

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 2310

S. P. 760

In Senate, March 19, 1976

Referred to Committee on Appropriations and Financial Affairs. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Katz of Kennebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SIX

AN ACT to Provide Grants and Loans for Health Education.

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

Sec. 1. 20 MRSA c. 304 is enacted to read:

CHAPTER 304

PROFESSIONAL HEALTH FUND

§ 2271. Intent

It is the intent of the Legislature to provide financial assistance through grants and loans to Maine residents enrolled in any graduate health education program for which the State has contracted through the New England Board of Higher Education.

It is further the intent of the Legislature that the loans provided under this chapter may be forgiven by means of a period of professional practice in certain designated areas of the State.

§ 2272. Professional Health Fund

There shall be established within the Department of Educational and Cultural Services a Professional Health Fund which shall be a revolving, non-lapsing fund to carry out the purposes of this chapter. The fund shall be administered by the Commissioner of Educational and Cultural Services, as provided in this chapter, to provide financial assistance through grants and loans to Maine residents enrolled in any graduate health education programs

for which the State has contracted through the New England Board of Higher Education.

§ 2273. Rules

The department, after due notice and public hearing, shall be authorized to make any rules necessary for the administration of this chapter, and, after due notice and public hearing, to rescind or modify such rules, insofar as such action shall not be in conflict with any of the provisions of this chapter.

§ 2274. Recommendation of the commissioner

Annually, prior to February 15th the commissioner shall recommend to the Budget Office and the Legislature an amount to be appropriated to the Professional Health Fund to carry out the purposes of this chapter and for each contract program the portion of the total student price which shall be available as a grant and the portion which shall be available as a loan.

§ 2275. Action by the Legislature

The Legislature shall annually enact legislation which includes the following.

1. **Priority statement.** The Legislature shall designate for each contract program the portion of the total student price which shall be available as a grant and the portion which shall be available as a loan. The maximum grant in any contract program shall not exceed 50% of the total student price in that program. The total student price shall include both the cost of the space provided through the contract and the cost of student tuition. The total grant and loan each year to any student shall be equivalent to the cost of the space provided through the contract in the program in which the student is enrolled.

2. **Appropriation.** The Legislature shall appropriate to the Professional Health Fund an amount which it considers sufficient to provide for the grants and loans to be provided under this chapter for eligible Maine residents.

§ 2276. Establishment of Shortage Area Advisory Committee

There shall be created a Shortage Area Advisory Committee which shall consist of 9 members. These members shall include the following.

1. **Ex officio members.** The Commissioner of Educational and Cultural Services and the Commissioner of Human Services shall serve as ex officio members.

2. **Public members.** Seven members of the committee shall be appointed from the general public, among whom shall be representatives of the health professions included in the programs for which the State has contracted through the New England Board of Higher Education. These 7 members shall be appointed by the Governor for 4-year terms, except that 3 initial appointments shall be for one year, 2 initial appointments shall be for 2 years and 2 initial appointments shall be for 3 years. If, prior to the expiration of a term, a vacancy should occur, the Governor shall appoint another member to complete the remainder of the unexpired term. All members of the com-

mittee shall serve without pay, but shall be reimbursed for travel and other expenses incurred in the performance of their official duties as members. All members of the committee shall serve until their successors have been duly appointed and qualified.

§ 2277. Committee chairman

The chairman of the committee shall be appointed by the members of the committee from among the 7 public members. Appointment of the chairman shall be in accordance with procedures adopted by the committee. The term of the chairman shall be coterminous with that member's term on the committee. There shall be no limitation on the number of terms as chairman an individual may serve, provided that the individual continues to be a member of the committee in good standing.

§ 2278. Meetings

All appointments shall be made and an organizational meeting held within 60 days of the effective date of this Act.

Meetings shall be held on call of the chairman or the Commissioner of Educational and Cultural Services on 5 days' written notice to the members.

§ 2279. Duties of the committee

The committee shall have the following duties.

1. Advise the Commissioner. The committee shall serve in an advisory capacity to the Commissioner of Educational and Cultural Services for the purposes of carrying out this chapter.

2. Designation of geographic area. The committee shall designate those areas of the State which do not have adequate services of health professionals. In addition, the committee shall identify the specific health professions whose services are needed in each area. In making its designations, the committee shall consider the likely long-term, as well as the immediate, health professional needs of any area.

§ 2280. Authority to make grants and loans

The Commissioner of Educational and Cultural Services shall be authorized to make grants and to enter into loan contracts with any eligible individual using funds from the Professional Health Fund.

§ 2281. Limits on grants and loans

Any grant or contract for a loan shall be for one year. Applications from individuals who have previously received a grant or loan shall be considered each year before any other application.

§ 2282. Eligibility for grants and loans

Any Maine resident who is currently enrolled or will within 12 months be enrolled in any graduate program of health education for which the State has contracted through the New England Board of Higher Education shall be eligible for grants and loans under this chapter.

§ 2283. Terms of loan

Any loan contract shall be drawn between the recipient and the Department of Educational and Cultural Services on behalf of the State.

All loans shall be repaid on terms established in the loan contract or shall be forgiven according to the following schedules.

1. Two or more years of service. If the recipient, after graduation and no more than 3 years of internship and residency, serves in one or more of the designated shortage areas of the State for at least 2 years, 25% of the total of loans shall be forgiven for each year of service. The loans shall be totally forgiven after 4 years of service. The recipient shall be liable to the State for any portion of the loan not forgiven and for interest on this portion at the rate of 6% per year compounded semiannually from the date the recipient ceases to serve in a designated shortage area. Repayment of any portion of the total loans not forgiven shall be in accordance with terms described in the loan contract and shall begin whenever the recipient ceases to serve in a designated shortage area.

2. Less than 2 years of service. If a recipient, after graduation and no more than 3 years of internship and residency, serves less than 2 years in one or more of the designated shortage areas of the State, no portion of the total loans shall be forgiven and he shall be liable to the State for the total amount of loans and for interest at the rate of 6% per year compounded semiannually from the date he ceases to serve in a designated shortage area. Repayment shall be in accordance with terms described in the loan contract and shall begin whenever the recipient ceases to practice in a designated shortage area.

3. Failure to serve. If a recipient does not serve in one or more of the designated shortage areas of the State, he shall be liable to the State for the total amount of loans and for interest at the rate of 6% per year compounded semiannually from the date of each loan contract. Repayment shall be in accordance with terms described in the loan contract and shall begin no later than 3 years after the graduation of the recipient.

4. Exception. If the commissioner determines that a recipient has ceased or failed to serve in a designated shortage area for justifiable causes, the commissioner may forgive the loan entirely or modify the amount and terms of repayment.

§ 2284. Repayment

All funds received through the repayment of loans shall be deposited in the Professional Health Fund. Upon request of the Commissioner of Educational and Cultural Services, the Attorney General may institute proceedings for the purpose of recovering any amount due the State under any loan contract drawn under the provisions of this chapter.

§ 2285. Students in present programs

Any students presently enrolled in a program for which grants and loans may be provided under this chapter may continue under the provisions of the present contract program or apply for grants or loans under this chapter.

Sec. 2. Appropriation. There is appropriated from the General Fund the sum of \$20,000 to the Department of Educational and Cultural Services to carry out the purposes of this Act. The breakdown shall be as follows:

1976-77

EDUCATIONAL AND CULTURAL SERVICES,
DEPARTMENT OF

Personal Services	\$20,000
All Other	_____

STATEMENT OF FACT

The present contract programs for professional health education which the State maintains through the New England Board of Higher Education provides access to professional schools for Maine residents. These programs do not, however, provide any motivation for students to return to Maine to practice. This bill provides this missing motivation.

The bill establishes a Professional Health Fund and a Shortage Area Advisory Committee. The committee will advise the Commissioner of Educational and Cultural Services on areas of the State with an inadequate supply of health professionals and the specific types of professionals required in each area. The Professional Health Fund will be administered by the commissioner and will provide grants and loans to eligible Maine residents. If a recipient returns to Maine to practice in a shortage area, the bill provides forgiveness of a portion or all of the loan. If the recipient chooses to practice elsewhere or fails to practice in a shortage area long enough for the entire loan to be forgiven, the balance of the loan must be repaid to the Professional Health Fund. **The State will, then, either receive the benefit of practicing professionals or additional money through repayment of the loan.** It is anticipated that repayment of loans may, after several years, lower the amount which the State would need to appropriate for the contract programs.