



To: Dr. Mike Riggle

From: Mr. Ryan Bretag
Dr. R.J. Gravel
Dr. Kimberly Ptak

Date: Monday, February 27, 2017

Re: Chromebook Fee for the 2017-2018 School Year

Recommendation

It is recommended that the Board of Education approve the:

1. Selection of the Lenovo 11e Yoga Chromebook for the Class of 2021 at a price not to exceed \$380.00 per unit;
2. Continuation of the self-insurance program that supports the digital learning initiative;
3. Annual Chromebook fee for all students in the amount of \$100.00 (up to a maximum of 4 years).

Background

Class of 2021 Device Selection

The instructional innovation team reviewed current and anticipated models for the Chromebooks. Based upon this preliminary review as well as discussions with manufacturers, the improvements in the device landscape are largely performance and have not yet reached the same level of durability, functionality, and flexibility currently afforded by the Lenovo Chromebook Yoga 11e. For that reason, it is our recommendation to continue with the Lenovo Chromebook Yoga 11e as our student device. Specific to that device, the new generation (4th) continues with earlier trends of price consistency and performance improvements such as movement to the Apollo Quad Core processor, USB Type C port charging, battery length and life improvements, and memory enhancement to DDR4.

Chromebook Fee

The annual Chromebook fee is assessed to all students (up to a maximum of 4 years) for the use of a Chromebook during their high school career. After making four equal payments, the Chromebook becomes property of the student. The current payment schedule for students as of the 2017-2018 school year is as follows:

	Year 1	Year 2	Year 3	Year 4	4-Year Total
Class of 2018 Seniors	\$110	\$110	\$110	\$100	\$430
Class of 2019 Juniors	\$110	\$110	\$100	\$100	\$420
Class of 2020 Sophomores	\$110	\$100	\$100	\$100	\$410
Class of 2021 Freshmen	\$100	\$100	\$100	\$100	\$400

A breakdown of the the Chromebook fee budget is presented in the following table:

	FY2015 Class of 2018	FY2016 Class of 2019	FY2017 Class of 2020	Est. FY2018 Class of 2021
Device Cost	\$425	\$376	\$369	Not to Exceed \$380
Extended Warranty		\$20		
Interest Cost	\$12			
Chrome Mgmt. License				
<i>Subtotal</i>	\$437	\$396	\$369	\$380
Self-Insurance Fund		\$22 \$11/Year 1 & 2 \$2 \$1/Year 3 & 4	\$17.75 Year 1 \$23.25 \$7.75/Year 2, 3 & 4	\$20 \$5/Year
Total Cost to Student	\$440	\$420	\$410	\$400

In addition to ownership rights after four years of payment, students are provided with a comprehensive insurance program at no additional cost. Information regarding coverage is indicated on the attached *Chromebook Rights and Responsibilities* document.

Claim Statistics for Lenovo Chromebooks

Claim Events*	FY2015	FY2016	FY2017 (through January)
Quantity of Devices	2,575	3,815	5,125
# of Warranty Claims (No Financial Impact)	135	79	68
% Inventory Resulting in a Warranty Claim	5%	2%	1%
# of Insurance Claims (Financial Impact)	108	153	141
% Inventory Resulting in an Insurance Claim	4%	4%	2.7%
Deductible Collected	\$2,125	\$9,525	\$7,650
Cost of Claims	\$1,425	\$7,744	\$5,814

Net Addition / Reduction of Pool Reserve + \$700 + \$1,781 + \$1,806

* An individual claim event might include multiple repair tasks (ex. replaced charger port and battery are part of 1 claim, but are counted as 2 repairs below).

Repairs	FY2015	FY2016	FY2017
Charger Port	0	10	5
Keyboard	9	20	19
Screen	87	56	38
Battery	47	84	119
OS or WiFi Damage	11	25	13
Stolen	9	5	3
Water Damage	3	16	6
Other	7	16	14
<i>Total Repairs</i>	173	232	217

Self-Insurance Pool Reserve

		FY2015 Class of 2017	FY2016 Class of 2018	FY2016 Class of 2019	FY2017 Class of 2020
Device Count	=			1,239	1,276
Free/Reduced Count	-			154	177
<i>Subtotal</i>	=			1,085	1,099
Self-Insurance Contribution Rate	=			\$11.00	\$17.75
Count of Devices	x			1,085	1,099
<i>Contribution to Self-Insurance</i>				\$11,935	\$19,507

Total Contributions for FY2017

\$31,442

Self-Insurance Pool Reserve	
FY 16/17 Opening Reserve	\$54,914
FY 16/17 Insurance Contribution for FY2017	\$31,442
FY 16/17 Deductible Collected	\$7,650
<u>FY 16/17 Cost to Fix/Replace</u>	<u>(\$5,814)</u>
<i>Reserve as of 2/1/2017</i>	<i>\$88,192</i>
FY 15/16 Deductible	\$50 per incident
FY 16/17 Deductible	\$50 per repair; \$100 per replacement