

Minutes
Board of Directors Meeting
Tennessee Financial Literacy Commission
January 22, 2013
Conference Room, Tennessee State Capitol

The Tennessee Financial Literacy Commission convened on the above date in the Executive Conference Room located on the Ground Floor at the State Capitol. David Lillard, Jr., State Treasurer called the meeting to order at 2:00 p.m.

Attendees

1. Treasurer David H. Lillard, Tennessee Department of Treasury, ex officio
2. Commissioner Greg Gonzales, Tennessee Department of Financial Institutions, ex officio
3. Ms. Tammy Shelton, designee for Commissioner Kevin Huffman, Tennessee Department of Education, ex officio
4. Mr. Burns Landess, Memphis, TN, appointed by Lt. Governor Ron Ramsey
5. Mr. Chris Holmes, Nashville, TN, appointed by Speaker Kent Williams
6. Mr. Garry McNabb, Cookeville, TN, appointed by Lt. Governor Ron Ramsey
7. Mr. John Bruno, Brentwood, TN, appointed by Speaker Kent Williams
8. Mr. Ward Mayer, Pipertown, TN, appointed by Lt. Governor Ron Ramsey
9. Mr. Michael Martin, Nashville, TN, appointed by Speaker Beth Harwell

Approval of Minutes

Treasurer Lillard requests approval of the minutes of the April 10, 2011 meeting. There are no changes or corrections filed regarding the minutes. On motion by McNabb, second by Gonzales, the Board approves the minutes.

Election of Officers

The Treasurer calls for election of officers. McNabb nominates Lillard for Chairman. A vote is called, and Lillard is confirmed as Chairman.

Lillard nominates the current Vice Chair and Secretary again. A motion is called for, and they are reconfirmed.

Fundraising

Rachel Barrett gives an overview of the fundraising program that has been planned for the upcoming year. She explains that they have raised \$150,000. She announces a goal of raising \$250,000. She suggests blocking off dates between April 9-16, 2013, as dates for the major fundraising dinner at the Capitol. A date will be finalized in the near future.

Cari Johns reiterates the goal of raising \$250,000. She explains that the \$125,000 of the money already raised was from a grant, and the rest was from fundraising. She announces the prospect list of top grossing companies in Tennessee and banks.

Treasurer Lillard explains that the dinner was the primary fundraiser for the Commission. He calls for help from the other commission members to raise money through contacts or through personal efforts. The Chairman calls for questions. Seeing none, he moves to the next item.

Annual Report

Treasurer Lillard talks about conducting “pilot summits” for financial literacy education in 2012. He says that the summits have educated 500 teachers on financial literacy. He also mentions the Commission’s partnership with Visa, which donated 1500 Financial Football DVDs that were distributed to schools throughout the state. He also talks about Jake Locker’s appearance at a local high school, where he coached a team of high school students against the Treasurer’s team of high school students.

The Treasurer calls for questions and comments.

Burns Landess asks about the grade range for the summits. Treasurer Lillard explains the grade range.

Commissioner Gonzales asks about the overarching goal of the summits. Treasurer Lillard says that the goal is to get financial literacy into every classroom. He also suggests that it was a possibility that future summits could be delivered in a different forum. Treasurer Lillard gives two further views. The first is to find a different forum to get more people involved in the summits. The second is a marketing principal, to convince people financial literacy is a worthy product through outreach. A possible vehicle would be through a quarterly flyer mailing.

Commissioner Gonzales says he would be willing to talk about the program while he was traveling to schools around the state.

Gary McNabb asks if teachers were getting continued education credit for attending the summits. Treasurer Lillard explains that some do, and some do not. Lillard says a main focus is on incentivizing with the \$50 Amazon gift card, because training is not required.

Jackie Morgan with the Federal Reserve emphasizes the importance of collaborative efforts—meeting the teachers in a convenient proximity, offering incentives, etc. Treasurer Lillard echoes the sentiment, adding that teachers have little time to travel.

Burns Landess mentions that most teachers get through school with loans. He offers an idea about financial planning summits. Treasurer Lillard responds, saying that teaching financial literacy in schools was a way to educate the whole state.

Tammy Shelton says that the social studies curriculum standards will be changing, and will be implemented in the 2013-2014 school year. She says that Tennessee History and Personal Finance will be two new strands in the curriculum.

Treasurer Lillard calls for motion to send the report to executive committee. Chris Holmes makes a motion and Garry McNabb seconds it. The ayes have it.

Budget

James Armistead explains about the Dept. of Financial Institution's \$125,000 grant. Treasurer Lillard says that \$7000 was paid to Dept. of Financial Institution through a liquidation of funds. Armistead continues with the explanation of the budget for the summits and the variable estimated cost.

Garry McNabb asks what the indirect cost of the summits is. Treasurer Lillard explains.

Garry McNabb asks how much was paid to Barrett-Johns. The Treasurer replies, \$6000-\$7000.

Commissioner Gonzales explains that the Dept. of Financial Institution's \$7000 grant came from a settlement in real estate. It is not money out of the budget.

Chris Holmes asks if the incentive line in the budget is the Amazon gift card. James Armistead explains the item. Treasurer Lillard says that it is a good cost because teachers loved it and it is good promotion for the summits. James Armistead further explains that an online survey had to be taken before teachers could get the gift card.

John Bruno moves to adopt the budget, and Tammy Shelton seconds. The ayes have it.

Overview of Competitive Procurement

Treasurer Lillard explains that three responses had been received for the competitive procurement, and that the evaluation team is reviewing. Those filing for the competitive procurement had the option of doing a statewide initiative or just one of the grand divisions.

Josh Stites says that they had been advised to not disclose what three organizations had filed for the competitive procurement.

Update on Teacher Training

James Armistead updates the Commission on the teachers' reaction to the summit, saying that they were overwhelmingly positive. He also says that he has been getting a positive reaction from people who wanted to be guest speakers at the summit.

Gary McNabb shares a story about going to Kentucky to a financial literacy summit. The program offers financial literacy program for soldiers and their families.

College Savings

LaKesha Page gives an overview of the TNStars program, launched September 18, 2012. LaKesha Page says that the investments total just under \$3 million. She says that others states are now looking to the Tennessee model. Page explains the incentives, and how successful they have been. LaKesha Page explains that, through a partnership with Everfi, an interactive tutorial will be launched that will help parents understand the program. LaKesha Page says that Tennessee is the first state Everfi has worked with.

LaKesha Page says that she looks forward to working with employers offer payroll deduction options for employees.

Burns Landess asks about the 35 basis points subsidy. Page explains.

Treasurer Lillard adds that TNStars has received national attention. While most states hire third party companies to administer the program, Tennessee administers the program from the top down. Lillard says that Tennessee is fourth in the nation in cost, and he hopes to build a larger asset base.

Chris Holmes asks if there are niches that are doing well. Lakesha Page responds that Morning Star did research on real dollar value to participate in a 529, and found that \$250 was the value. She says that the incentives are offered to gives Tennesseans that value.

With no further business, Treasurer Lillard adjourned the meeting.