Industry Partner and Technical College Code of Ethics

Background: The intention of creating the Build Dakota industry partner programs at our four state technical colleges was to provide a full-ride scholarship opportunity to scholars while allowing companies to use Build Dakota funds to address their workforce needs and build relationships with potential future employees.

Structure of Industry Partnerships: The Build Dakota student agreement is a contractual obligation between the technical college and the scholar. Scholars may have a separate contractual agreement with a sponsoring organization, or industry partner, where the partner pays for a portion of the scholar's program expenses and Build Dakota will pay the remaining expenses.

Role of Technical Colleges: The technical colleges have local control over their industry partner programs, which means they may use different forms and procedures for administering these programs and that the cost for business participation may vary by college and by student program. It is also the college's responsibility to ensure that it has a memorandum of agreement (MOA) in place with each business and that costs for participation are clearly outlined in these documents. Technical colleges are also responsible for ensuring that Build Dakota partners are following the guidelines for participation as outlined in this document.

Purpose of Code of Ethics: Since the intention of Build Dakota is to provide scholars with a full-ride scholarship opportunity, students should not be expected to bear the cost of additional expenses because they received funding to attend a technical college or be treated differently than any other employee within that company. To ensure that scholars, industry partners and our technical colleges have a positive experience with the Build Dakota Scholarship, the Build Dakota administrative board has implemented the following guidelines for industry partner programs and business participation.

During Education Phase of the Program:

- Employment while the scholar is attending their technical college program should be discussed prior to the scholar signing the contract with their partner. Going to college can be challenging for scholars, and they must have the opportunity to prioritize their academics in order to be successful. Industry partners may not require students to work during the education phase of the program; however, they may offer the student the opportunity with flex hours for the student to prioritize their academics. Any employment during the education phase does not count towards the student's three-year employment obligation.

- There is an expectation that the scholar will have a job, in their field of study, at the completion of their program at the technical college. If, by no fault of the scholar, the industry partner does not have a job available for them upon program completion, the business shall not collect the funds paid on behalf of the scholar. This should be indicated in the contract between the scholar and business.

During Employment Phase of the Program:

- It is expected that, upon completion of the technical college program, the scholar will be paid equal to their peers in the same employment position. They shall not be paid less because the business paid for a portion of their college expenses.
- Industry partners shall not require a contractual employment obligation longer than 3 years, which is the same as their Build Dakota student agreement.
- Contract Buy-Outs: The Build Dakota administrative board does not endorse or encourage the buying out of scholar contract from one business to another; however, there may be extenuating circumstances that lead to these situations. The board has authorized the technical colleges to determine when, or if, these circumstances are appropriate and establish the procedures to allow for a scholar to change employers to fulfill their 3-year employment obligation to Build Dakota or convert their Build Dakota portion to a debt. Industry partners are expected to be respectful of other partners when communicating with scholars about contract buy-outs.

Debt Conversion:

Unfortunately, there are some circumstances where an industry partnership does not work out and it results in scholar repayment. We refer to this as debt conversion and Build Dakota does not collect on behalf of industry partners.

- Businesses should have a process in place for collecting funds paid on the student's behalf who have not finished the program or left their employment. This process should be explained in the contract between the scholar and industry partner.
- Student repayment to the partner may include interest; however, it cannot be a rate that exceeds the amount charged by federal student loans on the date the contract is signed between the scholar and industry partner. This amount can be found at Federal Interest Rates and Fees | Federal Student Aid and is required to be disclosed to the student prior to them signing a contract with the industry partner.
- If a student converts to a debt, any interest on the funds paid on their behalf cannot start prior to the date the student dropped the program or ended employment with the industry partner.
- Build Dakota encourages scholars to stay with their original industry partner. If there is an extenuating circumstance where the scholar leaves the industry partner, it will be the sole discretion of the technical college whether or not the Build Dakota portion will also need to be repaid.

- If a student needs to repay their industry partner, it is required that the partner give them credit towards any employment the scholar completed of the 3-year employment obligation. For example, when they leave the Build Dakota portion, the amount paid on behalf of the student is divided by 3 years, or 36 months, and credit is given for each month completed out of the 36 months.

These industry partnerships are critical to the success of the Build Dakota Scholarship and have made a measurable impact on the workforce shortage in South Dakota. While the Build Dakota administrative board is very grateful for these partnerships between the technical colleges, industry partners and potential students, there is also an expectation that the technical colleges will enforce this code of ethics by addressing the concern with the business and giving them the opportunity to remedy it. If the concern is not remedied, it is the recommendation of the Build Dakota administrative board to discontinue the relationship with the partner.

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