

MAINE STATE LEGISLATURE

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R. 102

L.D. 2213

DATE: 3-26-98

(Filing No. H-1082)

MAJORITY

APPROPRIATIONS AND FINANCIAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1583, L.D. 2213, Bill, "An Act to Encourage High School Students to Pursue Higher Education at Postsecondary Educational Institutions in this State"

Amend the bill in section 4 in that part designated "~~§11661.~~" by striking out all of subsection 3 (page 2, lines 6 to 15 in L.D.) and inserting in its place the following:

'3. Application of the fund. Money in the fund may be applied to carry out any power of the Finance Authority of Maine under or in connection with section 11662 or to pay any obligations incurred in connection with the fund, except that the maximum aggregate amount of scholarships awarded to students attending private institutions may not exceed \$500,000 annually from funds appropriated for the Maine First Scholars Program. Money added to the fund under subsection 2, paragraph B, consisting of funds appropriated or allocated to the Student Incentive Scholarship Program that would have been awarded to students but for section 11662, subsection 5, may also be awarded to students attending private institutions. Money in the fund not needed currently to meet the obligations of the Finance Authority of Maine as provided in this chapter may be invested in any manner permitted by law.'

Further amend the bill in section 4 in that part designated "~~§11662.~~" in subsection 2 by striking out all of paragraph B (page 3, lines 6 to 14 in L.D.) and inserting in its place the following:

'B. The scholarship assistance may be provided only for each eligible student's first year of full-time study. If a scholarship recipient's course load is reduced from full time, that recipient's grant must be prorated for the term of the recipient's enrollment. Funds must be disbursed on a

COMMITTEE AMENDMENT

R. 48.

COMMITTEE AMENDMENT "A" to H.P. 1583, L.D. 2213

2 semester or equivalent basis. Students receiving assistance
3 must attain a minimum grade point average of 2.0 or the
4 equivalent at the end of the first semester of attendance in
5 order to receive the disbursement for the 2nd semester. A
6 student who fails to attain a minimum grade point average of
7 2.0 or the equivalent for the first year of attendance must
8 reimburse the Finance Authority of Maine for the full amount
9 of the program grant received, without interest, with
10 repayment to begin after the student is no longer enrolled
11 in an eligible institution of higher education.'

12 Further amend the bill in section 4 in that part designated
13 "§11662." in subsection 2 in paragraph C in the 3rd line (page 3,
14 line 18 in L.D.) by inserting after the following: "need." the
15 following: 'Rules adopted by the authority pursuant to this
16 section are routine technical rules pursuant to Title 5, chapter
17 375, subchapter II-A.'

18 Further amend the bill in section 4 in that part designated
19 "§11662." in subsection 2 in paragraph D by striking out all of
20 subparagraph (2) (page 3, lines 44 to 48 in L.D.) and inserting
21 in its place the following:

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24 '(2) That the participating educational institution
25 will provide students receiving scholarships under the
26 program with appropriate advice, counseling and
27 assistance in order to help those students to remain in
28 school and will enhance student retention efforts for
29 students under the program.'

30 Further amend the bill in section 4 in that part designated
31 "§11662." in subsection 2 by inserting after paragraph D the
32 following:

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35 'E. The allocation of scholarships under the program among
36 educational institutions must be determined by mutual
37 agreement among the Finance Authority of Maine, the Maine
38 Technical College System, the University of Maine System and
39 the Maine Maritime Academy.'

40 Further amend the bill in section 4 in that part designated
41 "§11662." in subsection 3 by striking out all of paragraph B
42 (page 4, lines 22 to 30 in L.D.) and inserting in its place the
43 following:

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46 'B. The scholarship assistance may be provided only for
47 each eligible student's first year of full-time study. If a
48 scholarship recipient's course load is reduced from full
49 time, that recipient's grant must be prorated for the term
50 of the recipient's enrollment. Funds must be disbursed on a

COMMITTEE AMENDMENT

R. 08.

2 semester or equivalent basis. Students receiving assistance
3 must attain a minimum grade point average of 2.0 or the
4 equivalent at the end of the first semester of attendance in
5 order to receive the disbursement for the 2nd semester. A
6 student who fails to finish the first year of attendance or
7 to attain a minimum grade point average of 2.0 or the
8 equivalent for the first year of attendance must reimburse
9 the Finance Authority of Maine for the full amount of the
10 program grant received, without interest, with repayment to
11 begin after the student is no longer enrolled in an eligible
12 institution of higher education.'

13 Further amend the bill in section 4 in that part designated
14 "**§11662.**" in subsection 4 by striking out all of paragraph B
15 (page 5, lines 24 to 28 in L.D.) and inserting in its place the
16 following:

17 'B. The student must have completed an approved course of
18 home schooling or have graduated from a public or private
19 secondary institution within 24 months prior to the date of
20 enrollment at an eligible postsecondary educational
21 institution.'

22 Further amend the bill by inserting after section 4 the
23 following:

24 **'Sec. 5. Report.** On or before December 31, 1999, the Finance
25 Authority of Maine, in cooperation with the Maine Technical
26 College System, the University of Maine System and other
27 participating educational institutions, shall provide the
28 Legislature with a report on the success of the Maine First
29 Scholars Program, with specific emphasis on the success of
30 participating educational institutions at retaining students
31 under this program. The report must include an analysis of the
32 effectiveness of the program together with any recommendations
33 for improvements.

34 **Sec. 6. University of Maine System; Maine First Scholars Program.**
35 Incremental increases in tuition revenue received by the
36 University of Maine System from students who otherwise would not
37 have attended the University of Maine System but for their
38 participation in the Maine First Scholars Program must be
39 dedicated to providing scholarships for participants in the Maine
40 First Scholars Program.'

41 Further amend the bill by striking out all of section 5 and
42 inserting in its place the following:

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COMMITTEE AMENDMENT

'Sec. 5. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1998-99

FINANCE AUTHORITY OF MAINE

Maine First Scholars Fund

All Other \$9,000,000

Provides one-time funding for the Maine First Scholars Program for scholarships for full-time freshman for the 1998-1999 academic year.

'Sec. 6. Application. This Act applies to full-time freshmen for the 1998-1999 academic year only.'

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

1998-99

APPROPRIATIONS/ALLOCATIONS

General Fund \$9,000,000

This bill includes a General Fund appropriation of \$9,000,000 in fiscal year 1998-99 only for the Finance Authority of Maine to implement the Maine First Scholars Program. The number of eligible students who will be served by this program can not be determined at this time. The Finance Authority of Maine is authorized to prioritize available funds for eligible students based on financial need.

The additional costs associated with administering the Maine First Scholars Program can be absorbed by the authority utilizing existing budgeted resources.'

SUMMARY

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This amendment is the majority report of the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Education and Cultural Affairs. It replaces the \$14,000,000 General Fund appropriation to the Maine First Scholars Program with a one-time appropriation of \$9,000,000 for full-time freshmen for the 1998-99 academic year.

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The amendment provides that those funds that would have been paid to eligible students under the student incentive scholarship program fund had those students not received a Maine First Program grant may be allocated to the Maine First Scholars Program fund to be used for grants to eligible students attending private institutions of higher education in the State.

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The amendment reduces the amount allocated for scholarships to private institutions by \$500,000.

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The amendment requires a report to be provided to the Legislature on the effectiveness of the Maine First Scholars Program in December 1999.

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The amendment extends to 24 months the time after graduation from high school or equivalent that the student is eligible for the Maine First Scholars Program.

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The amendment clarifies that the rules that the Finance Authority of Maine must adopt to prioritize available funds are routine technical rules.

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The amendment further provides that students must maintain a 2.0 grade point average during the year for which they receive a grant under the Maine First Scholars Program. If a student does not achieve the 2.0 grade point average in the student's first semester or does not complete the semester, the student will not receive a Maine First Scholars Program grant for the 2nd semester. If a student does not complete the first year or does not attain a minimum 2.0 grade point average for the first year, then that student must reimburse the Finance Authority of Maine for the full amount of the grant.

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The amendment also requires that the University of Maine System dedicate any incremental increases of tuition revenue from students in the Maine First Scholars Program to provide scholarships for program participants.

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Finally, the amendment adds a fiscal note.