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Contract No. 05-121
Board Action 34223
Board Date 10/10/05

BOARD OF REGENTS

THE SIOUX FALLS SCHOOL DISTRICT NO 49-5 ON BEHALF OF
SOUTHEAST TECHNICAL INSTITUTE
AND THE
SOUTH DAKOTA BOARD OF REGENTS ON BEHALF OF
BLACK HILLS STATE UNIVERSITY, DAKOTA STATE UNIVERSITY,
NORTHERN STATE UNIVERSITY, THE SOUTH DAKOTA SCHOOL OF MINES AND
TECHNOLOGY, SOUTH DAKOTA STATE UNIVERSITY AND THE
UNIVERSITY OF SOUTH DAKOTA

Preamble

Sioux Falls School District No. 49-5 (the "District"), Southeast Technical Institute, (the "Institute") and the South Dakota Board of Regents (the "Regents") on behalf of itself and Black Hills State University, Dakota State University, Northern State University, South Dakota School of Mines & Technology, South Dakota State University and The University of South Dakota (the "Regental Universities") hereby enter into this agreement to enable South Dakota's education resources to be more effectively managed in the delivery of the District's, Institute's and Regent's postsecondary education services. This Agreement will enable the parties to better serve students and the general public and to foster entrepreneurial and economic development activity. Through this Agreement the parties seek to provide a seamless education interface between the Institute and the Regental Universities, thereby facilitating the educational objectives of South Dakota students and citizens.

Agreement

The parties to this Agreement hereby agree to the following operational policies and procedures for the Institute and Regental Universities:

1. Missions

The parties agree to provide programs and courses within a collaborative relationship that recognizes and respects institutional missions, eliminates unwarranted duplication, and provides multiple pathways to fulfill the lifelong learning needs of South Dakota students and citizens.

- A. The respective missions of the Institute and the Regental Universities will be respected.
- B. The Institute shall retain its mission of providing coursework as well as certificates, diplomas, and degrees that are designed to lead directly to employment or job enhancement in specific careers, and shall continue to do so subject to the following general guidelines:

- i. The primary degree that the Institute shall continue to offer is the Associate of Applied Science (AAS) Degree. The parties agree that degrees and programs of the Institute may periodically be renamed by the Institute in the evolution of degrees and programs to meet changing requirements of accreditation or other external bodies, and if this occurs, the parties agree that nothing in this Agreement will restrain the Institute's obligation to meet such requirements and standards.
- ii. The Institute recognizes that the purpose of the AAS Degree is to provide direct entry into the job market, and as such, acknowledges the articulation challenges that the AAS Degree creates and recognizes the American Association of Community College's Position Statement on the AAS Degree adopted by the AACC Board of Directors in August of 1998:

The associate in applied science (AAS) degree program is designed to lead the individual directly to employment in a specific career...Although the objective of the associate in applied science degree is to enhance employment opportunities, some baccalaureate degree granting institutions have developed upper division programs to recognize this degree for transfer of credits. The associate in applied science degree programs must be designed to recognize this dual possibility and to encourage students to recognize the long-term career possibilities that continued academic study will create.

- iii. The Institute will continue to provide non-credit programs or services as required to support economic development, business and industry training, and employment enhancement.
- iv. Nothing in this Agreement shall be construed as limiting the Institute or the Regental Universities from developing new programs and services necessary to meet the economic development and workplace needs of South Dakota businesses in accordance with their respective missions. However, the parties agree to collaborate where and when possible in meeting future needs.

- C. The Regental Universities shall continue their mission of providing education that leads to baccalaureate and advanced degrees.

2. Transfer of Course Credit

The parties are committed to clearly identifying course offerings of the Institute that will be transferable to the Regental Universities.

- A. Articulation agreements for the transfer of AAS program credits to BA/BS program credits and application of the technical program courses taken in AAS degree programs (or any required future designations as defined above) will be entered into between the Institute and each Regental University. For students completing programs at the Institute, these agreements will provide for specific transfer of transferable general education courses and specific technical courses from the Institute to an academic major offered by the Regental University. All agreements will be approved by the District, Regents and the State Board of Education.
- B. The Regental Universities agree to teach all transferable general education courses as provided herein. The Regents, on behalf of the Regental Universities, agree to accept the transfer of general education courses currently in place at the Institute and those general education courses identified by the Institute as necessary in the future in accordance with the "Specific Operations" provision outlined in Section 5 of this Agreement.
- C. The Institute shall determine which transferable general education courses it will offer. The content of such transferable general education courses will be established by the Regents. The Institute shall notify the Regents when it decides to add a transferable general education course to its curriculum or substantially modify the content of an existing transferable general education course.
- D. Non-transferable general education and technical course curricula and course content will be the responsibility of the Institute.
- E. The parties will work to eliminate any policy or financial disincentives that would limit the ability of the parties to fully perform this Agreement.

3. Reciprocal Course Offering

The Parties will work to make available to the Institute's students courses and programs of the Regental Universities which may be requested by the Institute. This arrangement shall be reciprocal.

- A. At the invitation of the Institute, the Regents shall cause the Regental Universities to establish a presence at the host site for the delivery of courses or programs.
- B. At the invitation of the Regents on behalf of the Regental Universities, the Institute will, to the extent it has available resources, establish a presence at the host site for the delivery of appropriate technical courses or programs.

4. Governance

With this Agreement, the Regents hereby provide a clear expression and declaration that it has no intention to assume, nor will it challenge, the governance of the Institute through legal or other action. The current governance authority of the Institute will retain sole responsibility for the financial and management control of the Institute. This includes the sole responsibility for hiring and evaluating the Institute director, faculty and staff. The current governance authority will continue to be solely responsible for all management of the assets of the Institute, including property, budgets, reserves, or any other monetary and financial matters.

5. Specific Operations

The provisions of this Section 5 shall only apply to those general education courses of the Institute that the parties agree will be transferable to Regental Universities.

- A. The Regents agree that Institute staff who meet Regental System faculty requirements and who are approved by the Regental System may teach transferable general education courses. The Institute will continue to select, employ and formally evaluate transferable general education course instructors. New full-time instructors of transferable general education courses shall be hired by the Institute subject to approval by the Regents, which approval shall not be unreasonably withheld or delayed. These new instructors must meet Regental System faculty requirements. The Institute agrees that it will cause student and other appropriate professional evaluations of Institute instructors and courses (including course content) to be completed as directed by the Regents for each transferable general education course. A copy of the student and other appropriate professional evaluations shall be provided to both the Regents and the Institute. If the Regents determine that such student and other appropriate professional evaluations raise an issue as to the quality of instruction of a transferable general education course, the Regents shall contact the senior executive officer of the Institute, or his/her designee, to discuss the evaluations. If the Regents and the

Institute agree that improvement in the quality of instruction is necessary, they shall mutually develop a plan of action. The Regents reserve the right to approve each instructor's continued ability to teach transferable general education courses, which approval shall not be unreasonably withheld or delayed.

- B. Instructors of transferable general education courses who are not full-time Institute faculty shall be faculty of the Regental System. The Regental System shall select and employ the adjunct faculty. The Institute reserves the right to jointly evaluate such faculty and approve each instructor's continued placement at the Institute, which approval shall not be unreasonably withheld or delayed.
- C. The Institute shall collect tuition for transferable general education courses at the Institute tuition rate and remit the tuition directly to the Regents.
- D. The Institute shall retain all fees charged to students enrolled in transferable general education courses at the Institute.
- E. The Institute shall schedule the time and determine the section sizes of the transferable general education courses.
- F. The Institute or Regental University that hosts a transferable general education course shall furnish the rooms, lab supplies and technology at no charge to the other entity.
- G. The Institute shall semi-annually bill the Regents for the teaching of transferable general education courses by Institute instructors, and the Regents shall pay the Institute within thirty (30) days of receipt of the invoice, that proportion of the instructors' total salary and benefits that the transferable general education course credits taught by the instructors bear to the total course credits taught by such instructors.
- H. The parties recognize that the Institute has historically used the positive margin it had from the collection of tuition on transferable general education courses versus the cost of providing those transferable general education courses to help subsidize and provide for other more expensive technical education course offerings. The Board of Regents will work with the State to provide Two Hundred Twenty-five Thousand Dollars (\$225,000) of base funding for the Institute to insure that the Institute is held financially harmless in this agreement. The \$225,000 of additional base funding is solely to compensate the Institute for its loss of margin on transferable general education courses.

- I. The parties agree to develop and implement a joint marketing/communications program that clearly articulates to students, parents, and the community information concerning postsecondary curriculum programs and their relationships, including what courses are transferable and what courses are non-transferable.

6. Agreement Conditional on Certain Funding and Articulation Agreements

It is a condition to the enforceability of this Agreement that the Board of Regents and/or the State of South Dakota provide \$225,000 of base funding annually to the Institute, in addition to all other financial obligations contained herein and to the regular state funding to the Institute. This minimum annual amount shall be required to insure that the Institute is held financially harmless in this Agreement for its loss of margin on transferable general education courses and shall suffer no adverse financial effects because of it. In addition, this Agreement shall not become effective until the Institute and the Regents have agreed on the articulation agreements called for in Section 2(A). The parties agree to complete and execute such articulation agreements no later than December 31, 2005.

7. Indemnification

Each party to this Agreement shall be solely responsible for any and all claims, demands, liabilities, causes of action, suits, judgments, damages, liabilities and expenses arising from this Agreement as a result of the alleged negligence, misconduct, error, or omission of any of its officers, agents, or employees. Neither party is obligated to indemnify the other party or to hold the other party harmless from costs or expenses incurred as a result of such claims, demands, liabilities, causes of action, suits, judgments, damages or liabilities; and each shall continue to enjoy all rights, claims and defenses available to it under law.

8. Modifications

This agreement contains the entire Agreement between the parties and cannot be changed or terminated, except by a writing executed by both parties.

9. Effective Date

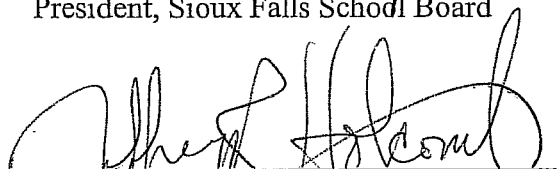
The terms and provisions of this Agreement shall become effective on the later of July 1, 2006, or the date this Agreement has been executed by all parties.

Agreed to by the parties the day and year set forth below opposite their names.

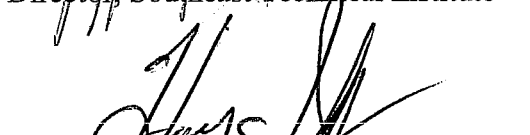
Agreed to this 13th day of Dec, 2005 by,



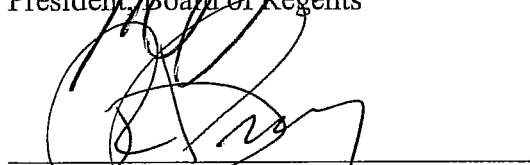
President, Sioux Falls School Board



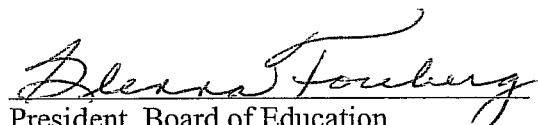
Director, Southeast Technical Institute




President, Board of Regents



Executive Director, Board of Regents



President, Board of Education



Secretary of Education