

**Department of Finance
Office of Technology, Review, Oversight, and Security
California Longitudinal Pupil Achievement Data System (CALPADS)**

Project Proposal Background

Enacted in 2001, the federal No Child Left Behind Act (NCLB) mandates that all students meet state academic achievement standards for English-language arts and mathematics by 2014 and requires that all schools and districts demonstrate adequate yearly progress toward achieving that goal. To comply with the federal NCLB Act, Chapter 1002, Statutes of 2002 (SB 1453) mandates a California Longitudinal Pupil Achievement Data System (CALPADS) to assess the long-term value of the state's educational investments and provide retention and analysis of longitudinal pupil achievement data from the Standardized Testing and Reporting (STAR) test, high school exit exam (CAHSEE), and English language development (CELDT) test.

As defined in Section 4819.35 of the State Administrative Manual (SAM), the mechanism for approving information technology projects is the Feasibility Study Report (FSR). The FSR establishes the business case for investment of state resources in the project by setting out the reasons for undertaking and analyzing its costs and benefits. A FSR, prepared in accordance with SAM Section 4928, must be approved for information technology projects prior to encumbrance or expenditure of funds on the project, including the use of staff resources, beyond the feasibility study stage.

The Department of Education (SDE) submitted a FSR to the Department of Finance (Finance) in August 2004 seeking approval to implement a comprehensive data repository and reporting environment to track statewide longitudinal student achievement data and other demographic elements required to meet the NCLB Act reporting requirements and SB 1453. While Finance supported a longitudinal data system solution as mandated in legislation, additional information was needed to justify the proposed solution and to discuss the programmatic, fiscal, and technical impacts to other systems. In January 2005, Finance requested submission of a revised FSR that would address the following issues, in order to continue review of the project proposal:

- SB 1453 mandates a longitudinal pupil achievement data system to provide retention and analysis of longitudinal pupil achievement data from only the STAR program, CAHSEE, and CELDT test. Furthermore, SB 1453 requires that the longitudinal data system provide the ability to comply with federal NCLB reporting requirements. The CALPADS scope described in the FSR appeared to include data elements and/or collections not required for SB 1453 and NCLB reporting. The SDE should consider narrowing the scope to only those data collections essential to the SB 1453 and NCLB reporting requirements. The scope should not include those data collections that the FSR describes as "not required for NCLB reporting, but to be retained in CALPADS." Additional functionality and/or data collections could be considered in future project proposals.
- Consistent with SB 1453, the proposals must evaluate and determine (1) the most effective means of housing the CALPADS system and (2) whether it would be most effective from both a fiscal and a technical perspective for the state to own the CALPADS system. In the revised FSR, the SDE should include a detailed alternative comparison of proposals provided by private and/or public entities. The alternative comparison should take into account other existing systems, such as the CSIS and local systems. The proposals should be based on business requirements reflecting a scope limited to the specifics of SB 1453 and the NCLB reporting requirements.

**Department of Finance
Office of Technology, Review, Oversight, and Security
California Longitudinal Pupil Achievement Data System (CALPADS)**

- The revised FSR should fully discuss the impacts to existing programs and systems at the state and local levels. The SDE should adjust the expenditure of total project costs to accurately reflect costs of the total solution including any California School Information Services (CSIS) and local education agency (LEA) cost impacts. Adequate information to justify the expenditure of total project costs and fiscal and program impacts to existing systems such as the local and SDE CSIS systems should be included.
- In the revised FSR, the SDE should provide a plan to fully describe the project's approach to ensure appropriate oversight, independent verification and validation, and quality assurance activities.

Feasibility Study Report / Conditional Project Approval

The SDE submitted a revised FSR to Finance in May 2005 seeking approval to procure and implement an integrated data management and analysis solution for collecting, managing, and reporting longitudinal student achievement data. The SDE proposed a business-based procurement to allow the marketplace to propose the best solution by integrating existing vendor custom off-the-shelf products into a complete solution that meets all CALPADS requirements. The proposed operational data store will store student, teacher, and institution-level data in a longitudinal manner. The CALPADS will become the database of record, introducing a fundamental change in the existing business process for NCLB data collection and reporting. The new business process revolves around LEAs updating CALPADS student-level demographic and program participation throughout the academic year.

Finance issued a conditional approval of the CALPADS FSR on June 24, 2005. The SDE's FSR did not contain sufficient information to understand the impacts of existing programs and systems at the state and local levels. There has been considerable investment to date by the LEAs who have transitioned to the CSIS State Reporting and Records Transfer System (SRRTS) that was intended for statewide student data collection and reporting. The relationship of the systems and governance structure between CALPADS, CSIS SRRTS, and other LEA systems and entities was unclear; the total project costs, fiscal impacts of CALPADS, its dependent activities and funding assumptions were not identified.

Therefore, Finance approved the FSR in three phases. Phase I included a supplemental report, development of the Request for Proposal (RFP), and conducting the procurement. Prior to release of the RFP, the SDE was required to submit a supplemental report to Finance and the Legislature which include:

- Information that fully discusses the impacts to existing programs and systems at the state and local levels. The information must reflect the total solution including any estimated SDE, CSIS, LEA, or other costs and funding assumptions.
- The assumption that the CALPADS solution will not require modification to the LEAs' systems nor incur any additional costs to the LEAs.
- A clear delineation of the responsibilities for the SDE, CSIS, LEAs and the vendor(s) for development and ongoing maintenance and operations.

Phase I has been approved. Phase II includes all other one-time development and implementation activities after the contract is awarded. Phase III includes all maintenance and operation activities. Following completion of the procurement and

**Department of Finance
Office of Technology, Review, Oversight, and Security
California Longitudinal Pupil Achievement Data System (CALPADS)**

prior to contract award, the SDE was required to also submit to Finance and receive approval of a Special Project Report (SPR) that includes all updated SDE, LEA, CSIS, and vendor cost estimates, the selected proposed solution, and any other updated project information.

Approved Project Cost, Schedule and Criticality Rating			
Project Cost	Phase I	Phase II	Phase III
	\$589,234	\$8,965,313	\$7,549,931
	One-time	Continuing	Total
	\$9,554,547	\$7,549,931	\$17,104,478
	Annual M&O	M&O Begin Year	Funding Source
\$2,749,454	2009-10	Federal Funds Redirection	
Project Schedule	Start Date	Implementation Date	PIER Date
	7-1-2005	8-8-2008	6-30-2010
Oversight Criticality Rating		High	

Supplemental Report

The SDE submitted the supplemental report to Finance in October 2005. Finance reviewed and approved the supplemental report in November 2005. The SDE's supplemental report provided a better understanding of the CALPADS project scope and the impacts to existing programs and systems. However, Finance noted the following observations:

- The report introduced additional maintenance and operations costs that were not substantiated by any supporting documentation.
- The estimated LEA data reporting costs were based on SDE survey data not actual financial data.
- The CSIS operating budget was reported at \$4.5 million, however the budget is adjusted annually based upon workload.

The supplemental report also clarified the SDE's objective for the current one-time incentive funding and the proposed annual funding per enrolled student. While the information clarified the SDE's objective, this represented a separate program policy issue and was not a direct part of the CALPADS project. Therefore, it was addressed separately through other avenues. The LEA data reporting costs were also not considered part of the CALPADS project.

Procurement

As defined in SAM Section 4819.35, the Department of General Services (DGS) is responsible for policies and processes for IT procurement. Departments must consult with the DGS Procurement Division to ensure project alignment with current procurement guidelines on all IT procurements exceeding \$500,000 or for all IT procurements if the agency does not hold a DGS Procurement Division IT procurement delegation.

The SDE worked with the DGS to procure a vendor to propose and implement a CALPADS solution based on the functional requirements defined in the RFP. The FSR

**Department of Finance
Office of Technology, Review, Oversight, and Security
California Longitudinal Pupil Achievement Data System (CALPADS)**

conditional approval required that the SDE provide an informational copy of the RFP to Finance for review before it was released by the DGS. Finance would communicate to the SDE any issues or concerns related to the RFP prior to its release. The SDE submitted an informational copy of the RFP to Finance in June 2006. Finance completed an informal review of the RFP in July 2006. The DGS released the CALPADS RFP to the vendor community in September 2006. The DGS modified the RFP through eight subsequent addendums. The procurement concluded with DGS' public cost opening in June 2007.

Project Oversight

SAM Section 4944 requires that Finance conduct IT project management and oversight assessments designed to provide Finance information on the progress of a project, including compliance with the minimum requirements for IT project management, project risk management, project oversight, and project reporting activities as outlined in the IT Project Oversight Framework in Section 45 of the State Information Management Manual (SIMM).

SAM Sections 4819.36 and 4944 require submission of the Independent Project Oversight Report (IPOR) on a monthly basis for projects classified by Finance as a high criticality project as defined in the IT Project Oversight Framework of SIMM Section 45. The IT Project Oversight Framework also requires that departments implement independent oversight for all reportable projects. For high criticality projects such as CALPADS, the oversight must be conducted by an Independent Project Oversight Consultant (IPOC) engaged by the department. Oversight consultants are required to provide the IPORs concurrently to both the department and Finance. In addition to independent oversight, high criticality projects also require Independent Verification and Validation (IV&V) services. The SDE procured the services of an IPOC / IV&V vendor in July 2006.

Although oversight activities commenced upon conditional approval of the FSR in April 2005, Finance initiated formal monthly oversight meetings with the SDE in July 2006. The monthly oversight meetings include the SDE, Finance, and the IPOC / IV&V vendor. The monthly oversight meeting discussions focus on the risks / issues identified by the IPOC / IV&V vendor in the monthly IPOR and the status of the project's scope, schedule, and costs communicated by the Project Manager in the monthly project status reports.

Current Status / Special Project Report

SAM Section 4819.36 requires submission of a SPR to Finance and the Office of the Legislative Analyst if (1) the total information technology project costs deviate or are anticipated to deviate by ten percent (higher or lower) or more, or by more than a specifically designated amount as determined by Finance, from the last approved estimated information technology project budget, (2) the last approved overall project development schedule falls behind or is anticipated to fall behind by ten percent or more, (3) the total program benefits deviate or are anticipated to deviate by ten percent (higher or lower) or more from the last approved estimated total program benefits, (4) a major change occurs in project requirements or methodology, (5) any conditions occur that require reporting to Finance as previously imposed by Finance or (6) a significant change in state policy draws into question the assumptions underlying the project.

**Department of Finance
Office of Technology, Review, Oversight, and Security
California Longitudinal Pupil Achievement Data System (CALPADS)**

Since CALPADS is using a business-based procurement, the FSR conditional approval requires that the SDE submit to Finance and receive approval of a SPR following completion of the procurement and prior to contract award. As previously stated, the procurement concluded with the DGS' public cost opening in June 2007.

During the monthly oversight meetings, the SDE and IPOC / IV&V vendor communicated to Finance substantial changes in scope, schedule, and costs from the conditionally approved FSR. Finance fully expects all related project costs introduced in the supplemental report to be included and substantiated in the SPR. The SPR must include all of the items identified in the supplemental report which includes updated SDE, CSIS, and vendor cost estimates, the selected proposed solution, and all other updated project information communicated by the SDE during the monthly oversight meetings.

The SDE submitted the required SPR to Finance in September 2007 detailing the technical solution and the associated costs. The SPR is currently under review and also requires a 30-day notification review period to the Legislature because the contract costs exceed the original estimates and meet the reporting requirements of Control Section 11.00.

The SDE expects to issue the Intent to Award in October 2007. The SDE expects to award and execute the vendor contract in December 2007.