

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, October 27, 2025, at the First PREMIER Bank Board Room in Sioux Falls, South Dakota. Members present were Dana Dykhouse, Chris Houwman, Jennifer Grennan and Phyllis Heineman. Miles Beacom was absent. Others present were Elli Haerter, Brandy Drew, Stephanie Judson and Siri Buller. Brett Koenecke and Cash Anderson joined online via TEAMS.

Agenda

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

Minutes

Houwman moved and Heineman seconded to approve the minutes from July 21, 2025. Motion carried with a voice vote.

South Dakota State University Presentation on Freedom Scholarship Impact

Dr. Michaela Willis, Vice President for Student Affairs and Enrollment Management and Beth Vollan, Director of Financial Aid presented on Freedom Scholarships' impact at South Dakota State University. SDSU has disbursed \$5.9 million in Freedom Scholarships since the program began, awarding 2,048 scholarships to 1,077 including new students for the fall 2025. 266 students have graduated from SDSU with a Freedom Scholarship so far. SDSU also shared that 52% of a first-year student's tuition and fees are covered by the Freedom Scholarship. Lastly, SDSU shared how Freedom Scholarship awardees' persistence and retention rates compared to all first-year students at SDSU and all Pell recipients. Both persistence rate (97.5%) and retention rates (93.5%) for Freedom scholarship recipients are higher than all first-year students or when compared against Pell recipients.

Program discussion

Stephanie Judson shared information about the current year's earnings and expenditures as well as a reminder about the second disbursement to universities this fall. Haerter shared an update on overall expenses for the year thus far. Both shared information about what is projected for the scholarship funds as spendable for 2026, which fed into the 2026-27 academic year scholarship allocation discussion. Haerter updated the board on the July 2025 university partner convening, noting synergy around future key performance measures, which she hopes to bring to the Board at the January meeting for use for the 2027-28 scholarship allocation.

2024-25 Year Report to SD Legislature

Board members reviewed the draft of the 2025 SD Legislature report and made suggestions for the final version, to be submitted on Friday, October 31. Heineman moved and Houwman

seconded to approve the report, allowing Haerter to make final edits before submission. Motion carried with a voice vote.

The board paused for a lunch break from 12:11-12:25

2026-2027 school year allocation to participating institutions

Board members considered the Fall 2025 census figures shared by universities as well as the spendable amount from the endowments to consider how much to allocate overall from the Freedom and PREMIER Scholarship Funds. Starting with the 2027-28 year, the board will also consider key performance indicators (KPIs) as part of the formula. The 2026-27 7year allocations were determined as follows.

2026-2027 Freedom Allocation

Augustana	\$ 600,000
BHSU	\$ 550,000
DSU	\$ 600,000
NSU	\$ 410,000
SDSM&T	\$ 410,000
SDSU	\$ 2,600,000
USD	\$ 1,600,000
USF	\$ 305,000
DWU	\$ 80,000
Mount Marty	\$ 60,000
TOTAL	\$ 7,215,000

Executive Session for student matters (SDCL 1-25-2(2)), contractual matters SDCL 1-25-2(3) and personnel matters (SDCL 1-25-2(1))

Houwman moved and Heineman seconded to enter into executive session at 1:01 pm for executive session for SDCL 1-25-2(1-3). Motion carried with a voice vote. At 1:31 pm, Haerter, Drew, Buller, Koenecke and Anderson left executive session. Chairman Dykhouse declared executive session over at 1:46 pm. No votes were taken during the executive session.

Student Exceptions

Grennan motioned and Houwman seconded to grant the 4 students (cases: 20251027001, 20251027002, 20251027003, 20251027005) exceptions to the Freedom Scholarship requirements and to table case 20251027004 until January 2026. Motion passed with a voice vote.

Second Memorandum of Agreement

Heineman motioned and Houwman seconded to approve the Second Memorandum of Agreement and services agreement and directed the Chairman to sign it. Motion carried with a voice vote.

2026 Meetings Ahead -All held at First PREMIER Bank Board Room, 500 S. Minnesota Ave, Sioux Falls, SD

Tuesday, Jan 20, 2026 11a-1 pm

Monday, May 4, 2026 11a-1pm

Monday, July 27, 2026 11a-1pm

Tuesday, Oct 20, 11-1 pm

Public Comment

There was no public comment received at the meeting.

Adjournment

Dykhouse moved and Greenan seconded to adjourn the meeting at 1:52 pm. Motion carried with a voice vote.

Phyllis Heineman, Secretary/Treasurer