MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES

Agenda Item Summary Sheet

Committee: Finance, Facilities and Technology    Date of Meeting: March 19, 2008

Agenda Item: Winona State University Laptop Program

☐ Proposed Policy Action    x 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 pre-approval by the Board of Trustees for contracts, including amendments, with values greater than $2,000,000.

Scheduled Presenter(s): Dr. Sally Johnstone, Vice President for Academic Affairs, Winona State University
Robin O’Callaghan, Assistant Professor, College of Liberal Arts, Winona State University
Stacy Brogan, Student, Winona State University

Outline of Key Points/Policy Issues: The proposed action item is for Board approval of a 5-year lease financing contract with Merrimak Capital totaling $28.4 million. Winona State University’s Laptop Program requires all full-time students to have a laptop.

Background Information: Subsequent to extensive campus wiring and support network upgrades, Winona State University began phasing in its laptop program during Fall Semester 2000 as part of its goal to increase computer literacy for all graduates. The program, a self-supported auxiliary enterprise, includes an Apple or PC laptop and a comprehensive package of educational software, insurance, repair and maintenance services, automatic software upgrades, a 24-hour help line, tutorial resources, and support for shared educational technology. Computers are replaced on two-year cycles to assure students have the most current technology.
BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD ACTION

Winona State University Laptop Program

BACKGROUND
Board Policy 5.14, Procurement and Contracts, adopted June 21, 2000 and amended December 7, 2005, requires pre-approval by the Board of Trustees for contracts, including amendments, with values greater than $2,000,000. The proposed action item is for Board approval of a 5-year lease financing contract valued at $28.4 million.

Subsequent to extensive campus wiring and support network upgrades, Winona State University began phasing in its laptop program during Fall Semester 2000 as part of its goal to increase computer literacy for all graduates. The laptop program requires all full-time students at the Winona campus to have a laptop. The program, a self-supported auxiliary enterprise, includes an Apple or PC laptop and a comprehensive package of educational software, insurance, repair and maintenance services, automatic software upgrades, a 24-hour help line, tutorial resources, and support for shared educational technology. Computers are replaced on two-year cycles to assure students have the most current technology.

A Request for Proposal was completed during February 2008 that competitively identified Apple and Toshiba laptops for its program commencing with the 2008-2009 academic year and competitively identified Merrimak Capital to provide lease financing for five consecutive years commencing with the 2008-2009 academic year. Beginning with Fall Semester 2008 and at the beginning of each of the next three academic years, WSU will annually solicit updated lease quotes from Merrimak Capital subsequent to identification of the Apple- and Toshiba-brand laptops to be leased for the next academic year.

The attached document provides additional information about WSU’s Laptop Program.

RECOMMENDED COMMITTEE ACTION
The Finance/Facilities Policy Committee recommends the Board of Trustees approve execution of a 5-year lease financing contract with Merrimak Capital totaling $28.4 million to provide lease financing to participants in Winona State University’s Laptop Program; and that the Board delegate execution of the contract to the Chancellor or his designee.

RECOMMENDED BOARD ACTION
The Board of Trustees approves execution of a 5-year lease financing contract with Merrimak Capital totaling $28.4 million to provide lease financing to participants in Winona State University’s Laptop Program. The Board delegates execution of the contract to the Chancellor or his designee.

Date Presented to the Board: March 19, 2008
The Winona State University Laptop Program

March 2008

Introduction

WSU is much more than a “Laptop University.” It is a university where students and teachers use powerful, portable, multifunctional networked devices to support teaching and learning. Today that device is a laptop. For most of the students and instructors, it is a convertible tablet PC that can be used as a traditional laptop or in ‘tablet mode’ as a writing surface or a drawing surface.

Virtually every university offers students and teachers access to the internet and other computer based tools critical to academic success. WSU believes that providing similarly configured laptops, supported centrally and replaced regularly, is the best way to ensure the pervasive and reliable access that facilitates teaching and learning.

The device of choice for students and instructors in higher education changes regularly. WSU tracks these developments and continues to provide its students and teachers with the best academic technology and support available.

The Laptop Program has become part of the fabric of a WSU education, and the University is requesting approval of a five-year lease financing contract to provide continuity for the program and build upon its success.

Frequently Asked Questions &
Program Information

Who participates?
All fulltime undergraduate students (12 or more credits) are enrolled in the Laptop Program.

Why do students have to use the same types of computer?
Experience has taught WSU that providing similarly-configured laptops, loaded with up-to-date-software, supported centrally and replaced regularly, is currently the best way to ensure the pervasive and reliable access that facilitates teaching and learning.

The current leasing structure was chosen for compatibility and technical support. Compatible systems improve curriculum options and lower software and technical support costs. When a bring-your-own option was allowed early in the program, WSU learned that resources were focused on the few who had non-standard equipment at the expense of the majority. Compatibility of equipment and software is fundamental to the success of the program.
Key Learnings:

- Technology changes rapidly. WSU’s two-year rotation ensures up-to-date hardware and software.
- Faculty know that with compatible systems all students have access to the same resources with the same configurations. With these guarantees, instructors can confidently employ technology as a resource for learning.
- Early experiments with personally owned computers taught WSU:
  - Most students selected the university provided laptop due to the extra values of software, service and technical support.
  - Providing support was extremely difficult because of the great variety of configurations. Despite posted system requirements some students disregarded the guidelines.
  - Inventory control costs were higher because predicting stock quantities was more difficult.
  - The efficiencies that homogeneity and standardization afford could not be accessed.
  - Students’ academic experience was at increased risk because they did not have access to quick replacements in the event of corruption or damage. Students could be without their primary learning device for weeks depending on the quality of their individual service plan.
What is the cost?
Students pay $500 per semester. The chart below shows how the cost is allocated.
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Does WSU own the laptops?
No. WSU partners with a leasing company. WSU’s two-year-old laptops are returned to the leasing company.

What does the student get for the $500 fee?

Key Elements of the Laptop Program
The Laptop Program includes many components, which would add up to hundreds of dollars more if students purchased them on their own.

- Platform Choice – Mac or PC – replaced every two years
- Standard Software Suite – Current OS, MS Office with upgrades, antivirus, spam protection, etc.
- Course specific software – examples include statistics, graphic arts, math, web editing,
- Access to convenient campus printers
- Access to online software training
- Theft Protection
  - Tracking service option (additional fee required)
  - Insurance with payment of deductible
- Laptop Learning Lab workshops and 1:1 technology training
- Laptop computer bag
- Damage coverage - students pay only a nominal fee regardless of the cost of actual repairs and parts
- Loaner laptops – provides students with continued access if their laptop is lost, stolen or damaged.
- Local dial-in access
- Replacement of the laptop if necessary
- Technical phone support
- Walk-in technical support on campus with extended night and weekend hours
- Wireless networking on campus
- Network Storage with backup (course specific and personal storage space)
- Graduating student buyout – greatly below market value

Why does WSU lease laptops?
- Leasing avoids an initial purchase investment that may not be used, considering the withdrawal and transfer rates of first year students.
- WSU has no disposal costs. The units are returned to the leasing company.
- New equipment capable of keeping up with the fast pace of technological change is guaranteed with the two-year refresh that a leasing arrangement allows.
- Leasing allows WSU to offer the student laptop buyout to graduating students.
What is the Graduating Student Buyout?
Students are offered the opportunity to purchase a laptop computer at the time of graduation. The laptops available for purchase are at the end of the lease and are approximately two years old. Students are allowed to keep the last operating system and Microsoft Office software at the time of the purchase. University specific software is removed from the system at the time of the sale.

It is important to note WSU does not own the systems, its leasing partner does. Therefore, the transaction between the students and the leasing company is conducted by the leasing company, but on the Winona campus. The leasing company comes to WSU for spring and winter commencement to conduct the sale.

The terms and conditions are subject to slight modifications annually but have remained exceptionally stable throughout the program. The following buyout information is from Spring 2007. The purchase cost is offered to students based on the number of years they have participated in the Laptop Program:

<table>
<thead>
<tr>
<th>Years Participated in WSU Laptop Program</th>
<th>Gateway M275</th>
<th>Apple iBook 1300</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four or More</td>
<td>$25 + tax</td>
<td>$25 + tax</td>
</tr>
<tr>
<td>Three</td>
<td>$155 + tax</td>
<td>$255 + tax</td>
</tr>
<tr>
<td>Two</td>
<td>$275 + tax</td>
<td>$375 + tax</td>
</tr>
<tr>
<td>One</td>
<td>$395 + tax</td>
<td>$495 + tax</td>
</tr>
</tbody>
</table>

- Of the graduates who purchased their laptops, 87% were able to purchase at the $25 (plus tax) price (Spring and Winter sales 2007).
  - Approximate resale value of laptop (hardware only) purchased was $500 (spring and winter sales 2007).
  - All PC laptops sold in Spring 2007 had one year remaining on the manufacturer’s warranty.
Student Senate Letter of Consultation

Chancellor James H. McCormick  
Minnesota State Colleges and Universities  
500 Wells Fargo Place  
30 East Seventh Street  
St. Paul, MN 55101

Dear Chancellor James H. McCormick & Honorable Board of Trustees,

The Winona State University Student Senate recently had been consulted on the Laptop RFP process. Our Technology committee has been working hard with the CIO for Information Technology Services. We have been informed that they are ready to move forward. Student Senate fully supports their decision with the Laptop RFP process. Thank you for your time.

Sincerely,

Emily Feehan  
President, Winona State University Student Association and Student Senate  
ERFfeehan3842@winona.edu or (507) 457-5544
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Do the students support the program?
Yes. Student input led WSU to implement the graduating student buyout program, and student input is a major factor in the particular model of laptop WSU selects. Student input was instrumental in the decision to change the laptop selected for the 2008-2009 academic year.

Student Assessment Data

<table>
<thead>
<tr>
<th>Question</th>
<th>Percent That Agreed</th>
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<tr>
<td>- Use of the laptop is important to my academic success.</td>
<td>84.5</td>
</tr>
<tr>
<td>- The laptop provided is of good quality.</td>
<td>72.7</td>
</tr>
<tr>
<td>- I use my laptop frequently for class-related purposes.</td>
<td>88.2</td>
</tr>
<tr>
<td>- I am satisfied with the support and maintenance services provided.</td>
<td>77.6</td>
</tr>
<tr>
<td>- I use my laptop for a variety of purposes.</td>
<td>93.6</td>
</tr>
<tr>
<td>- I have benefited from the program.</td>
<td>79.4</td>
</tr>
</tbody>
</table>

Can a student bring their own computer?
Yes, students can bring their own computer to campus; however, the university-provided computer will be used for academic work. Some students do arrive with their own laptops, but it is rare. Admissions staff and WSU marketing material make the parameters of the program evident, so very few people are unaware of the requirements. Most students and their parents are glad to know such a comprehensive service is in place. This package includes the computer, software, support, training, spare computers, and a two year rotation of technology; a total program value that WSU believes is as important as the laptop hardware itself.

How does the student receive the laptop and how is it exchanged for a new one after 2 years?
- New students receive information on how to obtain their laptops with registration materials. Most students receive their laptops and a laptop orientation class when they visit in June for registration. The remaining first year students come in throughout the summer to pick up their laptops and participate in an orientation class.
- At the two year exchange mark, students come in throughout the summer to exchange their unit for a new laptop.
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**How else do students benefit?**

The ultimate benefit students receive from participating in a laptop program comes after they graduate. Recent graduates who have been immersed in a rich information technology environment are readily recognized for their skills. Their experience easily translates into the working world in a wide variety of fields.

Economies of scale are another benefit. Students realize significant savings because of reduced software licensing costs. Economies of scale also allow us to provide students with a laptop that has significant power and an advanced feature set that would cost hundreds of dollars more if purchased individually through normal retail channels.

Student employment is another important benefit of the WSU laptop program. ITS and E-Learning employ more than 100 students, many of whom have direct duties within the program. By assisting fellow students as well as faculty and staff, they:

- Gain valuable technical and human relations skills
- Gain skills for employment within the technology industry.

Many WSU students find employment in the technology industry upon graduation due directly to employment in ITS and E-Learning. Many are not in majors related to technology. A sampling of these skills include:

- Training/teaching
- Technical support skills – hardware and software
- Human relations
- Repair skills
- Software development
- Systems administration

**Program Changes – Added Value:**

Since the beginning of the laptop program in 1998, value has been added each year in terms of upgrades or programmatic changes, all without raising the fee. The following is a partial listing of some of the changes that have been implemented throughout the years.

- Tablet functionality was added for the 2004-2005 academic year allowing hand-written note taking as well as the ability to annotate traditional electronic documents with hand-written comments. A new degree of interactivity in the classroom was introduced with the tablet functionality.
- WSU’s leasing partner has become a benefactor. To date, $100,000 has been given in scholarships to students.
- The Laptop Learning Lab was created to assist students with any training assistance they need. One-on-one drop-in help is available as well as structured classes.
- The laptop purchase option for graduating students was introduced when students requested a low cost purchase option upon graduation.
- A fee change for repairs was introduced. Most damage costs to students have been kept to $50 or less, regardless of the level of damage.
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- More student technicians have been hired. Student technicians provide a peer type of relationship for many technology activities at the WSU support center. Students helping students improves the customer service environment.
- Upgrades in hardware capability have been implemented every year. Annually, the laptops get faster and hold more data and applications. Other changes introduced include web cameras built in to the laptops, the ability to use DVD drives for backup and storage, flash drives for easy backups of key files, and network based storage.

**Are Faculty Supported?**

Yes. WSU’s E-Learning Department is dedicated to faculty development, to enabling faculty to integrate technology into teaching and learning.

Initiatives and pilots targeted toward being on the leading edge for innovative teaching and learning environments in the classroom are part of the ongoing endeavors of the program.

**Improved Space Utilization**

WSU was able to reclaim valuable space when many of its computer labs were no longer necessary. These rooms became usable classroom space.

**Partnership Benefits Beyond the Contract**

**Academic Impact**

The vendors that work with WSU have contributed in more ways than the business contract has specified. Merrimak Capital has given back to the WSU community, contributing $100,000 in scholarships over the last five years.

**Regional Impact**

In addition, WSU and its partners are engaged in the planning stage with local K-12 school districts to supply them with a rotational laptop program customized to their unique needs at significant savings over market pricing. Local schools will also benefit from a program of ubiquitous computing with a guaranteed equipment update.

In addition to scholarships, Merrimak has been instrumental in the following:
- Donation of equipment to the West Indies School of Nursing/Hospital
- Provided laptops to assist in the Minnesota flood relief efforts of summer 2007
  - Provided 30 laptops to regional community action agency, SEMCAC
  - Provided laptops to two local school districts
- Donation of equipment to the Winona area YMCA
- Donation of equipment to WSU’s athletic department
- Provided equipment for WSU fund raising efforts

Gateway has been able to outfit WSU classrooms with additional technology to enhance the learning experience and has provided additional educational resources through other partnerships. Gateway has also contributed equipment to Winona K-12 schools through the WSU partnership.
Apple has contributed elements to the program that have been beneficial to WSU students, such as hosting a yearly contest that challenges students to creatively use technology and also by providing multiple technology seminars on campus.

**RFP Process**
An interdisciplinary team was assembled early in the fall for the purpose of authoring the Request For Proposal and then selecting the proposals that provided the best solutions with the best value for students. The team consisted of:
- Student Senate appointees
- IFO appointees
- Chief Information Officer
- E-Learning Officer
- Laptop Program Director
- Information Technology Services staff
- Finance and Facilities staff

The team dedicated many hours to these endeavors. Student and faculty feedback data was a leading component among the elements considered when discussing the proposals. After careful consideration of the many excellent proposals by companies such as MPC, Apple, HP, Lenovo, Toshiba and others, the following companies were selected in early February to provide hardware and services.

- Apple Inc. was selected to provide Macbook laptops and a service plan partnership solution
- Toshiba was selected to provide laptop/tablet convertibles and a service plan partnership solution
- Merrimak Capital was selected to provide financing services

**Laptop Programs in Higher Education**
Programs of a similar nature have been around since at least 1991 when Dartmouth College launched a 1-to-1 laptop initiative. Drew University required a laptop in the late 1980s.

WSU consulted extensively (and continues to consult) with other universities that have laptop programs and similar fees structures. Programs WSU researched include:
- University of Minnesota, Crookston
- Seton Hall University, New Jersey
- Wake Forest University, North Carolina
- University of Wisconsin, Stout
- Loras College – Iowa
- Valley City State University, North Dakota
- Buena Vista University, Iowa
WSU has been nationally recognized for its laptop program, and is consulted regularly by those looking to begin or improve laptop programs. Institutions that have made site visits to study the WSU laptop program include:

- Brigham Young University, Utah
- Iowa State University
- Morehead State University, Minnesota
- University of Wisconsin, La Crosse
- University of Wisconsin-Stout
- Des Moines University, Iowa
- Ripon College, Wisconsin
- Morningside College, Iowa
- West Liberty State College, West Virginia

**Conclusion**

Winona State University’s Laptop Program has a successful track record of 10 years. Many positive benefits have been clearly demonstrated for the students during and—perhaps more importantly—after their WSU experience.

The Laptop Program has become part of the fabric of a WSU education and the University is seeking Board of Trustees approval to execute a 5-year lease financing contract in order to continue its program and build upon its success.