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“Hidden Costs” That Never Show Up In Your Technology Budget

It is that time of year again when most Superintendents, Business Administrators and School Boards are hard at work putting together the budget for the upcoming 2005-2006 school year.

Those individuals and committees formulating the school budget often find the technology portion of their budget the most difficult to define. While the majority of administrators plan appropriately for the hardware and software needs of their school or district, many fail to take into account the “hidden costs” related to their technology budget, which can be an expensive omission.

Let’s look at three of the most common “hidden costs” of technology that can wreak havoc with your budget:

1. Network Support

If your district relies on outside help for network support – beware. Many support firms bill on an hourly basis and tend to be reactive in addressing issues. This is often due to the nature of hourly agreements.

- Keeping older workstations and file servers functioning requires more time and effort than most administrators like to admit.
- Costs for network support with workstations and servers in the fourth or even fifth year of life can skyrocket compared to years one, two, and three.
- Excessive time spent on older machines can be throwing good money after bad. If it is not in your school’s budget to replace those workstations in their fourth or fifth year of use, it may be financially prudent to remove them from service prior to the start of school in September.

2. Emergency Expenditures

In many cases administrators are faced with “We need this right now, or else...” These needs can be a new network server, switches, software, or any of a multitude of required components. The needs always seem critical and each is a “must-have.”

- Emergency expenditures should be a rare event when a good technology strategy and budget are in place. There should be no reason whatsoever to be presented with a five, ten, or fifteen thousand dollar emergency expenditure in the middle of a school year.

- All major, critical, and often expensive components of a network should have appropriate warranties, allocated monies set aside in the event of a failure, and plans in place to replace the equipment when it becomes obsolete.

3. Software Implementation

Is your school or district planning to implement a software package related to school operations? This could be an accounting package for your Business Office, school management software for scheduling, attendance, and grading, or any similar product.

- These software packages often do a great job of managing school operations but can place a significant unanticipated burden on your budget. Costs can escalate when working with hourly consultants in installing and configuring the software, and in training support personnel, staff, and teachers in using appropriate modules. Any hardware and software requirements that may have been overlooked add further to the cost.
- When planning for such an implementation, make sure that your network's hardware and software do not merely meet the *minimum* standards for use of the software but the *recommended* standards. This avoids an emergency expenditure scenario outlined in item two and ensures that your network's hardware and software are never blamed for a poorly performing software package.

In summary, developing a technology strategy along with an accurate budget is a fairly straightforward process providing you properly plan for those costs we outlined above.

In next month's *Education Letter*, we will continue to look at ways to better manage the technology within your school or district. Enjoy the remainder of your school year.

All the best,



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