

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 11:04 a.m. CDT, Monday, October 28, 2024, at the First PREMIER Bank Board Room in Sioux Falls, South Dakota. Members present were Dana J. Dykhouse, Phyllis Heineman, Diana VanderWoude (via TEAMS). Chris Houwman and Miles Beacom were absent. Others present were Elli Haerter, Brandy Drew and Stephanie Judson (via TEAMS) of the South Dakota Community Foundation.

Agenda

Heineman moved and Dykhouse seconded to approve the amended agenda, which added to item 9: three student cases numbered 1024105, 1024106 and 1024107 and added executive session for personnel (SDCL 1-25-2(1)). Motion carried with a voice vote.

Minutes

VanderWoude moved and Heineman seconded to approve the minutes from July 22, 2024. Motion carried with a voice vote.

Program discussion

Judson began the discussion with a review of endowment funds balances, year-to-date financials and a review of budget and expenditures. The 2025 budget will be discussed and approved at the January 2025 meeting. Haerter reviewed the historical allocations to universities with board members and noted the 2025–2026-year allocations would be set later in the meeting. Haerter then gave the operations update. Haerter noted there are 1,330 Freedom Scholarship awards so far this year and universities are spending down prior balances as part of this year's awards. She also shared a debt servicing update, noting that \$294,000 in unpaid debt so far with 54.8% of recipients making payments. Regarding Freedom Scholarship graduate-tracking, Drew and Haerter reported that it is proving to be difficult at times to track graduates and that they intend to focus heavily on this in 2025.

Haerter shared about one soon to be Freedom Scholarship graduate potentially seeking employment in Washington, DC who wondered about the live and work in SD requirement. With the help of a Congressional staffer, Haerter reviewed the District of Columbia Tax and Revenue Office regulation which states, so long as they are domiciled in the District and are a bona fide resident the same state of residence of the Senator or member of Congress, they are not residents of the District of Columbia. So, Freedom Scholarship staff will be following this as well.

2023-2024 Academic Year Report to SD Legislature

After a review and discussion, Heineman motioned and VanderWoude seconded to approve the report, allowing Haerter to make final grammatical and data edits before submission on/before November 1. Motion carried with a voice vote.

Chairman Dykhouse called for a brief break for lunch.

2025-2026 Academic Year Allocations for Freedom Scholarship

After a historical and current Fall census data review, Heineman motion and VanderWoude seconded to allocate the following to ten university partners for the 2025-2026 year:

Augustana	\$ 440,000.00
BHSU	\$ 470,000.00
DSU	\$ 490,000.00
DWU	\$ 80,000.00
Mount Marty	\$ 60,000.00
NSU	\$ 365,000.00
SDSM&T	\$ 320,000.00
SDSU	\$ 2,000,000.00
USD	\$ 1,250,000.00
USF	\$ 285,000.00
Total	\$ 5,760,000.00

Motion carried with a voice vote.

Amend Decision-Making Matrix

Heineman motioned and Dykhous seconded to approve one update to the decision-making matrix, which allows for staff to revert a debt conversion for a graduate if all information is provided and approved. This document was originally created and approved by the board in April 2022 and updated in April 2024. Motion carried with a voice vote.

2025 Meetings

Heineman motioned and Dykhous seconded to set the following meeting dates, times and locations for 2025:

Q1: Monday, January 27, 11am to 1 pm, First PREMIER Bank, Sioux Falls, SD

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

Motion carried with a voice vote.

Executive Session for personnel and student matters (SDCL 1-25-2(1) and SDCL1-25-2(2))

Heineman motioned and Dykhous seconded to enter into executive session at 12:33 pm for student matters then personnel. Motion carried on a voice vote. Haerter and Drew departed executive session at 12:44 pm. Chairman Dykhous declared executive session over at 12:54 pm. No votes were taken while in the executive session.

Student Exceptions and Personnel Action

Heineman motioned and Dykhouse seconded to grant the following students (identified with a case number) an exception to the Freedom Scholarship rules: 1024100,1024101,1024102, 1024103, 1024104, 1024107 and disburse up to \$4,000 from the fund for former Presentation College students for the 2024-25 year. Motion passed with a voice vote. Board took no action on cases 1024105 and 1024106.

Dykhouse motioned and Heineman seconded to approve a bonus for Haerter and set compensation for next year, using PREMIER funds. Motion passed on a voice vote.

Public Comment

There was no public comment received at the meeting.

Adjournment

Motion by Dykhouse seconded by Heineman to adjourn the meeting. Motion carried with a voice vote. The meeting adjourned at 12:56 pm.

Phyllis Heineman, Secretary/Treasurer