



DRAFT – Not yet approved by the commission.

Vermont Financial Literacy Commission

May 22, 2018

Test Vermont Financial Literacy Commission Members Present:

John Pelletier, Co-Chair, Champlain College
Beth Pearce, Co-Chair, State Treasurer
Courtney Poquette, Winooski High School
Lisa Falcone
Mary Niebling, Capstone Community Action
Sabina Haskell, representing commission member Scott Giles
Scott Murphy, State Librarian
Thomas Leavitt, Northfield Savings Bank
Yvonne Garand, Vermont State Employees Credit Union

Also Present:

Dylan Giambatista, Vermont State Treasurer's Office
Laura Koes, Capstone Community Action

CALL TO ORDER:

Ms. Pearce, Co-Chair, called the meeting to order at 2:09 p.m. The meeting was held in the Community Conference Room at VSAC, 10 E. Allen Street, Winooski. Prior to approval of minutes, Ms. Pearce shared that the Financial Literacy Commission's sunset was not extended by the General Assembly and that the May 22 meeting would likely be the group's last. She thanked Commission members for their work and praised their accomplishments. Mr. Pelletier concurred, noting that the Commission had played an important role to improve awareness about the need for financial education.

Item 1: Approval of Meeting Minutes

Ms. Pearce presented the January 8, 2018 draft meeting minutes. Ms. Niebling requested a technical correction, which the Commission agreed to. Mr. Pelletier moved approval of the amended minutes. Mr. Leavitt seconded the motion. Ms. Niebling abstained, noting she did not attend the January meeting.

Items 2 and 3: Legislative Update and Next Steps

Ms. Pearce asked Mr. Giambatista to provide an update on financial literacy initiatives that were discussed, or came under consideration, during the months spanning the 2018 legislative session. After discussing the Commission's July 1, 2018 sunset, Mr. Giambatista recapped other activities related to the Commission's work. Mr. Giambatista noted that Ms. Haskell, Ms. Poquette, Ms. Pearce and Mr. Pelletier had provided testimony to the House Education Committee.

Mr. Giambatista provided an update on other activities, including the launch of the VermontSaves campaign, ongoing work by the Treasurer's Office to implement the Green Mountain Secure Retirement Plan and Vermont-ABLE, and the Vermont State Board of Education's successful approval of new personal finance education standards.

Ms. Pearce provided a brief update on the Vermont-ABLE program. Mr. Murphy noted that the Vermont Department of Libraries was also providing support to promote the program. Ms. Pearce thanked Mr. Murphy and noted that the Treasurer's Office was reaching out to different stakeholder groups to raise awareness about Vermont-ABLE and other programs.

Ms. Niebling encouraged that the Treasurer's Office continue its work to reach out to community services providers and practitioners. She inquired about how many Vermonters are eligible for the Vermont-ABLE program. Ms. Pearce indicated that preliminary estimates suggested the number of eligible Vermonters was in the range of 12,000 to 13,000. She explained that the U.S. Congress and other stakeholders, including State Treasurers, have advocated to expand ABLE's eligibility requirements so more citizens can save.

Ms. Falcone asked what the age eligibility requirements are for individuals who wish to utilize Vermont-ABLE. Ms. Pearce noted that the current cutoff for eligibility is onset of disability by age 26, but that there are proposals to expand eligibility to age 46.

The Commission asked Ms. Koes, a representative of Capstone Community Action, to join to present information about the launch of VermontSaves. Ms. Koes provided an update about the first campaign, which launched in February 2018. In order to increase awareness, Ms. Koes said that the coalition of organizations promoting VermontSaves will be seeking additional groups to promote the campaign.

Ms. Pearce suggested that the Green Mountain Secure Retirement Plan might be one opportunity to promote the VermontSaves campaign. Ms. Koes welcomed the opportunity to work with the Treasurer's Office.

Ms. Garand asked about how the number of Vermonters taking the VermontSaves savings pledge was being measured. Ms. Koes noted that the process requires a Vermonter to sign up. Ms. Koes and Ms. Niebling noted the importance of walking Vermonters through the process of signing up and taking a savings pledge, so as to ensure they complete all the required steps.

Ms. Garand asked whether there are Vermont forms, such as the Vermont tax return form, that could be modified to include a savings pledge for VermontSaves. Ms. Niebling noted that the

Commission had previously requested information about this topic. Mr. Giambatista noted that he had inquired about such changes with the Tax Department, and that there may be room for future discussions.

Ms. Pearce suggested that federal tax changes might provide occasion to renew the investigation into expanding State tax forms to include personal finance referrals. Ms. Pearce asked Mr. Giambatista to investigate, through the State Financial Literacy Work Group, whether state tax forms or booklets could be updated.

Ms. Falcone asked if VermontSaves was coordinating with the VITA tax preparation programs. Ms. Koes said that Capstone had explored opportunities to reach citizens during tax preparation. Ms. Falcone stated that utilizing the VITA sites to promote VermontSaves could help engage more Vermonters.

Ms. Pearce described recent successes of the Reading is an Investment program. She noted that the Treasurer's Office is exploring ways to expand reading and financial literacy programming through afterschool programs, or other similar programs.

Ms. Pearce said that the Green Mountain Secure Retirement plan was another option to expand VermontSaves. She provided an update on the plan's development, explaining that the Treasurer's Office will take the lead on promotion of the plan, once launched. Ms. Pearce welcomed ideas from the Commission. Commission members offered several suggestions for partners to promote the savings plan.

Ms. Pearce asked Mr. Giambatista to provide an update on the State Financial Literacy Working Group, which the Treasurer's Office and the Department of Financial Regulation convened in November. Mr. Giambatista explained that the Working Group had solicited information from State agencies and departments. The review work will continue this summer and fall.

Ms. Falcone asked whether the Working Group would specifically investigate State policies, such as benefit cliffs, that inhibit lower income Vermonters from building assets. Mr. Pelletier agreed that benefit cliffs remain the major policy issue, noting that the Commission in its 2018 report recommended that the General Assembly review such policies. Mr. Giambatista noted that the review would encompass the Agency of Human Services, where this type of analysis might be useful.

Ms. Falcone stated that the Commission's work has encompassed, to different degrees, financial literacy and financial well-being. She said that the State should focus on eliminating benefit cliffs, and other such barriers to saving, as they remain a barrier to financial and personal well-being. The Commission agreed that this work should continue beyond July 1.

Mr. Pelletier provided an update on the Vermont State Board of Education's vote to adopt robust financial literacy standards. He noted that the standards have been incorporated under global citizenship requirements. He expressed hope that the standards would be clarified to ensure the most possible students receive personal finance education in Vermont schools.

Mr. Pelletier shared that forty educators will be taking part in Champlain College's teachers financial literacy summer institute. He noted Ms. Poquette will be co-facilitating the trainings.

Mr. Pelletier further noted that Champlain College's center for financial literacy is working to arrange funding to develop tools and curriculum to implement personal finance in more Vermont classrooms. He said that he was working to explore updates to the high school offerings on teachfinlit.org.

Mr. Leavitt indicated that he needed to depart, praising the Commission's progress. He thanked the group for its work and continued focus.

Ms. Poquette expressed caution that local education policy makers might use the existence of new financial literacy standards to curtail the number of business educators. The Commission discussed this troubling possibility and agreed upon the value of delivering business education in Vermont classrooms.

Ms. Pearce recapped the Commission's 2018 recommendations. She noted the many areas of progress, but acknowledged that the work would need to be carried on by the State Working Group and other entities outside of the Commission. Mr. Pelletier agreed that there was more work to be done beyond July 1.

Ms. Haskell shared progress about 2018 FAFSA completion and college continuation rates. She noted VSAC's continued focus to help more students complete the FAFSA.

Ms. Niebling asked about funding for children's savings accounts. Mr. Pelletier shared that, while there was a desire to utilize existing funds for a pilot program, no law was advanced to enable experimentation. He expressed hope that legislation would be introduced in the 2019 session to allow for local experimentation and pilot projects.

Item 4: Financial Literacy Commission Fund Status

Ms. Pearce asked Mr. Giambatista to present information on the status of the Financial Literacy Commission Fund. He noted that the fund carried a balance of \$12,202.84 and that the Commission would have to authorize use for the Treasurer to expend the funds.

After discussion about the procedure to authorize fund use and the intent of the Commission, Commission members agreed to authorize use of the money to be used to promote personal finance education by transferring it to the Treasurer's Financial Literacy Fund for general financial literacy uses.

The Commission discussed a motion to transfer the funds. Ms. Pearce recommended that language be phrased to clarify that the Financial Literacy Commission fund balance not be used for ongoing Treasury programs, such as the Reading is an Investment program and other Treasurer's Office initiatives.

After discussion, Ms. Garand moved that the Financial Literacy Commission authorize the Treasurer to transfer the full balance of the Financial Literacy Commission Fund to the Financial Literacy Trust Fund, provided that these funds not be used for existing Treasury programs, but for new Treasury programs consistent with the January 2018 Financial Literacy Commission report. Ms. Haskell seconded the motion. All present members voted yes, with Mr. Murphy indicating his affirmative vote over the phone.

Item 5: End of Fiscal Year Wrap Up

Mr. Giambatista noted that Commission members may be entitled to per diem compensation, consistent with 9 V.S.A. § 6002. He furnished forms to members and requested that they be returned no later than June 8.

Item 6: Public Comment

No public comment was given.

Item 7: Adjourn

Ms. Pearce and Mr. Pelletier thanked Commission members for their efforts. Ms. Pearce made a motion to adjourn. Ms. Falcone seconded. Mr. Pelletier adjourned the meeting at 3:34 p.m.