

John Pelletier

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Janet McLaughlin, Vermont Community Foundation

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Thanks so much for the opportunity to express my support for the Universal Child Savings Accounts and encourage this committee to embrace this program as a unique opportunity to set Vermont kids on the path to college and post-secondary education early on through a partnership between the State, families, companies and the philanthropic community.

I'm here to discuss the role of the philanthropic community. Our committee has done initial research and we have not identified philanthropic sources that could endow the whole program as Mr. Alfonse did in Maine. We would need an endowment of \$50M to \$70M to fully fund this program. For context, the Vermont Community Foundation's entire asset base is about \$200M. John tells me that the \$70M amount is more than Champlain College's endowment.

I do believe that there is sufficient philanthropic energy in the state to support the "matching funds to low-income families," as many in the state share the concern for our low rate of students going on to college and the impact of that on their self-sufficiency and our economy as a state.

Having the fundraising focus on those matching funds to low-income families makes sense for a couple of reasons:

- 1) It would be the most compelling case to foundations, business, individuals and even community groups who would be providing support directly to those low-income families who are planning ahead for their kids' education. You can imagine a scenario in which a regional bank is providing the matching dollars for kids in their communities. Or where a group of high-schoolers is raising money for their own college savings accounts – and also making a contribution to kids whose families have fewer resources.

The second reason:

- 2) It would provide time to ramp up the fundraising effort, from perhaps \$100,000 in the first year to closer to \$2M annually 18 years from now. Without a large angel donor, you just can't raise millions in the early years of any effort.

So I know that you all have so much on your plate – and that many people are asking you for a great deal. In my opinion, the need to increase our rate of postsecondary educational attainment is evident, the evidence for child savings accounts is strong, and that this could be a very strong, successful, flagship program for Vermont.