



DRAFT – Not yet approved by the commission.

Vermont Financial Literacy Commission

August 1, 2017

Vermont Financial Literacy Commission Members Present:

Beth Pearce, co-chair, Vermont State Treasurer
John Pelletier, co-chair, Champlain College
Courtney Poquette, Winooski High School
Linda Tarr-Whelan, Tarr-Whelan Associates
Mark Perrin, State Board of Education
Sabina Haskell, representing commission member Scott Giles
Thomas Leavitt, Northfield Savings Bank

Also Present:

Dylan Giambatista, Vermont State Treasurer's Office

CALL TO ORDER:

Mr. Pelletier, co-chair, called the meeting to order at 2:05 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. Pearce moved for adoption of the April 21 meeting minutes. The motion was seconded by Ms. Tarr-Whelan and approved by the Commission. Mr. Perrin abstained from the prior action, noting he did not attend the April meeting.

Item 2: 2017 Review

Mr. Pelletier started a review of financial literacy initiatives that advanced into law during the 2017 legislative session. An overview of H.326 (Act 29 of 2017, An Act relating to encouraging savings by participants in Reach Up and in the Child Care Financial Assistance Program) was presented. Mr. Pelletier shared examples of other states' initiatives to address or eliminate asset tests and how the adoption of H.326 could increase savings opportunities for Vermonters. A group discussion followed about policies to help Vermonters save.

Ms. Pearce discussed the development of the Green Mountain Secure Retirement Plan that passed as part of S.135 (Act 69 of 2017). She provided an update on how other states have approach creating broadly available retirement saving options for citizens. Ms. Pearce explained that the Multiple Employer Plan (MEP) proposal adopted by Vermont has proven durable as the U.S. Department of Labor has made changes to regulations governing retirement plans. It was noted that some state retirement models have been struck down due to the federal changes.

Ms. Pearce described the Green Mountain Secure Retirement Plan policy as an additive model as opposed to replacing existing retirement options available to employees. By law, an employer will have the option to voluntarily join the program, at which point auto enrollment would take place. Ms. Pearce noted that S.135 received near-unanimous support in both chambers of the General Assembly.

Ms. Tarr-Whelan asked whether any analysis had been conducted to assess how many Vermonters might utilize savings options available through the Green Mountain Secure Retirement Plan. Ms. Pearce shared estimates that indicated the total target population would be in the range of 40,000. She clarified that not all 40,000 would enroll in the first year of the plan's launch.

Ms. Pearce recapped VermontABLE's successful winter 2017 launch. VermontABLE is a tax-deferred retirement plan for qualified individuals who experience disabilities. Ms. Pearce shared information about the process by which Vermont contracted with Ohio's STABLE savings program, leaning heavily on stakeholder participation and feedback.

Ms. Tarr-Whelan praised VermontABLE for lifting asset limits that decreased saving opportunities. Ms. Pearce shared that preliminary enrollment, without advertising, had grown to 70 individuals. She explained that the Vermont Treasurer's Office is coordinating to participate in the ABL National Resource Center's August 2017 #ABLEtoSave initiative. The initiative, she noted, will include an advertising campaign starting in late August to increase enrollment.

Mr. Pelletier inquired about how many potential participants are expected to enroll in VermontABLE. Ms. Pearce presented preliminary data that suggested there are around 14,000 eligible Vermonters. Ms. Tarr-Whelan inquired about how tax deferral works. Ms. Pearce directed Commission members to VermontABLE.com for additional information.

Mr. Giambatista noted that there have been ongoing discussions to create an interagency taskforce within Vermont state government to review if and how government delivers personal finance education to citizens. Ms. Pearce shared that, in addition to the Administration, officials in the Attorney General's Office had expressed interest in participating in personal finance education and consumer protection initiatives. Ms. Pearce expressed optimism that the group will soon assemble to begin its work.

Mr. Pelletier provided an update on initiatives to add personal finance requirements to Vermont's education standards. He presented information about how many other states have added financial literacy components into social studies curriculums. He shared information about changes in

education standards, including vital elements standards, which previously contained content closely resembling personal finance.

Mr. Pelletier shared that he and Ms. Poquette were part of ongoing discussions with staff at the Vermont Agency of Education. He expressed optimism that any effort to incorporate personal finance requirements into education curriculums would be designed to limit unintended consequences, such as precluding a non-social studies teacher from delivering personal finance education in the classroom. Mr. Perrin shared his perspective that ongoing discussions have been undertaken with an aim of creating flexibility so personal finance becomes more broadly available.

Ms. Tarr-Whelan asked whether the State Board's movements are positive for personal finance education or problematic. She noted that the pace of schools adopting personal finance requirements was modest, at best. Mr. Leavitt echoed concerns that any movement toward adopting personal finance standards should not encumber existing efforts.

Commission members discussed whether it would be appropriate for the Commission to advocate for financial literacy as a graduation requirement. Mr. Pelletier, Mr. Perrin, and Ms. Poquette said that they would report back to the Commission after reviewing options and gauging where the Agency's work stands.

Ms. Poquette gave an update about Champlain College's Teachers' Financial Literacy Summer Institute, which met in June. 31 teachers, spanning a range of grades and subject areas, took part in the graduate level college course. Ms. Poquette noted that participating educators worked to develop a project to bring back to their students in the fall. Mr. Pelletier shared additional information about the Summer Institute. He expressed gratitude that the program was a success.

Tarr-Whelan inquired about the process by which Vermont's local education decision makers adopt curriculum plans and guidelines. Mr. Pelletier provided feedback from teachers who said that their boards and curriculum directors are starting to indicate more of an active interest in incorporating personal finance education into school curriculum. Mr. Perrin echoed that local action was critical to bringing financial literacy curriculums to students.

Mr. Pelletier gave an update on child savings accounts. He indicated that the Vermont Universal Children's Higher Education Savings Account Program Fund Advisory Committee had contracted to conduct a feasibility study to assess the capital required to fund the plans under current law. He noted that the Advisory Committee plans to present their funding recommendations to the General Assembly.

Item 3: Strategic Planning Discussion

Ms. Pearce asked Commission members which areas of financial literacy education they felt needed immediate attention. Ms. Tarr-Whelan reiterated concerns that the number of Vermont schools incorporating personal finance requirements was not moving quickly enough to meet the life skill demands students need to be successful citizens.

Mr. Pelletier suggested hosting a conference to focus attention on personal finance education. Ms. Pearce agreed that conferences can be beneficial, but noted that a daylong conference format can be limiting. A general discussion continued about how to reach a broader audience. Ms. Poquette noted that there are foundations who invest in supporting innovative efforts to advance financial literacy.

Ms. Tarr-Whelan said that the Commission members should identify goals before beginning to sketch out potential action. Ms. Pearce agreed and suggested creating and implementing an outreach and communications plan. She urged Commission members to think about what they would incorporate into such the plan.

Ms. Tarr-Whelan suggested one goal might be getting more schools to adopt personal finance curriculum and graduation requirements. Ms. Haskell put forth the goal of increasing the percentage of Vermont students who complete a FAFSA form so students who want to pursue higher education maximize federal financial aid. Mr. Pelletier stressed that including FAFSA completion as part of Vermont K-12 personalized learning plans would be one effective strategy to meet the goal. A general discussion about FAFSA utilization took place.

Ms. Tarr-Whelan suggested a third goal of establishing a clearinghouse or central repository for financial literacy resources. Mr. Leavitt recommended the goal of a workforce engagement initiative to drive enrollment and saving through the Green Mountain Secure Retirement Plan. Ms. Pearce agreed with Mr. Leavitt's concept.

After discussion, the Commission members identified the following goals: 1. Implement an outreach plan to more effectively reach Vermonters; 2. increase the number of Vermont students who complete a FAFSA form; 3) establish a new communications medium to refer Vermonters to reputable personal finance resources; and 4) increase Vermonters' retirement savings.

Item 4: Commission sunset

Mr. Pelletier noted that without legislative action, the Commission is set to sunset on July 1, 2018. Ms. Pearce suggested that the Commission should work the remainder of the year to finalize its goals and present early in the legislative session its findings and recommendations to the General Assembly.

Mr. Pelletier asked Commission members if there were agreed upon requests going into the legislative session. Ms. Pearce replied that any formal requests would require additional development in subsequent Commission meetings. Commission members generally agreed.

Mr. Leavitt questioned whether a government-led interagency taskforce could become the conduit for driving a conversation in the event the Commission was repealed in 2018. Mr. Pelletier warned against allowing a government-centric body to replace the collaborative process convened by the Commission. He shared a preference for ensuring any taskforce would be mandated to include private and nonprofit entities.

A discussion about legislative strategy took place. Ms. Pearce suggested that the Commission could invite to one of its future meetings the Chairman of the House Commerce and Economic Development Committee, Representative Bill Botzow. The Commission members agreed.

Item 5: Public Comment

No public comment was given.

Item 6: Adjournment

Ms. Haskell made a motion to adjourn. Mr. Perrin seconded. The Commission unanimously approved the motion to adjourn. Mr. Pelletier adjourned the meeting at 4:02 p.m.