

**MINUTES OF THE October 19, 2023 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Chair Trafton called the October 19, 2023 meeting of the Finance Authority of Maine to order at 8:15 a.m. This meeting was conducted in person at Wolf’s Neck Center for Agriculture and the Environment—Smith Center for Education and Research, 184 Burnett Road, Freeport, Maine, and virtually through Zoom. Provisions were made for the public to attend.

Legal Assistant, Elizabeth Polk, noted for the record that the members had received an Agenda and Notice of Meeting 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. Polk 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:

Richard Trafton, Chair
Dustin Brooks, Vice Chair – *entered 8:21 a.m.*
Blue Keim
Renee Ouellette
Steve Shannon
Heather Johnson – *entered 8:29 a.m.*
Henry Beck – *entered 9:02 a.m.*
Jean Hoffman
Fritz Onion-
William Tracy
Rebecca Asen, Treasurer
David Daigler
Amanda Beal

Those members absent:

Omar Andrews
Jennifer Hogan

Guests:

None

Staff present:

Carlos Mello, Chief Executive Officer
Christopher Roney, General Counsel
Sarah Nadeau-Balducci, Deputy General Counsel
Shelly Desiderio, Chief Accounting Officer
Martha Johnston, Director of Education
Jennifer Cummings, Director of Business Programs
Bert Audette, Chief Information Officer
Scott Weber, Senior Credit Officer
William Norbert, Governmental Affairs & Communications Manager
Elizabeth Vanderweide, Director of Business Development
Lisa Brown, Director of Human Resources
Elizabeth Polk, Legal/Executive Assistant

A: CALL TO ORDER

A1: Ascertainment of Quorum 8:15 a.m.

A2: Approval of the September 14, 2023 Executive Committee Meeting Minutes

A3: Approval of the September 15, 2023 Business Committee Meeting Minutes

A4: Approval of the August 22, 2023 Advisory Committee On Education Savings Minutes

A4: Approval of the September 21, 2023 Board Meeting Minutes

A motion was made by Mr. Daigler and seconded by Mr. Keim to approve/accept (1); the minutes of the September 14, 2023 Executive Committee Meeting; (2) the minutes of the September 15, 2023 Business Committee Meeting ; (4) the minutes of the September 21, 2023 Board Meeting. The motion was approved by a vote of 11 in favor 0 opposed, and 0 abstentions.

B: CHAIR'S REPORT 8:20 a.m.

Mr. Trafton shared what had been discussed in the October executive meeting surrounding the strategic planning session that was to happen later in the day and how the session was going to run. He also discussed the CEO performance review that will take place at the November Meeting. Mr. Trafton then informed the board that a nominating committee had been formed and

that the committee will meet to determine a slate of officers to be nominated, and that a vote will occur at the November Board meeting..

C: ACTION ITEMS 8:23 a.m.

C1: Approval of Changes to Direct Loan Commitment (Economic Recovery Loan Program)- Katahdin Salmon

Ms. Cummings presented a requested change in conditions to a loan approval previously issued by the board . The original loan was approved at the May Board of Directors meeting. The loan is a \$110,000 loan. The original loan presentation contemplated a larger project, and the Board approval required a significant amount of additional funds to be invested by closing. However, the Borrower has indicated its intent to break the presented project into smaller phases, and that the requested loan is intended for the first phase and is matched by already invested equity. Accordingly, a request to delete the condition of additional invested funds for closing is being made by the Borrower, and recommended by FAME staff.

A motion to approve the modification was made by Mr. Brooks, seconded by Mr. Tracy and approved by a vote of 11 in favor, 0 opposed, and 0 abstentions.

C2: Approval of NextGen Audit 8:27 a.m.

Dustin Brooks entered the meeting at 8:29 a.m.

Ms. Desiderio presented the NextGen Audit. The Audit is a clean audit with an unmodified opinion. She discussed how only minor issues were found during the audit. Ms. Desiderio discussed how FAME converted from using Merrill as program manager to Vestwell as a new program manager which caused some issues to occur. A total of 14 errors were found. In 14 instances the age band did not coincide with the beneficiary's date of birth. Seven of the errors were caught through existing controls and corrected and the other 7 required correction after being identified via the audit review.

A motion to approve the audit request was made by Ms. Beal, seconded by Mr. Keim and approved by a vote of 12 in favor, 0 opposed, and 0 abstentions.

C3: Approval of FAME Audit 8:34 a.m.

Ms. Desiderio presented the FAME Audit. Due to delays in obtaining expected SSBCI funding to allow repayment of advances from FAME ERLP funds, the auditors could not yet issue their unqualified opinion. In their view, the repayment cures a potential issue with classification of funds, Ms. Desiderio stated that a clean opinion would be released when the second tranche of SSBCI money was received, which was expected shortly. Other issues were identified, including a few unusual transactions that the auditors noted should have had higher levels of controls in place. Ms. Desiderio shared that due to not being fully staffed, the finance department was not able to have as many checks and balances as it would have liked. However, this has since changed as the finance department is now fully staffed. Some concerns from board members were shared

about retaining staff and how to avoid similar issues if a staffing shortage occurred again. Ms. Brown assured that monthly check-ins with Shelly were occurring to make sure all their needs are being met and to see if any back up and or fill in positions need to be created.

A motion to approve the FAME audit pending release of an unqualified opinion from Baker Newman was made by Mr. Daigler, seconded by Mr. Asen and approved by a vote of 12 in favor, 0 opposed, and 0 abstentions.

C4: Approval of Rule Adoption: Chapter 601, Amendment 13 -Maine State Grant Program 8:49 a.m.

Mr. Norbert proposed the approval of the Rule Adoption for Chapter 601, Amendment 13- Maine State Grant Program. The approval of this rule change would allow a change in terminology from “Expected Family Contribution” or “EFC” to “Student Aid Index” or “SAI” following changes at the federal level as part of simplification of the Free Application for Federal Student Aid (FAFSA)

A motion to approve adoption of the rule amendment was made by Ms. Ouellette, seconded by Mr. Tracy and approved by a vote of 12 in favor, 0 opposed, and 0 abstentions.

C5: Approval of Rule Adoption: Chapter 619, Amendment 2- Foreign Credentialing and Skills Recognition Grant Program 8:55 a.m.

Mr. Norbert proposed the approval of the Rule Adoption for Chapter 619 Amendment 2 -Foreign Credentialing and Skills Recognition Grant Program. The adoption of this rule will change the program from a zero interest loan to a grant program. The law change will also allow for an increase in funds that are distributed from \$700 to \$1000.

A motion to approve adoption of the rule amendment was made by Mr. Shannon, seconded by Ms. Ouellette and approved by a vote of 11 in favor, 0 opposed, and 1 abstention (Ms. Hoffman).

C6: Approval of Rule Amendment for Rulemaking: Chapter 612, Amendment 5- Maine Dental Education Loan and Loan Program 8:57 a.m.

Mr. Norbert presented a proposed change to the Maine Dental Education Loan and Loan Program Rule which would allow for the expansion of eligibility for the loan and program.

A motion to approve the rule amendment for rulemaking was made by Mr. Onion, seconded by Ms. Asen and approved by a vote of 12 in favor, 0 opposed, and 0 abstention.

C7: Approval of Rule Amendment for Rulemaking: Chapter 617, Amendment 2 -Health Professions Loan Program 8:59 a.m.

Mr. Norbert presented a proposed change to the Health Professions Loan Program Rule. The approval of this rule change would allow a change in terminology from “Expected Family Contribution” or “EFC” to

“Student Aid Index” or “SAI” following changes at the federal level as part of simplification of the Free Application for Federal Student Aid (FAFSA). It would also allow for an updated definition of “financial need” to be added.

A motion to approve the rule amendment for rulemaking was made by Ms. Asen with the exception of updating the effective dates in the documents, seconded by Ms. Brooks and approved by a vote of 12 in favor, 0 opposed, and 0 abstention.

C8: Approval of Rule Amendment for Rulemaking: Maine Veterinary Medicine Loan Program 9:00 a.m.

Mr. Norbert presented a proposed change to the Maine Veterinary Medicine Loan Program. The approval of this rule change would allow a change in terminology from “Expected Family Contribution” or “EFC” to “Student Aid Index” or “SAI” following changes at the federal level as part of simplification of the Free Application for Federal Student Aid (FAFSA). It would also allow for an updated definition of “financial need” to be added.

A motion to approve the rule amendment for rulemaking was made by Ms. Asen with the exception of updating the effective dates in the documents, seconded by Ms. Brooks and approved by a vote of 12 in favor, 0 opposed, and 0 abstention.

Mr. Beck entered the meeting at 9:02 a.m.

D. CEO and Staff Reports 9:02 a.m.

D1: CEO Report

Mr. Mello shared an update on FAME’s Thrive grant program stating that the second round of award recipients had been chosen. Mr. Mello then gave an update on FAFSA stating FAME is one of the best in the country for FAFSA completion. Mr. Mello finished by stating that FAME will be moving forward with strategic planning efforts in the coming months.

D2: Education Update

Ms. Johnston gave an update on what has been happening in the Education Department from the start of FY 24. She shared details on the successful signing of the Alford Grant Administration Agreement. She also shared details on how FAME is helping students apply for FAFSA this Fall as this year the federal government has implemented changes to the FAFSA application process.

D3: Overview of November Board Meeting and Showcase Maine

Ms. Vanderweide gave an update on FAME’s November Showcase Maine. Registration sheets were given out to board members who needed to register.

ADJOURN- 10:11 AM

Strategic Planning Session was held thereafter from approximately 10:30-12:00pm, and from 1:00pm to 4:00pm, where the board discussed a variety of topics related to developing a strategic plan for the organization in the coming months, with the assistance of a facilitator and with interaction with FAME staff.