

SOUTH DAKOTA BOARD OF REGENTS

Full Board

AGENDA ITEM: 24

DATE: April 1-2, 2015

SUBJECT: CUC Memorandum of Understanding

Representatives of the Board of Regents, South Dakota State University, and the Capital University Center Foundation Advisory Board have been meeting to frame a Memorandum of Understanding to guide the governance and operations of the CUC for a three year period commencing July 1, 2014 through June 30, 2017. See the Memorandum of Understanding in Attachment I.

The five member governance committee that is specified in the Memorandum of Understanding has approved this structure subject to the approval of the Board of Regents.

RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR

Approve the Memorandum of Understanding among the Board of Regents, South Dakota State University, and the Capital University Center Foundation Advisory Board.

Memorandum of Understanding

Between the South Dakota Board of Regents, South Dakota State University, and the Capital University Center Foundation Advisory Board

Pursuant to informal conversations involving leadership from the South Dakota Board of Regents, South Dakota State University, and the Capital University Center Foundation's advisory board, the following Memorandum of Understanding and statement of support will guide governance and operations of Capital University Center for a period commencing July 1, 2014, and continuing through June 30, 2017.

This commitment comes at a time when Capital University Center is challenged to grow its enrollments and revenue, while offering a broader array of educational services to the region. The three parties to this agreement mutually agree that Capital University Center must focus on change, while pursuing new ideas, new markets, and new strategies.

The parties agree that:

1. A five-member Governance Committee will provide general administrative oversight and policy guidance to CUC's executive director and staff. The structure of this committee is to include three (3) representatives from the Capital University Center Foundation Advisory Board, one (1) representative from the Board of Regents, and one (1) representative from South Dakota State University.
 - a. As of July 1, 2014, representatives to the Governance Committee include the following (or their designees):
 - i. CUC Foundation Advisory Board: Cheryl Stone, Ellen Lee, Bob Gray
 - ii. Board of Regents: Jack Warner
 - iii. SDSU: Lindsey Hamlin
 - b. CUC Executive Director Janelle Toman will serve as staff liaison to the Governance Committee.
2. Additionally, the CUC Foundation Advisory Board will create two additional internal committees to provide direct support and advice on the operations of Capital University Center. This includes the following committees and their general responsibilities:

- a. Programs/Outreach: Engage in community outreach and identify potential new programs and educational initiatives for CUC. As of July 1, 2014, the designated representatives to the Programs/Outreach Committee are:
 - i. Robert Riter Jr.
 - ii. Jim Mollison
 - iii. Laura Schoen Carbonneau
 - iv. Mayor Laurie Gill
 - v. Dr. Kelly Glodt
 - vi. Staff Liaisons: Janelle Toman & Laura Hayden-Moreland
 - b. Finance: Oversight and advice on CUC Foundation assets and investments. As of July 1, 2014, the designated representatives to the Finance Committee are:
 - i. Scott Jones
 - ii. Ron Woodburn
 - iii. Kevin Stulken
 - iv. Staff Liaisons: Janelle Toman and Mary Jorgenson
3. During the three-year period (2014-2017), parties to this agreement agree to underwrite operational losses at Capital University Center. As part of this arrangement, the following parameters are agreed to:
- a. South Dakota State University will contribute its net profits accrued at Capital University Center to CUC operations.
 - b. The Board of Regents will cover the balance, and will also underwrite the salary and benefits of Janelle Toman during her time of employment as CUC's executive director. In addition, the Board of Regents will provide limited computer/instructional technology support at CUC through the services of Tracy Mercer, averaging about 5 hours per week.
 - c. CUC Foundation Advisory Board will continue its historical contribution of targeted foundation resources to CUC operations, specifically in the areas of building maintenance and infrastructure, technology upgrades, scholarship support, and promotion/marketing.
4. At the end of this three-year period, on or about June 30, 2017, the parties to this agreement will mutually evaluate whether commitment of these targeted

resources have sufficiently stabilized CUC operations, while providing a blueprint for future administrative activity, or whether other options should be pursued.