Vermont Public Banking Congress

Final Integrated Report

Host: White River Natural Resources Conservation District, with Vermont Law and Graduate School's Center for Agriculture and Food Systems
Event dates: August 4–5, 2026
Contents: Presentations and panel; farmer discussion; afternoon breakouts; closing circle; emerging questions and next steps
Resources: Video https://youtu.be/3_PkIvgoAvU?si=ji3vXnArU04grWYQ Website www.whiterivernrcd.org/public-banking

Central takeaway: Vermont has a strong foundation for exploring public banking, including programs that invest public funds locally, community lenders with deep relationships, and farmers, Conservation Districts, and other local organizations that understand where financing gaps remain. The Congress brought these perspectives together to examine what a Vermont public bank could add, identify questions requiring further work, and explore concrete applications that could inform future decisions.

1. Purpose and framing

Jennifer Byrne, District Manager, White River NRCD, opened the Congress by framing public banking as a practical extension of locally led conservation work. Conservation districts were created to connect public programs with local knowledge and priorities. In the District's experience, conservation and farm-viability projects are often limited not by a lack of good ideas, but by whether farmers and communities can access affordable, timely capital.

- Farmers create real value from land, sunlight, water, knowledge, labor, and risk, yet frequently lack the upfront cash or financing needed to farm, recover from disasters, or implement conservation.
- The Congress was designed as an educational and exploratory gathering, not simply a series of expert presentations: participants were invited to help identify what a Vermont public bank should prioritize and what steps would make it possible.
- The conservation-district lens emphasized decentralized, watershed-based government and the responsibility of local institutions to carry community priorities into state and federal policy.

2. What money and public banking are

Money as public credit

Christine Desan, Leo Gottlieb Professor of Law at Harvard Law School, described money as a form of public credit. Using the Civil War greenback as an example, she explained that a government can spend promises into circulation and accept those promises back in payment of taxes. The value of the instrument rests on the public system supporting and accepting it—not only on a commodity such as gold or silver. Diagrams viewable here.

- Money is designed through law and public institutions; it is not a fixed or purely private phenomenon.
- Modern commercial banks create much of the circulating money supply through lending, operating within a publicly chartered and supported monetary system.

- Because the system was designed, it can be redesigned. A bank participating in money creation and credit allocation can be publicly owned and directed toward public purposes.

What distinguishes a public bank

A public bank is not simply a grant program, revolving loan fund, bond bank, or development authority. Like other banks, it can accept deposits, extend credit, manage liquidity, and leverage its balance sheet. Its ownership and mission allow the value generated through those activities to remain in and serve the jurisdiction that owns it.

- Public deposits can remain within the state rather than being placed with large out-of-state financial institutions.
- Loans and investments can be aligned with public priorities, while the bank still maintains underwriting, capital, liquidity, and risk standards.
- A public bank can partner with local banks and credit unions instead of competing with them.
- Profit is a means of sustaining and expanding the public mission—not necessarily the sole purpose of the institution.

3. The Bank of North Dakota model

Don Morgan, President and CEO of the Bank of North Dakota (BND), presented BND as a public bank that must operate with private-bank discipline. Its mission is to promote North Dakota agriculture, commerce, and industry while strengthening the state's community banks and credit unions.

Core structure

- State ownership with operational separation. BND is owned by the public, but its day-to-day banking decisions are insulated from direct legislative management.
- Industrial Commission governance. The Governor, Attorney General, and Agriculture Commissioner act as the bank's board. Because their election cycles are staggered, the bank is less vulnerable to an abrupt replacement of its entire governing body.
- Professional management. The bank hires bankers and gives them the authority and responsibility to operate the institution, including the duty to refuse transactions that would place deposits at unacceptable risk.
- Oversight and transparency. BND receives annual safety-and-soundness examinations, publishes audited financial statements, and receives an external credit rating. Customer loan information remains confidential.

Partnership—not competition—with local financial institutions

BND generally does not solicit retail deposits or compete for ordinary customers. Instead, it works behind the scenes with approximately 91 North Dakota financial institutions. A local bank may originate and service a loan while selling part of that loan to BND. This gives the local bank liquidity, shares risk, preserves the customer relationship, and can allow it to make loans it might otherwise decline or limit.

- Participation lending is the 'trunk of the tree': a mostly market-rate portfolio that supports the bank's earnings and relationships.
- Special-purpose programs—including interest-rate buydowns, disaster programs, student loans, rural housing support, and regenerative-agriculture pilots—are built on top of that core infrastructure.
- BND also provides lower-cost back-office and Federal Reserve-related services to community banks and credit unions.

Leverage and public value

A recurring theme was leverage: deposits support a larger volume of loans; BND's participation can enable a partner bank to extend additional credit; and relatively small interest-rate buydowns can affect much larger amounts of private investment. State funds therefore do more than sit safely or finance one project at a time—they become part of a managed flow of capital within the state.

- BND holds state operating deposits and balances loans with liquid securities so it can meet state cash-flow needs.
- It can provide construction lines or other interim financing that reduce the cost of issuing long-term bonds before a project needs all of its capital.
- During disasters or market disruption, BND and its local partners can rapidly deploy programs using relationships and systems that already exist.

Risk management is foundational

> **Morgan's central caution:** A public bank is a powerful financial tool, but it is not everything to everyone. Its first duty is to protect public deposits. Mission-based lending depends on sound underwriting, liquidity, capital management, interest-rate risk management, technology, compliance, and experienced staff.

- A public bank cannot place every desired project on its balance sheet or operate every program below market rates.
- A durable model needs profitable or market-rate activities that support more targeted public-purpose programs.
- Treating a bank operationally like an ordinary state agency can interfere with the specialized procurement, technology, staffing, and decision-making needed to run it safely.

4. If starting a public bank today

Morgan recommended a staged approach, while emphasizing that Vermont must design the model that fits Vermont.

1. Build support among community banks and credit unions by showing how a public bank can increase their lending capacity, share risk, provide liquidity, and strengthen—not replace—their customer relationships.
2. Secure a limited initial deposit base and a planned pathway for additional public deposits as the institution proves itself.
3. Establish durable governance and operational independence, paired with accountability to elected government and the public mission.
4. Hire experienced bankers and build the core system: technology, operations, credit analysis, credit decision-making, compliance, enterprise risk management, interest-rate risk management, and stress testing.
5. Begin with straightforward participation lending and relationships rather than immediately creating numerous subsidized specialty programs.
6. Reach profitability and demonstrate safe performance; then scale deposits and add targeted programs chosen through the state's policy and governance process.

Morgan offered a rough illustrative estimate—not a Vermont feasibility analysis—that a small bank might require approximately $5–10 million annually during its early years and could potentially reach profitability in three to five years. Any Vermont proposal would require its own detailed capitalization, operating-cost, deposit, revenue, risk, and regulatory analysis.

5. Vermont's existing foundation

LIAC and Invest in Vermont

Representative Esme Cole and other panelists emphasized that Vermont already has part of the institutional foundation through LIAC and the Invest in Vermont program. The program grew from earlier public-banking advocacy and directs a portion of state cash toward Vermont investments through partnerships with existing institutions.

- The transcript reports more than $130 million invested in housing and high-economic-impact initiatives, approximately 1,700 housing units, nearly 200 permanent jobs, and more than $600 million in leveraged capital. These figures should be checked against Treasury records before external publication.
- Examples discussed included housing partnerships involving Heritage Family Credit Union in Rutland and Claremont Savings Bank in White River Junction.
- The current system brings together the Treasurer's Office and Vermont's existing financing entities and demonstrates that public funds can be invested locally in partnership with financial institutions.
- However, LIAC, the Vermont Economic Development Authority, the Vermont Housing Finance Agency, the Vermont Student Assistance Corporation, and similar entities are not themselves deposit-taking banks. They cannot leverage deposits or create credit in the same manner as a chartered bank.

The 'sapling, not a seed' strategy

The strongest Vermont-specific strategic proposition in the discussion was to use LIAC/Invest in Vermont as the base for further development. Rather than introducing a public-bank proposal that appears disconnected from existing institutions, Vermont could examine what legal, governance, financial, and operational changes would allow the current structure to evolve.

- Map LIAC's current statutory authority, membership, governance, investment policies, partner relationships, and performance.
- Clarify the distinct functions of LIAC, the Treasurer, VEDA, VHFA, VSAC, the Vermont Bond Bank, community banks, and credit unions.
- Identify what accepting public deposits and operating as a bank would add—and what new risks, regulation, staffing, and infrastructure it would require.
- Use existing projects as evidence that public investment can benefit local lenders rather than compete with them.

6. Panel overview: distinct perspectives on the Vermont opportunity

The panel was facilitated by Julie Davinson and brought together complementary perspectives: monetary and legal design, the operation of an existing public bank, federal infrastructure finance, Vermont legislative strategy, and national movement-building. While the discussion converged around several common lessons, each panelist contributed a distinct part of the overall case.

Julie Davinson — framing the Vermont question

Davinson framed the panel around synthesis and application: after hearing what money is and how the Bank of North Dakota works, what do those lessons mean for Vermont? Her questions focused the discussion on governance, lessons from other public-bank campaigns, Vermont's political and institutional starting point, and the practical steps needed to move from interest to a viable proposal.

Professor Christine Desan — sound design, public momentum, and financial-sector engagement

Desan compared public-banking efforts in Massachusetts and California. Massachusetts advocates devoted substantial effort to a technically sound banking model, including a proposed public bank with powers comparable to a commercial bank, a clear public mission, a board of directors, and a broadly representative advisory structure. However, the effort did not build comparable public momentum. California organizers built much stronger mobilization, but around a banking framework Desan viewed as less workable.

- Her central lesson for Vermont was to combine the strengths of both efforts: rigorous legal and banking design, visible public organizing, and meaningful engagement with community banks and credit unions.
- She encouraged Vermont to borrow useful elements from Massachusetts, North Dakota, and other models rather than treating any one state's structure as a complete template.
- She emphasized that support from local financial institutions would be ideal, but even neutrality could materially improve a proposal's prospects.

Don Morgan — Vermont may have the ingredients, but must build the bank correctly

Morgan reflected on what he had heard from Vermont farmers, legislators, advocates, and financial-development leaders during the visit. Compared with other states exploring public banking, he saw Vermont as having unusual potential because of its scale, civic culture, existing institutions, agricultural networks, and accumulated experience with local investment. He described Vermont as possibly having the 'secret sauce' to move the idea forward.

- He reinforced Desan's point that structure and mobilization must advance together—not as substitutes for one another.
- He repeatedly cautioned that Vermont should not copy North Dakota mechanically. The transferable lessons are partnership banking, governance, professional risk management, and staged institutional development.
- When asked whether Vermont could begin with LIAC rather than starting from nothing, he agreed that Vermont may already be farther along than it realizes, while maintaining that the state must still build the core banking infrastructure correctly.

Alphecca Muttardy — a National Infrastructure Bank and the federal scale

Muttardy widened the discussion from state public banking to a proposed federal National Infrastructure Bank. She argued that annual federal, state, and local budgets—and private commercial lending—are not meeting the nation's infrastructure needs. The proposed institution would provide long-term lending across transportation, water, power, schools, broadband, affordable housing, rail, and other public infrastructure categories, while operating outside the annual appropriations process after capitalization.

- She presented the bank as a lender of last resort intended to complement—not displace—state public banks, local lenders, and bond markets.
- In response to audience questions, she said the proposal includes rural communities, USDA-related investment, farmers, and regenerative agriculture, and acknowledged the need for deeper engagement with local banks.

- Her presentation located Vermont's state-level conversation within a larger national question: how public credit could meet infrastructure needs that existing financing systems leave unfunded.

Representative Esme Cole — build from LIAC and the Invest in Vermont record

Cole offered the most detailed Vermont-specific legislative and institutional analysis. She began from the burden of interest: taxpayers finance public projects, but a substantial share of total project cost can go toward borrowing rather than the underlying public asset. A public bank could both reduce the loss of interest outside Vermont and use banking leverage to expand the state's financial capacity.

- She identified LIAC and the Invest in Vermont program as a major accomplishment arising from earlier public-banking advocacy—not a minor substitute to be disregarded.
- She cited the program's investments in housing and high-impact initiatives, its partnerships with local lenders, and its ability to leverage outside capital as evidence that Vermont already has relationships and institutional coordination on which to build.
- She rejected the argument that Vermont's existing development authorities make a public bank redundant: VEDA, VHFA, VSAC, and related entities provide essential financing, but they do not accept deposits and cannot use a bank balance sheet in the same way.
- Her strongest strategic conclusion was that future public-bank legislation should be grounded in LIAC/Invest in Vermont and the Treasurer's existing work. In her view, ignoring that base would be politically and practically unproductive.
- She also stressed the importance of using current local-bank partnerships as trust-building demonstrations that public investment can expand, rather than compete with, local lending.

Walt McRee — Vermont's history and the need for an organized constituency

McRee placed Vermont within the broader public-banking movement and recalled the state's earlier campaign, including municipal support and the political compromise that led to directing a portion of state funds toward local investment rather than creating a bank. He described LIAC as evidence that Vermont already possesses part of the advisory and institutional architecture from which a stronger public-finance entity might grow.

- Drawing on the Public Banking Institute's work with initiatives across the country, he emphasized that every jurisdiction needs a locally tailored strategy; no single municipal or state model can simply be transplanted.
- He pointed to California's municipal and regional experiments as examples of varied interim structures, while also warning that legal requirements can constrain a public bank by forcing it to operate like a conventional private institution.
- His principal political message was that legislators cannot carry the proposal alone. Technical legislation requires an organized public constituency capable of countering banking-industry opposition and sustaining the effort.
- He directed participants to the Public Banking Institute and the National Infrastructure Bank Coalition as sources of research, education, organizing, and opportunities for continued involvement.

Where the panel converged

- Vermont should treat LIAC/Invest in Vermont as a meaningful starting point and determine what it can—and cannot—become.
- A viable proposal needs both strong technical architecture and organized public support.
- Community banks and credit unions should be engaged as potential partners and beneficiaries, not treated as interchangeable with large institutions holding state deposits.

- Public mission does not eliminate the need for professional banking, careful governance, and protection of public funds.
- Agriculture, housing, disaster resilience, and infrastructure provide concrete ways to explain why public banking matters, but Vermont will need to choose a manageable starting function.

7. Political and organizing lessons

A technically sound model is necessary but insufficient

Professor Desan contrasted Massachusetts, where advocates invested heavily in technical design but built less public momentum, with California, where organizers built greater momentum around a weaker banking model. The suggested lesson for Vermont was to combine sound structure, public mobilization, and serious engagement with the financial sector.

- A credible proposal needs a business model, governance model, regulatory pathway, and risk framework.
- It also needs organized public support strong enough to withstand opposition from institutions that currently hold or benefit from public deposits.
- Farmers and ranchers were identified as a potentially powerful constituency because access to capital, farm debt, disaster recovery, and fair financing directly affect them.

Expect opposition—but distinguish local lenders from large deposit holders

Multiple speakers described past opposition from banking interests and warned that large institutions holding state deposits have a direct financial reason to resist losing them. At the same time, treating the entire financial sector as a single opponent could alienate community banks and credit unions that might benefit from a partnership model.

- The message to local institutions should be affirmative: a public bank could help them make more loans, share risk, gain liquidity, and retain customer relationships.
- Existing Invest in Vermont partnerships can function as trust-building demonstrations.
- Claims that a public bank would harm Vermont's bond rating were raised as a past argument that requires direct, independent analysis rather than repetition or dismissal.

8. Farmer presentation: agriculture, land, and capital

Morgan's presentation to farmers the evening before the Congress put the banking discussion in a more personal agricultural frame. Drawing on his experience as both a rancher and a community banker, he contrasted two family operations to show that finance, management, soil health, and succession cannot be separated.

Two ranch stories

A traditional Wyoming ranch. Morgan described the ranch where he grew up as a multigenerational operation organized around conventional production targets—including calving in February to reach a desired fall sale weight. The ranch remained locked into inherited practices, did little succession planning for the next generation, and was ultimately sold and divided into 40-acre parcels. He offered it as one version of a widespread pattern: viable working farms and ranches disappearing when the business model, management system, and succession pathway cannot adapt together.

Black Leg Ranch. Morgan contrasted that experience with his wife's family ranch in North Dakota. About 20 years ago, the operator stopped measuring success by the goal of reaching 1,000 cows and began asking how to make each acre profitable based on what the land could support. The operation shifted toward later calving, intensive rotational grazing, cover crops, winter grazing, diversified enterprises, and far less hay production and machinery use.

- Morgan reported that annual hay production fell from roughly 3,000 tons to about 250 tons, with some years requiring little of even that amount.
- He reported substantially increased soil microbial activity and approximately doubled stocking capacity on the same land.
- The point was not that Vermont should copy a North Dakota ranching system, but that lower-input, land-responsive management can change an operation's cost structure, resilience, profitability, and succession prospects.

The agricultural purpose of managing capital flow

Morgan connected the ranch stories to the central banking concept of capital flow. A farm may be ecologically productive and well managed but still fail if credit arrives too late, costs too much, requires an unsuitable repayment schedule, or disappears during a disaster or transition. BND's role is not to direct farm management, but to make the state's financial system more capable of supporting viable operations through local lenders.

- Participation lending gives local banks and credit unions a second underwriting perspective, a risk-sharing partner, and confidence to extend capital to agricultural borrowers.
- BND's relationship model matters as much as any individual program: local lenders originate loans and maintain farmer relationships, while BND supplies back-end capacity and statewide coordination.
- BND also works with Farm Credit, although Morgan said the volume is smaller than its work with community banks and credit unions.

Beginning farmers and regenerative transition

Morgan was candid that BND's conventional beginning-farmer program has not solved the core problem. In large-scale commodity agriculture, land, equipment, and thin margins make entry nearly impossible without substantial inherited assets. BND was therefore developing a tiered regenerative agriculture PACE pilot that would buy down interest rates for new or existing producers adopting soil-health practices.

- The proposed pilot was described as practice- or input-based rather than dependent on uncertain outcome measurements.
- Potential qualifying changes included maintaining living roots and soil armor, integrating livestock, using cover crops, and establishing rotational grazing.
- The tiers were intended to distinguish producers beginning a transition, moving most of an operation, and operating at a more established regenerative level.
- An established-farmer program provides a limited backstop for otherwise viable operations when a bank or Farm Credit cannot quite complete a transaction.

The broader lesson for Vermont is that a financing product should be designed around the actual transition pathway and business constraints—not simply around the label 'beginning farmer' or a conventional model that few entrants can afford.

9. Agricultural disaster response

The farmer presentation gave concrete examples of how a public bank can respond when ordinary credit becomes least available—precisely when farms most need flexibility.

Debt restructuring during agricultural stress

Morgan described a large agricultural relief response in which BND brought together local financial institutions, state agencies, the Insurance Commissioner, and the Governor's Office. The program restructured farm debt by placing as much debt as feasible against longer-lived real estate and equipment, extending amortization, buying down the blended interest rate, and allowing a two-year payment pause so farms could recover. He reported approximately $650 million in demand and about $500 million initially deployed, with additional need expected.

Rapid grain-storage recovery

After two derecho events destroyed grain-storage capacity shortly before harvest, BND worked with the Insurance Commissioner and insurers to identify coverage and timing gaps. Local banks originated emergency loans through existing farmer relationships; BND purchased the loans on the back end. Morgan described fast, unsecured gap financing—often $50,000 to $100,000, at a low rate, with repayment addressed later during the farm's normal credit renewal—to restore storage and preserve farmers' ability to hold and market grain rather than being forced to sell immediately.

- The bank focused on the gap between insurance, the timing of insurance payment, and the actual cost of getting facilities operating again.
- The Governor's Office and other partners addressed supply-chain and implementation barriers while the bank addressed capital.
- The simple design and existing local-lender network allowed the program to move quickly.

Scale through partnership

Morgan reported that BND completed roughly 800 disaster-related loans in 90 days by expanding its underwriting team and relying on partner institutions as the farmer-facing front line. He also connected this structure to North Dakota's high per-capita deployment of federal Paycheck Protection Program loans during COVID-19. The example reinforced a central point: a small public-bank staff can reach many borrowers when it has established systems and trusted local partners before the emergency occurs.

Implications for Vermont agriculture and conservation

- Upfront and bridge financing for conservation practices when reimbursement programs pay only after implementation.
- Patient restructuring following floods, crop loss, market disruption, or other shocks—including payment pauses and longer amortization where the farm remains fundamentally viable.
- Gap financing coordinated with insurance, grants, USDA programs, and state recovery funds rather than asking farmers to navigate each source independently.
- Lower-cost capital for farm transfer, succession, land access, housing, equipment, processing, storage, and value-added enterprises.
- Transition finance for regenerative and soil-health practices, when producers may face upfront costs or several years of elevated risk before the full benefits appear.
- Rural housing finance where construction costs exceed appraised values or conventional secondary markets will not purchase otherwise sound loans.

- Recognition of soil, water, farms, and food systems as infrastructure that reduce flood and drought risk and support public resilience.

Morgan also cautioned that banking tools cannot by themselves fix commodity prices, market concentration, farm policy, or every structural problem in agriculture. A public bank can strengthen and stabilize capital flow, but it remains one tool within a larger public strategy.

10. National Infrastructure Bank proposal

Alphecca Muttardy presented a federal proposal for a $5 trillion National Infrastructure Bank intended to finance a broad national infrastructure backlog without relying on annual appropriations for its ongoing operations. The proposal would operate as a lender of last resort and could finance transportation, water, power, schools, broadband, affordable housing, high-speed rail, and large water projects, while complementing state, local, and commercial lenders.

- The proposal is designed as a mixed-ownership government corporation capitalized through an exchange involving Treasury securities and preferred stock.
- Its advocates see rural infrastructure, water systems, agricultural communities, and regenerative farming as part of its intended reach.
- Audience questions pressed for explicit support for smaller regenerative farms and for a clear partnership role for local banks.
- Because the presentation concerned pending federal legislation and included time-sensitive bill and sponsorship information, current details should be verified before reuse.

Part II — Farmer Discussion Findings

Discussion prompts: Participants were asked what financing barriers Vermont farmers face and what a Vermont public bank should prioritize. The findings synthesize the farmer presentation and Q&A, dinner-table discussion, and handwritten responses.

Financing barriers

Participants described capital that is too costly, too short-term, too collateral-dependent, or unavailable for the complete set of needs that makes a farm viable. Those credit barriers intersect with volatile prices, limited market power, high land and equipment costs, labor and housing shortages, succession challenges, climate risk, and fragmented programs.

- High interest rates and short loan terms that do not match agricultural production cycles or long-lived land, soil, and infrastructure investments.
- Insufficient operating, equipment, repair, transportation, land, housing, processing, storage, and market-development capital.
- Farmers often must pay contractors, materials, and equipment costs in advance and wait for EQIP, grants, or other reimbursements, creating a bridge-financing burden even after a project is approved.
- Beginning farmers and diversified operations may lack conventional collateral or fail to fit standardized underwriting.
- Flood, drought, heat, market shocks, and delayed government payments require rapid liquidity, flexible repayment, and patient restructuring.
- Farm succession and land transfer are difficult when retiring families need the property's value and the next generation cannot carry conventional debt.
- Programs and lenders operate in separate silos, leaving farmers to assemble financing, technical assistance, insurance, and grants on their own.
- Commodity prices, market concentration, parity pricing, and the power of large agricultural firms are structural problems that financing alone cannot solve.

Priorities for a Vermont public bank

- Partner with community banks, credit unions, Farm Credit, VEDA, CDFIs, and revolving funds through participation loans, liquidity, shared underwriting, and risk sharing rather than replacing them.
- Provide bridge financing for reimbursement programs and patient recovery finance after disasters or market disruption.
- Support land access, succession, down payments, beginning-farmer real-estate loans, and refinancing of harmful or poorly structured debt.
- Finance soil-health and regenerative transitions, flood and drought resilience, diversified production, equipment, processing, storage, transportation, and local markets.
- Connect farm finance to affordable housing, food security, forestry, local enterprise, village vitality, and rural infrastructure.
- Use local knowledge and transparent public-benefit measures while maintaining professional underwriting and protection of public deposits.

Main implications

Agricultural finance should be treated as a system of land, labor, housing, markets, infrastructure, and ecological stewardship—not as a narrow category of farm loans. Farmers are not only potential borrowers; their experience is necessary for defining viable products, risk, and public benefit. A public bank could improve the flow and structure of capital, but it cannot substitute for fair markets, grants, appropriations, land policy, or other nonbank solutions.

Part III — Afternoon Breakout Findings

Participants met in topic groups after the panel. The breakout groups covers soil health, land access and agricultural infrastructure, other public-purpose sectors, and legislative strategy.

Soil health and watershed investment

- Develop soil-health and regenerative-transition products through partner banks, including interest-rate buydowns and refinancing for farms changing production systems.
- Provide bridge finance while producers wait for EQIP reimbursement and consider financing for conservation planning or technical assistance needed to reach CSP and other programs.
- Support watershed-scale implementation organized by farmer cooperatives, Conservation Districts, municipalities, or local governments rather than only isolated farm practices.
- Distinguish projects that can repay loans from landscape restoration that creates broad public benefits and should be funded through grants or appropriations.
- Begin with pilot projects; consider the five soil-health principles as an eligibility framework while determining who should administer watershed-scale programs.

Land access and working-lands infrastructure

- Down-payment assistance, lower or deferred mortgage terms, first-time-homebuyer tools, and beginning-farmer real-estate loans.
- A land-bank function and bridge finance that can preserve affordability where conservation restrictions alone do not lower purchase prices enough.
- Completion loans or grants tied to conservation agreements, ecosystem-service maintenance, or other verified public benefits.
- Capital for dairy bottling, intermediate processing, transportation, equipment, value-added production, lumber marketing, biochar, agroforestry, orchards, vineyards, and other long-horizon enterprises.

Housing, energy, education, healthcare, and local development

- Affordable apartments, family homes, cooperative housing, first-time ownership, and lower-cost finance for nonprofit developers.
- Building insulation and renewable energy that reduce emissions and operating costs.
- School construction and educational facilities connected to ecology, agriculture, and Vermont's community assets.
- Healthcare and hospital needs, provided that the financing problem and repayment model are clearly defined.
- Regional and municipal development organizations and towns that lack staff, bridge funding, or access to existing programs.
- Interim programs that could move capital to communities while a larger public-bank model is evaluated.

Legislative and coalition strategy

- Clarify the starting point: prior bills, Act 199, LIAC/Invest in Vermont, present public deposits, existing authorities, and models developed elsewhere.
- Engage the Treasurer's Office, community banks, credit unions, the Bond Bank, cooperatives, state finance authorities, CDFIs, farmers, Conservation Districts, and other nonpartisan stakeholders.

- Make the benefit to community banks and credit unions explicit; participants treated their involvement as indispensable.
- Use credible messengers from finance, roads, agriculture, food hubs, municipalities, and local communities, and build cross-partisan support around local investment and practical public benefit.
- Avoid duplicative studies, overlapping programs, or a bill without a clear pathway to buy-in, implementation, and institutional responsibility.
- Consider whether Vermont's existing local-investment allocation could support early research, financial design, or organizational development.

Part IV — Congress Circle Reflections

The closing circle asked participants what they were carrying forward, what remained unresolved, what future they hoped Vermont could build, and what should happen next. The circle demonstrated strong interest in continuing the work without claiming agreement on a final institutional design.

Areas of convergence

- A credible proposal must explain cost, feasibility, profitability, public savings, leverage, risk, and return alongside its democratic and public-purpose case.
- Technical design and public organizing must proceed together; neither an expert model without a constituency nor mobilization without a workable institution is sufficient.
- LIAC/Invest in Vermont and existing institutions provide a bridge or proof of concept rather than a reason to stop the inquiry.
- Community banks and credit unions should be design partners and potential beneficiaries, not treated as interchangeable with large out-of-state deposit holders.
- Mission and governance must protect communities, working lands, and public deposits across changing administrations while preserving professional independence.
- Public education should use clear Vermont examples and accessible language, including the simple idea of keeping Vermont money working in Vermont.
- Agriculture and soil health are connected to housing, schools, energy, local enterprise, disaster resilience, and community infrastructure.
- Regular, supported coordination is necessary if the work is to continue between events.

Strategic tensions

- Profitability versus broader value: financial strength is essential, but participants did not want profit to become the sole measure of success.
- Legislation now versus design first: legislators identified a possible pathway, while others warned that an incomplete bill could be redirected into a study process and buried.
- Public champions versus people power: some saw statewide officials as essential; others urged contingency plans that do not depend on any officeholder.
- Stable mission versus adaptability: the bank needs durable protections while remaining capable of responding to future needs and technologies.
- Broad possibility versus focused launch: the range of ideas showed potential but also the need to choose a manageable initial function.

Offers and assets

- Don Morgan offered to return for a banker-to-banker conversation if Vermont convenes a substantial group of community banks and credit unions.
- The Public Banking Institute offered movement experience, research, and national connections.
- Participants brought agricultural, legal, banking, public-finance, conservation, housing, education, energy, labor, media, and organizing expertise.
- Potential Vermont partners include LIAC/Invest in Vermont, the Vermont Farm Fund, Conservation Districts, farmer and rural organizations, community lenders, CDFIs, development authorities, regional development corporations, and Vermont Law and Graduate School.
- Participants offered communications work, contacts, organizing labor, and help seeking resources for ongoing coordination.

Part V — Emerging Opportunities and Unresolved Questions

Most promising opportunities

- Build incrementally from LIAC/Invest in Vermont and coordinate existing public-finance institutions more effectively.
- Use a wholesale or participation model to expand the capacity of community lenders while retaining their customer relationships.
- Test agricultural bridge finance, transition lending, land access, disaster recovery, and watershed-scale investment as concrete use cases.
- Explore housing, pre-bond municipal finance, energy retrofits, local processing, and regional development as additional applications.
- Develop a public-value framework that measures financial performance and outcomes such as farm viability, housing, local ownership, soil and watershed function, resilience, emissions reduction, and geographic equity.

Questions requiring further work

- Which needs require a bank rather than an expanded investment program, finance authority, revolving fund, guarantee, grant, or appropriation?
- What amount and type of public deposits could be committed without compromising state cash flow and liquidity?
- What charter, regulator, deposit protection, capitalization, technology, staffing, and operating systems would be required?
- How would the institution affect Vermont's credit rating, bonding, cash management, and relationships with the Treasurer and Bond Bank?
- What mission, board, advisory structure, transparency, confidentiality, and risk limits can combine professional independence with democratic accountability?
- Which products can be supported by ordinary bank earnings and which require appropriations, guarantees, interest buydowns, or grants?
- When do soil, watershed, housing, or community projects create public benefits that should not be repaid primarily by the individual borrower?
- Which community lenders are willing to participate, and what products or services would be valuable to them?
- Which two or three uses would make the strongest Vermont pilot, and who has the capacity to administer them?
- What sequence of analysis, lender engagement, public education, pilot development, and legislation is most likely to produce a viable result?

Part VI — Consolidated Next Steps

Confirmed follow-up: White River Natural Resources Conservation District will host a twice-monthly working meeting to move the conversation forward.

The actions below are a synthesis of the Congress and are offered for continued exploration. They were not formally adopted by all participants.

1. **Launch the twice-monthly meetings.** Confirm purpose, participation, facilitation, documentation, communication, decision-making, and the meetings' relationship to White River NRCD; publish the schedule when it is set.
2. **Validate the record.** Circulate this report to participants, collect corrections and missing notes, and independently verify important legal, legislative, institutional, and financial claims.
3. **Map Vermont's capital system.** Document public deposits, LIAC/Invest in Vermont, state finance authorities, revolving funds, CDFIs, Farm Credit, community lenders, current products, and the points where financing fails or stalls.
4. **Form a farmer and working-lands finance group.** Include farmers at different scales and stages, farmworkers, processors, land-access and succession practitioners, Conservation Districts, and lenders.
5. **Convene community lenders.** Begin listening sessions with community banks, credit unions, Farm Credit, VEDA, and CDFIs; if there is sufficient interest, accept Don Morgan's offer for a banker-to-banker session.
6. **Select two or three use cases.** Include at least one agricultural or working-lands application. Define the borrower, financing gap, tool, partners, risk sharing, subsidy if any, administration, public benefit, and reason a bank adds value.
7. **Develop mission and governance options.** Address purpose, board and advisory roles, professional independence, stakeholder participation, transparency, confidentiality, examinations, risk limits, and protection against political or private capture.
8. **Complete a Vermont-specific options analysis.** Compare expanding Invest in Vermont, strengthening a finance authority, establishing a wholesale or participation bank, and other structures; include capitalization, deposits, liquidity, regulation, operating cost, time to sustainability, credit-rating implications, and downside scenarios.
9. **Build and test public education.** Prepare plain-language explanations and test them with farmers, lenders, municipal leaders, rural communities, legislators, and skeptical audiences.
10. **Set a legislative decision gate.** Advance legislation only when the structure, partners, financial and legal analysis, governance, implementation responsibility, and public case are strong enough to provide a route to action rather than another open-ended study.

A practical sequence

- **Organize and listen:** launch the meetings, validate the record, map participants, and hear from farmers and lenders.
- **Define and test:** select use cases, distinguish loans from grants or appropriations, and test products and public-benefit measures.
- **Design and analyze:** develop institutional, legal, financial, mission, governance, and risk options.
- **Educate and build support:** refine language, broaden the coalition, and identify credible messengers and partners.
- **Choose a pathway:** determine whether the next vehicle should be a pilot, administrative or statutory expansion, formal options study, charter proposal, or legislation.