the strategic plan include, but are not limited to: data minimization, incorporating security

principles into system design and implementation, publishing open data, and incorporating mobile solutions into systems.

Governance processes

8. What governance processes does your agency have in place to support this project, or what new governance processes will be introduce to accommodate this effort? Examples of governance processes include executive sponsorship and steering, vendor/contract management, change control, quality assurance (QA), independent verification and validation (IV&V), and incorporating stakeholder feedback into decision making processes. Provide examples of how your proposed budget includes adequate funding and planning for governance processes, if applicable.

Interoperability, interfaces and reuse

9. Does this proposed solution support interoperability and/or interfaces of existing systems within the state? Does this proposal reuse existing components of a solution already in use in the state? If the solution is a new proposal, will it allow for such principles in the future? Provide specific examples.

Business/Citizen Driven Technology

Measurable business outcomes

10. Describe how this proposed IT investment improves business outcomes within your agency? Provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology.

Customer centered technology

11. Describe how this proposed investment improves customer experience. Include a description of the mechanism to receive and incorporate customer feedback. If the investment supports internal IT customers, how will agency users experience and interact with this investment? If the customers are external (citizen), how will the citizen experience with your agency be improved as result of implementing this investment? Provide specific examples.

Business process transformation

12. Describe how this IT investment supports business processes in your agency. Include the degree of change anticipated to business processes and the expected improvements as a result of this technology. Describe how the business and technology will coordinate and communicate project tasks and activities. Provide specific examples of how business processes are related to this technology and expected improvements to business processes as a result of implementing this technology.