

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1481

S. P. 423

In Senate, April 7, 1977

Referred to Committee on Education. Sent down for concurrence and 2,000 ordered printed.

MAY M. ROSS, Secretary

Presented by Senator Katz of Kennebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT Establishing the Maine Student Incentive Scholarship Program.

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

Sec. 1. 20 MRSA c. 308 is enacted to read:

CHAPTER 308

STUDENT INCENTIVE SCHOLARSHIP PROGRAM

§ 2371 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 Maine Department of Educational and Cultural Services shall promulgate state regulations, guidelines and procedures to be used in determining "actual cost-of-attendance" for the purposes of the Maine Student Incentive Scholarship Program.

3. Department. "Department" shall mean the Department of Educational and Cultural Services.

4. 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 scholarship. 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 department. In establishing such system, the department 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 1956, 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.

5. 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 section of federal law.

§ 2372. Establishment

1. Establishment of and eligibility for program. There is established a program, to be administered by the Department of Educational and Cultural Services, of state student incentive scholarships to residents of the State of Maine who:

- A. Have graduated from an approved Maine secondary school and have parents who are deemed residents of the State of Maine at the time of the student's graduation or have graduated from an approved secondary school outside of Maine and have parents who are deemed residents of the State of Maine at the time of the student's graduation,
- B. 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 and have met the required academic standards for admission;
- C. Have applied for such grants to the department according to such schedules and procedures and on such forms as the department may require;

D. Have agreed in such manner as the department 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, veterans's benefits or other resources which the student has obtained by merit, previous service or similar personal efforts;

E. Have been determined by the department to be of substantial financial need according to the criteria set forth in subsection 2.

2. Determination of need.

A. The department shall establish the need of each student for a state student incentive scholarship 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 scholarship; 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 \$4,800 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 scholarship.

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 department determines the state student incentive scholarship 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 scholarship program shall be determined as follows, subject to the limitations set forth in subsection 4, which may be imposed at the discretion of the department 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 scholarship 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 scholarship 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 scholarship of less than \$200 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 department, be awarded a state student incentive scholarship.

E. If a recipient of a state student incentive scholarship at any time withdraws from an institution of higher education and if under the rules and regulations 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 scholarship 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 department shall evaluate the availability of state funds, or of state and federal funds, for the state student incentive scholarship 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 scholarships under the conditions set forth in subsection 3, the department shall publish, no later than March 1st, a schedule of reductions in state student incentive scholarships 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 department 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 scholarship 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 department in accordance with application schedules and procedures established by the department 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 department 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 scholarship 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 case, 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.

§ 2373. Program administration

1. Responsibility of the department. The department shall have responsibility for administration of the state student incentive scholarship 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 Scholarship Program, Title IV, Part A, Subpart 3 of the Higher Education Act of 1965, as amended, 20 U.S.C. 1070c-1, 1070c-2 and 1070c-3.

2. Guidelines, rules and regulations. The department 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 department 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 scholarship program.

3. Authority of department to contract. The department 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 scholarship program, except that the department shall retain unto itself the responsibility for making the evaluation as required under section 2372, subsection 4.

Sec. 2. Appropriation. To carry out the purposes of this program, there is appropriated to the Department of Educational and Cultural Services for the fiscal year beginning July 1, 1977 and ending June 30, 1978 the sum of \$42,000; and for the fiscal year beginning July 1, 1978 and ending June 30, 1979 the sum of \$1,483,000, the respective breakdowns of which shall be as follows:

	1977-78	1978-79
EDUCATIONAL AND CULTURAL SERVICES		
DEPARTMENT OF		
Education Administration		
Personal Services	(2) \$30,000	(2) \$33,000
All Other	12,000	10,000
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Total, Education Administration	\$42,000	\$43,000

Maine Student Incentive Scholarship Program	—	\$1,440,000
Total, Department of Educational and Cultural Services	\$42,000	\$1,483,000

It is the intent of the Legislature that any money unexpended in this sum shall not lapse, but shall be carried forward to the following fiscal year, to be expended in that year by the Department of Educational and Cultural Services solely for the same purpose.

Sec. 3. Grants from the State Tuition Equalization Fund. Grants from the State Tuition Equalization Fund, as established in Title 20, section 2311, may be made only to recipients of the grants during any part of the 1977-78 academic year. Recipients of grants during the current academic year shall be entitled to priority in the awarding of future grants under the provisions of Title 20, chapter 308.

STATEMENT OF FACT

It is the purpose of this bill to create a student oriented program which will enable any qualified Maine citizen to attend an institution of his own choice in Maine. The appropriation would provide personnel and related costs of administration of the program, including sums in each fiscal year for contracting with testing or other agencies for the furnishing of specific services related to the program which would need to be performed in the fiscal year preceding the making of the grants. Further, the provisions of the bill require the State Department of Educational and Cultural Services to make determinations not later than March 1 of each year with respect to grant funds available in the following academic year. Appropriations for the grant program must, therefore, be made in the fiscal year preceding the academic year in which the grants will be made.