

MEMORANDUM

To: Banking Committee
From: Board Office
Subject: Update on ISU College of Design Computer Lease Program
Date: March 4, 2002

Recommended Action:

Recommend the Board approve the College of Design at Iowa State University to continue to offer a computer lease program to students, subject to submission of financing plans.

Executive Summary:

Previous Board Action In July 2001, the Board authorized the College of Design to enter into a financing agreement of up to \$900,000 for the University's purchase of approximately 250 laptop computers for leasing to students in the College of Design. The Banking Committee requested that the University provide an evaluation of the first year of the program prior to receiving authorization to continue financing the program.

The college of design laptop lease program began in the Fall of 2001 with the purchase of 36 Macintosh machines and 51 Dell laptops. The idea was to provide students with equipment and software to make them successful in the classroom at a price they could afford.

Request The college's preliminary reports indicate that the program has been successful and requests that a second year be approved to study the effects of multiple phases.

Background/Analysis:

Student Participation The College of Design at ISU sent out over 250 letters in the summer of 2001 to incoming sophomore students accepted into the collegiate professional programs; landscape architecture, architecture, interior design, graphic design and community and regional planning.

Many students expressed interest, but had many questions about price, availability and access. The college could not answer questions due to the procedural delays encountered during the process (software permissions, purchasing issues). When the college was ready to order, the semester had already begun. The participation numbers reflect this issue with 87 participants: 51 Dell laptops and 36 Macintosh G4 laptops.

Equipment The machines have been in use for five months and have held up very well. One laptop had a broken latch but otherwise no machines have been sent back for repair. The college has been responsible for the maintenance of these machines. Although there were numerous software problems, the repairs have been minor and less time-consuming than originally expected.

Student Drop-outs	<p>The college had four students who decided not to continue with the professional programs in the college. Two of the students felt that they could use the machines in their other academic pursuits so there was no problem there. The other two students are aware that they are responsible for the lease but are looking for other options. The college is currently looking for students in the same class who may want to take over the lease payments for these two students.</p>
Associated Costs	<p>The College of Design did not contribute any money to the purchasing of the machines; this was included in the lease price. The college has contributed staff time and resources and will continue to do that into phase II.</p> <p>The college also completed the recabling of the building this past fall to allow for higher speed wired and wireless connections. The college has reallocated funds to hire another computer specialist to help administer this program in the coming year.</p> <p>Additional software licenses and wireless access points have been purchased through student computer funds allocated to the college. These licenses are added to the pool of available licenses for the college.</p>
Problems	<p>The college did not receive the machines from the manufacturer until late September. This was a big problem not only for the students, but also for the staff when setting up the machines.</p> <p>Many of the software problems encountered were a direct result of the rush to get them into student hands without adequate testing. The college would like to add more training sessions next year on common problems experienced this year.</p>
Student Assessment	<p>The College of Design is currently working with a faculty member from the College of Education and a College of Design honor's student to develop a survey instrument to gauge student reactions. This process will take most of the semester. A pre-questionnaire is being developed right now and results from that survey will be available by the March meeting.</p> <p>The college views this computer integration as a positive step for the college and hopes to continue the program in the future.</p>
Estimates for Next Year:	<p>The college will send out the invitation to participate to incoming sophomores in the professional programs. With an 80% participation rate, the college could add 200 more machines.</p> <p>Phase I 2001-2002 Laptop Hardware price: \$3000 Amount financed by Apple: \$253,000 (85 laptops @ \$3,000) Additional peripherals, software, insurance and financing: \$750 Student Amount: \$3,750 (6 equal payments of \$625)</p> <p>Phase II 2002-2003 Laptop Hardware price: \$3000 Amount to be financed: \$600,000 (200 laptops) Additional peripherals, software, insurance and financing: \$750 Student Amount: \$3,750 (6 equal payments of \$625)</p>
Future Plans	<p>If the Board approves the continuation of this program, the University will provide details of the financing for approval at the May Banking Committee meeting.</p>