

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

**Interagency Agreement with the Department of Employment and Economic Development
(DEED)**

BACKGROUND

Board of Trustees' Policy 5.14, Procurement and Contracts, requires Board approval of contracts of one million dollars or more.

After several months of negotiations locally and at the federal level, the Minnesota State Colleges and Universities system entered into an Interagency Agreement (see Exhibit A) with the Minnesota Department of Employment and Economic Development (DEED) on February 24, 2005. The agreement provides the terms and conditions under which Minnesota State Colleges and Universities would administer and lead the development of the U.S. Department of Labor-Employment and Training Administration's CareerOneStop, a national online demonstration project. The agreement is effective only if approved by the Board of Trustees. Upon the Board's approval, responsibilities would transfer to the Minnesota State Colleges and Universities system on March 16, 2005, and become part of the Strategic Partnerships and Workforce Development unit of Academic and Student Affairs.

The Office of the Chancellor's Strategic Partnerships and Workforce Development unit and DEED have formed a strategic alliance in the state of Minnesota. The partnership strives to collaborate closely in the delivery of services which enhance the power of what the U.S. Department of Labor-Employment and Training Administration (DOL/ETA) refers to as "e3" (or E to the third power). The "e3" vision emphasizes heightened cooperation among education, employment, and economic development agencies and institutions.

In Minnesota the articulation of DOL/ETA's vision of the power of e3 has resulted in a close working relationship between DEED and our system. A focus on Business Services has already led to the establishment of six DEED Regional Administrators who work closely with the system's six corresponding Regional Coordinators for Customized Training to serve the needs of Minnesota's employers and workers.

It is also anticipated that the CareerOneStop and ISEEK (Internet System for Education and Employment Knowledge) projects will have a potent, synergistic impact on one another, and build on Minnesota's reputation nationwide as a leader in workforce and economic development innovation. Similarly, under the new organizational structure, there is great promise in closer ties between the CareerOneStop Project and MnOnline as well as the e-folio initiative gaining interest regionally and nationally.

DEED will remain the agency of record with the DOL/ETA and will transfer to the system through Interagency Agreement \$1.1M on March 16, 2005. The total federal fiscal year 2005 (10/1/04 – 9/30/05) contract with DOL/ETA is \$5M. For federal fiscal year 2006, DEED and the Minnesota State Colleges and Universities system collaboratively will submit the proposal for continued funding for the project at this or a higher level. The Office of the Senior Vice Chancellor for Academic and Student Affairs will administer the project and DEED will provide us with not less than 90% of all future funds.

RECOMMENDED COMMITTEE ACTION:

The Facilities/Finance Policy Committee recommends that the Board of Trustees adopt the following motion.

RECOMMENDED MOTION:

The Board of Trustees approves the execution of the Interagency Agreement entered into on February 24, 2005, by the Department of Employment and Economic Development and the Minnesota State Colleges and Universities system, subject to the completion of all necessary due diligence requirements and approval of all documents by the Attorney General's Office.

Date Presented to the Board: March 16, 2005