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STATE OF VERMONT  
OFFICE OF THE STATE TREASURER

Local Investment Advisory Committee  
1.6.2015

**DRAFT --- NOT APPROVED BY COMMITTEE**

**LIAC Members Present:**

BETH PEARCE, Chair, Vermont State Treasurer  
SARAH CARPENTER, Vice Chair, Executive Director, Vermont Housing Finance Agency  
(Joined the meeting at 10:25am)  
PETER ADAMCZYK, Secretary, Energy Finance and Development Manager, Efficiency  
Vermont Designee  
STEVE GREENFIELD, Chief Operating Officer, Vermont Economic Development Authority  
Designee  
BOB GIROUX, Executive Director, Vermont Municipal Bond Bank  
TOM LITTLE, Vice President and General Counsel, Vermont Student Assistance Corporation  
Designee

**Also Attending:**

Tim Lueders-Dumont, Executive Assistant to State Treasurer Beth Pearce  
Steve Wisloski, Deputy Treasurer  
Chris D'Elia, Vermont Bankers Association  
Gwendolyn Hallsmith, Public Banking Institute  
Sabina Haskell, Vermont Student Assistance Corporation  
Scott Giles, Vermont Student Assistance Corporation  
Mike Stuart, Vermont Student Assistance Corporation  
Pam Chisholm, Community College of Vermont  
Representative Dave Sharpe (Addison-4)

**CALL TO ORDER:**

Ms. Pearce called the meeting to order at 9:05 am, which was held in the 4th floor Governor's Conference Room, 109 State Street, Montpelier, VT 05609.

**ITEM 1: Opening Remarks and Approval of Minutes**

Ms. Pearce took attendance. A quorum was reached. (Ms. Carpenter joined the meeting at 10:25am.)

**On a motion from Ms. Pearce, seconded by Mr. Giroux, the Committee unanimously approved the 12/9/2014 meeting minutes.**

A general overview of the meeting's purpose was delivered by Ms. Pearce. Ms. Pearce also gave a description of the effort of the Local Investment Advisory Committee (LIAC) to date and noted that the report to the Legislature is due on January 15, 2015. Ms. Pearce noted that the LIAC

would meet at 11am following the presentation of the panelists to discuss the drafting of the report.

Ms. Pearce noted that Mr. Little and Mr. Scott Giles (Vermont Student Assistance Corporation) would be charged with directing the meeting and the agenda.

**ITEM 2: Panel Discussion**

Ms. Pearce introduced the panelist below:

**Scott Giles, Vermont Student Assistance Corporation:  
Pam Chisholm, Community College of Vermont  
Mike Stuart, Vermont Student Assistance Corporation**

Mr. Giles provided an overview of the state and federal landscape for higher education financing and noted that Vermont ranks near the bottom in terms of funding provided by the state for higher education compared to the rest of the country. Mr. Giles noted that importance of higher education in learning a livable wage.

The group discussed common barriers in financing for students who are seeking payment options for higher education. Mr. Giles gave a brief overview of the current model that Vermont has adopted as well as the efforts and capacity of VSAC Vermont.

Ms. Chisholm gave an overview of the gap in federal support and made note of the different types of aid that are currently available in Vermont. Ms. Chisholm gave a overview of how Vermont families are paying for college. Ms. Chisholm and Mr. Giles noted that adult learners are a growing portion of the college population that is paying for their education in full and in navigating debt burden and financial aid.

The group discussed public/private partnerships to encourage students with low-cost options to pursue higher education in the state. The group discussed that there are examples of these programs in other states.

Mr. Giles and the group discussed a number of federal gaps having to do with change-of-status coordination with schools and federal programs. Mr. Giles and Ms. Chisholm discussed a number of issues relating to the lack of consistent federal support.

Mr. Giles discussed challenges with what is allowed to be borrowed and the cost of higher education in New England/Vermont. It was noted that a financing gap exists for students who need to be able to borrow more that is currently allowed. The group discussed that at current levels, state programs are not meeting the gap.

The group discussed making a recommendation to the Legislature to consider a resolution relating to the issue of dealing with higher education costs.

**Ms. Pearce brought a motion to the committee to make a recommendation in the final LIAC report to the Legislature to address the student debt issue and higher education financing issue in Vermont. The committee voted to include a recommendation to the Legislature in the final LIAC report.**

Mr. Stuart discussed in general, challenges accessing bond markets to raise capital for private student loan and gave a general overview of current gaps regarding higher education financing.

**Item 3:      Discussion of Legislative Report due January 15<sup>th</sup>**

Members of the committee discussed a plan going forward in submitting a final report to the Legislature. The committee agreed that each member of the committee would be responsible for drafting a portion of the report relating to the meeting that they organized. The committee noted that the Treasurer's staff would be responsible for the final review of the report before it is submitted to the Legislature. The committee agreed to meet on January 12<sup>th</sup> at 10am in the Treasurer's office to discuss the final report.

The group discussed the limits of the LIAC and the funds at the Treasurer's discretion. Ms. Pearce noted that the financing related to the LIAC would most likely be held to a 10-12 year limit; however, it was discussed by the group that there is a need found in all topics discussed in the meetings by the LIAC for longer term financing options. It was agreed that this observation should be noted in the final report to the legislature.

The committee agreed that the LIAC and the Treasurer would review financing proposals relating to the estimated \$8-10million. The committee agreed that the LIAC would accept proposals for review, between January 15<sup>th</sup>—March 2<sup>nd</sup>. The committee noted that a final report relating to the LIAC would be sent to the Legislature by June 30<sup>th</sup>. Ms. Pearce noted that the LIAC sunsets in July 2015.

Ms. Pearce noted that the scope of the LIAC was on short-term financing and limited to 10-12 year financing terms and other fiduciary limits at the discretion of the Treasurer; however, during the course of public meetings in which many topics were discussed, policy issues beyond the scope of the LIAC were noted and discussed at length—it was agreed by the committee that these additional findings would be represented in the final report.

**ITEM 4:      Adjourn**

**On a motion from Ms. Pearce to adjourn the meeting, seconded by Ms. Carpenter and Mr. Giroux, the Local Investment Advisory Committee meeting was adjourned at 12:10 p.m.**