

November 1, 2024

Senator Jean Hunhoff Lead Co-Chair, Joint Committee on Appropriations
Representative Mike Derby Co-Chair, Joint Committee on Appropriations
Joint Committee on Appropriations – South Dakota Legislature
500 East Capitol Avenue
Pierre, SD 57501

Annual Report of the South Dakota Freedom Scholarship Program

Dear Senator Hunhoff and Representative Derby,

Attached please find the South Dakota Freedom Scholarship's report about the 2023-2024 academic year which is the second-ever report about the scholarship program.

We are pleased to share that the Freedom Scholarship Board distributed \$5,208,000 for scholarships in the second year. Although it is early in the program, we are seeing some positive early trends.

Our ten university partners awarded 1,399 scholarships to students across South Dakota, an increase of more than 50 awards than the previous year. The average award amount per student increased in second year. Among the first- and second-year recipients, 247 students graduated between the Summer 2023, Fall 2023 and Spring of 2024. As a reminder, the final requirement of the SD Freedom Scholarship is to live and work in South Dakota for three years after graduation. On page 7 you will see the first-ever data reported about graduates who are in the South Dakota workforce. We are pleased to see the two employment sectors in which Freedom Scholarship recipients are employed are high need areas in our state: education and healthcare. Among these graduates are teachers, paraprofessionals, registered nurses and other healthcare workers.

Together with the universities, we expect to continuously learn and improve this program to meet the needs of our students and our workforce for the future of South Dakota.

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South Dakota Freedom Scholarship Report

South Dakota Freedom Scholarship presents its second scholarship report, which covers the academic year 2023-2024, specifically summer 2023 through May 2024. Before we begin, we want to thank and recognize our donors and their contributions: First PREMIER Bank/PREMIER Bankcard \$150 million; Avera Health and Sanford Health combined \$25 million over ten years; and the State of South Dakota, through your appropriations in 2021, \$50 million. To date, the combined endowments, which are held at the SD Community Foundation in perpetuity, total \$226 million.

Participating Universities

Ten universities which offer bachelor's degrees in South Dakota participated in 2023-24. This is one less than the first year due to the closure of Presentation College in Aberdeen, SD.

Scholarship Requirements - SDCL § 13-55A-16

- Maintain South Dakota residency for at least one year prior to the scholarship application.
- Attend an eligible institution.
- Demonstrate financial need*.
- Maintain a GPA of at least 2.0 while enrolled at the eligible institution.
- Be pursuing a baccalaureate degree.
- Graduate in five years or less.
- Commit in writing to live and work in South Dakota for three years after graduation.
- Acknowledge that any failure to meet these requirements will result in the conversion from a scholarship to an interest-bearing loan.

(*Cost of Attendance – Expected Family Contribution – Awarded Financial Aid = Financial Need.)

Administration of the Scholarship

The Freedom Scholarship Board hired Elli Haerter as its Coordinator in January 2022. The board sets the university allocations based on conservative earnings projections provided by the South Dakota Community Foundation as well as fall census data from each participating institution. The board gave broad approval to scholarship decision-making at the university level while complying with the requirements found in state statute (SDCL § 13-55A-16). As you can see, allowing institutions to set their award amounts and their ability to serve Pell-eligible students, which is the highest level of need, and other students with financial need resulted in some variance across the universities, which the board believes is part of how this program can be flexible and responsive to students.

Student Agreement

Each student completes a 14-page Freedom Scholarship packet as a requirement to receive the scholarship. This paperwork includes a promissory note along with all the required financial disclosures you would find for a private student loan. The interest rate should a scholarship revert to a loan is set at 4% simple interest. The repayment period allowed is monthly for ten years. Ahead, we have made a slight change to the terms, requiring a \$50.00/monthly payment starting with the 2024-2025 year awards.

Scholarship Promotion

Scholarship promotion includes an informative website, a series of videos as well as rapid response to inquiries from students and families. Twice a year there are social media campaigns on various platforms timed with college decision making and scholarship offers to have Freedom Scholarship advertised at the moments when it is also a potential part of a

student's decision-making process. Staff have also attended the Fall School Counselor workshops hosted in six locations around the state to speak directly to school counselors about this and other scholarship opportunities.

Joint Committee on Appropriations (JCA) Requested Information

Per the Letter of Intent from the Joint Committee on Appropriations, dated May 11, 2021 and the subsequent letter dated May 19, 2022, this report contains the following information:

The number of students receiving the freedom scholarship by:

- Academic semester;
- Institution;
- Amount awarded;
- Those who did not finish or complete their degree;
- Those who are currently working in the state as part of a three-year work obligation; and
- Those who did not fulfill a three-year work obligation.

Scholarship Success

1,399 Freedom Scholarships were awarded for the 2023-24 year. Roughly 50% of those were repeat award recipients, meaning they also received an award in 2022-23. The average award was \$1,945 up from \$1,862 in the first year. As you can see from the charts on the next pages, universities differed in their award amounts, which is reflected in the average award amount per student per semester column. Universities also had the option of considering awards for students who were not Pell grant eligible but still had financial need, so we opted to share this data with you as well. All universities had a difference in the number of awards given in the fall versus the spring. This can be explained in a couple of ways: new recipients during the spring semester; students who transferred and were awarded the scholarship at their new university; or students who withdrew at semester time, so they were not paid for the spring semester.

What's ahead

Lastly, we would like Legislators and others to know that we will have two areas of focus in 2025: continue to work with university partners to build key performance indicators and how they are tracked and increase the responsiveness of graduates.

**Freedom Scholarship Data 2023-2024 Academic Year
 DRAFT as of 10/21/2024**

Total 2023-2024 received from Freedom Scholarship - Amount (\$)	\$5,208,000
Total 2023-2024 Awarded by University - Amount (\$)	\$5,179,179
Total Amount Unspent by University from Freedom Scholarship for 23-24 (\$)	\$28,821

Total Students Awarded	1,399
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Fall 2023 Awarded (\$)	\$2,654,656	Spring Awarded 2024 (\$)	\$2,524,523
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Number of students receiving award for Fall 23 semester	1,365	Number of students receiving award for Spring 24 semester	1,298
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Average award amount per student for Fall 23: (\$)	\$1,945	Average Award Amount for Spring 24 (\$)	\$1,945
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Average award amount per student for 23-24 year:	\$3,702
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Received Bachelor's Degree- Summer 2023	10
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Received Bachelor's Degree -Fall 23	61	Received Bachelor's Degree Spring 24	176
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Number of Pell Grant-eligible recipients - Fall 22	932	Number of Pell Grant-eligible recipients Spring 23	876
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% Pell Grant-eligible	68%	% Pell Grant-eligible	67%
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Recipients who did not finish the 23-24 academic year at the institution where they started**	65
Recipients who did not complete bachelor's degree as expected during the 23-24 academic year**	31

**Staff seeks to better clarify which students count here in the future.

All responding Graduates who are currently completing 3 year live/work in SD requirement

235

All responding Graduates, not deferred, who did not complete the 3 year live/work requirement

26

All responding Graduates in deferred status (graduate school or military obligation)

42

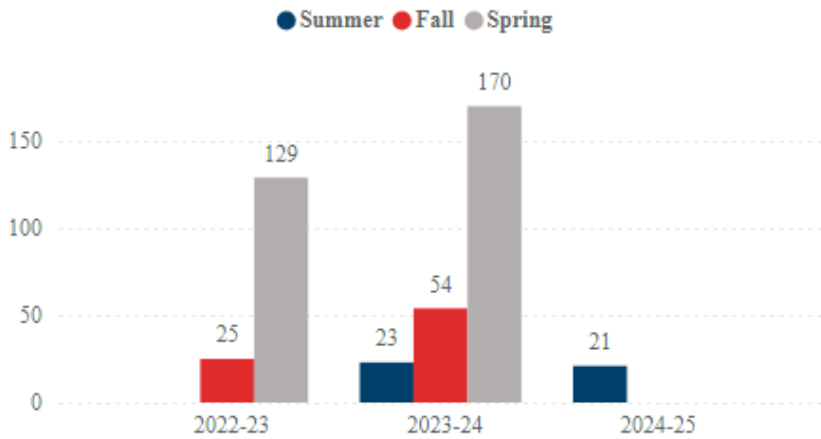
DRAFT

DRAFT as of 10/21/2024

Freedom Scholarship Fall 2023 recipients by grade level	Freshman	Sophomore	Junior	Senior	
Augustana University	28	24	21	16	89
Black Hills State University	32	25	21	31	109
Dakota State University	47	33	27	11	118
Dakota Wesleyan University	15	8	5	3	31
Mount Marty University	6	7	1	3	17
Northern State University	42	17	16	19	94
Presentation College	0	0	0	0	0
SD School of Mines and Technology	16	26	5	11	58
South Dakota State University	225	104	73	92	494
University of Sioux Falls	28	38	15	16	97
University of South Dakota	101	79	45	30	255
Total Students Fall 2022	540	361	229	232	1362

Freedom Scholarship Spring 2024 recipients by grade level	Freshman	Sophomore	Junior	Senior	
Augustana University	29	24	20	14	87
Black Hills State University	22	27	18	31	98
Dakota State University	27	39	24	17	107
Dakota Wesleyan University	16	8	5	2	31
Mount Marty University	5	7	1	3	16
Northern State University	23	25	18	23	89
Presentation College	0	0	0	0	0
SD School of Mines and Technology	10	20	16	14	60
South Dakota State University	156	122	81	121	480
University of Sioux Falls	14	35	18	26	93
University of South Dakota	63	77	64	31	235
Total Students Spring 2023	365	384	265	282	1296

Graduates by Graduation Period



Note: This graph also includes summer 2024 graduates even though they are not calculated in this report.

Graduates in Employment Sector



Note: This tree map only includes those graduates who have responded with their employment information. It depicts the top 10 workforce sectors; there are additional sectors but they are omitted because they appear very small on this map. This breakdown may change as the number of respondents increases.