

## **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 11:01 a.m. CDT, Monday, January 27, 2025, at the First PREMIER Bank Board Room in Sioux Falls, South Dakota. Members present were Dana Dykhouse, Phyllis Heineman, Chris Houwman and Jennifer Grennan. Miles Beacom was absent. Others present were Elli Haerter, Brandy Drew and Stephanie Judson of the South Dakota Community Foundation and Austyn Farnham of Lawrence and Schiller.

### Agenda

Heineman moved and Houwman seconded to approve the amended agenda, which added to case number 012725001 to item 10, executive session for student matters. Motion carried with a voice vote.

### Minutes

Houwman motioned and Dykhouse seconded to approve the minutes from October 28, 2024. Motion carried with a voice vote.

### Program discussion

Judson reviewed endowment funds balances and year-to-date financials. Haerter reviewed the 2024 budget and expenditures. Haerter shared the 2025 informational budget with the board; she noted an increased emphasis on reaching graduates about their scholarship requirements to live and work in SD for three years after graduation. She also highlighted 2025 work on data management and resource sharing with the Build Dakota scholarship, where it makes sense. Lastly, Haerter previewed the new Power BI dashboard and through it updated the board on various data points tracked and took suggestions on other data they want to see.

Haerter called on Farnham to share a high level update of the marketing plan for the 2025 year, which includes creating an icon-based instructional video for graduates along with a direct mail piece. The board inquired about the various ways we market Freedom Scholarship to reach our target audiences.

Chairman Dykhouse called for a brief break for lunch.

### Set Term for the SD Freedom Scholarship for the 2025-2026 Academic Year

Motion by Grennan and seconded by Heineman to set the 2025-2026 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.

#### Debt Servicing: Third Party Collections

Discussion was held on whether to move accounts from debt servicing to the third-party collections, as this action is required by the Freedom Scholarship Board before the servicer can take the action. After discussion about additional ways to collect, such as charging off accounts, it was decided to table action until the April board meeting.

#### Allowance for temporary change of terms while account is at debt servicer

1.) Motion to allow debt servicer to communicate with others about an account holder's balance so long as the account holder has given written permission to do so. Debt servicer to retain those permission records and make available to Freedom Scholarship Board/ SDCF staff upon request.

2) Motion to allow a temporary change in terms for an account holder at debt servicer in three instances, so long as the debt servicer also discloses any/all impacts to their debt and requires a signature from the account holder. Debt servicer to retain records and make available to Freedom Scholarship Board/ SDCF staff upon request.

- Temporary change of payment amount
- Temporary Change of payment date
- Temporary Extension of payment date

Motion carried with a voice vote.

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

Heineman motioned and Houwman seconded to enter into executive session at 12:45 pm for student matters. Chairman Dykhouse declared executive session over at 12:51 pm. No votes were taken while in the executive session.

#### Student Exception

Heineman motioned and Houwman seconded to grant the student (Case number 012725001) an exception to the Freedom Scholarship requirements. Motion passed with a voice vote.

#### 2025 Meetings Ahead

Q2: Monday, April 14, 11 am to 1 pm, First PREMIER Bank, Sioux Falls, SD

Q3: Monday, July 21, 11 am to 1 pm, First PREMIER Bank, Sioux Falls, SD

Q4: Monday, October 27, 11 am to 1 pm, First PREMIER Bank, Sioux Falls, SD

#### Public Comment

There was no public comment received at the meeting.

Adjournment

Chairman Dykhous adjourned the meeting at 12:54 pm.

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Phyllis Heineman, Secretary/Treasurer

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