Oregon
Tina Kotek, Governor

MEMORANDUM

To:	Terrence Woods, State Chief Information Officer (State CIO)
From:	Jim Zuniga, Oversight Analyst
Date:	December 6, 2024
Subject:	Oregon Department of Education (ODE), State School Fund Modernization Project, Level 3, Stage Gate 1 approval, with conditions

MEMORANDUM

BACKGROUND

The Oregon Department of Education (ODE) is seeking to modernize the State School Fund (SSF) which is currently a conglomeration of productivity tools (such as MS access), an internally developed application, and manual processes. The SSF system is a complex data system that has been used in its current form and technology since the early 2000's. The most critical functions are performed using Microsoft (MS) Excel and an outdated and unsupported version of MS Access. This is a critical ODE system that currently apportions approximately $7 billion in State ($5B) and local ($2B) funding each school year. Within any given year, ODE is actively managing over $20B in funding; the current year, the future (next) year, and the previous year for final reconciliation, pending receipt of school district financial audits.

A failure in the State School Fund System would impact 197 school districts and 19 Education Service Districts (ESD)s and more than 130 public charter schools, affecting approximately 552,000 Oregon students in grades K-12. Currently there is limited reporting and no data visualization capability such as the governor is requesting. Governor Kotek set a priority for improving transparency in school funding and the scope of this project will significantly enhance the ability of the Governor's Office, the Legislature, educational entities and partners, parents, and all interested members of the public to access data about and understand the state of school funding in Oregon.

ODE is gathering information and completing Enterprise Information Services (EIS) Stage Gate 2 documents at the same time the agency goes forward with a Policy Option Package (POP) to approach the State Legislature to request funding for the project. If approved, the POP plans to provide the funding needed to backfill current IT resources reassigned to this project as well as resourcing the dedicated development team, of which some will later become the SSF System's operations and maintenance team.

DISCUSSION

The agency has an estimated budget of $13.8 million and plans to complete the project by September of 2027.

The agency worked extensively to provide Business Case and Charter. Additionally, the assigned Oversight Analyst completed the Oversight Level Assessment (OLA), combining the ICA with the agency's Maturity Assessment Score. The OLA recommends that the State School Fund Modernization Project be subject to Level 3 oversight; this recommendation is accepted by the assigned Oversight Analyst. The completed OLA is attached to this memorandum.

RECOMMENDATION
Approve the ODE State School Fund Modernization Project through Stage Gate 1, with the following conditions:

1) Agency must submit required project artifacts for each stage from the project's Required Artifacts Form for EIS-P3 review and approval using the PPM collaboration tool (with the exception of the System Security Plan which should be submitted per CSS-BSA instructions),
2) Agency must submit monthly project status reports in the PPM tool by the 5th day of the month, followed by a discussion with the Oversight Analyst,
3) Agency must continue to engage with EIS for approval of both the project resourcing and the resource staffing plans prior to Stage Gate 2 approval. Prior to Stage Gate 3 endorsement, a follow up review and approval of the formal staffing plan will be required. The execution of the development work should not commence until the requisite resources have been hired, whether that is additional FTE or contractors,
4) Any and all procurement documents and/or contracts for any planning or execution work must be submitted to EIS-P3 for review and approval prior to posting and/or execution,
5) Stage Gate 3 endorsement must be obtained from EIS-P3 prior to signing a solution contract, or commencement of any project execution/implementation activities, including internal development activities (e.g. system configuration and/or software development)
6) Agency must engage with EIS Strategy & Design prior to Stage Gate 2 endorsement for review and approval of high-level solution design/architecture and throughout life of the project. Including another review and approval of implemented solution prior to go-live,
7) Agency will continue to share an updated project budget showing all spending and costs for this project including internal personnel costs,
8) Agency must engage with the SWQA Program as appropriate to ensure alignment with Statewide IT Policy & Procedure #107-004-030; the SWQA Program will issue a determination memo if IQMS is required by policy,
9) Agency must engage with the assigned EIS-CSS BSA throughout the project to ensure compliance with Statewide Information and Cyber Security Standards and Policy towards the completion of security readiness activities, which may include a Cloud Workbook
(Cloud and Hosted Solutions Policy #107-004-150) and/or System Security Plan.

Please note that the oversight level and IQMS requirement may be re-evaluated and changed if there are substantial changes to scope, schedule, or budget at any point prior to execution.

Analysis prepared by _____   Date: December 6, 2024

Analysis approved by _____   Date: Dec 6, 2024

Mission: Mature enterprise technology governance, optimize investments, ensure transparency, provide oversight, and deliver secure and innovative solutions.