

INTEROFFICE CORRESPONDENCE
Los Angeles Unified School District
Office of the Superintendent

TO: Members, Board of Education

DATE: September 21, 2015

FROM: Ramon C. Cortines,  Superintendent

SUBJECT: PROPOSED INVESTMENT OF SETTLEMENT PROCEEDS

The District has reached tentative agreements with Apple and Lenovo related to the Pearson content, subject to the Board's approval. This will result in settlement proceeds of \$6.4 million, consisting of a \$4.2 million check from Apple and approximately \$2.2 million in the form of a credit memo from Lenovo. About \$6.2 million of the proceeds are a return of bond funds, which must be spent on capital investments. Approximately \$0.2 million are a return of general funds, which are unrestricted.

In recent years, the District has significantly increased its investments in instructional technology. While these investments have set the stage for a District-wide transformation in how we educate students, the devices we have recently distributed to some schools only benefit a small subset of students. There are many schools that have not received devices, but that nonetheless have a need for instructional technology and innovative ideas for how to use it. The \$6.4 million in proceeds represents an exciting opportunity to invest in such schools and to promote collaboration among campuses.

To that end, it is proposed that the District invests the \$6.2 million of restricted funds in a matching program, described below, and uses the \$0.2 million that is unrestricted for device repairs.

Overview of Matching Program

It is recommended that a matching program be established to invest the \$6.2 million that is restricted. Through this program, schools will submit plans for the expansion of instructional technology, and the District will match the dollars they invest with funds from the settlement proceeds.

For example, a school could propose to purchase supplemental instructional content with its own money, and in return receive devices from the District. A school could also propose to purchase a learning management system, or hire instructional technology support staff, and in return receive computing devices and/or storage carts from LAUSD. There are many creative possibilities, as long as the equipment that schools propose to receive from the District are capital investments (i.e., bond-fundable).

Higher Matching Ratio for Schools that Collaborate

The District will encourage collaboration among schools by offering a ratio higher than \$1-to-\$1 for schools that collaborate. For example, if a few schools develop a joint proposal to invest in instructional technology that will benefit each of their campuses, and if the proposal is exemplary, the District will provide a higher matching ratio, such as \$2 of equipment for every \$1 invested by schools. This approach will not only foster collaboration, but will also help retain students in our District, by encouraging schools in the same feeder pattern to create a cohesive instructional technology program that benefits students in pre-K through grade 12.

Matching Cap

To prevent funds from depleting too quickly, a matching cap will be set in the amount of \$200 for every student enrolled in the school(s) submitting the proposals, based on Norm Day counts. For example, if a school with 1,000 students submits a proposal that is accepted, the District will match every dollar they invest, up to \$200,000.

Schools that submit collaborative proposals will have the same cap, but will benefit from the higher ratio. For example, if two schools with a *combined* enrollment of 1,000 students submit a joint proposal that is accepted, there will still be a cap of \$200,000. However, those schools will only need to invest \$100,000 to receive \$200,000 in equipment from the District. If they invest more than \$100,000, the District will still provide \$200,000 in equipment.

Procedure for Submitting Proposals

Schools will submit proposals to their local districts and to the Office of the Superintendent. These proposals will describe the schools' plans for expanding instructional technology, including the investments they will make and the resources they request from the District. They will also be required to explain, with specific examples, how their plan will enhance learning for their students and advance the instructional priorities of the District. In addition, they will need to detail their full funding strategy.

After an initial vetting stage that ensures proposals are within the parameters of the matching program, local district superintendents will evaluate proposals using the following criteria:

1. Potential for yielding academic gains, particularly around instructional priorities
2. Potential for benefiting students across an entire feeder pattern and/or developing collaboration
3. Economic efficiency and cost-saving measures
4. Unmet need
5. A school's resourcefulness in acquiring instructional technology. In other words, a school will not be penalized for having found ways to bring technology to its students. If two proposals demonstrate unmet need, but one school shows that it has worked creatively and persistently to meet that need, that school will be evaluated higher.

Local district superintendents will identify to the Office of the Superintendent the proposals that they think are exemplary and deserve to be awarded. The Office of the Superintendent, in conjunction with staff members who manage instructional technology, will make the final determination of how to distribute the \$6.2 million. They will use the local district superintendents' recommendations as a starting point, but will retain oversight to ensure the money is invested equitably throughout the District.

Use of Unrestricted Funds for Repairs

Out of the \$6.4 million in settlement proceeds, \$210,000 can be used for general fund purposes. The proposed use of these funds is to repair instructional technology devices that the District has purchased after the warranty period ends.