

# NEWS RELEASE

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**\*\*\*FOR IMMEDIATE RELEASE \*\*\***

## *Harold Alfond College Challenge Opts Out of Opting In: College Grants to be Automatically Funded*

**Portland, Maine (March 6, 2014):** On what would have been Harold Alfond's 100<sup>th</sup> birthday, the Harold Alfond Foundation (HAF) announced that all babies born as Maine residents (Maine resident babies) will now automatically be awarded a \$500 Alfond grant for college. Previously, a NextGen College Investing Plan® account needed to be opened prior to the child's first birthday to receive the grant.

"Since 2009, the Harold Alfond College Challenge has funded nearly 23,000 grants, investing almost \$11.5 million on behalf of Maine's children," said Greg Powell, Chairman of the Harold Alfond Foundation. "But it is not enough. To meet the future workforce needs of Maine's economy, we need every baby to have the \$500 Alfond Grant — not just the opportunity to receive it."

The new 'Automatic Enrollment' model means that, going forward, the \$500 Alfond Grant will be awarded to all Maine resident babies, whether or not they open a NextGen Account. The Foundation will also fund accounts for Maine resident babies born since January 1, 2013 who are not already enrolled in the program. Based on current expected birth rates, the Harold Alfond Foundation estimates an average annual payout going forward of approximately \$6,000,000 to cover grants for 12,000 babies.

The Alfond Scholarship Foundation (ASF) manages the Harold Alfond College Challenge and will hold the funds on behalf of eligible Maine children. Working in continued partnership with the Finance Authority of Maine (FAME), the ASF will notify recipients of the grant awards and provide ongoing communications aimed at raising educational aspirations and promoting family savings.

Colleen Quint, President and CEO of the ASF, stated, "We are thrilled about the implementation of a new strategy to ensure all Maine resident babies will receive the \$500 grant. We know this approach will have both practical and aspirational benefits. It creates new opportunities to communicate with families about the importance of higher education for their children, and offers a compelling platform for engaging the broader Maine community in our team effort to better prepare Maine's young people for the future. We thank our *College Challenge Champions* for joining us today – and we hope others will join in our efforts."

In breakfast remarks to the Portland Community Chamber of Commerce, HAF Chairman Powell thanked significant business and community partners already supporting the program and called on new partners to help the program expand its impact. Numerous business leaders and foundation representatives were on hand for the announcement of partnerships to encourage family savings for college through vehicles such as payroll deductions and matching contributions.

Governor Paul LePage also attended the press conference and spoke to the importance of removing financial barriers to higher education for Maine students. "My vision for education in Maine focuses on putting students first. I'm proud of the educational investment that the Harold Alfond Foundation has poured into the lives of Maine children and am very

grateful for their decision to now ensure every Maine baby a substantial start to their savings for college. Education is what saved my life, and I want every Maine child to have the opportunity to succeed,” said Governor LePage.

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The Harold Alfond College Challenge (HACC) is the program through which every Maine resident baby is awarded a \$500 grant for college. The Alfond Scholarship Foundation (ASF) is the non-profit organization which manages the Harold Alfond College Challenge. The Harold Alfond Foundation (HAF) is the private foundation which provides the funding for both ASF and HACC in fulfillment of Mr. Alfond’s vision of the program.

For more information about the Harold Alfond College Challenge please visit [www.500ForBaby.org](http://www.500ForBaby.org).

For more information about the Alfond Scholarship Foundation, please visit [www.alfondscholarshipfoundation.org](http://www.alfondscholarshipfoundation.org).

For more information about the Harold Alfond Foundation, please visit [www.haroldalfondfoundation.org](http://www.haroldalfondfoundation.org)

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*The Alfond Scholarship Foundation holds Alfond Grants in its Scholarship Account. If a NextGen account is opened, the Alfond Grant is reflected in that account. See Terms and Conditions of Maine Grant Programs for conditions and restrictions that apply at [www.FAMEmaine.com/NextGen](http://www.FAMEmaine.com/NextGen). NextGen is a section 529 plan administered by the Finance Authority of Maine (FAME). Before you invest in NextGen, request a NextGen Program Description from your Maine bank or financial advisor, or call FAME at 1-800-228-3734 and read it carefully. The Program Description contains more complete information, including investment objectives, charges, expenses and risks of investing in NextGen, which you should carefully consider before investing. You also should consider whether your or your designated beneficiary’s home state offers any state tax or other benefits that are only available for investments in such state’s 529 plan. Merrill Lynch, Pierce, Fenner & Smith Incorporated, a registered broker-dealer, member SIPC, is the program manager and underwriter*