

Funding for VPSA School Equipment Financing Notes Educational Technology Issue VII

Chapter 1073, 2000 Acts of Assembly (the 2000-02 Appropriation Act) authorizes the Virginia Public School Authority to conduct an education technology grant program in the spring of 2001. The program will focus on establishing a computer-based instructional and testing system for the Standards of Learning (SOL) and connecting high schools (and middle and elementary schools as appropriate), Best Practice Centers, and the central office of the DOE. School divisions are expected to use this funding to meet the following goals at the high school level:

- a) providing a 5-to-1 student to computer ratio;
- b) Internet-ready local area network (LAN) capability;
and
- c) Network Virginia or Web-equivalent access to the Internet.

School divisions **must** submit the "Intent to Participate" form provided in Informational Supts Memo No. 113 by **August 1, 2000**, and submit a "Plan for the Use of the Funds" by **November 1, 2000**, in order to be eligible to participate in the technology grant program.

Grants for this program will be based on a grant of \$26,000 per school and \$50,000 per school division. For purposes of this grant program, eligible schools include those reporting membership as of September 30, 2000, as well as division and regional vocational centers, regional special education centers, regular school year regional Governor's Schools, and the Schools for the Deaf and the Blind.

Localities are required to provide a match equal to 20 percent of their grant allocation. At least 25 percent of the local match shall be used for teacher training in the use of technology.

Since the funding mechanism for this program is five-year equipment notes, the proceeds of the notes must be used for capital purchases. Further, it is necessary that on a

division-wide basis, a balance be maintained between the equipment and related software purchased in order to ensure that the useful life of all purchases exceeds the life of the equipment notes. For example, software may have a useful life of one year, while a multimedia computer may have a useful life of seven years. Given those factors, it will be necessary for a division to spend \$13 for hardware for every \$1 of software purchased. In addition, software can be purchased only if it meets all of the following criteria:

1. It must be an integral part of the equipment that is being purchased with the proceeds. That is, it must be necessary in order for the equipment to be utilized for the intended purpose. For instance, if equipment is being purchased for networking purposes, some software is necessary in order for the network to be utilized as planned. Such software may be purchased with these proceeds. In addition, if the equipment is to be used in the classroom for instructional purposes, some instructional software will be required in order for the equipment to be used effectively. Again, software of that type may be purchased;
2. The software being purchased must have a useful life of one year or more; and,
3. The software must be included in the approved local technology plan.

REIMBURSEMENT OF PRIOR PURCHASES:

Local school divisions may make purchases related to components a through c above prior to the sale of the spring 2001 equipment notes and use the proceeds to reimburse themselves. However, prior to paying for those purchases, the local school board must state its intention to use the proceeds of the equipment notes to reimburse that payment. This must be done through a resolution adopted by the local school board. A sample resolution is

provided as Attachment E to this memorandum. **Please note that localities may not reimburse themselves for project-related expenditures incurred more than 60 days prior to the adoption of the resolution.**

Although expenditures for developing technological capacity at high schools may be incurred prior to the notes issue date, final division allocations will be based on September 30, 2000, fall membership and will not be approved until after both the "Intent to Participate" and "Plan for the Use of the Funds" are submitted and approved by the DOE. It is anticipated that final grant allocations will be developed in the January through March 2001 time period following approval of the "Plan for the Use of the Funds." VPSA note proceeds will be available for disbursement on a reimbursement basis in the spring of 2001, following the issuance of the notes. **Divisions are encouraged to postpone expenditures until more information is available from the demonstration projects, capacity analysis, and online assessment system. It is anticipated that this information will be available by spring 2001.**