



FAME Overview for IDEA Committee

Jan. 21, 2021



To provide financial solutions that help Maine people achieve their business and higher education goals.



To help create a Maine workforce with good-paying jobs by focusing on the nexus of economic and educational development.

FAME

FINANCE AUTHORITY OF MAINE



1983

FAME is created by Gov. Joseph Brennan & the 111th Maine Legislature as a business finance agency.



1988

Maine Seed Capital Tax Credit Program is established.



1990

Legislature expands FAME's mission to include higher education financing, including grants, forgivable loans, and guaranteed loans.



1992

FAME's direct loan program is created to assist businesses adversely affected by "credit crunch."



1999

FAME launches NextGen 529™, Maine's 529 plan. Today it is the 6th-largest 529 plan in the nation, with over \$10 billion in assets.



2009

Harold Alfond™ College Challenge expands statewide, providing \$500 Alfond Grants for all Maine resident babies.



2015

Legislature approves additional \$5 million annually for Maine State Grant Program, providing need-based grants to Maine undergraduate students.

MELA merges with FAME; FAME becomes administrator of the Maine Loan.



2018

FAME celebrates 35 years of Maine success stories, helping Maine businesses get to "yes" and serving as Maine's one-stop shop for affording higher education.

In its 35 years, FAME has distributed...



\$2 Billion in loans & equity capital to Maine businesses, creating/retaining **100,000 jobs**



\$370 million in grants and financial aid to over **200,000** Maine students

Major Steps in FAME's 35-Year History

EDUCATION CRITICAL SUCCESS FACTORS

- Help create the workforce of the future by increasing the number of Maine residents with credentials of value.
 - ✓ One-stop student financial aid resource
 - ✓ Expand financial education programs
 - ✓ Increase higher education savings rates
- Since we began administering the state's higher education programs in 1990, FAME has awarded over \$395 million in grants and loans to over 242,000 Maine students.

- Grant and Loan Programs:
 - ✓ Maine State Grant
 - ✓ Doctors for Maine's Future Scholarship
 - ✓ Maine Health Professions Loan
 - ✓ Educators for Maine Loan
 - ✓ Maine Dental Education Loan and Loan Repayment
 - ✓ Tuition Waiver Program (Foster Care and Public Servant)
 - ✓ Foreign Credentialing Loan
- Saving for College: NextGen 529™ and \$500 Alford Grant
- Paying for College: Financial Aid Nights, FAFSA completion
- Financial Education: Claim Your Future®

COMMERCIAL CRITICAL SUCCESS FACTORS

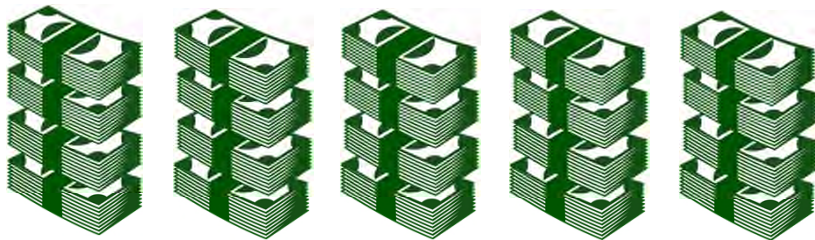
- Help Maine businesses grow, create and retain jobs by taking managed risk to leverage capital.
 - ✓ Build and better leverage capital reserves to support higher levels of economic development
 - ✓ Introduce new products and services that meet the unique needs of Maine markets and lenders
 - ✓ Enhance the speed and ease of the loan approval process
 - ✓ Expand FAME lender relationships
- In FY 20, FAME supported the issuance of \$78 million in debt capital to 337 Maine businesses, helping to create or retain 5,047 Maine jobs

Works for ME ✓

- ✓ Direct loans to businesses
- ✓ Commercial loan insurance in partnership with lenders
- ✓ Tax credits: Seed Capital and New Markets
- ✓ Commercial bonds
- ✓ Partnerships with Dept of Agriculture:
 - Agricultural Marketing Loan Fund
 - Dairy Improvement Fund
 - Potato Marketing Improvement Fund
 - Nutrient Management Loan Program
- ✓ Partnership with MRDA
- ✓ Regional Economic Development Revolving Loans

- Since 1983, partnered to deploy over \$2 billion in loans and equity capital
- Created and/or retained over 100,000 jobs across all of Maine's major industries

OVER
\$2 BILLION
IN LOANS & EQUITY CAPITAL



OVER
100,000 JOBS
CREATED AND/OR RETAINED



Works for ME ✓

FAME Lines in Biennial Budget

- Student Financial Assistance:** Funds Maine State Grant, Doctors for Maine’s Future Scholarship, Health Professions Loans, and Educators for Maine. Governor’s proposed budget flat funds at \$17,670,394 per year. (A-209)
- Educational Opportunity Tax Credit (EOTC):** Also known as “Opportunity Maine”, this is marketing pass-through money to Live and Work in Maine, LLC. Proposed budget flat funds at \$48,500 per year. (A-206)
- Dental Education Loans (Fund for a Healthy Maine funds):** Need-based, forgivable loans of up to \$20,000 annually to Maine residents pursuing post-graduate education in dentistry and loan repayment for dentists providing services to underserved populations in Maine. Proposed budget flat funds at \$237,740 per year. (A-207)
- Health Education Centers (pass-through money to the University of New England):** Funds rural health workforce development programs in the Area Health Education Centers, located in Bangor, Farmington and Presque Isle. Budget proposes flat funding of \$110,000 per year. (A-207). (A-205)

FAME Lines in Biennial Budget

(cont'd)

Foreign Credentialing Revolving Loan Program: Provides loans to assist eligible immigrants living in Maine who are not yet eligible to work in the United States. Loans for up to \$700 are available to help pay for the costs associated with the process of becoming work-ready while waiting for issuance of a work permit by federal immigration authorities. Flat funded at \$75,000 per year per biennial budget. (A-208)

Maine Venture Fund: Pass-through funding for Small Enterprise Growth Fund d/b/a Maine Venture Fund, a professionally managed fund that invests exclusively in Maine-based companies that demonstrate a potential for substantial growth and success that will contribute to Maine's prosperity. Biennial budget proposes flat funding at \$500,000 per year. (A-208)

Dairy Improvement Fund (administered on behalf of DACF) (casino money): Loans that help farms and other dairy enterprises fund capital improvements to maintain and enhance the viability. Biennial budget funding adjusted downward from \$392,856 in 20-21 to \$230,436 in 21-22 and \$370,833 in 22-23. These aren't cuts per se but reduced revenues due to pandemic. (A-205)

- Workforce Development
 - Micro-credential programs
 - 10-Year Plan and ERC recs
- Student Debt and Financial Education
- Economic Development
 - Direct loans for start-ups
 - Increased reserves for loan insurance

Finance Authority of Maine

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