

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance and Facilities Committee

Date of Meeting: June 20, 2012

Agenda Item: Online Student Support Center Intra-Agency Agreement

Proposed Policy Action Approval Required by Policy Other Approvals Monitoring

Information

Cite policy requirement, or explain why item is on the Board agenda:

Board Policy 5.14, Procurement and Contracts, requires that contracts, including amendments, with values greater than \$3,000,000 must be approved in advance by the Board of Trustees.

The proposed action item is for Board approval to amend the intra-agency agreement with Northwest Technical College acting as fiscal agent for Distance Minnesota, estimated to total a cumulative \$5,470,000 through June 30, 2014.

Scheduled Presenter(s): Manuel M. López, Executive Director, Minnesota Online

Outline of Key Points/Policy Issues:

The Online Student Support Center is the core enterprise used in support of all Minnesota State Colleges and Universities online credit courses. Extension of the Intra-Agency Agreement with Northwest Technical College was endorsed by the Minnesota Online Council, an advisory committee comprised of representative faculty, students, and administration, before it was incorporated into the new Information Technology Council and the Academic Policy Council.

Background Information:

Minnesota State Colleges and Universities entered into a five year intra-agency agreement with Minnesota State Community and Technical College beginning in 2006. The agreement included an option to renew for five additional one year terms. Last year, the proposed action item sought Board approval to exercise the renewal option for a single additional one year term until June 30, 2012 because it exceeded the \$3,000,000 threshold. This year, the proposed action seeks board approval to exercise the renewal option for an additional two (2) year term until June 30, 2014.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION
Online Student Support Center Intra-Agency Agreement

BACKGROUND

Board Policy 5.14, Procurement and Contracts, requires that contracts, including amendments, with values greater than \$3,000,000, must be approved in advance by the Board of Trustees.

The proposed action item is for Board approval to amend the Intra-Agency Agreement between the system office and Northwest Technical College as fiscal agent for Distance Minnesota. The amended intra-agency agreement with Northwest Technical College, estimated to total \$675,000 in FY2013 and \$675,000 in FY2014 will have the cumulative effect of taking the value of the contract to a grand total of \$5,470,000 over the term of the agreement.

The agreement covers the costs of staffing for student and learner support, marketing and student relationship management, data and technical support, and administration; equipment maintenance and updates; license maintenance and updates, marketing costs, and memberships (in relevant distance education organizations). The programs and services are developed by the partner colleges of Distance Minnesota, a regional collaborative of system colleges which offers online learning experiences and related support services. Member colleges include Alexandria Technical College, Northland Community and Technical College and Northwest Technical College.

The system office entered into an intra-agency agreement with Minnesota State Community and Technical College beginning in FY2006 for a total not to exceed \$2,155,948. The original agreement had been amended to renew fiscal management and oversight of the Online Student Support Center. The proposed action item seeks Board approval to exercise the renewal option for the remaining two years of the agreement until June 30, 2014 and move the services relationship to Northwest Technical College.

Extension of the Intra-Agency Agreement with Northwest Technical College was endorsed by the Minnesota Online Council, an advisory committee comprised of representative faculty, students, and administration, before it was incorporated into the new Information Technology Council and the Academic Policy Council.

The annual contract with Northwest Technical College is estimated to be \$675,000. The cost of the agreement is paid by the per credit assessment of \$4.50/credit charged to the institutions for each online course.

RECOMMENDED COMMITTEE ACTION

The Finance and Facilities Committee recommends that the Board of Trustees approve extending the current intra-agency agreement until June 30, 2014 between Minnesota State Colleges and Universities System Office and Northwest Technical College acting as fiscal agent for Distance Minnesota for estimated total expenditures not to exceed \$5,470,000. The Board directs the Chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD OF TRUSTEES ACTION

The Board of Trustees approve extending the current intra-agency agreement until June 30, 2014 between Minnesota State Colleges and Universities System Office and Northwest Technical College acting as fiscal agent for Distance Minnesota for estimated total expenditures not to exceed \$5,470,000. The Board directs the Chancellor or his designee to execute all necessary documents.

Date Presented to the Board of Trustees: June 20, 2012