



Vermont Financial Literacy Commission
October 24, 2016

Vermont Financial Literacy Commission Members Present:

Beth Pearce, co-chair, Vermont State Treasurer
John Pelletier, co-chair, Champlain College
Courtney Poquette, Winooski High School
Justin Brown, Colchester High School
Linda Tarr-Whelan, Tarr-Whelan Associates
Mary Niebling, Central Vermont Community Action
Mark Perrin, State Board of Education
Sabina Haskell, representing commission member Scott Giles
Thomas Leavitt, Northfield Savings Bank
Yvonne Garand, VSECU

Also Present:

Barbara White, citizen
Dylan Giambatista, Vermont State Treasurer's Office

CALL TO ORDER:

Ms. Pearce, co-chair, called the meeting to order at 2:04 p.m. The meeting was held in the Common Room of VSAC, 10 East Allen Street, Winooski, VT 05404.

Item 1: Approval of Meeting Minutes

Ms. Haskell noted a technical correction to the September 19, 2016 meeting minutes draft. The Commission approved the change. Ms. Niebling moved for adoption of the amended meeting minutes. The motion was seconded by Mr. Brown and approved by the Commission.

Item 2: Update on K-12 initiatives

Mr. Pelletier presented an updated version of the draft K-12 recommendations. He explained how he and members of the K-12 subgroup had attempted to incorporate the feedback of the Agency of Education (AOE) and other stakeholders by categorizing materials based on whom

would be responsible for implementation.

Mr. Pelletier shared feedback from the Secretary of Education that any recommendations related to distributing materials to teachers would need to be implemented in accordance with the Americans with Disabilities Act (ADA). Ms. Pearce explained that, while State websites are ADA compliant, she was not aware whether there were restrictions on how State websites link to external content that may or may not be ADA compliant. She said that the Treasurer's Office would investigate the matter to provide clarity to the Commission.

Mr. Brown noted that he had created a questionnaire/survey to gather some of the data noted in Sec. 2, § g. He shared that the plan is to have the Vermont Principals Association (VPA) and Vermont Superintendents Association (VSA) send out this questionnaire in the next few weeks, and that he hoped to have data for members to review at the November or December Commission meeting.

Ms. Tarr-Whelan inquired whether Commission members felt Sec. 2's heading provided enough direction. She recommended inserting additional language to provide guidance that AOE should expand its work to provide resources to supervisory unions, schools, and educators that wish to teach personal finance education. Commission members generally agreed.

Moving to Sec. 3, § b., Mr. Pelletier shared that he had met with the Vermont Business Roundtable (VBR) Education Committee to discuss whether personal finance instruction could be incorporated into the criteria for the Public School Medallion Program. He noted that VBR's response was generally positive. Mr. Pelletier said that he would report back to the Commission once VBR had an opportunity to offer a final response to the proposal.

Ms. Pearce inquired as to whether Sec. 3, § d was too specific in making a dollar recommendation for aid support. Mr. Pelletier agreed that presenting a dollar figure might be premature, given that no specific recommendation had been made. He suggested striking the amount and leaving the accompanying text.

Mr. Leavitt asked who would provide resources to accomplish the mission of providing K-12 educator training outlined in Sec. 3, § a. Mr. Pelletier explained that the reference was tied to the "public, nonprofit and business entities" described in the recommendation heading.

Mr. Pelletier requested that the Treasurer's Office review Sec 3, § e. with AOE to determine whether state law allows for economic incentives can be offered to supervisory unions. Ms. Pearce agreed and will report back to the Commission at its next meeting.

Ms. Tarr-Whelan asked why the K-12 subgroup's preliminary recommendation of identifying a point person at AOE to manage personal finance education needs no longer appeared in the draft. Mr. Pelletier reported that AOE said they lacked staff capacity to achieve the goal. Ms. Pearce suggested that language be redrafted to acknowledge AOE's resource constraints while at the same time recommending the importance of personal finance education efforts.

Ms. Tarr-Whelan advised that Sec. 3 should indicate that several legislatively enacted funds currently exist to enhance personal finance education opportunities. Mr. Pelletier agreed. Ms. Pearce wondered whether members of the General Assembly might elect to consolidate the funds into one new fund for the purpose of advancing financial literacy.

Mr. Leavitt described findings in the September 2016 Consumer Financial Protection Bureau (CFPB) study *“Building blocks to help youth achieve financial capability.”* He recommended that Commission members look at CFPB’s findings. Mr. Pelletier agreed.

Mr. Brown urged members to review the findings on pg. 8 of CFPB’s report. He noted the importance of critical thinking and career planning. Ms. Tarr-Whelan asked whether the Commission should include career planning in a broader statement within the Commission’s report. A broader discussion ensued about how the Commission should arrange its report.

Item 3: Higher education initiatives

Ms. Haskell shared that the higher education subgroup met on October 7, 2016 to review the draft recommendations presented at the September 19, 2016 Commission meeting. The subgroup included representatives from state and private colleges.

Ms. Haskell reviewed the feedback provided at the October 7 meeting. She noted that the subgroup expressed interest in the use of online finance tools, like side by side institutional comparisons, so prospective students can determine which educational institution is best suited for their needs.

Ms. Haskell shared that the subgroup had urged inclusion of a recommendation describing the cost of attending college in Vermont. It was also recommended that State resources be put toward reducing debt by offering additional student financial support.

Ms. Pearce inquired about the development of Sec. 2 § 3. and whether urging increased appropriations for grants was too narrowly worded. She noted that different higher education institutions service different populations of students, and that these populations may require different forms of aid. Ms. Pearce suggested that rather than single out specific forms of support, it might be advisable to amend the section to describe the broader issue of college affordability. Ms. Haskell agreed.

Mr. Pelletier commented generally on the higher education recommendations. He noted that the next steps of drafting might benefit from a review of the draft’s structure. Ms. Tarr-Whelan echoed the sentiment. The Commission branched into a more general discussion about the report drafting process.

Ms. Garand asked whether Commission members had contemplated a strategy for rollout of the report. Ms. Pearce noted that the submission of the report should coincide with outreach to the broader public and institutions that are trying to improve personal finance education. Ms. Tarr-Whelan agreed with Ms. Pearce’s recommendation to think about the broader community that

the Commission's report should reach.

Ms. Tarr-Whelan noted that there are many Vermont organizations that want to promote financial literacy. She shared an example of a Vermont chapter of Rotary International, where a group of members met repeatedly with their local school's staff to urge inclusion of personal finance education.

Ms. Niebling suggested that the report might benefit from identifying larger topical themes that cross into each subgroup's area of recommendations. Ms. Niebling explained that enlarged themes would allow the group to focus on emphasizing which areas of K-12, higher education, and adult recommendations were most important. Ms. Tarr-Whelan agreed.

Ms. Poquette shared that, in her experience as a public school teacher, community support of education initiatives was integral to advancing policy or curriculum changes. Mr. Perrin echoed Ms. Poquette's observation and listed some of the factors that create change within schools. Ms. Tarr-Whelan agreed and suggested that increased demand for financial literacy programming would likely result in increased classroom utilization.

Item 4: Update on adult initiatives

Ms. Pearce asked Mr. Giambatista to review the latest draft of the adult recommendations. Mr. Giambatista noted that the adult subgroup met on October 5, 2016 and that the latest edition of the draft document attempted to incorporate the group's feedback, as well as feedback received separately from Ms. Niebling and Ms. Garand.

Mr. Giambatista explained that parts of Sec. 1 were reorganized to address the fact that multiple State financial literacy outreach initiatives occur independent of one another. Ms. Pearce asked whether there should be a recommendation to encourage the General Assembly to direct State agencies to work together to combine their work and create efficiencies. Commission members were generally supportive of the concept.

Ms. Tarr-Whelan questioned whether separating the subject areas of K-12, higher education and adult financial literacy was precluding a broader conversation. She asked whether the Commission should consider creating one topical theme that relates to all age categories. Ms. Pearce explained that her intent was to focus the information so experts in each area could utilize the recommendations.

Ms. Garand asked whether the Commission should apply a more precise definition to adult, noting the variety of life circumstances that separate different adult experiences. Ms. Tarr-Whelan suggested that the draft highlighted two groups of adults – the general public, and more vulnerable populations. Ms. Pearce and Ms. Niebling agreed.

Mr. Leavitt asked about the genesis of the credit draft in Secs. 2 and 3. Ms. Pearce noted that the language was incorporate as a discussion piece and had not been vetted by the group. Ms. Garand explained that she provided the language to start a conversation about credit issues, but acknowledged that the current draft items were not fully formed. Ms. Pearce said that the next

adult subgroup meeting will focus on refining the credit draft and completing the additional recommendations.

Ms. Garand noted that State and Federal regulators do not always scrutinize credit worthiness the way that lenders do. Lenders such as Credit Unions, she shared, are on the ground in communities and may have a different view of residents' or institutions' needs. Ms. Pearce noted that current State law does not allow State monies to be invested in credit unions. She acknowledged that the Bank in Vermont program may serve as a model for a broader community investment discussion.

Ms. Garand emphasized the importance of differentiating Vermont's financial institutions from their national counterparts. Mr. Leavitt noted that Opportunities Credit Union has done community lending and have successfully navigated the risk of lending to traditionally less credit worthy populations. He further emphasized the importance of a lender's proximity to the community.

Mr. Giambatista and Ms. Pearce noted that the Treasurer's Office had made progress on the Achieving a Better Life Experience (ABLE) program. Ms. Pearce shared that an announcement would soon unveil details of the plan and how it will be implemented. Ms. Tarr-Whelan recommended that Sec. 4, § c. be edited to better express how ABLE will be available to individuals who experience a disability, and friends and families of said individuals.

Mr. Pelletier noted that Sec. 6 was developed as a broader call to action beyond state government to businesses and employers. He recommended redrafting the section title to clearly state that the emphasis was on Vermont workplaces.

Ms. Tarr-Whelan asked whether Ms. Falcone had participated in the drafting of Sec. 6. Mr. Giambatista noted that she had not been able to attend the most recent subgroup meetings, but that she had requested a copy of the recommendations. Ms. Tarr-Whelan encouraged the inclusion of Ms. Falcone's expertise on workplace financial literacy practices.

Mr. Pelletier praised the concept of giving financial wellness awards. He asked if Commission members had contemplated who would be the most appropriate individual/entity to grant the award. Ms. Garand asked whether personal finance education could be included in Vermont Business Magazine's "Best Places to Work" criterion. The Commission members voiced support of the concept.

Item 5: Report planning and next steps

Mr. Pelletier proposed that the Commission meet on November 21 and December 19. He presented a preliminary report drafting schedule for review. He noted that participation from Commission members would be helpful.

Ms. Tarr-Whelan recommended that a report format be developed to standardize the document for drafting purposes. Mr. Pelletier agreed.

Ms. Tarr-Whelan asked about what voice the report would use. Mr. Pelletier recommended an active voice describing each area. Ms. Tarr-Whelan suggested adding an overview section in the report to provide key summary information. Commission members generally agreed.

Mr. Pelletier discussed some of the Vermont data exhibits that could be included in the Commission's report. Ms. Tarr-Whelan expressed interest in enclosing the 2014 Financial Literacy Task Force study summary, and/or updating some of those data points with new data.

Ms. Tarr-Whelan emphasized the importance of developing a style guide for the report. The Commission agreed. Mr. Pelletier, Ms. Haskell, Ms. Tarr-Whelan and Mr. Brown will meet with Mr. Giambatista prior to the November meeting to develop the guidelines.

Ms. Garand asked whether funds in the Financial Literacy Trust Fund were available to provide support to the report drafting process? Mr. Giambatista shared that the Commission's enacting language describes support for financial literacy projects, but that it was unclear if report creation was an appropriate use of the monies. Ms. Pearce stated that, due to resource constraints, the report would need to be drafted without any technical support.

Item 6: Public Comment

Ms. White thanked the Commission for expanding its scope as it prepares to distill the group's findings into a series of recommendations.

Item 8: Adjournment

The Commission's next meeting will be held at VSAC's Common Room at 2:00 p.m. on November 21.

Mr. Brown made a motion to adjourn. Mr. Perrin seconded. Ms. Pearce adjourned the meeting at 3:44 p.m.

Attachments:

- K-12 draft recommendations
- Higher education draft recommendations
- Adult draft recommendations
- Reporting drafting process document
- Building blocks to help youth achieve financial capability