

**Vermont Universal Children's Savings Account Program  
Program Fund Advisory Committee**

June 7, 2016  
9:00 - 11:00 a.m.

Members in Attendance: Kim Keiser, Shana Trombley, Dan Tukey, John Pelletier, Cheryl Houchens, Ellen McCulloch-Lovell

Also in attendance: Rich Westman

John Pelletier called the meeting to order at 9:10 a.m. Shana Trombley distributed a copy of the agenda, a copy of which is attached to these Minutes.

Update on Status of CSA Program. Shana provided an overview of our efforts to receive funding for the program from the State Legislature. While there was widespread support for Governor Shumlin's recommendation that the state raise the mutual fund fee there was no agreement to use the new revenues for the CSA program. The State Legislature remains committed to the belief that the program should and can be funded with philanthropic dollars.

Many committee members including: John Pelletier, Ellen McCulloch-Lovell, Janet McLaughlin, Dan Tukey and Shana Trombley offered testimony during the legislative session in favor of the Governor's proposal to fund the program using the fees generated by raising the licensing fee for mutual funds. Ellen and John commented that the legislators we spoke to were firm in their understanding that when this program was approved during the last legislative session they were promised that no state funds would be used for it. Rich recommended that the committee needs to explain to the legislature where this program fits in with the priorities of the legislative body. Shana noted that we were in the uncomfortable position of being pitted against funding for child care and funding for state colleges. Shana further noted that the CSA program should not be viewed as a competitor for higher education funding as the primary goal of the CSA program is to develop a "college-bound" mindset among all young Vermonters.

Discussion of next steps. The committee discussed and is open to the idea of lowering the "seed" amounts for the program. Shana noted that other states offer much lower initial "seed" amounts, ranging from \$25 to \$150.00. The committee discussed the possibility of lowering the "seed" amount to \$100 and \$200 (for low-income children). This change would mean that the program would cost about \$900,000 per year to seed fund all accounts. The previous price tag was \$2,250,000 (\$250/per child; \$500/per low-income child). The committee felt comfortable moving forward with this recommendation, though no final decision was made regarding the initial seed funding level.

The committee also briefly discussed creating a pilot program as opposed to a state-wide program but noted that a pilot program would be easier to execute if the program started in kindergarten as opposed to at birth as it would be easier to identify and capture the cohort. The committee also discussed the option of starting the program at kindergarten as opposed to at birth. This change also would lower the cost of the program as it would result in fewer years of

“matched” funding for low-income children. It also has the benefit of capturing a family’s attention at a time when the family might be more focused on their child’s education. Across the nation there are programs that start both at birth and at kindergarten. No decision was made.

During the discussion of a pilot program John raised the question as to whether or not we had the authority to create a pilot program or whether that would require a legislative change.

Other ideas. Shana floated a new funding idea in which we would assess a nominal fee for every student enrolled full-time in a Vermont-based higher education institution. The idea of the fee would be a "pay it forward" model in which current students contributed \$10 annually (\$5 per semester) into a pool that is used to fund the "seed" accounts. This approach could raise about a half million a year. Ellen raised concerns that were echoed by other committee members. The primary concern being that higher education institutions are working to keep their fees as low as possible (in part to attract out of state students and be competitive) and it would be difficult to build consensus among educational institutions to increase these fees.

Feasibility study. The committee discussed the value of conducting a feasibility study to determine if there is a willingness among the Vermont philanthropic community to annually raise the funds for the program. Ellen has had a preliminary conversation with Christine Graham, a fundraising expert in Vermont, and she has estimated that it would cost about \$18,000 to conduct the study. Committee members have pledged the following amounts towards funding the study: Governor Shumlin's Agency of Administration - \$9000; VSAC - \$2500 (to be confirmed); Champlain College - \$2500; Vermont Community Foundation - \$2000; Turrell Fund - \$1000.

The committee felt that prior to pursuing the feasibility study it would be valuable to host a meeting of potential stakeholders to determine the level of interest and commitment among likely allies. The committee discussed the many pressing issues that our state is facing including the aging demographics, lack of affordable childcare, expense of higher education, mounting student debt and more. The committee further discussed the role that CSAs can play in alleviating these problems and the need to share this information with likely allies. There was a strong consensus about the need to convene a meeting of stakeholders to determine the level of support for the CSA program prior to pursuing a feasibility study and/or returning to the the State Legislature next year to pursue state funding.

John offered to look into hosting the meeting at Champlain College. The committee discussed the timing of the meeting and felt that it needed to be held prior to mid-August when many of our likely allies in education will be busy getting ready for the new school year. Shana offered to write up our proposal for a stakeholder meeting and begin the invite list. The meeting proposal and invite list will be circulated among committee members for input. The guiding principal for the discussion will be the state goal of having 70 percent of Vermonters pursuing or having obtained a higher education degree by 2025.

Other Business. There was no other business.

Next Meeting. The next meeting date was not set.

Respectfully submitted,

Shana Trombley  
Committee member