

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1758

S. P. 539

In Senate, April 2, 1973

Referred to the Committee on Education. Sent down for concurrence and 2400 copies ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Katz of Kennebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Establishing the Maine State Student Incentive Grants Program.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., T. 20, c. 302-C, additional. Title 20 of the Revised Statutes is amended by adding a new chapter 302-C, to read as follows:

CHAPTER 302-C

STUDENT INCENTIVE GRANTS

§ 2247. Establishment

1. Establishment of and eligibility for program. There is established a program, to be administered by the State Board of Education, of state student incentive grants to residents of the State of Maine who:

A. Have been accepted for enrollment as undergraduates in, or are in good standing as undergraduates at, institutions of higher education in Maine, according to the prescribed standards, regulations and practices of such institutions;

B. Have applied for such grants to the State Board of Education according to such schedules and procedures, and on such forms, as the State Board of Education may require;

C. Have agreed in such manner, as the State Board of Education may require, that costs not provided for by federal or state grants shall be covered by the student and the student's family in the form of self-help such as loans, and extra work, or by merit scholarships, veteran's benefits or other resources which the student has obtained by merit, previous service or similar personal effort;

D. Have been determined by the State Board of Education to be of substantial financial need according to the criteria set forth in subsection 2.

2. Determination of need

A. The State Board of Education shall establish the need of each student for a state student incentive grant, for any academic year for which such student applies for such a grant, by determining the difference between:

(1) The sum of the student's expected family contribution and the student's basic grant, if any, received under the Federal Basic Educational Opportunity Grant Program, 20 U.S.C. 1070a, for the academic year for which the student is applying for a state student incentive grant; and

(2) The actual cost-of-attendance at the institution of higher education at which the student has been accepted for enrollment, or at which the student is in good standing, except that \$3,500 shall be the maximum allowable cost-of-attendance for any academic year for the purposes of determining the student's need for a state student incentive grant.

B. The difference between paragraph A, subparagraphs (1) and (2), with respect to any student, if any difference is determined, shall be such a student's need and shall serve as the basis on which the State Board of Education determines the state student incentive grant to that student for any academic year in accordance with subsections 3 and 4.

3. Determination of grants. Grants to eligible students under the state student incentive grants program shall be determined as follows, subject to the limitations set forth in subsection 4 which may be imposed at the discretion of the State Board of Education for any academic year.

A. In the case of an eligible student who is in attendance on a full-time basis at an institution of higher education, the amount of the state student incentive grant awarded such a student shall not exceed 50% of the need of that student determined in accordance with subsection 2, or \$1,500, whichever is less, for any single academic year.

B. In the case of an eligible student who is in attendance at an institution of higher education on a less-than-full-time basis during any academic year, but who is in attendance on at least a half-time basis, the amount of the state student incentive grant awarded to such a student shall be reduced in proportion to the degree to which that student is not so attending on a full-time basis.

C. In no case shall a state student incentive grant of less than \$50 per year be awarded to any student, whether or not such student is in attendance at an institution on a full-time or less-than-full-time basis.

D. In no case shall a student who is in attendance at an institution of higher education on a less-than-half-time basis, as defined by the State Board of Education, be awarded a state student incentive grant.

E. If a recipient of a state student incentive grant at any time withdraws from an institution of higher education and if under the rules and regula-

tions of that institution of higher education, the student is entitled to a refund of any tuition, fees or other charges for the portion of the academic year which the student did not complete, the institution of higher education shall pay directly to the State from that refund a sum which represents the portion of the state student incentive grant paid to the student for the portion of the academic year that the student did not complete.

4. Schedule of reductions in grants. Prior to March 1st of each year, the State Board of Education shall evaluate the availability of state funds, or of state and federal funds, for the state student incentive grants program in relationship to the number of students eligible for grant assistance under the program and, if it is determined that funds will be insufficient to pay state student incentive grants under the conditions set forth in subsection 3, the State Board of Education shall publish no later than March 1st a schedule of reductions in state student incentive grants for the succeeding academic year. Such a schedule of reductions shall be effective for not longer than one academic year, except if renewed by action by the State Board of Education prior to March 1st of the year following the date on which the schedule was first established.

5. Initial and continuation grants. Each initial grant awarded to eligible students under the state student incentive grants program shall be awarded for a period not to exceed one academic year. Any student who has been awarded an initial grant may apply to the State Board of Education, in accordance with application schedules and procedures established by the State Board, for a continuation grant for each year during the period required for completion of the undergraduate course of study being pursued by that student at the institution at which the student is in attendance, provided that the student is determined by the State Board of Education to be eligible for such a grant in accordance with subsections 1 and 2.

6. Undergraduate course of study. For the purposes of subsection 5, the period during which a student may receive a state student incentive grant shall be the period required for the completion of the undergraduate course of study being pursued by that student at the institution at which the student is in attendance, except that such period may not exceed 4 academic years unless:

A. The student is pursuing a course of study leading to a first degree in a program of study which is designed by the institution offering it to extend over 5 academic years; or

B. The student is, or will be, unable to complete a course of study within 4 academic years because of a requirement of the institution of such course of study that the student enroll in a noncredit remedial course of study.

In either cause, such period may be extended for not more than one additional academic year. For the purposes of paragraph B, a "noncredit remedial course of study" is a course of study for which no credit is given toward an academic degree and which is designed to increase the ability of the student to engage in an undergraduate course of study leading to such a degree.

§ 2248. Program administration

1. **Responsibility of State Board of Education.** The State Board of Education shall have responsibility for administration of the state student incentive grants program, including establishment and maintenance of such fund accounting and control procedures as may be required by state law, or as may be necessary for the State to be eligible to receive federal assistance under the Federal State Incentive Grants Program, Title IV, Part A, Subpart 3 of the Higher Education Act of 1965, as amended, 20 U.S.C. 1070c, 1070c-1, 1070c-2 and 1070c-3.

2. **Guidelines, rules and regulations.** The State Board of Education shall develop such guidelines, rules, regulations, procedures, schedules and forms as are necessary to carry out the purposes of this program, except that to the maximum extent possible, consistent with the need for state control of this program, the State Board of Education shall use or follow the guidelines, rules, regulations, procedures, forms and schedules set forth by the U. S. Commissioner of Education for the administration of the Federal Basic Educational Opportunity Grant Program, Title IV, Part A, Subpart 1 of the Higher Education Act of 1965, as amended, 20 U.S.C. 1070a, in the administration of the state student incentive grants program.

3. **Authority of State Board to contract.** The State Board of Education may, in accordance with state law and established state regulations and procedures, contract with another agency, organization or institution to accomplish specific aspects of the administration of the state student incentive grants program, except that the State Board shall retain unto itself the responsibility for making the evaluation as required under section 2247, subsection 4.

§ 2249. Definitions

As used in this chapter, unless the context otherwise indicates, the following words shall have the following meanings.

1. **Academic year and in attendance.** "Academic year" and "in attendance" shall have the same meaning as the definitions contained in section 1201 of the Higher Education Act of 1965, as amended, 29 U.S.C. 1141, and section 491 of the Higher Education Act of 1965, as amended, 20 U.S.C. 1088, and such regulations, guidelines and procedures as promulgated by the United States Commissioner of Education and published in the Federal Register pursuant to these sections of Federal Law.

2. **Actual cost-of-attendance.** "Actual cost-of-attendance" shall have the same meaning, and shall be determined in the same manner, as in the Federal Basic Educational Opportunity Grant Program, section 411 of the Higher Education Act of 1965, as amended, 20 U.S.C. 1070a, and such regulations, guidelines and procedures as promulgated by the U. S. Commissioner of Education and published in the Federal Register to define, or assist in the determination of, "actual cost-of-attendance." If the U. S. Commissioner of Education does not publish such regulations, guidelines and procedures, the State Board of Education shall promulgate state regulations, guidelines and pro-

cedures to be used in determining "actual cost-of-attendance" for the purposes of the State Student Incentive Grants Program.

3. **Expected Family Contribution.** The "expected family contribution" with respect to any student means the amount which the family of that student may be reasonably expected to contribute toward his post-secondary education for the academic year for which such student is seeking a state student incentive grant. The system to be used in determining "expected family contribution" shall be uniformly applied to all students and shall be established by regulations by the State Board of Education. In establishing such system, the State Board of Education shall consider using the system as promulgated by the U. S. Commissioner of Education for the Basic Educational Opportunity Grant Program pursuant to section 411 of the Higher Education Act of 1965, as amended, 20 U.S.C. 1070a, or systems commonly used by colleges and universities such as those of the College Scholarship Service or American College Testing Service.

4. **Institution of higher education.** "Institution of higher education" shall mean an institution of higher education located within Maine, which meets the requirements of, and conforms to, the definitions contained in section 1201 of the Higher Education Act of 1965, as amended, 29 U.S.C. 1141, and section 491 of the Higher Education Act of 1965, as amended, 20 U.S.C. 1088, and such regulations, guidelines and procedures as promulgated by the United States Commissioner of Education and published in the Federal Register pursuant to these sections of federal law.

5. **Resident of the State of Maine.**

A. "Resident of the State of Maine," as used with respect to a person's eligibility for a state student incentive grant, shall mean a person who has been a bona fide domiciliary of the State for at least one year immediately prior to the date on which he or she submits an application to the State Board of Education for a state student incentive grant. This requirement does not prejudice the right of a person denied eligibility under this program because of his or her nonresident status to be placed thereafter on a resident basis provided that he or she has acquired a bona fide domicile of a year's duration within the State. Attendance at an institution of higher education in Maine neither constitutes nor necessarily precludes the acquisition of such a domicile. For the purposes of the state student incentive grants program, a person does not acquire a domicile in Maine until he or she has been in Maine for at least a year primarily as a permanent resident and not merely as a student; this involves the probability of his or her remaining in Maine beyond his or her completion of school.

B. Subject to paragraph A, the domicile of an unmarried minor follows that of the parents or legally appointed guardian. The bona fide year-round domicile of the father, if living, otherwise that of the mother, is the domicile of such a minor; but if the father and the mother have separate places of residence, the minor takes the domicile of the parent with whom he lives or to whom he has been assigned by court order. If neither of the parents is living, the unmarried minor takes the domicile of his legally appointed guardian.

C. Subject to paragraph A, an adult student, defined for the purposes of this law as one who is either married or 18 years of age or older, will be classified as a resident of Maine if he or she has completed 12 continuous months of domicile in Maine immediately preceding submission of his or her application to the State Board of Education for a state student incentive grant.

D. The resident status of a married person shall be based upon the such person's individual resident status and shall not be dependent upon the resident status of such person's spouse.

6. State Board of Education. "State Board of Education" means the State Board of Education as created pursuant to section 51. The State Board of Education shall be the sole state agency for the purposes of administration of the state student incentive grants program.

Sec. 4. Appropriation. To carry out the purposes of this program, there is appropriated to the Department of Educational and Cultural Services, out of any moneys in the General Fund not otherwise appropriated, the following sums—for the fiscal year beginning July 1, 1973 and ending June 30, 1974, the sum of \$35,000; for the fiscal year beginning July 1, 1974 and ending June 30, 1975, the sum of \$5,036,500, the respective breakdowns of which shall be as follows:

	1973-74	1974-75
EDUCATIONAL AND CULTURAL SERVICES, DEPARTMENT OF		
Education Administration		
Personal Services	(2) \$22,940	(2) \$22,975
All Other	12,060	13,525
	<hr/>	<hr/>
Total, Education Administration	\$35,000	\$36,500
Grant, Loan and Scholarship Programs		
Maine State Student Incentive		
Grants Program	—	\$5,000,000
	<hr/>	<hr/>
Total, Maine State Student		
Incentive Grants Program	—	\$5,000,000
	<hr/>	<hr/>
Total, Department of Educational		
and Cultural Services	\$35,000	\$5,036,500

It is the intent of this Legislature that the \$5,000,000 appropriated for the Maine State Student Incentive Grants Program for the fiscal year ending June 30, 1975 shall be restricted to the purpose of making State Student Incentive Grants to eligible students for which grants the State Board of Education shall not expend in excess of \$2,500,000 in the fiscal year ending June 30, 1975, and that notwithstanding the provisions of the Revised Statutes of 1964, as amended, Title 5, Section 1544, the sum of \$2,500,000 appropriated for the fiscal year ending June 30, 1975 shall not lapse to Unappropriated Surplus but

shall be carried to the fiscal year beginning July 1, 1975 and ending June 30, 1976 to be expended in that year by the State Board of Education solely for the same purpose.

STATEMENT OF FACT

It is the purpose of this Act to implement the intention of the 103rd Legislature which enacted R. S., T. 20, section 2251—**Public Policy on Higher Education**. To quote from the preamble to that legislation—The people of Maine are desirous of and entitled to equal opportunity for a quality post high school education. It is hereby recognized that all citizens of Maine who **are desirous of post secondary education, especially those with limited financial resources, are considered eligible to acquire the appropriate education or training.**

This bill create a student oriented program which will enable any qualified Maine citizen to attend an institution of his own choice in Maine and thus allow no further perpetuation of the waste of much of our human resources. The appropriations provided would provide personnel and related costs of administration of the program, including \$10,000 in each fiscal year for contracting with testing or other agencies for the furnishing of specific aspects related to the program as authorized in section 2248, subsection 3, which services would need to be performed in the fiscal year preceding the making of the grants. Further, the provisions of the bill require the State Board of Education to make determinations not later than March 1 of each year with respect to grant funds available in the following academic year, which requires that appropriations for the grant program be made in the fiscal year preceding the academic year in which the grants will be made.