

**SERVICE CONTRACT
BETWEEN
KANAWHA VALLEY COMMUNITY AND TECHNICAL COLLEGE
AND
WEST VIRGINIA STATE UNIVERSITY**

This Service Contract (the "Contract") serves as the agreement between the independently accredited institutions of West Virginia State University ("WVSU"), a public institution of higher education which offers baccalaureate and graduate programs, and Kanawha Valley Community and Technical College ("KVCTC"), a public institution of higher education which offers associate and certificate credit programs and non-credit programs.

West Virginia Code §18B-3C-12 defines the relationship between administratively linked community and technical colleges and their former sponsoring institutions is outlined in the following sections beginning with §18B-3C-12(b):

"(3) The former sponsoring institution and the community and technical college shall agree to the fees the former sponsoring institution may charge for administrative overhead costs.

(A) The fee schedule model agreed to by the institutions shall delineate services to be provided and the fees to be charged to the community and technical colleges for the services;

(B) The fee schedule shall be based upon the reasonable and customary fee for any service, shall bear a rational relationship to the cost of providing the service.

[C] Any contract between a community and technical college and its former sponsoring institution related to provision of services pursuant to subsection [c] of this section is in effect on the first day of July, two thousand nine, unless amended or revoked before that date by mutual agreement of the contracting parties.

(D) The former sponsoring institution shall continue to provide services pursuant to subsection [c] of this section as the governing board of the community and technical college considers appropriate under a negotiated contractual arrangement until the first day of July, two thousand eleven or the governing boards of both institutions mutually agree to end the contract arrangements.

(4) An independent community and technical college and the institution from which it obtains services may customize the fee schedule model to fit their needs.

(5) *Policies shall be formally established to ensure the separation of academic and faculty personnel policies of the community and technical college from those of the former sponsoring institution. These policies include, but are not limited to, appointment, promotion, workload and, if appropriate, tenure...."*

West Virginia Code §18B-3C-12c, specifies that each institution may enter into an agreement whereby the former sponsoring institution may charge fees for services as follows:

"[c] The former sponsoring institution which was administratively linked to a community and technical college prior to the first day of July, two thousand eight, shall provide the following services subject to the provisions of subsection (b) of this section:

- (1) Personnel management;*
- (2) Record-keeping;*
- (3) Payroll;*
- (4) Accounting;*
- (5) Legal services;*
- (6) Registration;*
- (7) Student aid;*
- (8) Student records; and*
- (9) Any other services determined to be necessary and appropriate by the board of governors of the former sponsoring institution and the board of governors of the community and technical college."*

Accordingly, the Presidents of WVSU and of KVCTC do hereby mutually agree as follows:

Record-keeping

WVSU agrees to maintain such records as may be required to permit WVSU on behalf of KVCTC to complete reports required by the Legislature, the Governor, the Higher Education Policy Commission, the West Virginia Council for Community and Technical College Education, the KVCTC Board of Governors, and the WVSU Board of Governors. Such records shall be available to auditors (both external and state auditors) to verify this agreement.

Cooperation

Recognizing that this contract cannot deal with all the operational issues that may evolve and recognizing that both the administration of KVCTC and the

administration of WVSU agree to work together to better serve the enrolled students and the citizens of West Virginia.

Services

WVSU agrees to provide the following services to KVCTC. The service categories shall include:

- Instruction
- Academic Support Services
- Student Services
- Operation and Maintenance of Plant
- General Institutional Support
- Other

Contracted services to be provided to the Kanawha Valley Community and Technical College by West Virginia State University will include the following services:

University Services Provided to KVCTC

Academic Affairs:

- Office of Academic Affairs
 - Coordination of academic services
- Library
 - Archives
 - Circulation
 - Instruction Media Services
 - Research Room

Administrative Services:

- Office of Administrative Services
- Computer Services
 - Main Frame Computer
 - Telephone Support/Voice Mail System
 - Campus Data Network
- Mail Service
 - Mail Room (mail distribution)
 - Postage (direct billed)
- Physical Facilities
 - Coordination of Central Services
 - Building Maintenance/Campus Services
 - Grounds

Fire, Elevator, and other Safety Inspections
24-hour Work Control
HVAC Maintenance and Operations
Repairs and Alterations/Capital and Deferred Maintenance
Warehouse
Inventory Control
Utilities (electric, sewage, etc)
Office space assignment and coordination of use
Public Safety
Campus Security
Parking
Emergency Response and Personal Safety Education
WARN System
Clery Act Reporting.

Student Affairs:

Career Services and Cooperative Education
Collegiate Support and Counseling Services (including coordination of disability services)

University President's Office:

Photographic Services (upon request)

Planning & Advancement:

Printing Services (upon request)

Finance:

Bookstore Coordination
Classroom assignment and coordination of use

No KVCTC Services Provided to University

Methodology

West Virginia State University (WVSU) is 120 years old and located in Institute, West Virginia. Kanawha Valley Community and Technical College (KVCTC) is located on the WVSU campus in Institute. WVSU and KVCTC are committed to providing the students of both institutions high quality educational and support services.

A. Financial:

This agreement is entered into with the understanding that KVCTC will have sufficient operating funds made available by the West Virginia Council

for Community and Technical College Education through state appropriations, student fees, other public and private funding to pay for the services specified in this contract.

B. Revenues:

1. Tuition revenues will be collected and posted to the institution in which the student is enrolled which is based upon the student classification guidelines provided by the West Virginia Higher Education Policy Commission and the West Virginia Council for Community and Technical College Education.
2. Auxiliary Funds and Student Activity Fees: KVCTC assesses its students an Auxiliary Fee and Student Activity Fee each semester which is \$228.50 for a full-time student and prorated by hour for part-time students. This fee is designated for Intercollegiate Athletics (\$55.50), the Student Center (\$91.25), Health Center (\$29.00), Student Recreation (\$15.25), and Student Activities (\$7.50), and Technology (\$30.00). The fees will be collected and posted to the institution in which the student is enrolled. KVCTC agrees to assess this Auxiliary Fee and the various student activity fees and transfer the total collections to WVSU each month, except for the Technology Fee which is retained by KVCTC. WVSU will use these funds to provide those auxiliary services and student activities on behalf of KVCTC students and pay debt service on the student union bond.
3. Capital Funds: KVCTC assesses its students a Capital Fee each semester which is \$175.00 for a full-time, in-state student and \$650.00 for a full-time, out-of-state student and prorated by hour for part-time students. This fee is designated for existing bond requirements, supports facilities repairs and alterations and grounds maintenance. The fees will be collected by KVCTC and transferred to WVSU. KVCTC agrees to assess this Capital Fee and transfer the total collections to WVSU each month leaving sufficient funds to enable KVCTC to directly pay the West Virginia Council for Community and Technical College Education and the West Virginia Higher Education Policy Commission's debt service and HERA fees which are estimated to be \$120,954.00 for fiscal year 2011. In addition, 10% of the Capital Fee collections received by WVSU will be reserved for special projects that are deemed a priority to the mission of the community college by the President of KVCTC.
4. All other revenue and special fees will be directly billed by the respective institution.

5. Student accounts receivable balances at each institution will be separated using the same methodology as it used for audit purposes. KVCTC and WVSU agree to collect for the other institution along with a report detailing these collections.

C. Expenditures:

1. Service Areas

- (a). Academic Affairs: Services include, but are not limited to, library and assignment of classroom space.
- (b). Student Affairs: Services include, but are not limited to, career services, and collegiate support services;
- (c). Administrative Services: Services include, but are not limited to, computer center, availability of appropriate non-academic office space, mail-room support, and physical facilities;
- (d). Planning and Advancement: None
- (e). Finance: Bookstore services coordination.

D. Enrollment Data

The source for enrollment data that will be utilized in this service methodology shall be the **(Annualized Full-time Equivalent Enrollment)** averaged over a three-year period, thus providing the most recent data issued by the WV Higher Education Policy Commission available in the Spring during the development of the next service contract. That average was 32% for the previous 3 years. Such updated three-year data shall be included if available when the agreement is being negotiated. This agreement reflects a reimbursement rate of about 26% in certain identified areas.

Disputes and Governing Law

The parties acknowledge and agree that any and all disputes relating to the services contemplated herein shall be resolved as set forth in W.Va. Code §18B-2A-7a(f) and W.Va. Code §18B-3C-12(d). With respect to all other terms that may be contained herein, this agreement shall be governed by the laws of the State of West Virginia.

On December 8, 2010, Chancellors Brian Noland and Chancellor James Skidmore issued the following joint decision and related conditions:

1. Kanawha Valley Community and Technical College and West Virginia State University shall enter into a services agreement under which Kanawha Valley Community and Technical College shall reimburse West Virginia State University \$1.6 million over the present academic year.
2. Payments under the services agreement shall be regular and prompt.
3. The same level and amount of services provided under the agreement shall be provided and not reduced because of this decision.
4. The figure above shall be the base point that negotiations for the 2011-2012 academic year services agreement begins.
5. Each institution is directed to begin discussions on a long-range plan that will address future services agreements, taking into account Kanawha Valley Community and Technical College's eventual transition from the West Virginia State University campus to the West Virginia Education, Research and Technology Park and a consequent reduction in needed services.
6. This decision is binding on both institutions and effective immediately. There is no appeal.

Amount of the Service Contract

The total amount of the Service Contract for Fiscal Year 2011 was determined on December 8, 2010, by the respective Chancellors of the West Virginia Higher Education Policy Commission and the Community and Technical College System of West Virginia to be **\$1,600,000.00**.

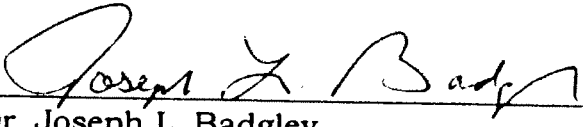
Schedule of Payments

January 1, 2011	\$800,000.00
January 15, 2011	\$133,333.34
February 15, 2011	\$133,333.33
March 15, 2011	\$133,333.33
April 15, 2011	\$133,333.34
May 15, 2011	\$133,333.33
June 15, 2011	\$133,333.33

Term of Agreement

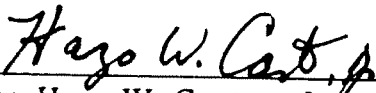
The term of this agreement shall be **July 1, 2010, to June 30, 2011**, with the exception of year end adjustments.

APPROVAL:



Dr. Joseph L. Badgley
President, Kanawha Valley Community & Technical College

1/5/11
Date



Dr. Hazo W. Carter, Jr.
President, West Virginia State University

1-3-11
Date