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STATE OF MAINE
DEPARTMENT OF EDUCATION
23 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0023

JOHN ELIAS BALDACCI
GOVERNOR

SUSAN A. GENDRON
COMMISSIONER

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MAINE PUBLIC UTIL. COMM.

December 17, 2003

Chairman Welch, Commissioner Diamond, Commissioner Reishus
Maine Public Utilities Commission
18 State House Station
Augusta, ME 04333

Dear Chairman Welch and Commissioners Diamond and Reishus:

Please accept this letter as a request by the Department of Education for $2.25 million to support the Maine Learning Technology Initiative (MLTI) for Fiscal Year 2004. The Commission, by order issued on September 14, 2001, agreed to provide such support from the Maine Telecommunications Access Fund, and the Commission did provide this support in Fiscal Year 2003.

As the Department continues to implement MLTI for Maine's 7th and 8th grade students and teachers, the cost structure of the program, specifically those costs related to the "external and internal network connections and technical support" remain consistent with those outlined by former Commissioner Duke Albanese in his letter to the Commission on November 27, 2002, please see below:

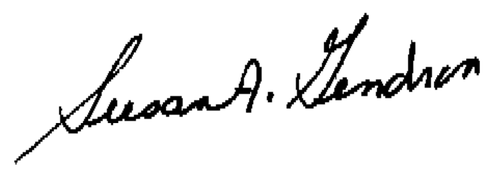
- Approximately 25% of the Apple project management oversees the network deployment, back-up servers, and software. In FY04 this will equal $80,000.
- Training dollars of $100,000 paid for a series of 2-day workshops for all 8th grade teachers and new 7th grade teachers with the primary purpose of providing initial technical support on the use of the laptops and networks.
- Support and spares costs of $132,000 to provide back-up computers to replace laptops out for repair.
- Network/storage costs of $496,000 provides for the wireless hubs, network switch in each school and ongoing cost of remote servers.
- Software costs of $328,000 provide for the additional software licenses needed to back-up teacher and student work to the remote servers. The cost of the anti-virus software to protect the network is also included.
- AppleCare expenses of $2,000,000 include the help desk and the repair of laptops due to defects beyond the normal warranty period.
- Each laptop includes a wireless network card necessary to access the internal wireless network installed in each school with this program. The card costs $5.69 per device per quarter. Thus, for FY04, $846,626.50 of the $7,408,000 spent on

devices will provide for wireless cards that enable the functionality of the internal networks.

. I have also included an updated copy of the projected payments due to Apple for services and devices over the term of our agreement (Attachment A). You will see that the costs related to AppleCare have risen from last year's projection and this reflects an increased number of laptops in Maine due to a higher than expected student enrollment. Also, attached is an updated breakdown of eligible expenditures for Fiscal Year 04 and projected expenditures eligible for support from the Maine Telecommunications Access Fund over the following two years (Attachment B).

If you would like more information on these costs, please contact Tony Sprague 624-6777. I would be happy to discuss any issues or questions you may have. Thank you for your consideration of our request.

Sincerely,



Susan A. Gendron
Commissioner of Education

Attachment A

Exhibit B
All $'s are in thousands

Services Payment Schedule

Apple Fiscal Year / Maine Fiscal Year	Q4/02 Q1/03	Q1/03 Q2/03	Q2/03 Q3/03	Q3/03 Q4/03	Q4/03 Q1/04	Q1/04 Q2/04	Q2/04 Q3/04	Q3/04 Q4/04	Q4/04 Q1/05	Q1/05 Q2/05	Q2/05 Q3/05	Q3/05 Q4/05	Q4/05 Q1/06	Q1/06 Q2/06	Q2/06 Q3/06	Q3/06 Q4/06	Q4/07 Q1/07	Q1/06 Q2/07	New Total
Project Mgmt /On-Site	$ 80	$ 80	$ 80	$ 80	$ 80	$ 80	$ 80	$ 80	$ 80	$ 80	$ 80	$ 80	$ 80	$ 80	$ 80	$ 80	$ 80		$ 1,360
Training	$ 200				$ 100														$ 300
Support and Spares	$ 33	$ 33	$ 33	$ 33	$ 33	$ 33	$ 33	$ 33	$ 33	$ 33	$ 33	$ 33	$ 33	$ 33	$ 33	$ 33	$ 33		$ 554
Network/Storage	$ 124	$ 124	$ 124	$ 124	$ 124	$ 124	$ 124	$ 124	$ 124	$ 124	$ 124	$ 124	$ 124	$ 124	$ 124	$ 124	$ 124		$ 2,100
Software	$ 82	$ 82	$ 82	$ 82	$ 82	$ 82	$ 82	$ 82	$ 82	$ 82	$ 82	$ 82	$ 82	$ 82	$ 82	$ 82	$ 20		$ 1,332
Apple Care	$ 39	$ 267	$ 270	$ 278	$ 500	$ 500	$ 500	$ 500	$ 488	$ 488	$ 488	$ 488	$ 461	$ 461	$ 461	$ 461	$ 227		$ 6,874
Total Estimated Services Costs	$ 557	$ 585	$ 588	$ 596	$ 918	$ 818	$ 818	$ 818	$ 806	$ 806	$ 806	$ 806	$ 779	$ 779	$ 779	$ 779	$ 482	$	$ 12,519

Device Payment Schedule

Apple Fiscal Year / Maine Fiscal Year	Q4/02 Q1/03	Q1/03 Q2/03	Q2/03 Q3/03	Q3/03 Q4/03	Q4/03 Q1/04	Q1/04 Q2/04	Q2/04 Q3/04	Q3/04 Q4/04	Q4/04 Q1/05	Q1/05 Q2/05	Q2/05 Q3/05	Q3/05 Q4/05	Q4/05 Q1/06	Q1/06 Q2/06	Q2/06 Q3/06	Q3/06 Q4/06	Q4/07 Q1/07	Q1/06 Q2/07	New Total
Laptops & Cards																			
Demo Schools	637																(637)		
Teacher Loaders	231																(231)		
Teachers Distribution	1985																(1,985)		
Maine DOE	15																(15)		
7th Grade Student Distribution		16,638																(16,638)	
Additional Student Distribution		262															(262)		
Additional student units Q2			222														(222)		
8th Grade Teacher and Student units				600	16,440				(852)				(2,027)				(14,173)		
Cumulative units	2,868	19,768	19,990	20,590	37,030	37,030	37,030	37,030	36,148	36,148	36,148	36,148	34,121	34,121	34,121	34,121	16,638	-	
Total Estimated Device Costs	$ 143	$ 958	$ 1,000	$ 1,033	$ 1,852	$ 1,852	$ 1,852	$ 1,852	$ 1,807	$ 1,807	$ 1,807	$ 1,807	$ 1,706	$ 1,706	$ 1,706	$ 1,706	$ 832	$	$ 25,453
Total Contract Cost	$ 700	$ 1,973	$ 1,587	$ 1,626	$ 2,770	$ 2,670	$ 2,670	$ 2,670	$ 2,613	$ 2,613	$ 2,613	$ 2,613	$ 2,485	$ 2,485	$ 2,485	$ 2,485	$ 1,314	$ -	$ 37,972

Attachment B

MLTI Payments Eligible for MSLN/MTEAF Support

Maine Fiscal Year	**2003**	**2004**	**2005**	**2006**	**2007**
Project Mgmt/On-Site	$80,000.00	$80,000.00	$80,000.00	$80,000.00	$20,000.00
Training	$200,000.00	$100,000.00	-	-	-
Support and Spares	$132,000.00	$132,000.00	$132,000.00	$132,000.00	$32,000.00
Network/Storage	$496,000.00	$496,000.00	$496,000.00	$496,000.00	$124,000.00
Software	$328,000.00	$328,000.00	$328,000.00	$328,000.00	$20,000.00
AppleCare	$854,000.00	$2,000,000.00	$1,952,000.00	$1,844,000.00	$227,000.00
Routers	$60,362.00				
Wireless Cards	$354,248.00	$846,626.50	$826,551.00	$780,417.00	$104,923.00
Total Eligible for MSLN/MTEAF Suppo	$2,504,610.00	$3,982,626.50	$3,814,551.00	$3,660,417.00	$527,923.00
Maximum Request to MSLN/MTEAF	$2,250,000.00	$2,250,000.00	$2,250,000.00	$2,250,000.00	-