NOTES:

- All cost estimates, except for the estimated costs for the projected figures for current tablets, future low-cost tablets, and home connectivity are from Chapter 9 of the Project RED report, “The Technology Factor: Nine Keys to Student Achievement and Cost Effectiveness”, http://www.projectred.org/. The transition from a “traditional textbook and desktop computer lab” environment to a “new digital textbook” learning environment will be implemented in many different ways at the local level. But, the Project RED work shows there are paths to affordable 24/7 access to interactive digital content.

- The cost estimates for tablets and mobile connectivity are from FCC projections. The projected price is $250 for current tablets, that are amortized over a 4-year refresh rate, $150 for future low-cost tablets using the same 4-year refresh rate, and $18/month for home broadband or limited mobile connectivity use between 3pm to 8am. These models for tablets assume the costs of software and all hardware other than tablets will remain the same as they were in Project RED’s new technology-transformed schools.

- In both the “Traditional” and “New” environments, Project RED assumes the following: 500 students, 25 teachers and staff, 20 classrooms, 10 common areas (library, cafeteria, etc.), hardware with 4-year refresh rate, infrastructure costs for wireless LANS, etc, amortized over seven years, hardware costs amortized over four years and full warranty with protection for accidental damage; there is a 5% loaner pool for the 1:1 laptop program, consumables, such as paper and toner, are not included.

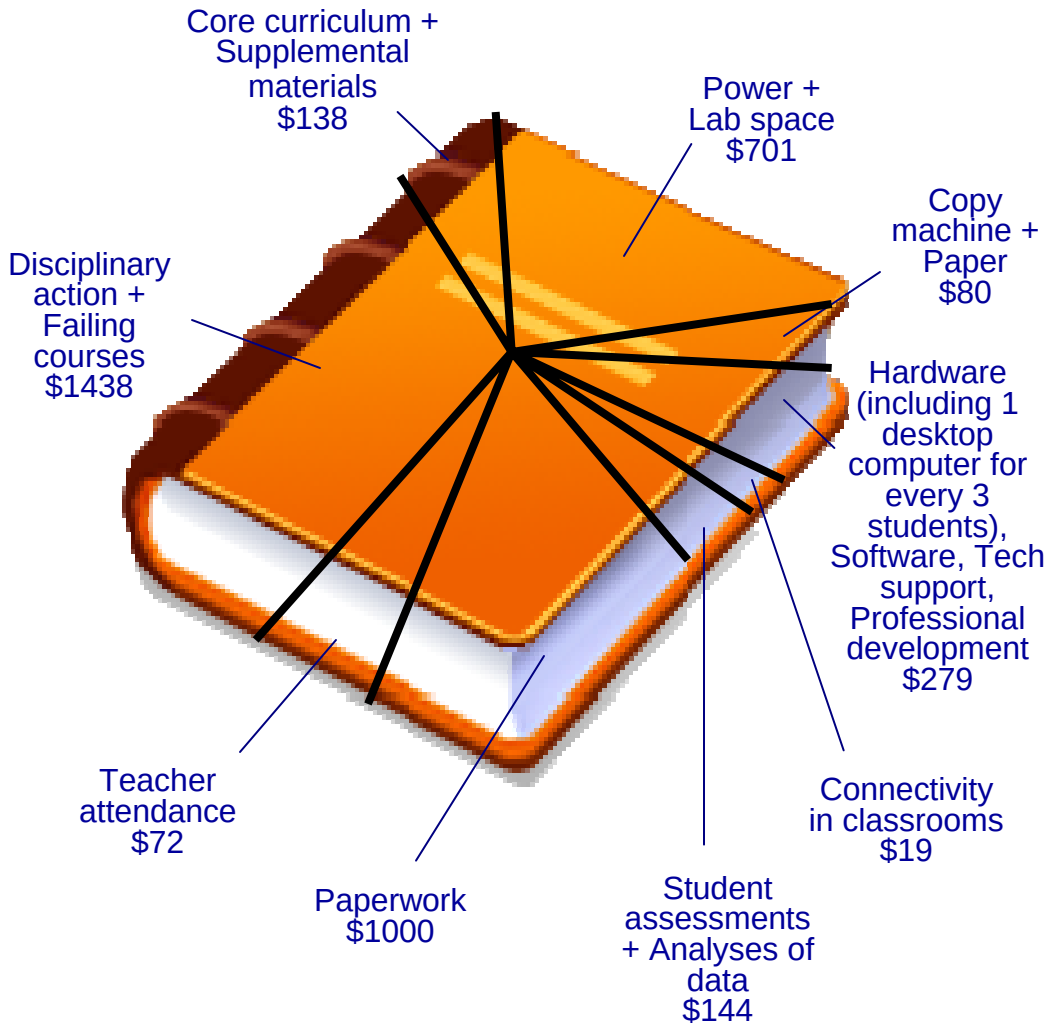
- Project RED notes that the "cost per student" figures a subset of the total cost of education per student and that they are related only to the savings categories studied in Project RED. They further note that the savings shown here are generally on the low side of the expected savings range. In many cases, the results of a "proper implementation" of technology could be savings at double the rates shown here.

- Project RED’s work also included additional cost savings to the state for dropout rate reductions, post-secondary remedial education, and dual/joint/AP course enrollment. These savings are not included in the models, as the models only display savings to the school districts. The models also do not factor in other potential upfront incremental costs for this digital transition, such as additional training for students and parents.

WORKING MODEL

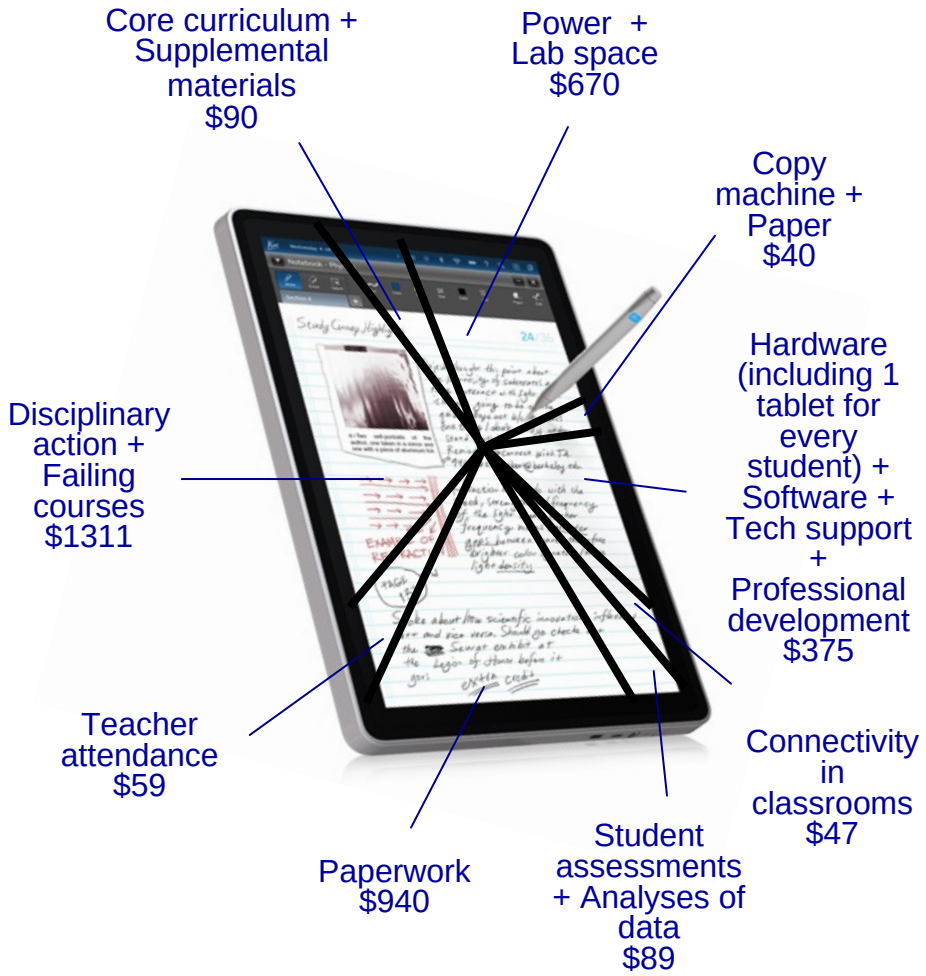
TODAY'S DIGITAL CONVERSIONS TO A 1:1 TABLET

TRADITIONAL LEARNING: $3,871/student/year



* Source: Chapter 9 of the Project RED report, The Technology Factor: Nine Keys to Student Achievement and Cost Effectiveness

NEW LEARNING : $3,621/student/year

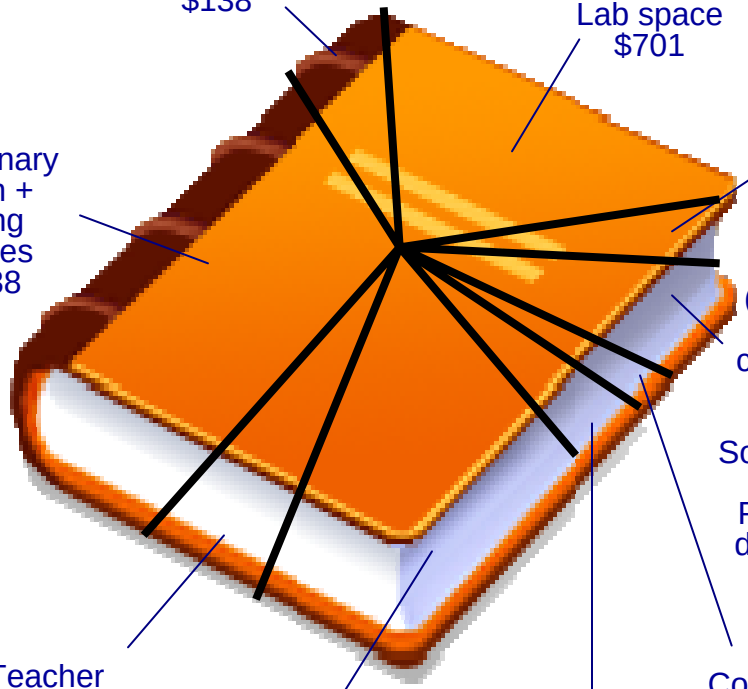


* Source: Project RED report data was used for all estimates except the cost of tablets, which we estimate at $250 per tablet.

WORKING MODEL

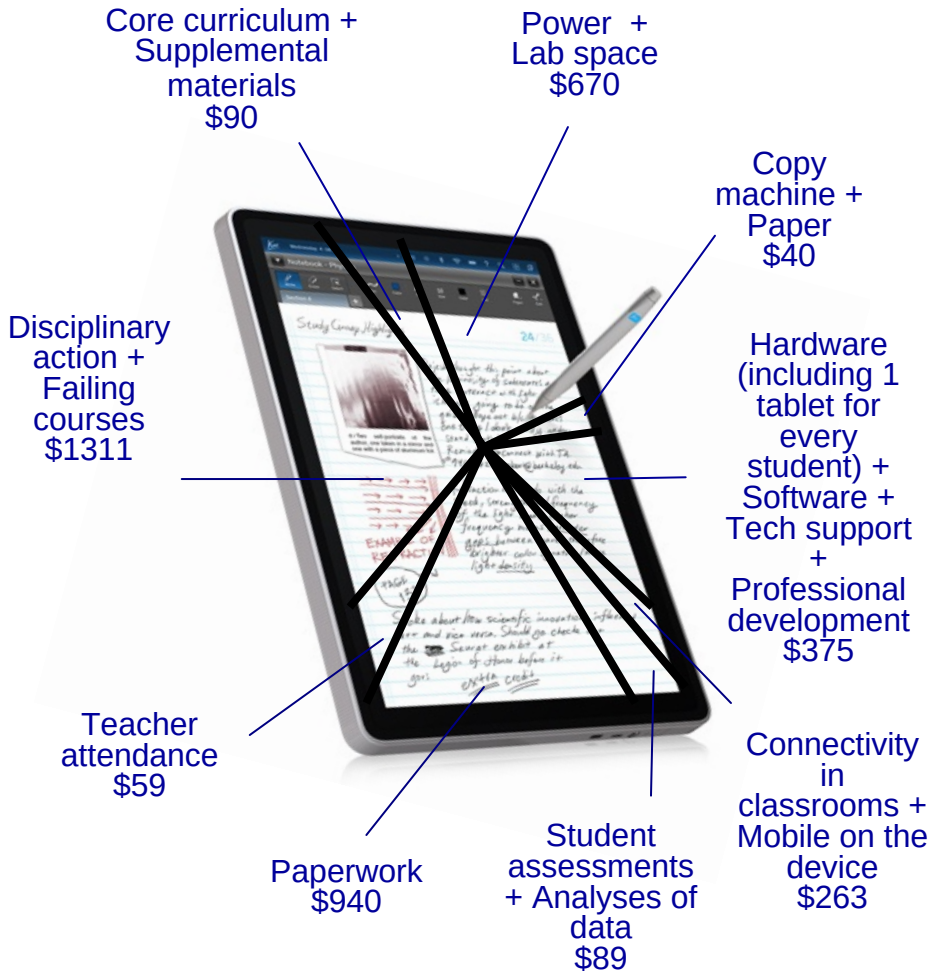
TODAY'S DIGITAL CONVERSIONS TO A 1:1 TABLET + MOBILE ON THE DEVICE

TRADITIONAL LEARNING: $3,871/student/year



* Source: Chapter 9 of the Project RED report, The Technology Factor: Nine Keys to Student Achievement and Cost Effectiveness

NEW LEARNING : $3,837/student/year

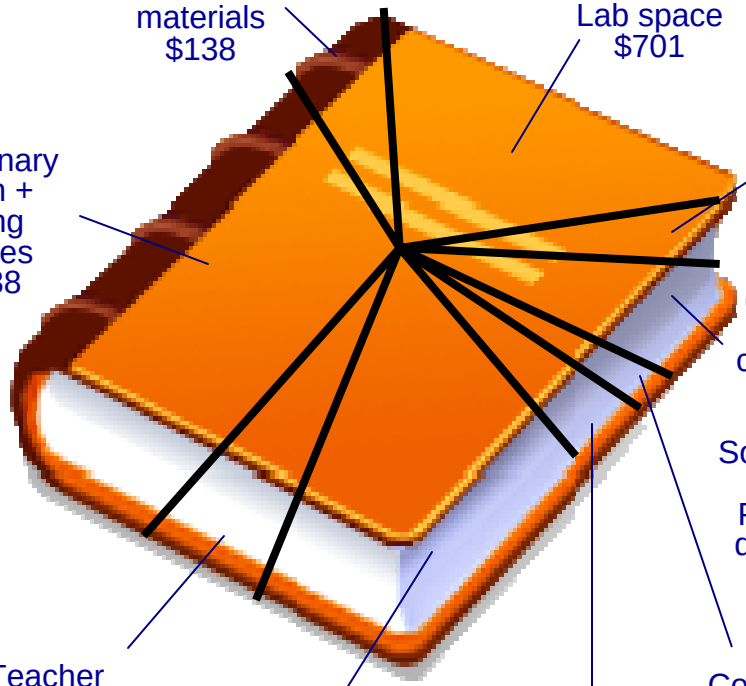


* Source: Project RED report data was used for all estimates except the cost of tablets, which we estimate at $250 per tablet, and the cost of Mobile on the device, which we estimate at $18/month.

WORKING MODEL

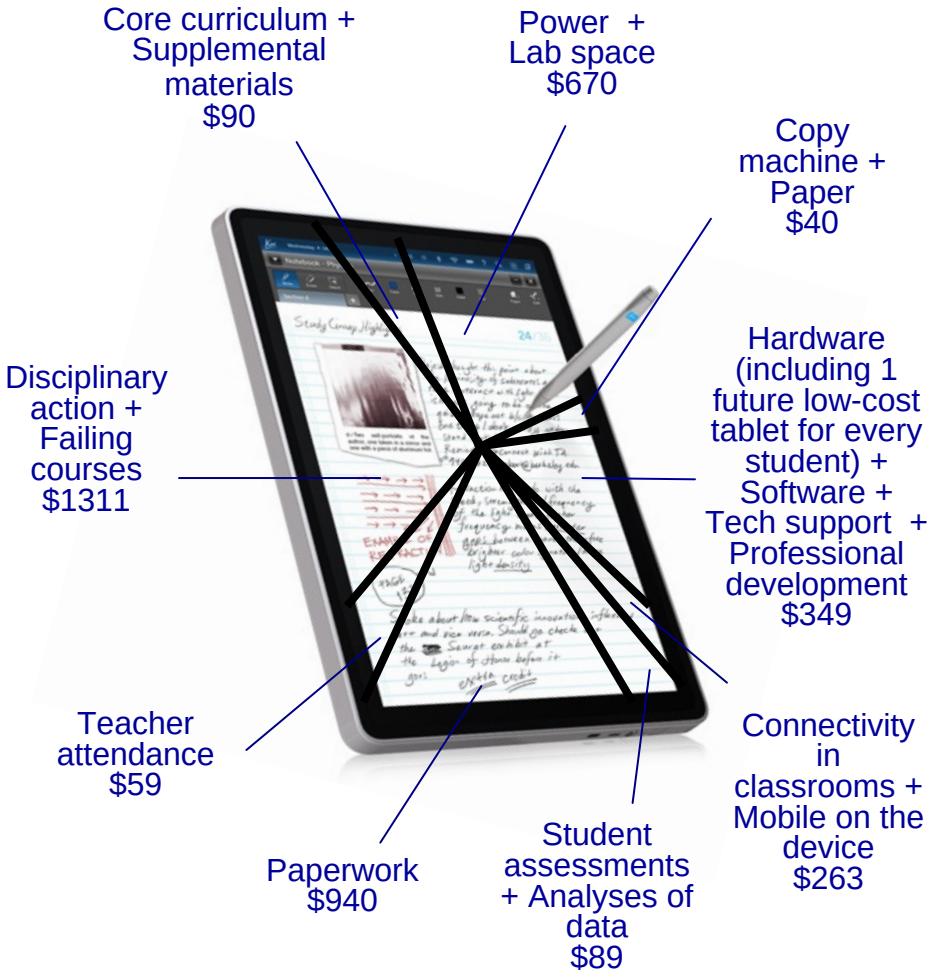
FUTURE DIGITAL CONVERSIONS TO A 1:1 LOW-COST TABLET + MOBILE ON THE DEVICE

TRADITIONAL LEARNING: $3,871/student/year



* Source: Chapter 9 of the Project RED report, The Technology Factor: Nine Keys to Student Achievement and Cost Effectiveness

NEW LEARNING : $3,811/student/year



* Source: Project RED report data was used for all estimates except the cost of future low-cost tablets, which we estimate at $150 per tablet, and the cost of Mobile on the device, which we estimate at $18/month.