

## **MINUTES OF BOARD MEETING OF SOUTH DAKOTA FREEDOM SCHOLARSHIP BOARD**

First PREMIER Bank Board Room, 500 S Minnesota Avenue, Sioux Falls, South Dakota

The meeting was called to order by Chairman Dana J. Dykhouse at 11:15 a.m. CDT, Tuesday, January 20, 2026, at the First PREMIER Bank Board Room in Sioux Falls, South Dakota. Members present were Dana Dykhouse, Phyllis Heineman, Chris Houwman, Miles Beacom and Jennifer Grennan. Others present were Elli Haerter and Brandy Drew of South Dakota Workforce Scholarships; Cassie Stoesser of the South Dakota Community Foundation and Austyn Farnham of Lawrence and Schiller and Rick Melmer. Please note the meeting started later than posted due to eating lunch first.

### Agenda

Heineman moved and Beacom seconded to approve the agenda. Motion carried with a voice vote.

### Minutes

Heineman motioned and Grennan seconded to approve the minutes from October 27, 2025, including editing for the consistent spelling of Grennan. Motion carried with a voice vote.

### Endowments Update

Stoesser presented the endowment updates for the SD Freedom Scholarship Fund and the PREMIER Fund on behalf of the South Dakota Community Foundation. It was noted that the combined ending balance for 2025 was \$248 million. The endowments earned a combined 15.2% return for the year.

### Program Discussion

Haerter presented the Freedom Scholarship's operations update including a dashboard review, 2025 expenses and 2026 budget. Drew shared data on the most recent graduates. Haerter then called on Farnham to share a high-level update of the marketing plan for the 2026 year, which includes continuing the same college graduate outreach in 2026. Farnham also discussed the possibility of special attention for the May 2026 graduates who have received the scholarship for four years. Haerter then lead a discussion with the board about the first draft of key performance indicators. The next step for the KPIs will be to run them past the universities to get their input on the definitions of the metrics.

### Transfer management and operations from South Dakota Community Foundation to South Dakota Workforce Scholarships

Motion by Beacom, seconded by Houwman to transfer management and operations of all of South Dakota Freedom Scholarship Board's existing and future student scholarships, of any status or type, files, and accounts from the South Dakota Community Foundation (SDCF) to South Dakota Workforce Scholarships (SDWS) per the second MOA approved on October 27, 2025 and signed by the South Dakota Freedom Scholarship Board Chairman on November 25, 2025. Motion carried with a voice vote.

### Transfer Certain Accounts more than 150 days past due to third party collections

Motion by Grennan and seconded by Heineman to transfer 76 student accounts listed in a separate board memo to third party collections- RGS for lack of payment for more than 150 days. Motion carried on a voice vote.

### Set Term for the SD Freedom Scholarship for the 2026-2027 Academic Year

Motion by Heineman and seconded by Houwman to set the 2026-2027 academic year Freedom Scholarship terms, should a scholarship revert to a loan as follows:

- 1) Interest rate at 4%. The amortization schedule will be calculated based on 365 day/year simple interest calculation.
- 2) Student will be required to make a \$50.00/month minimum payment, which means the term length of the loan changes to meet this requirement. Freedom Scholarship length of term maximum is ten years.
- 3) If a student has more than one scholarship that reverts to debt, the promissory notes will be combined and re-amortized by the scholarship servicer for a minimum monthly payment of \$50.00, with a maximum 10-year term.

Motion carried with a voice vote.

### Update to SD Freedom Scholarship decision chart

Motion by Heineman and seconded by Grennan to approve updates to the Freedom Scholarship decision chart. Updates include naming South Dakota Workforce Scholarships (SDWS) where SDCF had been listed previously since the management and operations have changed. Additionally, a new entry was added to clarify SDWS staff can request a reversal of debt sent to third party if evidence is presented to prove a reversal. Motion carried with a voice vote.

### Executive Session for student matters (SDCL 1-25-2(2))

Heineman motioned and Beacom seconded to enter into executive session at 12:55 pm for student matters. Chairman Dykhouse declared executive session over at 12:59 pm. No votes were taken while in the executive session.

### Student Exception

Grennan motioned and Beacom seconded to grant case number 20260120002 an exception to the Freedom Scholarship requirements and to table case number 20260120001. Motion passed with a voice vote.

### 2026 Meetings Ahead

Q2: Monday, May 4, 11 am to 1 pm, First PREMIER Bank, Sioux Falls, SD

Q3: Monday, July 27, 11 am to 1 pm, First PREMIER Bank, Sioux Falls, SD

Q4: Monday, October 22, 11 am to 1 pm, First PREMIER Bank, Sioux Falls, SD

### Public Comment

There was no public comment received at the meeting.

Adjournment

Chairman Dykhousc adjourned the meeting at 1:03 pm.

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Phyllis Heineman, Secretary/Treasurer