

MAINE STATE LEGISLATURE

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(NEW DRAFT OF H.P. 927, L.D. 1240)
(NEW TITLE)
SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 2328

H.P. 1695 House of Representatives, February 22, 1988
Reported by Representative PARADIS from the Committee on
Education and printed under Joint Rule 2.

 EDWIN H. PERT, Clerk
Original bill sponsored 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-EIGHT

1 **AN ACT to Create the Maine Choice Fund.**
2

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

5 Sec. 1. 20-A MRSa c. 430-A is enacted to read:

6 CHAPTER 430-A

7 Maine Choice Program

1 §12651. Maine Choice Program

2 There is established the Maine Choice Program to
3 recognize Maine high school graduates who attain high
4 academic achievement and to provide financial
5 assistance for post-secondary education of high school
6 students. The program shall recognize outstanding
7 high school students and post-secondary students
8 enrolled in programs in underserved professional
9 subject areas as described in section 12652 and
10 disburse interest-free loans as described in section
11 12653. The program shall be administered by the
12 commissioner.

13 §12652. Maine Choice Scholars

14 Each year graduating high school seniors who show
15 evidence of academic achievement shall be considered
16 for recognition as Maine Choice Scholars. Individuals
17 who are enrolled in post-secondary education programs
18 in underserved professional subject areas are eligible
19 for recognition as Maine Choice Scholars. Nominations
20 and applications shall be submitted to the
21 commissioner at a time and in a format to be
22 determined by rule of the commissioner. The
23 commissioner shall determine the finalists.

24 The Governor shall announce the names of those
25 individuals who are recognized as Maine Choice
26 Scholars.

27 §12653. Allocation of funds

28 1. Loans. Loans of up to 1/2 of the student's
29 unmet financial need or \$2,000 per academic year,
30 whichever is less, or \$10,000 total may be made to
31 eligible individuals. Loans shall be for one academic
32 year and shall be automatically renewed if the
33 recipient maintains a grade point average of 2.5 based
34 on a 4.0 grade point system.

35 2. Limit on disbursements. The commissioner may

1 not expend the first \$50,000 of income to the fund
2 each year.

3 §12654. Eligibility requirements

4 1. Eligibility for post-secondary education
5 loans. Post-secondary education loans shall be given
6 only to a high school graduate who is a resident of
7 the State, who has been recognized as a Maine Choice
8 Scholar and who has met other eligibility criteria
9 established by rule of the commissioner. Preference
10 shall be given to students enrolled in a program which
11 has been determined to be an underserved professional
12 subject area.

13 2. Determination of underserved professional
14 subject areas. The commissioner, in conjunction with
15 the Director of the State Development Office, shall
16 make a determination of underserved professional
17 subject areas by considering the following information:

18 A. Statistics on current employment patterns
19 provided by the Bureau of Labor Standards,
20 detailing the level of qualified applicants
21 available; and

22 B. Numbers of students currently enrolled in
23 programs leading to degrees in given professions.

24 3. Underserved professional subject areas.
25 "Underserved professional subject areas" means areas
26 of professional expertise which currently are served
27 by an insufficient pool of job applicants.

28 4. Change of status. If a recipient is enrolled
29 in a program which was determined to be an underserved
30 professional subject area and the program is then
31 determined not to be an underserved professional
32 subject area, the eligibility of that recipient for
33 loans pursuant to this chapter shall not be affected.

34 §12655. Payment provisions

35 Payment of loans shall be made directly on a

1 semester basis only to the institution for credit to
2 the student's account and be made within 60 days
3 following evidence that the student has become duly
4 enrolled at the post-secondary institution.

5 If a recipient of a loan withdraws from an
6 institution and if the student is entitled to a refund
7 of tuition, fees or other charges, the institution
8 shall pay directly to the State from that refund a sum
9 which represents the portion of the loan paid to the
10 student for the portion of the academic year that the
11 student did not complete.

12 §12656. Repayment and return service provisions

13 Each recipient of a loan may cancel the total
14 amount of the loan by completing 4 years of return
15 service through employment in the student's field of
16 study in the State. Return service for this purpose
17 shall be performed within 5 years of graduation from
18 the institution of higher education. Failure to
19 fulfill the return service option shall necessitate
20 repayment to the State as follows.

21 1. Time for repayment. The total debt shall be
22 repaid to the State within 5 years of graduation from
23 the institution of higher education according to a
24 schedule established by the commissioner. Due dates
25 for repayments shall be set by the commissioner.

26 2. Deferment. A recipient of a loan may seek a
27 deferment of the annual principal payments for a
28 period not to exceed 2 years. A request for deferment
29 must be made to the commissioner who shall make a
30 determination on a case-by-case basis. The decision
31 of the commissioner shall be final.

32 3. Change of program. If a recipient who was
33 enrolled in a program which represents an underserved
34 professional subject area changes that course of study
35 to a different program, the recipient shall make
36 repayment to the State for the total amount of loans
37 received by that student as set out in subsections 1
38 and 2.

39 §12657. Nonlapsing revolving fund

1 A nonlapsing, interest-earning, revolving fund,
2 known as the Maine Choice Fund, is created to
3 implement the purposes of this chapter. Any
4 unexpended balance of funds shall be carried over for
5 continued use in the program and funds returned
6 through loan repayments shall be invested by the
7 Treasurer of State, as provided by law, with the
8 earned income to be added to the fund. The revolving
9 fund may receive, invest and expend money from gifts,
10 grants, bequests and donations, in addition to money
11 appropriated by the State.

12 §12658. Rules

13 The commissioner shall adopt rules pursuant to the
14 Maine Administrative Procedures Act, Title 5, chapter
15 375, to implement this chapter.

16 Sec. 2. Appropriation. The following funds are
17 appropriated from the General Fund to carry out the
18 purposes of this Act.

	<u>1988-89</u>
19	
20	<u>EDUCATIONAL AND CULTURAL SERVICES,</u>
21	<u>DEPARTMENT OF</u>
22	Higher Education Services
23	Positions (1)
24	Personal Services \$28,077
25	All Other 7,500
26	Maine Choice Program
27	All Other 250,000
28	
29	TOTAL \$285,577

30 FISCAL NOTE

31 In order to serve the same number of students each
32 year, the appropriations to the Maine Choice Program

1 would need to be increased according to the following
2 schedule:

3	Fiscal Year	Total Cost
4	1989	\$250,000
5	1990	500,000
6	1991	750,000
7	1992	1,000,000

8 STATEMENT OF FACT

9 This new draft creates a Maine Choice Fund to
10 encourage higher education in this State. With
11 decreasing availability of federal funding, it is
12 important that the State assume an active role in
13 providing its citizens with educational assistance.
14 The Maine Choice Fund is an attempt to provide
15 educational incentives to students choosing to enroll
16 in occupations currently underserved in the State.

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