

## **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. Dykhous at 11:00 a.m. CDT, Tuesday, October 11, 2022, at the First Premier Bank Board Room in Sioux Falls, South Dakota. Members present were Dana J. Dykhous, Diana VanderWoude, Chris Houwman, Miles Beacom, and Phyllis Heineman. Others present were Stephanie Judson and Elli Haerter of the South Dakota Community Foundation and Cash Anderson of May Adam.

### Agenda

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

### Minutes

Vanderwoude moved and Houwman seconded to approve the minutes for the meeting dated August 4, 2022. Motion carried with a voice vote.

### Program Discussion

Stephanie Judson gave the Board an update on the endowment funds and a reminder that the scholarship dollars available are calculated on a 16-quarter rolling average, so new gifts are not fully realized in that average until the 16<sup>th</sup> quarter. The distributable income will increase as the quarterly average grows.

Judson also reminded the Board that expenses for the program are paid directly from the PREMIER Scholarship Fund at the SDCF, as outlined in the MOU between the Board & SDCF. This account is held separately than the funds donated to SDCF by the State of SD.

The board then discussed the Freedom Scholarship's first report to the Legislature. Dana and Elli will finalize the data and narrative and submit it to the Joint Committee on Appropriations for their meeting on November 10, 2022.

### Action Items

Discussed the allocation for the 2023-2024 academic year and the Board's expectation that unspent funds from year one go to the next semester and/or year, rather than be returned to the Board. The Freedom Scholarship base allocation for all participating institutions will be \$5,230,000, and future allocations may have metrics attached, like graduation and loan conversion rates. Motion was made to approve the allocation and to notify participating institutions of the allocation and future expectations by Vanderwoude, seconded by Houwman. Motion carried with a voice vote.

Discussed the interest rate to be used if the recipient defaults. Houwman motioned and Beacom seconded to approve the interest rate at 4% for the 2023-2024 Freedom Scholarship offers. Motion carried with a voice vote.

Discussed the student appeal policy and process by which the Freedom Scholarship Board can hear appeals from students about their specific scholarship decision or situation. Motion by Vanderwoude and seconded by Beacom to approve the student appeal policy. Motion carried with a voice vote.

### Executive Session

Chairman Dykhous motioned for executive session for personnel (SDCL 1-25-2(1)) at 12:53 pm. Beacom seconded. Motion carried with a voice vote.

Chairman Dykhous declared executive session over at 1:02 pm. No action was taken.

### Public Testimony

Chairman Dykhous called for public testimony; there was none.

### Next Meeting Date

The next meeting will be held on January 31, 2023 at 11:00 a.m. CDT, at the First PREMIER Bank Board Room in Sioux Falls.

Beacom moved and Dykhous seconded to adjourn at 1:11 pm. CDT. Motion carried by a voice vote.



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Phyllis Heineman, Secretary/Treasurer