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September 1, 2009

Hon. Bill Diamond, Senate Chair
Hon. Emily Cain, House Chair
Joint Standing Committee on Appropriations and Financial Affairs
Maine State Legislature
100 State House Station
Augusta, ME 04333

Dear Senator Diamond, Representative Cain, and Distinguished Members of the Joint Standing Committee on Appropriations and Financial Affairs:

This is in response to your letter dated August 18, 2009, requesting FAME's prioritized list of programs funded through the General Fund.

As you know, FAME's sole General Fund appropriation is the Student Financial Assistance line of the budget. FAME historically has used these monies to fund four legislatively-created programs:

- the Maine State Grant Program;
- the Maine Health Professions Loan Program;
- the Maine Access to Medical Education Program; and
- the Educators for Maine Program.

The expectation upon enactment last session of the new Doctors for Maine's Future Medical Scholarship Program was that the funding previously allocated to the Maine Access to Medical Education Program would be directed to the Doctors for Maine's Future Medical Scholarship Program and that the Access to Medical Education Program would be phased out.

Based on need and the Legislature's long-standing commitment, FAME rates the **Maine State Grant Program** as "high priority." If forced to choose, the program also would be our top priority. It is the state's basic need-based undergraduate grant program to help Maine students to pay for college. In recent years, FAME has awarded over 13,000 Maine students per year an average of \$1,200. Award amounts regrettably were reduced last year as a result of state budget cuts. This has made it even harder for Maine students and families, as well as schools, to assemble financial aid packages to help meet the cost of higher education.

Additionally, we believe the **Maine Health Professions Loan Program** should be ranked a high priority for continued funding purposes. This is a need-based loan for Maine residents pursuing post-graduate medical, dental, or veterinary education. The loan currently has forgiveness provisions for graduates who return to Maine to practice

primary care or provide veterinary services in areas of the state determined to have insufficient veterinary services. Governor Baldacci and the Legislature last session expressed their strong, continued commitment to the program by appropriating in a very challenging budget \$3 million to help create the Doctors for Maine's Future Medical Scholarships, which now reside within the program. FAME will be submitting emergency legislation during the Second Session to make adjustments to the program in light of the new medical scholarships, fiscal realities, and the state's continuing need for primary care practitioners, particularly in rural areas.

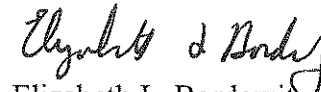
Finally, FAME ranks the **Educators for Maine Program** as a high priority. This is a merit-based forgivable loan program for Maine students pursuing initial certification as a teacher, including speech pathology or a career in early childhood education. Loans are forgiven if the student teaches or serves as a speech pathologist in an approved elementary or secondary school or a quality child care program in Maine. The need for educators in Maine remains strong, and the program has been reduced significantly due to budget cuts in recent years. Any further cuts to the program would seriously impair its continued viability and likely require a policy decision as to whether it can and should continue.

All of the above programs remain vital to FAME's core mission of providing innovative financial solutions to help Maine citizens pursue higher education opportunities. None of them fall outside of FAME's core mission or overlap with activities in other programs.

We realize how difficult your task is in confronting reduced state revenues and a difficult economic climate. We wish only to emphasize that, in this challenging economy, continued state support of higher education program funding is essential if Maine businesses and students are to endure and succeed.

Thank you for this opportunity and I would be happy to answer any questions or provide further information. I wish you well in this challenging exercise.

Very truly yours,



Elizabeth L. Bordowitz
Chief Executive Officer

Cc: Grant Pennoyer, Director, Office of Fiscal and Program Review
Bill Norbert, FAME Governmental Affairs and Communications Manager