

**Tennessee Financial Literacy Commission
Board Meeting
Executive Conference Room
Ground Floor, State Capitol
May 10, 2011
3:00 p.m.**

Attendees:

1. Treasurer David H. Lillard, Jr., TN Department of Treasury, ex officio
2. Ms. Elizabeth Williams for Commissioner Kevin Huffman, TN Department of Education, ex officio
3. Mr. Neil McDonald for Commissioner Greg Gonzales, TN Department of Financial Institutions, ex officio
4. Ms. Kimberly Gardner, Cordova, TN, appointed by Lt. Governor Ron Ramsey
5. Mr. Burns Landess, Memphis, TN, appointed by Lt. Governor Ron Ramsey
6. Mr. Garry McNabb, Cookeville, TN, appointed by Lt. Governor Ron Ramsey
7. Mr. Ward Mayer, Pipertown, TN, appointed by Lt. Governor Ron Ramsey
8. Mr. W. Craig Esrael, Bartlett, TN, appointed by Speaker Kent Williams
9. Mr. Chris Holmes, Nashville, TN, appointed by Speaker Kent Williams
10. Ms. Christy Malone, Elizabethton, TN, appointed by Speaker Kent Williams

Absent from the meeting was Mr. John Bruno, Brentwood, TN, appointed by Speaker Kent Williams

Treasurer and Chairman of the Board, David H. Lillard, Jr., called the meeting to order at 3:00 p.m.

Approval of Minutes for the December 6, 2010 Meeting

Treasurer Lillard asked if there were any corrections and/or additions to the minutes of the December 6, 2010 meeting of the board. Having none, on motion by Mr. Chris Holmes, seconded by Mr. W. Craig Esrael, the minutes were approved.

Annual Report to the General Assembly

Joy Harris, Public Policy Advisor to the Treasurer provided an overview of the report distributed to members of the General Assembly. She advised that the information is contained in the meeting material for the information of the board members, but each member should have received the report in January 2011. She provided an overview of the data contained in the report which included a summary of the December 6, 2010 meeting, minutes of the December 6, 2010 meeting, and a budget.

\$mart Tennessee Update

Dr. Julie Heath advised Board members that this year \$SMART Tennessee has trained teachers from 51 schools, and the assessments from the training will be performed by the University of Memphis Center for Research in Education Policy (CREP) and will be available in July or August of 2011. Treasurer Lillard asked that Dr. Heath explain the assessments and how they work. Dr. Heath explained that the assessments include pre and post testing of the elementary group targets and the middle school students. Dr. Heath advised that the schools receive a stipend, but the stipend is withheld until the teachers submit the assessments.

In addition to training this year, Dr. Heath advised that her goal was to improve the national recognition and stature of the \$SMART Tennessee program. She advised that a result of a CNBC news interview that ran, she has received several inquiries about the program and invitations to consult with other states, national leaders, ACHIEVE, and the US Department of Education about the program. Among the states that have contacted her and that may use the program as a model are Texas, Arizona and Maryland. She also advised that she will meet this month with Michelle Obama's Chief of Staff relative to the program. Another one of her goals is to have the Department of Education host a symposium of state treasurers, with our Treasurer, David H. Lillard, Jr., explaining how the partnership with the Tennessee Financial Literacy Commission and \$SMART Tennessee works. She also advised that she would like to involve Governor Haslam in her efforts to further financial literacy education.

Finally, she alluded to the recent legislation, which was landmark legislation for early financial literacy education. She advised that she helped author the legislation, and it makes Tennessee among the first to include financial literacy in the TCAP testing for 5th and 8th grade students.

Approval to Execute One Year Extension Option in \$SMART TN contract

Treasurer Lillard applauded \$SMART Tennessee for the great work that they have done in the field of financial literacy, and he commented that although they are in a 1/3 of all Tennessee elementary schools, he would like to see what would be required in the budget to expand the program to every elementary school in Tennessee in the future. There was further discussion about \$SMART Tennessee's involvement in the landmark legislation that will make financial literacy part of the TCAP testing for 5th and 8th grade students. Treasurer Lillard noted that the contract extension would enable \$SMART Tennessee to provide the financial literacy training as it has for the current contract. On motion from Mr. Garry McNabb, seconded by Ms. Kimberly Gardner and Mr. Ward Mayer, the board approved the contract extension for one year.

2011 Legislative Update

Ms. Joy Harris, provided information about the legislation that was recently passed by the General Assembly. She advised that the legislation should be signed by the Governor soon. As Dr. Heath alluded to in her SMART TN presentation, the legislation makes financial literacy part of the TCAP exam for 5th and 8th grade students, and it will be incorporated into the state testing in the next scheduled cycle for updating the tests. She also advised that the legislation contains some housekeeping items, moving the financial literacy statute out of the portion of the Tennessee Code that deals with higher education and into a new section of the code specifically created for the Tennessee Financial Literacy Commission.

Discussion of Financial Literacy Awards

Treasurer Lillard reminded the board the enabling legislation that created the Financial Literacy Commission has language authorizing the Commission to create financial literacy awards. Drawing on his experience as Treasurer for the Tennessee Sports Hall of Fame Treasurer Lillard led a discussion with all board members relative to his intent to have a banquet in the Fall 2011 to recognize persons, entities, and/or teachers who are doing outstanding work and excelling in financial literacy education. The banquet/reception would be a major fundraising event for the Commission. Upon his recommendation, a committee was formed to explore the type of awards that would be given and planning of the fund raising banquet/ reception. Members of the sub-committee are Mr. Ward Mayer, Chair, Mr. W. Craig Esrael, Mr. Garry McNabb and Mr. Kevin Roper as an ex officio advisor. Mr. Kevin Roper suggested a reception at the bunker at the Governor's Home, and he advised that he has planned numerous fundraisers and would be willing to help members of the committee.

Budget and Fundraising Discussion

Treasurer Lillard led a discussion with all board members regarding fundraising. Treasurer Lillard reiterated his desire to expand \$SMART Tennessee to all elementary schools state-wide. He also indicated that he would like to identify corporate sponsors. Mr. Ward Mayer commented that the Commission would need to get companies to realize value in partnering with the Commission. He provided an example of Dollar General, advising that they could potentially see value in partnering with the Commission because financial literacy would be important to the customers they serve. There was also discussion about other companies, such as Wal-Mart, that may be possible corporate partners. The consensus of the board was that a sub-committee needed to be formed relative to fund-raising. The sub-committee members are: Ms. Kimberly Gardner, Chair, Mr. Burns Landess, Mr. Chris Holmes, Mr. Garry McNabb and Mr. Ward Mayer.

529 College Savings Plan Update

Ms. LaKesha Page provided background information about 529 plans, and the plans in Tennessee. She advised that a team of Treasury employees have hired an industry expert and are meeting with vendors to determine the best course of action for Tennessee. The goal is to have a new 529 plan on the market by January 2012.

1023 Status Update

Mr. Paul Robertson, Staff Attorney for the Treasury Department, advised the board of the information needed from each of them for form 1023 that he must file on behalf of the Commission. He advised that he sent an e-mail to each board member requesting the data, and six of 11 board members have provided the requested information, and he asked that remaining board members complete the questionnaire and return the data to him.

Other Business

Mr. Burns Landess suggested that the board use the media to build public awareness about the program.

Joy Harris reminded board members about the reception immediately following the meeting.

With no further business, the meeting adjourned at 4:11 p.m.