



**SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
SDHSAA OFFICE BUILDING**

November 2, 2016

10:30 a.m.

Pierre, South Dakota

The Board of Directors held a regular meeting on November 2, 2016, at the SDHSAA Office Building in Pierre, South Dakota with members present as follows:

Steve Morford Bud Postma Dr. Jason Uttermark Sandy Klatt Dr. Roger Bordeaux
Moe Ruesink David Planteen Dr. Brian Maher Jim Aisenbrey

Staff members present included Wayne Carney, Jo Auch, John Krogstrand, and Brooks Bowman.

The meeting was called to order by Chairman Morford at 10:30 a.m. followed by the Pledge of Allegiance.

Approval of the Agenda

It was moved by Sandy Klatt, seconded by Moe Ruesink, to approve the agenda as submitted.

The motion passed 9-0.

Approval of Minutes from the Regular Meeting held on August 25, 2016

It was moved by Moe Ruesink, seconded by Dr. Roger Bordeaux, to approve the minutes from the Regular Meeting of the Board of Directors held on August 25, 2016.

The motion passed 9-0.

Approval of the Financial Reports as Submitted

Following a review of all financial reports, it was moved by Dr. Brian Maher, seconded by Dr. Roger Bordeaux, to approve the following financial reports as submitted:

- A. Income statements for August and September of 2016
- B. Balance sheets for August and September of 2016
- C. Cash Flow Chart
- D. Received report from Reinke Gray Wealth Management

The motion passed 9-0.

Consent Agenda

Chairman Morford asked if there were any items on the consent agenda that any Board member wished to move to the regular agenda.

It was moved by Bud Postma, seconded by Dr. Jason Uttermark, to approve the consent agenda.

- A. Approval of vouchers paid as follows:
 - August of 2016--\$320,697.72
 - September of 2016--\$93,876.73

- B. Approved a request for Cooperative Sponsorship of Activities between Beresford High School and Alcester-Hudson High School in the sport of wrestling effective the 2016-2017 school year.
- C. Approved a request from Montrose High School to sponsor the sport of gymnastics effective the 2016-2017 school year and place them in Region I, Class A.
- D. Approved the disposal of surplus property that is either obsolete, no longer being used, or no longer in working order.
- E. Approved the following Advisory Committee appointments.

Music:

POSITION	NAME	SCHOOL
A/B Band Rep—West	Jared Opp	Gregory

Journalism:

POSITION	NAME	SCHOOL
Northeast Area Rep.	Nora Groft	Northwestern

Football:

POSITION	NAME	SCHOOL
Native American	Mike Peters	Tiospa Zina

Tennis:

POSITION	NAME	SCHOOL
Tennis	Mike Radke	Huron

Soccer:

POSITION	NAME	SCHOOL
Class A Coach	Kendall Velgersdyk	Sioux Falls Christian

- F. Approved the following Finance Advisory Committee appointments.

Board of Directors:

- Steve Morford—Spearfish
- Dr. Jason Uttermark—Aberdeen Central
- Sandy Klatt—Brandon Valley

Superintendents:

- Dr. Jeff Danielsen—West Central
- Mark Naugle—Custer

Athletic/Activities Directors:

- Sherrie Kafka—Gregory
- Chuck Wilson—Todd County

Principal:

- Adam Shaw—Madison

Business Manager:

- Darla Mayer—Pierre

- G. Approved the Articles of Incorporation and Bylaws for the SDHSAA Foundation. **APPENDIX A & B**

- H. Approved a request for Cooperative Sponsorship of Activities between Webster High School and Waubay High School in the sport of wrestling effective the 2016-2017 school year.

The motion passed 9-0.

Staff Reports

The following staff reports were given:

- A. Golf, Soccer, Tennis, Cross Country, Competitive Cheer and Dance, and Chorus & Orchestra
- Wayne Carney and John Krogstrand reviewed the State “A” and “AA” Boys’ Golf Tournaments held in Rapid City and Aberdeen respectively

- John Krogstrand reported on the State Soccer Tournament held at Sioux Falls O’Gorman and the State Cross Country Meet held in Huron
 - Jo Auch reported on the State Competitive Cheer and Dance Competition held at Aberdeen Central High School
 - Brooks Bowman reported on the All-State Chorus & Orchestra Concert held in Sioux Falls
- B. NFHS Speech/Music Conference and Committee Reports
- Brooks Bowman reported on the NFHS Speech/Music Conference
- C. Advisory Committee Reports were received on the following:
- Track & Cross Country—John Krogstrand,
 - Native American Advisory Council—Wayne Carney,
 - Competitive Cheer and Dance—Jo Auch
- D. Deadlines and procedure for constitutional changes for 2016-2017 which, if passed by the membership, would become effective the 2017-2018 school year
- Staff provided board with a reminder of the deadline for possible constitutional changes to be submitted for consideration. Additionally, Wayne Carney and John Krogstrand reviewed a potential constitutional change for the Board to consider regarding Open Enrollment and Transfers, pending further revision and input from member schools.
PLEASE SEE APPENDIX C AT THE END OF THE MINUTES
- E. Potential NCAA events at the Denny Sanford Premier Center
- Wayne Carney reported on NCAA events which the SF Sports Authority is bidding on during the 2018-19, 2019-20, 2020-21, and 2021-22 school years. There are no conflicts with SDHSAA events during the 2018-19 or 2019-20 school years. The Board encouraged the Association to work with any and all communities who may be awarded events of this magnitude. As the NCAA bids should be awarded in January of 2017, the SDHSAA Site Selection Committee will have adequate time to make any necessary adjustments to SDHSAA events.
- F. A & M Trophies
- Staff was directed to continue to work with Mark Austin, A & M Products Company, regarding state tournament trophies beyond the 2016-2017 school year. Mr. Austin currently has purchased figurines for SDHSAA trophies through the 2016-2017 school year and would like the Association to consider redesigning the current trophies to trophies without any figurines. The projected cost for trophies without figurines would be \$113.00 compared to the current price of \$140.00 for trophies with figurines.
- G. Student Council financial report
- Brooks Bowman presented proposed budgets for the State Student Council Convention currently being hosted in Sioux Falls or Rapid City. With increased costs associated with hosting the Convention, Mr. Bowman presented various budget proposals extending through the 2019-2020 school year. Mr. Bowman will report back to the Board in January following the South Dakota Student Council Board Meeting scheduled for December 7, 2016.

Receive Superintendent’s Report

Superintendent Lynn Vlasman from Lyman High School was present to give a superintendent’s report to the Board of Directors. **PLEASE SEE APPENDIX D AT THE END OF THE MINUTES**

Following input from various Board and staff members, no further action was taken.

Chairman Morford declared the Board in recess at 12:15 p.m.

Chairman Morford declared the Board back in session at 12:25 p.m.

Presentation from Fine Designs, Inc. and Team IP

The SDHSAA staff received an inquiry from Fine Designs, Inc. relative to providing merchandise for all SDHSAA state events. Mr. Mike Janssen, Fine Designs National Account Manager and Owner, in addition to Dr. Allen Chin, Team IP Sports National Sales Executive, were in attendance to make presentations to the Board relative to providing merchandise for all SDHSAA state events. Following their presentations, Board, staff, and audience members were encouraged to ask questions and offer input relative to the presentations by both Fine Designs, Inc. and Team IP.

Following discussion and input from state event directors Mark Meile of Sioux Falls, Randy Marso of Brandon Valley, Steve Moore of Watertown, and Terry Rotert of Huron, the Board requested further research in all areas of state event host management, including fees and structure, before making specific consideration on the proposals as presented from Fine Designs or Team IP. SDHSAA staff will present more on this topic at a future BOD meeting. The Board would like to further research local companies who may be interested in providing the same services as either Fine Designs, Inc. or Team IP.

No further action was taken.

Chairman Morford declared the Board in recess at 1:45 p.m.

Chairman Morford declared the Board back in session at 2:17 p.m.

Continuation of Staff Reports

H. Classification Alignment and Scheduling Process

- John Krogstrand reviewed the classification alignment and scheduling process which will be effective for the 2017-2018 and 2018-2019 school years.

I. Sweet Sixteen Update

- Jo Auch reviewed the timeline and procedures for the Sweet Sixteen for Class "A" Volleyball. John Krogstrand reviewed the financial statements and financial obligations of the SDHSAA and the member schools participating in the contests as well as the financial obligations and duties of the host site(s).

Other business that the Board of Directors and/or membership might wish to consider

A. Determine upcoming legislative issues:

Each year the Board has a discussion relative to upcoming legislative issues that may affect the SDHSAA and its member schools. In order to have a discussion relative to legislative issues, the following people were contacted to ask for their assistance in identifying any issues that may arise, or to note those already identified, during the 2017 legislative session:

- ASBSD Executive Director, Dr. Wade Pogany,
- Secretary of Education Director of Operations and Information, Mary Stadick Smith,
- Senator Deb Soholt of Sioux Falls, Senator Gary Cammack of Union Center, Senator Terri Haverly of Rapid City, Senator Jim White of Huron, and former Representative Dean Wink of Howes,
- SDHSAA Legal Counsel, Lindsey Riter-Rapp.

Other than possible transgender related legislation no other issues have been identified prior to the 2017 legislative session getting under way.

- B. The NFHS Essentials Initiative Report is from the 2016 NFHS Summit on the Essentials for Enhancing Participation, Reducing Injury Risk and Optimizing Performance. Paragraph 3 on the first page capsulizes the essence of the report: The Essentials and Key Action Measures outlined in this document are specific to each stakeholder group (athletes, coaches, parents, athletic administrators and state associations) and built upon currently accepted best practices for setting and working toward the goals of healthy, sustainable and enjoyable sport participation.

SDHSAA staff requested input from the Board on the appropriate means of distributing the NFHS Essentials Initiative Report to our member schools. The report will be placed on the SDHSAA website and SDHSAA staff will ask the SDIAAAA to do the same. We will notify the superintendents, principals, and athletic directors at all member schools. The leadership of other educational groups will be asked to consider placing the report on their websites and distributing the report to their membership.

Adopt a Conflict of Interest Policy

Staff worked with Association attorney, Ms. Lindsey Riter-Rapp, on developing the following Conflict of Interest Policy for Board consideration:

BOARD MEMBER CONFLICT OF INTEREST

The Board of Directors of the South Dakota High School Activities Association requires that each person elected to membership on the Board of Directors be without interest which might jeopardize the performance of their duties which are in the best interest of the SDHSAA and interscholastic athletic and fine arts programs in general.

A board member will not have any direct pecuniary interest in a contract which could be affected by a decision of the South Dakota High School Activities Association. A direct pecuniary interest is any decision by a SDHSAA board member that inures to the individual's private gain or loss or to the private gain or loss of a business associate. Conflicts of interest would include but are not limited to direct financial interest in a company or product furnishing any labor, services, materials, supplies or equipment.

If a member of the SDHSAA Board of Directors should have or develop a conflict of interest, such person shall immediately identify the conflict and remove himself or herself from any discussion or action involving the matter in conflict unless the conflict is waived by 2/3 of the elected members of the Board.

Following discussion, it was moved by Sandy Klatt, seconded by David Planteen, to approve as a first reading the Board Member Conflict of Interest Policy.

The motion passed 9-0.

Board Sharing

- A. Steve Morford stated the first meeting date for the Site Selection Committee will be Wednesday, December 14, 2016, beginning at 10:00 a.m. CT.
- B. Brooks Bowman encouraged those in attendance to view the NFHS campaign #MyReasonWhy. #MyReasonWhy is a multichannel, multiyear movement that will leverage authentic stories to

show why high school sports and activities matter. For those seeking further information on the campaign, please visit MyReasonWhy@nfhs.org.

Executive Session per SDCL 1-25-2.4

It was moved by Sandy Klatt, seconded by Dr. Brian Maher, to go into executive session at 2:44 p.m. per SDCL 1-25-2.4.

Chairman Morford declared the Board out of Executive Session at 4:24 p.m.

Moe Ruesink and Dr. Jason Uttermark were excused from the meeting.

It was moved by Dr. Brian Maher, seconded by Jim Aisenbrey, to conduct a Board meeting on January 10, 2017, for the purpose of interviewing finalists for the Executive Director of the SDHSAA. Candidates will be notified and an interview schedule will be established at a later date.

The motion passed 7-0.

Adjournment

There being no further business to come before the Board, it was moved by Sandy Klatt, seconded by Dr. Roger Bordeaux, to adjourn at 4:26 p.m.

The motion passed 7-0.

Respectfully submitted,

Wayne Carney
Executive Director

**ARTICLES OF INCORPORATION OF
SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
FOUNDATION, INC.**

We, the undersigned, being of full age, for the purpose of forming a non-profit corporation under SDCL 47-22, the South Dakota Non-Profit Corporation Act, adopt the following Articles of Incorporation for said corporation.

ARTICLE I

NAME

The name of the corporation shall be the South Dakota High School Activities Association Foundation, Inc., hereinafter referred to as the "corporation".

ARTICLE II

REGISTERED OFFICE AND AGENT

The registered office of the corporation shall be 804 North Euclid, Suite 102, Pierre, South Dakota 57501. Wayne Carney shall be the corporation's non-commercial initial registered agent at such address.

ARTICLE III

INCORPORATORS

The name and address of each incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
Wayne Carney	804 North Euclid Pierre, SD 57501
Dean Wink	P.O. Box 137 Howes, SD 57748
Brad Olson	2324 Ashwood Drive Aberdeen, SD 57252
Dave Stevens	121 Lakeview Lane Mitchell, SD 57301
Miles Beacom	900 West Delaware P.O. Box 5114 Sioux Falls, SD 57117
Kelly Glodt	211 South Poplar Pierre, SD 57501

ARTICLE IV**DURATION**

This corporation shall continue in existence perpetually unless dissolved pursuant to law.

ARTICLE V**BOARD OF DIRECTORS**

The affairs of the corporation shall be managed by a Board of Directors. The number of Directors of the corporation shall be not less than seven (7) nor more than fifteen (15). Subject to such limitation, the number of directors shall be fixed by the corporate Bylaws. The number of directors constituting the initial Board of Directors is nine (9) and the names and addresses of the persons who are to serve as initial directors are:

<u>NAME</u>	<u>ADDRESS</u>
Dean Wink	P.O. Box 137 Howes, SD 57748
Brad Olson	2324 Ashwood Drive Aberdeen, SD 57252
Dave Stevens	121 Lakeview Lane Mitchell, SD 57301
Miles Beacom	900 West Delaware P.O. Box 5114 Sioux Falls, SD 57117
Kelly Glodt	211 South Poplar Pierre, SD 57501
Tom Cameron	501 East Third St. P.O. Box 273 White River, SD 57579
Bob Thimjon	2404 Carriage Court Sioux Falls, SD 57108
John Brockelsby	Box 620 Rapid City, SD 57709
Christopher Larson	2405 Pheasant Run Blvd. Aberdeen, SD 57401

The Directors' term shall be for a period of three (3) years or until their successors are elected and qualify. Upon a majority vote of the directors as set out in the Bylaws, additional directors may be elected to the Board.

ARTICLE VI

ORGANIZED FOR CHARITABLE PURPOSE

Said corporation is organized exclusively for any lawful purpose as provided in SDCL 47-22 and exclusively for charitable, religious, educational, and scientific purposes either directly or by contributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or may be hereinafter amended . To facilitate these purposes, the corporation shall have any and all powers of any kind or nature whatsoever as are enumerated in SDCL Chapter 47-22- to 47-28, inclusive, known as the South Dakota Non-Profit Corporation Act, and all acts amendatory thereto.

ARTICLE VII

MEMBERS

The corporation will not have members.

ARTICLE VIII

NO MONETARY BENEFIT TO MEMBERS

The property and assets of the corporation shall be distributed or employed solely for the purpose of promoting high school extracurricular activities, to include making grants to fund, assist, recognize, or promote high school students' participation in extracurricular activities.

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distribution in furtherance of the purposes set forth in Article VI hereof.

No substantial part of the activities of the corporation shall be carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf or in opposition to any candidate for public office.

Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from federal income tax under section 501 (c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170 (c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

ARTICLE IX

MANAGEMENT OF CORPORATION

Provisions for the regulation of the internal affairs of the corporation shall be set forth in Bylaws, as adopted by the Board of Directors.

The Board of Directors may take written action signed, or consented to by authenticated electronic communication, by the number of directors that would be required to take the same action at a meeting of the Board at which all directors were present.

Unless the corporation has been granted a ruling from the federal Internal Revenue Service that it is exempt from certain restrictions as an organization defined in Section 509(a)(1), (2), (3), or (4) of the Internal Revenue Code, the corporation shall abide by the following:

- (1) The corporation shall distribute for each of its taxable years amounts at least sufficient to avoid liability for the tax imposed by Section 4942(a) of the Internal Revenue Code or a future federal tax law;
- (2) The corporation may not engage in an act of “self-dealing” as defined in section 4941(d) of the Internal Revenue Code or future federal tax law that would give rise to liability for tax imposed by section 4941(a) of the Internal Revenue Code or a future tax law;
- (3) The corporation may not retain “excess business holdings” as defined in section 4943© of the Internal Revenue Code or a future federal tax law that would give rise to liability for the tax imposed by section 4943(1) of the Internal Revenue Code or a future federal tax law;
- (4) The corporation may not make investments that would jeopardize the carrying out of the exempt purposes of the corporation, within the meaning of section 4944 of the Internal Revenue Code or a future tax law, so as to give rise to liability for the tax imposed by section 4944(d) of the Internal Revenue Code or a future tax law; and
- (5) The corporation may not make a “taxable expenditure” as defined in section 4945(d) of the Internal Revenue Code or a future tax law that would give rise to liability for the tax imposed by section 4945(a) of the Internal Revenue Code or a future tax law.

ARTICLE X

DISTRIBUTION OF ASSETS UPON DISSOLUTION

Upon the dissolution or final liquidation of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all liabilities of the corporation, dispose of all assets of the corporation for the purposes hereinbefore set forth in Article VI or otherwise within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

In witness hereof, I have hereunto executed these Articles of Incorporation this third day of November, 2016.

Wayne Carney

**SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION FOUNDATION, INC.
BYLAWS**

A Nonprofit Corporation Duly Organized under the Laws of the State of South Dakota

SECTION 1

GENERAL

The following are the Bylaws of the South Dakota High School Activities Association Foundation, a South Dakota nonprofit corporation (the "Foundation"). The Articles of Incorporation were filed with the South Dakota Secretary of State's Office on November 3, 2016.

SECTION 2

PURPOSE

This corporation is established for the purposes that would qualify as a charitable and educational organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") to promote educational purposes, specifically by making grants to fund, assist, recognize, or promote high school students' participation in extracurricular activities. The actions of the Foundation, and of its assets, shall be dedicated to that purpose.

SECTION 3

LIMITATIONS

This corporation shall have the powers granted to nonprofit corporations under the South Dakota Nonprofit Corporation Act and by any future laws amendatory and supplementary thereto; provided, however, that all powers of this corporation be exercised only so that the activities of this corporation shall be exclusively for charitable and educational purposes within the meaning of Sections 170(c) and 501(c)(3) of the Code as now enacted or hereinafter amended.

SECTION 4

OFFICES

The registered offices of this corporation, which shall be its principle office shall be located at 804 North Euclid, Suite 102, Pierre, South Dakota 57501 and the corporation shall have other offices at such place within the State of South Dakota or elsewhere as the Board of Directors may from time to time determine.

SECTION 5

BOARD OF DIRECTORS

5.1 Management. The business and charitable affairs of this corporation shall be managed by or under the direction of a Board of Directors.

5.2 Composition of the Board. The members of the Board of Directors, at the annual or at a special meeting of the membership, shall elect or re-elect members to the Board. The Board of Directors shall consist of not less than seven (7) or more than fifteen (15) individuals.

5.3 Terms of Directors. The directors (other than ex-officio directors) shall serve for a three-year term of office, and shall be divided into three (3) classes of directors such that approximately one-third (1/3) of the directors are elected each year. A director (other than an ex-officio director) may serve for no more than two consecutive three-year terms.

5.4 Quorum. At all meetings of the Board of Directors a majority of the directors then in office shall be necessary and sufficient to constitute a quorum for the transaction of business.

5.5 Number Required for Action by Directors. Except where otherwise required by law, the Articles, or these Bylaws, the affirmative vote of a majority of the directors present at a duly held

meeting shall be sufficient for any action. Directors may not vote by proxy, nor designate a representative to attend meetings and vote on their behalf.

5.6 Written Action. Any action of the Board of Directors may be taken without a meeting upon written consent of all the members of the Board of Directors.

5.7 Meetings by Electronic Communication. The Board of Directors need not conduct a meeting at a geographic location, and may instead hold a meeting by any means of electronic communication which allows the members to read or hear the proceedings, vote on matters submitted to the members, pose questions and make comments.

5.8 Resignation of Directors. A director may resign at any time by giving written notice to the Secretary of the corporation. The resignation is effective without acceptance when the notice is given to the corporation, unless a later effective time is specified in the notice.

5.9. Removal of Directors. A director may be removed from office, with or without cause, by the affirmative vote of a majority of the directors present at a duly held meeting provided that not less than five (5) days and not more than thirty (30) days notice of such meeting stating the removal of such director is to be on the agenda for such meeting shall be given to each director. Three (3) consecutive absences from regular meetings of the Board of Directors, unless the absence is a result of illness or has otherwise been excused by a majority vote of the Executive Committee, shall be grounds for removal of a director.

5.10 Vacancies. In the event of the death, removal, or resignation of a director, a successor to fill the unexpired term shall be elected by the affirmative vote of a majority of the directors present at a duly held meeting.

5.11 Regular Meetings/Annual Meeting. The Board of Directors shall have regular meetings at such places and times as it shall establish by resolution. The annual meeting of the Board of Directors shall be held at such time and place as may be designated by the Board of Directors.

5.12 Special Meetings. Special meetings may be called by the president or the Board of Directors, provided that any such request shall specify the purpose or purposes for the meeting. The President shall set the date for the special meeting within three (3) working days of making or receiving such a request and shall give not less than five (5) nor more than thirty (30) days written notice of the time, place and purpose of such special meeting.

5.13 Committees. The Board of Directors may establish one or more committees having the authority of the Board in the management of the business of the corporation to the extent determined by the Board. Members of a committee need not be directors and shall hold such office for a term of one (1) year from their appointment or until their successors are appointed, whichever occurs first. Meetings of a committee may be called, from time to time, upon request of the President, the chair of the committee or any two (2) committee members. Notice requirements shall be the same as for special meetings of the Board of Directors, except that notice may be given orally or in writing.

Section 5.13 a. The Executive Committee shall be composed of the President, Vice President, Treasurer and other members of the Board of Directors as deemed appropriate by the Chair. The President shall serve as the Chair of the Executive Committee. The Executive Committee shall act for and on behalf of the Board of Directors when the Board is not in session.

Notice of meetings of the Executive Committee must be delivered personally, by telephone or by e-mail at least three (3) days before the day on which the meeting is to be held. At any duly called meeting of the Executive Committee, a majority of the members of the Executive Committee shall constitute a quorum for the transaction of business. The Executive Committee may take action by the affirmative vote of a majority of those committee members present and entitled to vote at a duly called meeting.

5.14 Place of Meetings. The Board of Directors may hold its meetings at such places, whether in this state or in any other state, as a majority of the directors then in office may from time to time appoint. Upon failure to appoint any other place, such meetings shall be held at the principle offices of the corporation.

5.15 Waiver of Notice. Any director may execute a written waiver of notice of any meeting required to be given by statute or by any provision of these Bylaws either before, at or after that meeting, and such waiver when signed and filed as hereinafter provided shall be equivalent to notice. Such waiver shall be filed with the Secretary, who shall enter it upon the minutes or other records of that meeting. Appearance at a meeting by a director shall be deemed a waiver of notice thereof, unless the appearance is solely for the purpose of asserting the illegality of the meeting.

5.16 Conflict of Interest. This corporation shall not enter into any contract or transaction with (a) one or more of its directors, (b) a director of a related organization, or (c) an organization in or of which a director is a director, officer or legal representative or has a material financial interest; unless the material facts as to the contract or transaction and as to the director's interest are fully disclosed or known to the Board of Directors, the contract or transaction was fair and reasonable to the corporation, and the Board of Directors authorizes, approves or ratifies the contract or transaction in good faith by the affirmative vote of a majority of the directors (without counting the interested director), at a meeting at which there is a quorum without counting the interested director. Nothing herein shall limit or prohibit any contract or transaction between this corporation and the South Dakota High School Activities Association. Failure to comply with the provisions of this Section 5.16 shall not invalidate any contract or transaction to which this corporation is a party.

5.17 Fiduciary Responsibility. It shall be the policy of this corporation that the Directors of the corporation shall be and act as fiduciaries with respect to all funds held or administered by this corporation and as to all matters engaged in by or on behalf of the corporation.

It is the responsibility of each director of this corporation to discharge his or her duties as a director in good faith, in a manner the director reasonably believes to be in the best interests of this corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

SECTION 6 OFFICERS

6.1 Principle Officers. The principle officers of the Foundation shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may from time to time elect such other officers and designate their duties as in their judgment may be necessary to manage the affairs of the Association. A person may hold more than one office simultaneously, except those of President and Vice President. Only the President and Vice President must be members of the Board of Directors.

6.2 Election. The Board of Directors at its first meeting of the fiscal year shall elect officers. The Nominating Committee, which shall be appointed by the Board, shall propose a slate of qualified candidates for the election of officers. At the meeting, the floor shall be open for the nomination of candidates. Any member of the Board of Directors shall be eligible to be elected as an officer. The board shall elect the following officers each year: President, Vice President, Secretary and Treasurer.

6.3 Nominating Committee. The Board of Directors shall recommend and appoint three (3) directors to serve on the Nominating Committee. The Immediate Past President shall serve as Chair of the Committee, and if he/she is unable to serve, the President shall appoint a Chair from the members of

the Nominating Committee. The Committee shall terminate at the end of each fiscal year. The duties of the Nominating Committee are to recommend a slate of qualified candidates to fill expiring terms and to obtain consent from each candidate.

6.4 President. Subject to the control of the Board of Directors, the President shall have general supervision of the affairs of the Foundation. The President shall preside at all meetings of the Board of Directors, shall oversee the long term goals and purposes of the corporation, and shall have such other duties as prescribed by statute and by the board.

6.5 Vice President. The Vice President shall take the place of the President and perform the duties of the office whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be prescribed by the Board of Directors.

6.6 Secretary. The Secretary shall attend all meetings of the Board of Directors and any committee thereof, and keep the minutes of such meetings, give notices, prepare any necessary certified copies of corporate records, and perform such other duties as may be determined from time to time by the Board of Directors.

6.7 Treasurer. The Treasurer shall be responsible for the accounting of all monies of the Foundation, including all duties provided by statute. The Treasurer shall oversee the corporate treasury, provide input on annual budgeting, long range financial planning, investment decisions, preserve and maintain the records as required for annual audit and other such duties as may be directed from time to time by the Board of Directors. The Treasurer shall serve without bond.

6.8 Compensation. Neither the directors of the Foundation, nor officers thereof, shall receive, directly or indirectly, any salary or direct compensation for their service. Nothing herein shall prevent reimbursement to any person for expenses incurred on behalf of the Foundation.

6.9 Term of Officers. Elected officers of the Corporation shall serve for a term of one (1) year or until their successor assumes the duties of office, and they shall be voting members of the Board of Directors.

6.10 Resignation of Officers. An officer may resign at any time by giving written notice of the resignation to the Secretary of the Corporation.

6.11 Removal of Officers. Any officer may be removed, with or without cause, by affirmative vote of a majority of the directors present at a duly held meeting of the Board of Directors for which notice stating such purpose has been given.

6.12 Vacancies. The Board of Directors shall have the authority to fill vacancies which occur during the year by reason of death, resignation or removal.

SECTION 7

FINANCE

7.1 Receipts. Any dues, contributions, grants, bequests, or gifts made to the corporation shall be accepted or collected as authorized by the Board of Directors.

7.2 Deposits. All funds of the corporation shall be deposited to the credit of the corporation under such conditions and in such banks as shall be designated by the Board of Directors.

7.3 Contracts, Orders for Payment. All contracts, checks and orders for the payment, receipt or deposit of money, and access to securities of the corporation shall be as provided by the Board of Directors.

7.4 Annual Budget. The annual budget of estimated income, expense and capital shall be approved by the Board of Directors.

7.5 Fiscal Year. Unless otherwise fixed by the Board of Directors, the fiscal year of this corporation shall begin on July 1 and end on the succeeding June 30.

SECTION 8 INDEMNIFICATION

8.1 Indemnification. To the full extent provided by the South Dakota Nonprofit Corporation Act, as amended from time to time, or by other applicable provisions of law, each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, wherever and by whomsoever brought (including any such proceeding, by or in the right of the corporation), whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a Member, director, or officer of the corporation, or he or she is or was serving at the specific request of the Board of Directors of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture or other enterprise, shall be indemnified by the corporation by the affirmative vote of a majority of the directors present at a duly held meeting of the Board of Directors for which notice stating such purpose has been given against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding; provided, however, that the indemnification with respect to a person who is or was serving as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall apply only to the extent such person is not indemnified by such other corporation, partnership, joint venture, trust or other enterprise. The indemnification provided by this Article shall inure to the benefits of the heirs, executors and administrators of such person and shall apply whether or not the claim against such person arises out of matters occurring before the adoption of this provision of the Bylaws.

8.2 Insurance. This corporation may, to the full extent permitted by applicable law from time to time in effect, purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, member of a committee of this corporation or volunteer of this corporation against any liability asserted against such person and incurred by such person in any such capacity.

SECTION 9 ADJOURNMENT

When a meeting of the Board of Directors is adjourned to another time or place, notice of the adjourned meeting need not be given other than by announcement at the meeting at which adjournment is taken.

SECTION 10 AMENDMENT OF BYLAWS

Amendments to these Bylaws must be approved by two-thirds (2/3) of the Board of Directors of the Corporation.

CORPORATE SEAL

IN WITNESS WHEREOF, the Foundation has caused the above Bylaws to be signed by its agent this third day of November, 2016.

Wayne Carney, Secretary

APPENDIX C

Amend Chapter II – Bylaws for Athletics, Part I Further Eligibility Requirements for Athletic Contests, Section 1, Sub-Section N (additions in **BOLD**, deletions in ~~strikethrough~~, other editorial changes and renumbering not listed):

TRANSFER OF ATHLETIC ELIGIBILITY FOR SDHSAA OPEN ENROLLMENT STUDENTS. Any student who transfers from a member high school to another member high school shall be eligible to participate in interscholastic athletics provided such student has met the standards for SDHSAA athletic open enrollment as defined in the following paragraph:

1. SDHSAA athletic open enrollment students transferring from one high school to another must have the school (s)he leaves file a transcript of credits with the principal of the school to which (s)he is transferring. Until such transcript is filed the student is ineligible.
In order for SDHSAA athletic open enrollment students to be eligible immediately for participation in interscholastic athletics of the SDHSAA, the student must ~~have been~~ **both: (1) be enrolled on the first day of the school year at the school they are open enrolling to, and, (2) have not competed in any SDHSAA-Sanctioned athletic contest at the school they are open enrolling from during that school year's athletic season.** Member schools must have the necessary athletic open enrollment papers filed with the SDHSAA office prior to allowing athletic open enrollment students the opportunity to play. Until such athletic open enrollment paperwork is filed, the student is ineligible.
2. For students **who do not meet these criteria** ~~enrolled on the first day of the school year at the school they are open enrolling to:~~
 - a. SDHSAA athletic open enrollment students enrolled in a SDHSAA member school which operates a five (5) day week shall become eligible on the forty-sixth (46th) scheduled day of school provided all other SDHSAA regulations are met. Member schools must have the necessary athletic open enrollment papers filed with the SDHSAA office prior to allowing athletic open enrollment students the opportunity to play. Until such athletic open enrollment paperwork is filed, the student is ineligible.
 - b. SDHSAA athletic open enrollment students enrolled in an SDHSAA member school which operates a four (4) day week shall become eligible on the thirty-seventh (37th) scheduled day of school provided all other SDHSAA regulations are met. Revised 2005 Member schools must have the necessary athletic open enrollment papers filed with the SDHSAA office prior to allowing athletic open enrollment students the opportunity to play. Until such athletic open enrollment paperwork is filed, the student is ineligible.
3. In addition, all such students must meet all other eligibility requirements.
4. For purposes of this Bylaw “standards for open enrollment” shall mean such standards authorized by a public school board as required by SDCL §13-28-40 through and including SDCL §13-28-47. In the case of a non-public school, such comparable standards and time-lines, as set forth in SDCL §13-28-40 through and including SDCL §13-28-47 would be applicable to such school.
5. In such cases, eligibility is applicable to the initial SDHSAA athletic open enrollment transfer only. Any subsequent SDHSAA athletic open enrollment transfer to another high school shall render the student ineligible for one year with one exception. The exception: In the event a student returns to:

(1) his/her former school; or (2) where his/her parents reside, the student will not be eligible until the beginning of the following school year.

NOTE: The open enrollment statutes SDCL §13-28-40 through §13-18-47 do not change the Bylaws of the SDHSAA. Thus Chapter II, Part I, Section 1, Sub-Sections (a) and (f) apply to sports eligibility for all open enrollment students.

- Once enrolled in a nonresident district or non-assigned school, the student may remain enrolled and is not required to resubmit annual applications.
- Students who open enroll from one school in a cooperative to the other school(s) in the same cooperative will not have to sit out the 45/36 school day waiting period providing all school (s) in the cooperative coop in all athletic activities in the same gender. Minutes-November 25, 2002

NOTE: See State Statutes section of Athletic Handbook for Open Enrollment Options between North Dakota and Minnesota.

SDSSA Committee Report for SDHSAA
SDHSAA Executive Board Meeting
November 2, 2016

In 2014, the SDSSA established a committee to meet with SDHSAA staff for the purpose of improving communication between the two associations and to convey specific concerns of the SDSSA membership. In September of 2014, the committee members presented the SDHSAA staff with a list of 14 concerns or recommendations. The SDHSAA staff responded to each of these items. At this time, the SDSSA committee would like to briefly identify the positives that came out of that initial meeting, items that need follow-up, and new concerns that may have developed in the last two years.

The committee recognizes and appreciates changes that were implemented on items 1 – 3, 7, 11 and 14 of the previous report.

1. Implementation of a first and second reading of any policy or by-law changes that would directly affect member schools.
2. Adherence to open meeting laws and limiting agenda changes not specific to issues dealing with individual students, so that member schools have time to review proposed changes prior to Board action.
3. Implementation of live-streaming of SDHSAA Board meetings.
7. The continuation of having an SDSSA representative attend SDHSAA Board meetings for the purpose of providing SDSSA members with a summary report of any actions taken by the SDHSAA Board.
11. The SDHSAA implemented a change that eliminated incentives for initiating or maintaining corporate sponsorships as part of the Director’s compensation package.
14. The SDSSA had indicated an interest in pursuing an amendment that would have changed the structure of the SDHSAA Executive Board to a 9 person board keeping the East/West/Native American, and School Board positions and dividing the student population into four (4) divisions rather than three (3). Position of the SDHSAA was that it was receptive to any proposed amendment submitted from member schools.

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The committee identifies the following previously submitted items or concerns for follow-up discussion with the SDHSAA.

4. The SDSSA had recommended that the SDHSAA implement a method or methods for pre-arranged testimony via telephone or a web-based platform that would allow representatives of member schools to provide input if they were unable to be physically present at the SDHSAA Board meeting. The committee would like an update regarding whether the SDHSAA has developed or implemented methods to allow remote testimony.
5. The SDSSA would like to continue to have members of its committee meet with the SDHSAA staff prior to the start of each legislative session to review and develop positions on potential legislation that could impact the SDHSAA and its member schools. A meeting site and date to be set up at the convenience of both associations.
6. To improve communication this item promoted the idea of quarterly conference calls between members of the SDSSA Executive Board, the SDHSAA Director and those superintendents serving on the SDHSAA Executive Board. For follow-up discussion, this proposal should be assessed on the extent to which it was implemented and the overall perceived benefit.
8. Expressed a concern that an appeals process be put in place for any SDHSAA mandate that would financially impact member school districts by requiring the addition of staff or the expenditure of capital expenses. SDHSAA response at the time was that this proposal would be added as a discussion item/policy adoption

during the 2014-15 school year. SDHSAA did indicate that implementing an appeals process might require a constitutional amendment and vote of the member districts.

Follow-up on this item would be an assessment of whether implementation was achieved through SDHSAA Board action or whether this putting this proposal in place requires that member schools petition the SDHSAA Board to proceed with the process of considering this as a constitutional amendment.

9. This proposal requested that the SDHSAA Executive Director or designee and SDHSAA Board members who are superintendents give an update on the finance committee and the status of corporate sponsors twice a year, once in the summer at the Joint Convention and once during the Legislative session in Pierre. At the time of the proposal, the SDHSAA responded that it was willing to provide this information as long as the association had advance notice of the location, date, and time for the presentation.

Follow-up on this proposal would be an assessment of extent to which the two associations have scheduled and implemented such information sharing meetings.

10. A strong recommendation was made by SDSSA that no taxpayer money, school district funds, or ticket revenue would be utilized to fund the SDHSAA Foundation. The SDHSAA response at the time of the 2014 report was that the recommendation would be forwarded to the Board of Directors for consideration and potential policy recommendation.

The SDSSA has not changed its position regarding this recommendation and would advocate that the SDHSAA Board consider adoption of the position through Board action or policy or provide the SDSSA with a statement of rationale regarding its resistance to the recommendation.

12. Proposal in 2014 was that SDHSAA corporate sponsors not be given preferential treatment from the SDHSAA when it comes to decisions that affect member schools. SDHSAA response to this item was general agreement with the recommended policy change and that the association staff would ensure that specific language would be written into upcoming annual operating plans that are signed and executed each fall.

Follow-up at this time would be to have the SDHSAA Staff provide the SDSSA with a copy of the current operating plan identifying the section of language that was changed to address this proposal.

13. Proposal in 2014 was for a comprehensive review of the processes regarding the utilization of SDHSAA revenue that offsets expenses incurred by local school districts. It was recommended that the review include representatives from SDSSA, SDASBO, and SDHSAA with a focus on whether corporate donations and other revenue should be utilized to support the SDHSAA Foundation, be used to offset school district expenses, if they should be used for both the foundation and expense cutting, or for other purposes.

Response from SDHSAA was that it would work in concert with the SDHSAA Finance Committee to develop a review process which would be an enhancement of its (2014) current policy with the Finance Committee with that review information shared with multiple organizations such as SDSSA.

Follow-up would be an assessment regarding the efficacy of the SDHSAA working with the Finance Committee to distribute this report information to SDSSA and other related organizations (ie. ASBO).

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SDSSA Recommendations – November, 2016

1. The SDSSA Executive Board appreciates and supports the SDHSAA Executive Board's decision to keep the Finance Committee in place. SDSSA believes the Finance Committee serves a significant role in transparency and communication for the member districts of the SDHSAA.

SDSSA would recommend that the SDHSAA Executive Board reconsider the new structure of the Finance Committee. SDSSA believes that the Finance Committee should be made up of individuals that have a direct role in the overall budget and finances for member districts. To that end, superintendents, business managers, board members and to some extent perhaps principals should be represented on the Finance Committee. SDSSA believes that athletic directors are generally not responsible for or engaged in discussions of district budgets and therefore their inclusion on the Finance Committee takes up spots that might be better filled with individuals that have a broader perspective on school finances.

2. The SDSSA Executive Board understands the responsibility the SDHSAA Executive Board faces in its search to replace Director Carney and the leadership he has provided over the last several years. It is the SDSSA's hope that the SDHSAA Executive Board search yields a number of high quality candidates to fill this position. Any general recommendations for filling the positions would include:
 - Leadership and a broad sense of the importance of athletics and fine arts in the development of young people
 - A commitment to expanded use of technology to enhance communication, transparency and accountability
 - A broad sense of school finance and how mandated expenditures in one budget area can negatively impact financial priorities in other areas of a district budget
 - The ability to follow through on initiatives that represent the will of the majority of the association's member districts even if they conflict with the director's personal vision