

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1240

H.P. 927 House of Representatives, April 13, 1987
Reference to the Committee on Education suggested and
ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative BOUTILIER of Lewiston.

Cosponsored by Representatives GWADOSKY of Fairfield,
NADEAU of Lewiston, and Speaker MARTIN of Eagle Lake.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

AN ACT to Create the Maine Choice
Scholarship Fund.

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

20-A MRS A c. 430 is enacted to read:

CHAPTER 430

Maine Choice Scholarship Program

§12601. Maine Choice Scholarship Program

There is established the Maine Choice Scholarship
Program to recognize Maine high school graduates who
attain high academic achievement and to provide fi-
nancial assistance for post-secondary education of

1 high school students. The program shall recognize
2 outstanding high school students as described in section
3 12602 and disburse interest free loans as de-
4 scribed in section 12603. The program shall be ad-
5 ministered by the commissioner.

6 §12602. Maine Choice scholars

7 Each year graduating high school seniors who show
8 evidence of academic achievement shall be considered
9 for recognition as Maine choice scholars. Nomina-
10 tions and applications shall be submitted to the com-
11 missioner at a time and in a format to be determined
12 by rule of the commissioner. The commissioner shall
13 determine the finalists.

14 The Governor shall announce the names of those
15 individuals who are recognized as Maine Choice
16 scholars.

17 §12603. Allocation of funds

18 1. Loans. Loans of up to 1/2 of the student's
19 unmet financial need or \$2,000 per academic year,
20 whichever is less, or \$10,000 total may be made to
21 eligible individuals. Loans shall be for one academ-
22 ic year and shall be automatically renewed if the re-
23 ipient maintains a grade point average of 2.5 based
24 on a 4.0 grade point system.

25 2. Limit on disbursements. The commissioner may
26 not expend the first \$50,000 of income to the fund
27 each year.

28 §12604. Eligibility requirements

29 1. Eligibility for post-secondary education
30 loans. Post-secondary education loans shall be given
31 only to a high school graduate who is a resident of
32 the State, who has been recognized as a Maine choice
33 scholar and who has met other eligibility criteria
34 established by rule of the commissioner. Preference
35 shall be given to students enrolled in a program
36 which has been determined to be an underserved sub-
37 ject area.

1 2. Determination of underserved areas. The com-
2 missioner, in conjunction with the Director of the
3 State Development Office, shall make a determination
4 of underserved areas by considering the following in-
5 formation:

6 A. Statistics on current employment patterns
7 provided by the Bureau of Labor Standards, de-
8 tailing the level of qualified applicants availa-
9 ble; and

10 B. Numbers of students currently enrolled in
11 programs leading to degrees in given professions.

12 3. Underserved areas. "Underserved areas" means
13 areas of professional expertise which currently are
14 served by an insufficient pool of job applicants.

15 §12605. Payment provisions

16 Payment of loans shall be made directly on a se-
17 mester basis only to the institution for credit to
18 the student's account and be made within 60 days fol-
19 lowing evidence that the student has become duly en-
20 rolled at the post-secondary institution.

21 If a recipient of a loan withdraws from an insti-
22 tution and if the student is entitled to a refund of
23 tuition, fees or other charges, the institution shall
24 pay directly to the State from that refund a sum
25 which represents the portion of the loan paid to the
26 student for the portion of the academic year that the
27 student did not complete.

28 §12606. Repayment and return service provisions

29 Each recipient of a loan may cancel the total
30 amount of the loan by completing 4 years of return
31 services through employment in the student's field of
32 study in the State. Return service for this purpose
33 shall be performed within 5 years of graduation from
34 the institution of higher education. Failure to ful-
35 fill the return service option shall necessitate re-
36 payment to the State as follows.

37 1. Time for repayment. The total debt shall be
38 repaid to the State within 5 years of graduation from

1 the institution of higher education according to a
2 schedule established by the commissioner. Due dates
3 for repayments shall be set by the commissioner.

4 2. Deferment. A recipient of a loan may seek a
5 deferment of the annual principal payments for a pe-
6 riod not to exceed 2 years. A request for deferment
7 must be made to the commissioner who shall make a de-
8 termination on a case-by-case basis. The decision of
9 the commissioner shall be final.

10 §12607. Nonlapsing revolving fund

11 A nonlapsing, interest earning, revolving fund,
12 known as the Maine Choice Scholarship Fund, is cre-
13 ated to implement the purposes of this chapter. Any
14 unexpended balance of funds shall be carried over for
15 continued use in the program and funds returned
16 through loan repayments shall be invested by the
17 Treasurer of State, as provided by law, with the
18 earned income to be added to the fund. The revolving
19 fund may receive, invest and expend money from gifts,
20 grants, bequests and donations, in addition to money
21 appropriated by the State.

22 Appropriation. The following funds are appropri-
23 ated from the General Fund to carry out the purposes
24 of this Act.

25 1987-88

26 EDUCATIONAL AND CULTURAL SER-
27 VICES, DEPARTMENT OF

28 Maine Choice Scholarship
29 Program

30 All Other \$250,000

31 These funds shall be
32 used to support the
33 Maine Choice Scholar-
34 ship Program.

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STATEMENT OF FACT

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This bill creates a Maine Choice Scholarship Fund to encourage higher education in this State. With decreasing availability of federal funding, it is important that the State assume an active role in providing its citizens with educational assistance. The Maine Choice Scholarship Fund is an attempt to provide educational incentive to students choosing to enroll in occupations currently underserved in the State.

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