

**MINUTES OF THE SEPTEMBER 16, 2021 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Chair Daigler called the September 16, 2021 meeting of the Finance Authority of Maine to order at 9:04 a.m. This meeting was conducted virtually through Zoom. Provisions were made for the public to attend. This method was deemed necessary and appropriate due to the COVID-19 pandemic.

Legal Assistant, Summer Knowlton, noted for the record that the members had received an Agenda and Notice of Meeting (*see Certificate of Mailing attached as Appendix 1*), and that notices of the meeting had been published in certain newspapers throughout the state (*see Affidavits of Publication attached as Appendix 2*).

A. CALL TO ORDER

Ms. Knowlton called the roll of the members and noted that there were sufficient members present for the purpose of beginning the meeting.

Those members present were as follows:

David Daigler, Chair
Richard Trafton, Vice Chair
Henry Beck
Amanda Beal
Bettyann Sheats
Tim Nightingale
Blue Keim
James Violette
Dustin Brooks, Treasurer
Renee Ouellette
Heather Johnson

Those members absent:

Omar Andrews
Lee Webb
James Howard

Staff present:

Carlos Mello, Acting Chief Executive Officer
Christopher Roney, General Counsel
Shelly Desiderio, Chief Accounting Officer
Martha Johnston, Director of Education
Elizabeth Vanderweide, Director of Business Development
Jennifer Cummings, Director of Business Programs

Scott Weber, Senior Credit Officer
Karen Kunesh, Workout Officer
Summer Knowlton, Legal/HR Assistant

A: CALL TO ORDER

A1: Ascertainment of Quorum 9:05 a.m.

A2: Approval of the minutes of the July 22, August 12, and September 2, 2021 Executive Committee Meetings

A3: Approval of the minutes of the July 14, 2021 Business Committee Meeting

A4: Approval of the minutes of the May 25, 2021 Advisory Committee on Education Savings Meeting

A5: Approval of the minutes of the July 15, 2021 Board Meeting

A motion was made by Mr. Trafton and seconded by Mr. Brooks to approve/accept (1) the minutes of July 22, August 12, and September 2, 2021 Executive Committee Meetings; (2) the minutes of the July 14, 2021 Business Committee Meeting; (3) the minutes of the May 12, 2021 Business Committee Meeting; (4) the minutes of the May 25, 2021 Advisory Committee on Education Savings Meeting; (5) the minutes of the July 15, 2021 Board Meeting. The motion was approved by a vote of 9 in favor, 0 opposed and 0 abstentions

B: CHAIR'S REPORT 9:08 a.m.

Mr. Daigler gave the Board an update on the activities of the Executive Committee.

Ms. Johnson entered the meeting at 9:09 a.m.

C: ACTION ITEMS

C1: Approval of Program Modifications for Maine Education Savings Program 9:13 a.m.

Ms. Giles requested to review the confidential materials in executive session.

A motion to enter Executive Session No. 1 was under (1 MRSA Section 405(6)(F); 1 MRSA Section 402(3)(A)—Records declared confidential by statute) made by Mr. Trafton, seconded by Mr. Brooks, and approved by a vote of 10 in favor, 0 opposed, and 0 abstentions.

Members entered Executive Session No. 1 at 9:13 a.m.

Members exited Executive Session No. 1 at 9:20 a.m.

A motion to approve the program modifications as proposed by staff was made by Mr. Keim, seconded by Ms. Ouellette, and approved by a vote of 10 in favor, 0 opposed, and 0 abstentions.

C2: Approval for Adoption- Chapter 611, Amendment 18 (Maine Education Savings Program) 9:22 a.m.

Ms. Gabrielson presented the finalized rule for adoption, noting that there were no public comments received.

A motion to adopt the rule as amended was made by Mr. Trafton, seconded by Mr. Brooks, and approved by a vote of 10 in favor, 0 opposed, and 0 abstentions.

C3: Approval for Rulemaking- Chapter 619, Amendment 1 (Foreign Credentialing Revolving Loan Program) 9:26 a.m.

Mr. Roney presented the proposed rule on behalf of Bill Norbert, where the amendment adds as a loan-eligible expense the costs of the filing fee for an immigrant's initial work permit application; defines "initial work permit"; ensures that a change in federal regulations will not require a future statutory amendment of the provision of the program governing eligibility; and changes a specific time-frame while waiting for asylum to an unspecified time period while waiting on an application for asylum or other immigrant benefit or relief.

A motion to approve commencing the rulemaking process for the proposed amendment was made by Mr. Trafton, seconded by Mr. Keim, and approved by a vote of 10 in favor, 0 opposed, and 0 abstentions

C4: Approval of Banking Resolution 9:28 a.m.

Ms. Desiderio presented the banking resolution, which removed former CEO Bruce Wagner as signatory on FAME's bank account.

A motion to approve the resolution was made by Mr. Trafton, seconded by Ms. Ouellette, and approved by a vote of 10 in favor, 0 opposed, and 0 abstentions

D: Board Discussion

D1: HAF Correspondence and Update 9:30 a.m.

Mr. Mello presented an email that he and Mr. Trafton received from Greg Powell of the Harold Alfond Foundation. In the email, Powell outlined areas of collaboration and areas of contention between the HAF/ASF organizations and FAME. The email also informed FAME that the HAF/ASF organizations are choosing to move forward with promotion of the Alfond Grant program without the approval of FAME legal staff and instead hiring their own outside counsel to review their communications with Maine families and include a disclaimer on those communications that they are not created, authorized, or approved by FAME.

Mr. Mello and Mr. Trafton responded to this email, outlining the joint business plan with FAME and ASF, FAME's Strategic Priority regarding the promotion of NextGen to Alfond Grantees, and a response to the HAF/ASF decision to use their own outside counsel for the purposes of promoting FAME products, noting that such a course could lead to unfortunate consequences. The letter also informed Mr.

Powell that FAME has hired its own outside counsel, that specializes in 529 plans, for consultation on the matter.

D2: FAME Mission Statement Discussion 10:04 a.m.

Mr. Mello presented two mission statements for discussion to the members of the committee in regards to FAME's broader mission statement. The two options encompass the role of FAME in economic development, higher education, and betterment of the State. However, the two options differ in how FAME accomplishes the goal it is charged with: either through effective administration or innovation and influence. The members discussed their preferred options in theory and in practice, where there was no general consensus on which option was best for FAME and the State.

Ms. Johnson left the meeting at 10:30 a.m.

D3: FAME Strategic Priorities Discussion 10:34 a.m.

Mr. Mello Presented and briefly explained each of the strategic priorities for FAME, as identified by the Executive Committee. These priorities included: NextGen Program Management Conversion, NextGen Promotion Strategy to Alford Grantees, OPEGA Seed Capital Tax Credit Report remediation, Economic Development Finance Portal, Deployment of ARPA/SSBCI Funding, Expanding College Access Counseling and Financial Education. Members discussed the action plans for each of these priorities as well as timeline and goals.

E: Additional Action Item

E1: Authorization for Additional Expenditures for Market and Promotion of NextGen 529 and Financial Education (Maine Education Savings Program) 10:56 a.m.

Ms. Johnson presented the request for additional expenditures to support hiring additional college savings counselors, research to determine the optimal market penetration rate, additional marketing, a behavioral scientist, and expended financial education to promote the return on investment of post-secondary education to Maine students.

A motion to approve the additional expenditures request was made by Mr. Trafton and seconded by Mr. Brooks, and approved by a vote of 9 in favor, 0 opposed, and 0 abstentions.

F: CEO and Staff Reports

Mr. Mello updated the board on the status of the NextGen Program Management transition, which has been completed.

Ms. Desiderio presented the FY2021 financial results, which came in as expected.

Ms. Cummings presented the CLI and Direct Loan portfolios, which are performing well but have a decrease in volume from last year due to a reduction in COVID economic recovery loans.

Ms. Kunesh presented the WatchDesk report, where business is as usual except 3 accounts being removed due to being paid in full.

Ms. Vanderweide informed the Board that the annual Showcase Maine event will be held virtually due to the safety concern of the ongoing pandemic.

A motion to adjourn was made by Mr. Trafton, seconded by Mr. Brooks, and approved by a vote of 10 in favor, 0 opposed, and 0 abstentions.

The meeting adjourned at 11:45 a.m.

Respectfully submitted,

David Daigler, Chair