



Shrewsbury Public Schools

To: School Committee
From: Brian L'Heureux
Re: Financing the Continuation and Expansion of the Digital Conversion
Date: December 13, 2014

A number of options exist for funding the implementation of the continuation and expansion of the 1:1 Digital Conversion. The most promising option for doing so in a budget-neutral way is the use of an "AppleEquity" lease, which the District currently uses to sustain our teacher laptop program. Under this lease option, the initial outlay required to obtain the required devices is significantly reduced such that it can be funded within the existing operational budget. The lease would then increase the sustainability of the program by rolling the lease forward and utilizing the equity built in the first year of the lease to purchase additional devices for the following year. The District could choose between a 3-year lease and a 4-year lease. At the end of the lease term, the District would have the option of purchasing the devices for \$1 and continuing to use the equipment or trading in the equipment for credit. Options for trading in older devices during the lease term (for example, those used by graduating seniors) are being considered as a way to increase the sustainability of the program within the lease model by lowering the impact on the budget. Table 1 compares the projected four-year costs of a four-year AppleEquity lease to the cost of purchasing devices outright, including cases, management software fees, apps, and learning management system (LMS). This table assumes that no devices are traded in toward new purchases.

TABLE 1

	FY16	FY17	FY18	FY19
Projected cost of program if devices purchased	\$1,352,995	\$601,615	\$563,651	\$585,958
Projected cost of program if devices leased (4-year lease)	\$578,651	\$640,655	\$602,691	\$624,998

An important component of our recommendation to purchase devices for all grade 5 and 9-12 students is that it can be done in a budget-neutral way. There were a number of one-time costs in FY15 that will allow for the District to proceed without increasing the overall budget for this purchase for FY16. Table 2 details a number of one-time costs in the FY15 budget that will not be required in FY16 and application of existing funds, which is illustrative of the way the District could shift costs to fund the program.

TABLE 2

Item	FY15 Cost
Technology for new teachers	\$90,588
Annual Middle Schools iPad program allocation - FY15 allocation from appropriated budget	\$50,000
Middle Schools iPad program grade level startup costs - FY15 allocation from appropriated budget	\$86,259
Oak projector carts	\$15,385
Telephone system upgrade	\$27,000
One-time IT management software training	\$3,000
Classroom startup costs for new teachers	\$25,000
Middle Schools iPad revolving account contribution	\$119,760
Stipends for new teacher mentors	\$28,000
PARCC preparation costs	\$33,764
Math curriculum	\$100,000
Total	\$578,756

In addition to the purchase-related elements of the Digital Conversion program cost, repair costs must be considered. In the current repair model, initial repair costs for accidental damage are subsidized by the District using fees paid on a sliding scale that increases family responsibility with repeated instances of damage. Continuing with this model while funding the program from the operational budget may subject the District to increased unpredictability with regard to repair costs. An alternative to this model would be to shift responsibility of damage repairs to families while providing an interface to allow families to easily purchase an accidental damage insurance policy for a modest premium. The District is currently investigating options for providing this mechanism.