

Question: does the EOServe contract require OCR approval?

The SU/EOServe contract is, once again, under discussion by our Board of Supervisor's. **Hopefully, the Board of Supervisors (BoS) will do the right and necessary thing by completely abrogating this seriously flawed contract.** At present, I don't believe there is a single person on the Board, the President included, if he were to be honest about it, who does not now recognize that the contract with EOServe is seriously flawed; and that it does not 'deliver the goods.' We are a year-and-a-half into this contract –approved October 28, 2011- and SUBR currently has a total of nine (9) students enrolled through EOServe. The issue, now being taken up by the SU BoS, has to do with the fact that the contract never received approval from the Louisiana State Office of Contractual Review (OCR). And here, there is an interesting story to be told.

We found out at Friday's BoS meeting (2.15.2013) that at first, the EOServe contract had, in fact, been submitted to OCR; one would think at the suggestion of the system's legal staff. But then a funny thing happened. OCR communicated to the system a series of questions. **OCR also remarked that they 'had never before seen a document like this.'** At which point, the system's office decided to recall the contract, precluding full OCR scrutiny. Now, there was some debate, among the system's legal team, as to whether or not OCR approval is required. So, they put the question to a second group of attorneys. This second group said they thought the contract would be defensible as a legally binding document, even without OCR approval. But, then, no one really knows for certain. **One thing, however, is quite clear; as soon as OCR raised questions about the EOServe contract, the system suddenly lost all interest in seeking OCR approval.**

A visit from Mason

For those of you who may not have heard, SU System's President Mason invited himself to last Thursday's (2.14.2013) Faculty Senate meeting. He brought with him a set of documents related to EOServe. His purpose was two-fold. Firstly, he **(Mason) wanted to establish the premise that without the revenue to be generated through a partnership with EOServe, SUBR has little chance of survival.** Secondly, he aimed to refute the notion, put forth by the SUBR Faculty Senate, that the contract signed between SU and EOServe and the contract signed between LSU and its on-line course provider, Academic Partnerships, LLC., were in any way comparable. This supposed difference would explain the significant difference in revenue sharing between the two contracts.

Let's begin with a look at the importance of EOServe with respect to the survival of Southern University. Mason's argument can be summed-up as follows: 1) we are in a desperate situation and no online

course provider, other than EOServe, is willing to work with us. (I reject outright this premise!) Secondly, if we can just agree to work with EOServe, there is a 'ton' of money to be made. In support of the second point, **Mason presented the Faculty Senate with a 'spread sheet' which projects \$1,397,250.00 in gross revue to be realized from the SU/EOServe partnership by the end of this calendar year.**

On face of it, this amount is quite impressive. **But just how realistic is this estimate?** We are coming into month three of this calendar year and we have a total of nine (9) students coming to us from EOServe. **It's a long way yet to \$1.4 million.** And then, let's not forget that when the BoS was presented with the EOServe contract at its meeting of October 28, 2011, the following estimates were included (and I quote exactly):

Year 1 =	\$560 K	Year 1 ended on October 2012 and SUS got nothing close to this amount!
Year 2 =	\$2.3 M	
Year 3 =	\$4.4 M	
Year 4 =	\$8.1 M	
Year 5 =	\$14.3 M	

Irrespective of the value of the above amounts of dollars, it should be recalled that the contract cripples SU campuses by having them build EOServe online resources and not their own ones! Further, as per the contract, EOServe is to receive 2.33 times the amounts shown above for SUS. Clearly, this contract must be abrogated at once.

So, where are the students?

Mason seems to imply that fault lies with Southern University faculty. That is to say, EOServe isn't working because we are not working with EOServe. To paraphrase Mason on SU faculty: we are a slow moving group in a fast moving world. **When it comes to this contract, however, there is plenty to give us pause** (Here, I refer the reader to Dr. Bagayoko's 6 page exposé; please do read it. It is an enormously informative document.)

But, clearly, one of the reasons EOServe is unable to attract students to this campus has to do with cost structure. The going rate for online courses nationwide is about \$300/per credit hour. The cost of LSU's on-line instruction is about \$300/per credit hour; Northwestern Louisiana State: \$311/per credit hour; ULMonroe \$285/per credit hour; **Southern University online (through EOServe): \$450/per credit hour.** Students can do the math.

So, what's the difference?

Mason brought to the Faculty Senate a second document which provides a side-by-side comparison of benefits and services provided by EOServe to SU, and by Academic Partnerships, LLC., to LSU. His argument is that the great difference in costs is based on a fundamental difference in services provided.

Is Mason being as loose with his words as he is with his math? Let's have a look:

Here is the comparison he makes between the two contracts (I quote directly):

SUS-LSU Online Contract Comparison

(Prepared by SU System Office)

	<u>SUS</u>	<u>LSU</u>
<u>Type:</u>	Services and Licensing <i>(This distinction is disputable, as will soon be made clear)</i>	Consulting
<u>Term:</u>	5 yr/auto renew unless terminated <i>(there is no disputing this difference. It is stated clearly in the respective contracts.)</i>	3yr
<u>Services:</u>		
Planning:	Provide & Fund	Advise
Course Dev.:	Provide & Fund	Advise

(Clearly, LSU's online service contractor provides more than 'advice' with regard to planning and course development. Quoting from page 8 of the LSU contract:

Program Planning, Course Design and Development and Faculty Support

"Contractor to provide a team which will work with LSU faculty in converting course content to an online format, reviews existing courses, and provides recommendations to enhance current online offerings. By working together in face-to-face meetings, onsite workshops and virtual conferencing, a program will be designed to facilitate successful student persistence to graduation."

Services (cont.)

	<u>SUS</u>	<u>LSU</u>
Marketing:	Provide & Fund	Provide & Fund
Recruitment:	Provide & Fund	Provide & Fund
Retention:	Provide & Fund	NO

(Mason's comparison states that LSU's online service provides no help with retention. Quoting from page 10 of the LSU contract:

“After students are enrolled, Contractor’s Student Support Services focus on deliverables designed to maximize student retention and enhance graduation rates. Specifically, it is expected that the retention specialists monitor progress and communicate regularly with students by email and telephone, answering questions and encouraging them as the progress through their courses. [S]pecial emphasis should be placed on direct and continuous communication with students during the initial courses.”

Admission:	Provide & Fund	Packaging
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(Clearly more than packaging is being provided. Quoting from page 10 of the LSU contract:

“Contractor responsibilities

- provide a dedicated team of enrollment specialists sufficient to cover the demand of the LSU programs***
- assist students in the enrollment and registration process, including guiding them through the assembly of a complete application package***
- remind students about deadlines and provide instruction and direction as to class registration***
- provide a faculty and student support desk for enrollment and LMS access issues***
- monitors students’ progress in course and provides consistent communication until student is re-engaged)***

Mason's SUS/LSU side-by-side goes on; but I believe **a look at the first seven items makes clear that Mason's comparison is based on a (willful?) misreading, and is completely at odds with terms stated in the LSU contract.**

To conclude, Mason's argument that SU pays more and receives less (LSU receive 50% of net revenue, whereas SUS receives 30%; SUS shares 40% of revenue generated by students once they enter the traditional classroom, LSU keeps all revenue) cannot be justified by a fundamental difference in services provided.

Let's continue to look at the facts. Let's continue to ask questions. Let's not allow Mason to place our future on the auction block.

Thomas Miller
President, SUBR Faculty Senate

In preparation: A detailed look at Mason's 'Transformation Plan for Southern.