

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 11:00 a.m. CDT, Monday, April 24, 2023, at the First Premier Bank Board Room in Sioux Falls, South Dakota. Members present were Dana J. Dykhouse, Chris Houwman, Miles Beacom, and Phyllis Heineman and Diana VanderWoude. Others present were Stephanie Judson, Elli Haerter, and Brandy Drew of the South Dakota Community Foundation; and Brett Koenecke and Cash Anderson of May Adam.

Agenda

Heineman moved and Houwman seconded to approve the agenda. The motion carried with a voice vote.

Minutes

Houwman moved and Beacom seconded to approve the minutes from January 31, 2023. Minutes were amended to reflect one all-in-favor voice vote that was missing as well as correcting the inconsistent spelling of Heineman. The motion carried with a voice vote.

Program discussion

Stephanie Judson gave the Board an update on the endowment funds, noting that Avera Health and Sanford Health's second contributions of \$1.25 million have been deposited between the end of December and the end of January. The board will make a determination about Presentation College's 2023 allocation and any unspent 2022 funds at the August 2023 meeting. Elli shared YTD operational expenses. Operational expenses are funded by the PREMIER Scholarship Fund. With regard to projections, Beacom suggested that the next report include unreceived commitments so they are tracking them as well.

Elli also shared written stories from two Freedom Scholarship recipients who were among the 22 students that graduated in December. Cassidy Carda and Justin Waldner expressed gratitude for their scholarship and shared their future plans.

Action Items

Loan Servicer. Brett Koenecke, counsel for the Freedom Scholarship Board, shared that he has been in touch with the State Procurement Office and First PREMIER Bank regarding the possibility of servicing the loans that arise from the program. First PREMIER Bank has an existing agreement with the State of South Dakota and also has experience servicing other similar scholarships. We are awaiting information from both entities. Brett recommended the Freedom Board direct Elli Haerter to execute an agreement with First PREMIER Bank on behalf of the Freedom Scholarship Board once the details are known as long as the terms of service are similar to the terms of Build Dakota. Board can approve the contract in August. Motion to direct Elli Haerter to execute an agreement with First PREMIER on those terms was made by VanderWoude, seconded by Houwman. Motion passed 3-0 on a voice vote. Dykhouse and Beacom abstained.

Lunch Break

Chair Dykhouse declared a break for lunch at 11:45. Chair declared meeting back in session at 11:55.

Action Items continued

Heineman motioned and Beacom seconded to enter into executive session at 12:09 pm for student matters (SDCL 1-25-2(2)) to discuss exceptions and deferments. Motion carried on a voice vote. Chairman Dykhouse declared executive session over at 12:38.

Heineman moved and VanderWoude seconded to approve two students for a 2022-2023 exception, 21 students for 2023-2024 exceptions, 12 students for deferment of their employment requirement, one student for deferment which will convert to repayment, and tabled one student for further information. The motion carried with a voice vote.

Employment Requirement Discussion. Elli and Brandy sought counsel from the Board about the Scholarship's employment requirement. The board agreed that living in South Dakota would be a statement a student would attest to and that working in South Dakota could include a remotely located employer but that same individual would need proof that they are contributing to the local economy, such as sales tax. Regarding employment the onus is on the scholar to report their employer to Freedom Scholarship and also have their employer complete the Freedom Scholarship paperwork. If scholar opts for self-employment, that will require documents such as: SD state corporation registration, annual reports, state excise tax license, state excise tax income reports, tax returns, contracts, billing invoices to document the year of work, hour summaries, income statements, balance sheets, other financials, etc. In all cases, if the scholar does not produce the documentation, the scholarship reverts to a loan.

2023 Meetings

The Freedom Scholarship Board has planned the next meetings for August 3, 11-1 pm, October 23 11-1 pm in the Board Room at First PREMIER Bank.

Motion by Beacom, seconded Dykhouse to adjourn the meeting. Motion carried with a voice vote. The meeting adjourned at 1:15 pm.

Phyllis Heineman, Secretary/Treasurer