

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1690

S.P. 642

In Senate, April 24, 1991

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27.
Reference to the Committee on Education suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator ESTES of York
Cospponsored by Representative CROWLEY of Stockton Springs and Representative
NORTON of Winthrop.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act Concerning Amendments to the Laws Affecting Education
Programs of the Finance Authority of Maine.

(AFTER DEADLINE)

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

2
4 Sec. 1. 20-A MRSA §11613, first ¶, as enacted by PL 1989, c. 559, §10, is amended to read:

6 The authority shall establish the need of a student for a
8 student incentive scholarship for an academic year for which the
10 student applies. A student shall-be is considered to have a need
12 to qualify for a student incentive scholarship if the total of
14 the expected family contribution, together with a any Pell Grant
16 established pursuant to the Higher Education Act of 1965, Title
18 IV, as amended, United States Code, Title 20, and a student
20 incentive scholarship grant does not exceed 75% of the cost of
22 attendance at the institution the student attends. This section
24 does not require that a student receive or apply for a Pell Grant
26 but only that a student be eligible for a Pell Grant.

18 Sec. 2. 20-A MRSA §11804-A, sub-§2, as amended by PL 1985, c.
20 737, Pt. A, §44, is further amended to read:

20 2. **Forgiveness.** Any student who, upon the conclusion of
22 his-~~or-her~~ the student's professional education, including, if
24 applicable, internship, residency, fellowship, obligated public
26 health service and obligated national service, elects to serve as
28 a practitioner of allopathic medicine, dentistry, optometry or
30 veterinary medicine in a designated, underserved area in the
32 State shall-be is forgiven 25% of the outstanding indebtedness
34 for each year of that practice.

30 A. Any student electing to complete an entire residency at
32 any family practice residency program in the State is
34 forgiven 50% of the outstanding indebtedness upon completion.

34 B. Any student electing to serve as a practitioner of
36 allopathic medicine or any other underserved specialty area
38 established by rule under this chapter who practices in an
40 underserved geographic area is forgiven the larger of 25% of
42 the outstanding indebtedness or \$10,000 for each year of
44 that practice.

40 Any student who elects to practice in the State and receives the
42 benefits of these provisions shall provide a reasonable level of
44 service to all patients regardless of their ability to pay,
46 including Medicare and Medicaid patients, and participate in
48 public health clinics where necessary.

46 Sec. 3. 20-A MRSA §11805, sub-§3, ¶A, as amended by PL 1989,
48 c. 698, §20 and c. 700, Pt. A, §60, is repealed and the following
50 enacted in its place:

2 A. The Finance Authority of Maine may expend the money
3 appropriated by the Legislature for the purchase of
4 positions at accredited medical schools to purchase:

5 (1) Up to 18 positions each year, to a total of 72
6 positions, at accredited schools of allopathic medicine;

7 (2) Up to 2 positions each year, to a total of 8
8 positions, at accredited schools of dentistry;

9 (3) Up to 2 positions each year, to a total of 8
10 positions, at accredited schools of veterinary
11 medicine; and

12 (4) Up to one position each year, to a total of 4
13 positions, at accredited schools of optometry.

14
15
16
17 Sec. 4. 20-A MRSA §11808, as repealed and replaced by PL
18 1989, c. 698, §24 and affected by §76, is repealed and the
19 following enacted in its place:

20
21 §11808. Nonlapsing fund

22
23 There is created under the jurisdiction of the authority a
24 nonlapsing, interest-earning, revolving fund to carry out the
25 purposes of this chapter. Any unexpended balance in the fund
26 carries over for continued use under this chapter. The authority
27 may receive, invest and expend, on behalf of the fund, money from
28 gifts, grants, bequests and donations, in addition to money
29 appropriated or allocated by the State. Loan repayments under
30 this section or other repayments to the authority must be
31 invested by the authority, as provided by law, with the earned
32 income to be added to the fund. Money received by the authority
33 on behalf of the fund, except interest income, must be used for
34 the designated purpose; interest income may be used for the
35 designated purpose or to pay student financial assistance
36 administrative costs incurred by the authority as determined
37 appropriate by the authority.

38
39 The authority may allocate a portion of the annual loan
40 repayments for the purpose of recruiting primary care physicians
41 to designated underserved geographic areas of the State. Such
42 portion may be used:

43
44 1. Generation of funds. To generate additional matching
45 funds for recruitment of physicians to designated underserved
46 geographic areas; or

47
48 2. Criteria established. In accordance with criteria
49 established by the authority, to encourage primary care
50 physicians to practice medicine in designated underserved areas.

2 Sec. 5. 20-A MRSA §11810, as amended by PL 1989, c. 698, §25
and affected by §76 and amended by c. 700, Pt. A, §61, is
4 repealed and the following enacted in its place:

6 §11810. Rules

8 The authority shall establish all rules necessary to carry
10 out the purposes of this chapter, except that the Commissioner of
12 Human Services shall develop rules for determining underserved
14 areas for the practice of allopathic medicine, dentistry and
16 optometry and the Commissioner of Agriculture, Food and Rural
 Resources shall develop rules for the determination of
 underserved areas for the practice of veterinary medicine. The
 rules authorized by this section are adopted in accordance with
 the Maine Administrative Procedure Act, Title 5, chapter 375,
 subchapter II.

18 Sec. 6. 20-A MRSA §12002-A, as enacted by PL 1989, c. 698,
20 §28 and affected by §76, is repealed and the following enacted in
 its place:

22 §12002-A. State Osteopathic Loan Fund

24 The State Osteopathic Loan Fund is created under the
26 jurisdiction of the authority as a nonlapsing, interest-earning,
28 revolving fund to carry out the purposes of this chapter. Any
30 unexpended balance in the fund carries over for continued use
32 under this chapter. The authority may receive, invest and
34 expend, on behalf of the fund, money from gifts, grants, bequests
36 and donations, in addition to money appropriated or allocated by
38 the State. Loan repayments under this section or other
 repayments to the authority must be invested by the authority, as
 provided by law, with the earned income to be added to the fund.
 Money received by the authority on behalf of the fund, except
 interest income, must be used for the designated purpose;
 interest income may be used for the designated purpose or to pay
 student financial assistance administrative costs incurred by the
 authority as determined appropriate by the authority.

40 The authority may allocate a portion of the annual loan
42 repayments for the purpose of recruiting primary care physicians
44 to designated underserved geographic areas of the State. That
 portion may be used:

46 1. Generate funds. To generate additional matching funds
48 for recruitment of physicians to designated underserved
 geographic areas; or

50 2. Criteria established. In accordance with criteria
52 established by the authority, to encourage primary care
 physicians to practice medicine in a designated underserved area.

2 The chief executive officer shall include in the authority's
biennial budget an appropriate request adequate to fund the loan
4 program.

6 **Sec. 7. 20-A MRSA §12005, sub-§1**, as amended by PL 1989, c.
8 698, §30 and affected by §76 and amended by c. 700, Pt. A, §62,
is repealed and the following enacted in its place:

10 1. Agreement. Any osteopathic loan student commencing
professional education on or after July 1, 1981, shall, as a
12 condition precedent to receiving the loan, enter into an
agreement with the Commissioner of Education stating that
14 following completion of professional education including
internship, residency, fellowship, obligated public health
16 service or obligated national service the student will pay the
State an amount of money equal to the loan received.

18 After March 16, 1990, the agreement provided for in this
subsection must be entered into by the student and the authority.

20 **Sec. 8. 20-A MRSA §12005, sub-§4**, as amended by PL 1989, c.
22 698, §30 and affected by §76, is further amended to read:

24 **4. Forgiveness.** Any student who, upon the conclusion of
26 the student's professional education, including, if applicable,
internship, residency, fellowship, obligated public health
28 service, obligated national service, as defined in section 11802,
subsection 7, elects to serve as a practitioner of osteopathic
30 medicine in a designated, underserved area, as determined by the
Commissioner of Human Services and as defined in section 11802,
32 subsection 6, in the State ~~must--be~~ is forgiven 25% of the
outstanding indebtedness for each year of that practice.

34 A. Any student electing to complete an entire residency at
any family practice residency program in the State is
36 forgiven 50% of the outstanding indebtedness upon completion.

38 B. Any student who practices osteopathic medicine in an
underserved geographic area is forgiven the larger of 25% of
40 the outstanding indebtedness or \$10,000 for each year of
that practice.

42 Any student who elects to practice in the State and receive the
44 benefits of these provisions shall provide a reasonable level of
service to all patients regardless of their ability to pay,
46 including Medicare and Medicaid patients, and participate in
public health clinics where necessary.

48 **Sec. 9. 20-A MRSA §12006**, as amended by PL 1989, c. 698, §31
50 and affected by §76 and amended by c. 700, Pt. A, §63, is
52 repealed and the following enacted in its place:

2
3 §12006. Rules

4 The authority shall establish rules necessary to carry out
5 the purposes of this chapter, except that the Commissioner of
6 Human Services shall develop rules for determining underserved
7 areas for the practice of osteopathic medicine.

8 Sec. 10. 20-A MRSA §12501, sub-§1-A, as amended by PL 1989, c.
9 911, §5, is further amended to read:

10 1-A. College students. "College students" means those
11 students who graduated from a Maine high school or the equivalent
12 and are residents of Maine or who did not graduate from a Maine
13 high school or the equivalent but have been residents of Maine
14 for 5-years at least one year and are attending an institution of
15 higher education on a full-time basis at the time of application
16 for program participation.

17 Sec. 11. 20-A MRSA §12502, sub-§5, as enacted by PL 1983, c.
18 859, Pt. F, §§1 and 2, is amended to read:

19 5. Preservice. "Preservice" means preparation to become a
20 teacher, either through completion of not less than a 4-year
21 teacher training program or through a liberal arts program, and
22 teaching pedagogy leading to certification in the subject area or
23 areas to be taught.

24 Sec. 12. 20-A MRSA §12502, as amended by PL 1989, c. 698, §33
25 and affected by §76 and amended by c. 911, §7, is repealed and
26 the following enacted in its place:

27 §12502. Blaine House Scholars and Financial Assistance Program

28 There is established the Blaine House Scholars and Financial
29 Assistance Program to recognize graduates from Maine high schools
30 or the equivalent who attain high academic achievement and to
31 provide financial assistance to college students and graduating
32 high school seniors for postsecondary education and to teachers
33 for advanced degree or continued study. The program recognizes
34 outstanding college students and graduating high school seniors
35 as described in section 12503 and disburses loans as described in
36 section 12504. The chief executive officer shall administer the
37 program and shall establish by rule the rates of interest to be
38 charged.

39 Sec. 13. 20-A MRSA §12507, sub-§3, as amended by PL 1989, c.
40 698, §39 and affected by §76, is further amended to read:

41 3. Deferment. A recipient of a loan may seek a deferment
42 of the annual principal payments for a period not to exceed 2
43 years or periods as established by rule of the authority. A
44 request for deferment must be made to the chief executive officer

2 who shall make a determination on a case-by-case basis. The
3 decision of the chief executive officer is final.

4 **Sec. 14. 20-A MRSA §12554, sub-§1**, as amended by PL 1989, c.
5 698, §45 and affected by §76 and amended by c. 700, Pt. A, §64,
6 is repealed and the following enacted in its place:

8 1. Application. A person desiring tuition waiver under
9 this chapter may apply to the authority for determination of
10 eligibility. Application must be on forms and in a manner
11 prescribed by rule of the authority.

12 **Sec. 15. 20-A MRSA §12568, sub-§2**, as amended by PL 1989, c.
13 698, §70 and affected by §76 and amended by c. 700, Pt. A, §65,
14 is repealed and the following enacted in its place:

15 2. Membership. The advisory board consists of 10 members,
16 including: the Chief Executive Officer of the Finance Authority
17 of Maine or the chief executive officer's designee; the Director
18 of Health Planning and Development or the director's designee;
19 the Commissioner of Labor or the commissioner's designee; the
20 Director of the State Planning Office or the director's designee;
21 a member of the Maine Health Policy Advisory Council appointed by
22 its chair; 2 representatives of the nursing profession appointed
23 by the Governor; 2 representatives of other allied health
24 professions appointed by the Governor; and one consumer appointed
25 by the Governor.

30 STATEMENT OF FACT

31 This bill amends the laws regarding Educational Programs of
32 the Finance Authority of Maine. The bill clarifies the intent
33 regarding eligibility for student incentive scholarships. The
34 bill provides incentives for professional providers to practice
35 in the State. The bill reduces the residency requirements for a
36 Blaine House Scholarship from 5 years to one year. The bill also
37 corrects several inconsistencies in the law.
38