



Meeting Date: September 19, 2024

Submitted By: Dr. Lacey Gosch
Title: Assistant Superintendent

Agenda Item: Consider and take possible action regarding the approval of a Student Device Lease Program for Districtwide Chromebooks

DISCUSSION/ACTION ITEM

RECOMMENDATION:

That the Board of Trustees approve a Student Device Lease Program for Districtwide Chromebooks

IMPACT/RATIONALE:

Judson ISD provides each student with a chromebook device to support the instruction, testing, textbooks, and other instructional materials offered by the district to support learning. The process of providing devices for all students includes the need to ensure that devices remain in compliance with software updates, security updates, and provides the necessary processing power and longevity to support district resources and technology standards. The typical life of a personal computing device is approximately 4-5 years. This requires districts to be fiscally vigilant in developing a strong refresh and recycle process to ensure that devices remain useable to support employee job responsibilities. For the last three years, the Judson ISD technology department has developed a process to work toward a typical replacement schedule while setting a standard for devices utilized by students. For the last three years, the district has invested in these technologies and began the process of working toward a standard replacement process. To develop a strong recommendation for device maintenance and refresh, technology evaluated the total cost to purchase devices yearly on a rotating schedule factoring in the additional costs of device warranties, repairs, replacements, data wiping, and disposal. The process of purchasing devices directly can vary from year to year based on pricing changes, inflation and device model changes. In addition, the technology department incurs costs for repairs, materials, and contractor costs for data wiping and disposal aside from the employee hours dedicated to the task of collection, data wiping, cataloging and disposal. This proposal examines the ability for the district to lease all student devices rather than purchase. Some of the benefits of a technology refresh lease program include: Larger scale hardware and software bulk purchases increases the ability to negotiate better upfront pricing, fixed cost avoids inflation related to the hardware & software on future purchases (on average, OEM's pricing increases anywhere between 5-10%



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annually, included services free up many of the district's resources that will enable them to focus on more critical initiatives, refreshing devices every 4-years avoids a significant increase in cost to maintain out-of-warranty devices, ability to standardized devices enhances equity within the district (standardizing devices also helps with the support & management of the devices). From a strategic standpoint, the lease refresh option stabilizes costs on a fixed scale year to year. The lease will renew each July for the four year term with a cost of \$2,423,728.39 per year to Insight Financial and a \$181,975.00 payment to Safeware for Theft recovery on all devices. This is a total yearly cost to the district of \$2,605,703.69. This total annual cost is less than the annual costs of other product leasing bid structures. Although the other bids came in at a lower total cost for equipment and services, the annualized payments were higher. The initial payment for devices would commence in the 2025-2026 fiscal year as of July 1, 2025 for the lease and the theft recovery payment would commence in January 2025. The Theft recovery payment will be made using budgeted local funds from the 2024-2025 budget, and the lease payment will be calculated into the 2025-2026 budget cycle. To adequately replace devices to accommodate for student refresh yearly on a cycle is equivalent to 6,915 devices per year or 25% of the total number of devices needed to service all students. This is a yearly cost of \$2,464,293.00. In addition, the district experiences losses of devices yearly due to theft totally approximately 1,500 devices per year. These losses must be replaced yearly to accommodate for all students at a cost of \$534,645 based on current prices without yearly inflation increases. This would be an annual cost or budget of \$2,998,938.00 to maintain a regular refresh cycle on a four year term not accounting for any increases in market prices from year 1 of the purchase cycle.. The lease term presented provide a fixed annual cost of \$2,605,703.69 for four years that includes theft coverage for all devices annually. The terms would be from January 1, 2025 through December 31, 2029 with the first lease payment due on July 1, 2025 and the first insurance payment due on January 1, 2025. In addition, the pricing for the devices includes accidental device repair and warrantly coverage for the four year term and insurance on each device to cover losses due to theft for the entire fleet. The total number of chromebooks to allow for classroom cabinets for classrooms Grades K-7 and student checkout of devices for grades 8-12 is 27,660 devices. This number ensures that campuses have ample devices to support testing and instruction as well as provide devices to support any swap replacement needs during repairs or replacements. The devices are provided by CDWG (Tx-DIR) and the financing services by Insight Financial a member of the Choice Partners Coop. The district will retain the newest devices owned to utilize for replacements as needed or additional support for district operations. Older devices will be sold or processed to bring some proceeds back to the district for out of life or older devices that are near end of life. Viable devices purchased in the last two years will be repurposed to support district operations.

BOARD ACTION REQUESTED:

Approve/Disapprove

