

# Zero-sum budgets and technology

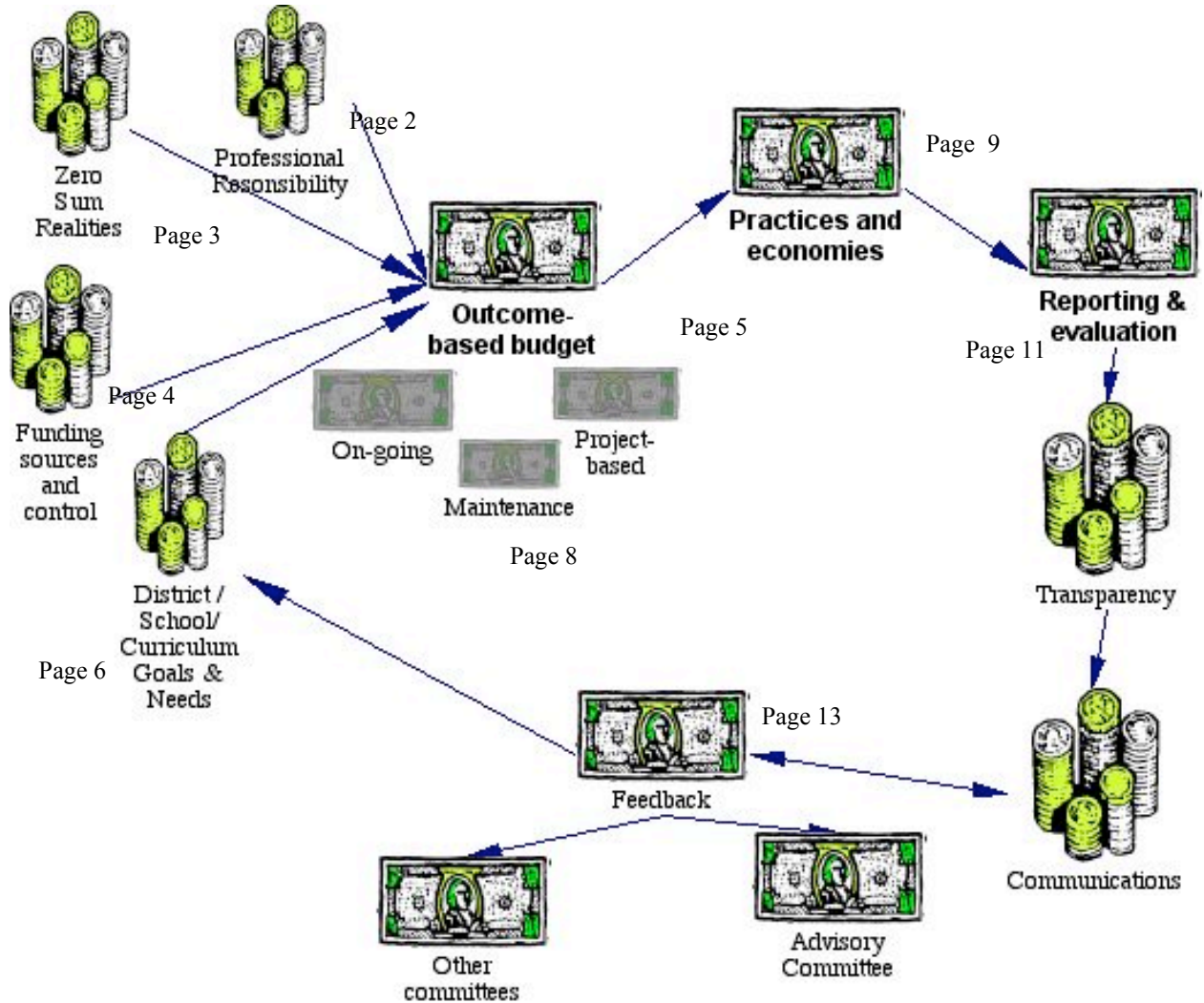
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Money will buy a pretty good dog, but it won't buy the wag of its tail. Josh Billings

## Zero-sum budgets and technology

Based on a track record of building, obtaining and administering excellent technology budgets on both a building and district level, the presenter discusses current funding realities facing schools, gives a short primer on school district finance, describes types of budgets, outlines the elements of effective budgets, and suggests ways tech professionals can increase their influence in the budgeting process.

Arithmetic is being able to count up to twenty without taking your shoes off.

Mickey Mouse

## I can create a maintenance budget.

Administrators understand maintenance. They regularly budget for replacing roofs, tuck-pointing brick work, and resurfacing parking lots. They understand why windows, furnaces, and pencil sharpeners all need to be replaced now and again.

What these fine folks don't always understand is that instructional technology should be regularly maintained as well. Use the following formula with your collection, share the results with your budget people, and see if it makes a difference.

### Doug's Magic? Formula for a Maintenance Budget

Here's one way to calculate what funds you should be spending to keep your resources up-to-date:

**Maintenance budget = replacement rate X total number of items X average cost**

(replacement rate = 100%/number of years in the life span of material)

#### Examples:

If a school has 50 VCRs which cost \$100 each and have a life span of 10 years,  
then the maintenance budget for VCRs should be 10% X 50 X \$100 or \$500.

If the district has 20 servers with an average cost of \$2,000 and a lifespan of 5 years,  
then the maintenance budget should be 20%\* X 20 X \$2000 or \$8,000.

(\*Remember the replacement rate is 100%/life span or 1.00/20 or 5%)

Here's one for you to try:

A school has 40 computers with a life span of 5 years. The average replacement cost of a computer is \$1000. How much should be spent each year to maintain the computers?

Replacement rate = 1.00/ \_\_\_\_\_ years

Maintenance = \_\_\_\_\_ X \_\_\_\_\_ X \_\_\_\_\_  
Replacement rate    Total number of items    Average cost of an item

or

\$ \_\_\_\_\_ maintenance budget.

**I would rather have one computer that works 100% of the time than two computers that each work 50% of the time - Doug**

#### Resources:

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