

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

SECOND REGULAR SESSION-1998

Legislative Document

No. 2213

H.P. 1583

House of Representatives, February 12, 1998

**An Act to Encourage High School Students to Pursue Higher Education
at Postsecondary Educational Institutions in this State.**

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committees on Appropriations and Financial Affairs and Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Speaker MITCHELL of Vassalboro.
Cosponsored by Senator PINGREE of Knox and
Representatives: DONNELLY of Presque Isle, KERR of Old Orchard Beach, KNEELAND of
Easton, LEMAIRE of Lewiston, MURPHY of Kennebunk, QUINT of Portland, STEVENS of
Orono, Senator: CATHCART of Penobscot.

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

2
3 **Sec. 1. 10 MRSA §1013, sub-§§14 and 15,** as enacted by PL 1997,
4 c. 97, §4, are amended to read:

6 **14. University of Maine System Scholarship Fund.** The
7 University of Maine System Scholarship Fund, as established in
8 Title 20-A, chapter 419-B; and

10 **15. Scholarships for Maine Fund.** The Scholarships for
11 Maine Fund, as established in Title 20-A, chapter 419-C; and

12 **Sec. 2. 10 MRSA §1013, sub-§16** is enacted to read:

14 **16. Maine First Scholars Program.** The Maine First Scholars
15 Program, as established in Title 20-A, chapter 419-D.

18 **Sec. 3. 20-A MRSA §11618,** as enacted by PL 1989, c. 559, §10,
19 is amended to read:

20 **§11618. Nonlapsing fund**

22 Any unexpended funds appropriated by the Legislature to
23 carry out the purposes of this program shall ~~may~~ not lapse, but
24 shall ~~be~~ are carried forward for continued use in the program.
25 Funds appropriated for the program may be allocated by the
26 authority to the Maine First Scholars Fund as provided in chapter
27 419-D.

30 **Sec. 4. 20-A MRSA c. 419-D** is enacted to read:

32 **CHAPTER 419-D**

34 **MAINE FIRST SCHOLARS PROGRAM**

36 **§11661. Maine First Scholars Fund**

38 **1. Creation.** The Maine First Scholars Fund, referred to in
39 this section as the "fund," is created and established as a
40 nonlapsing fund under the jurisdiction and control of the Finance
41 Authority of Maine.

42 **2. Sources of money.** The fund consists of:

44 **A.** All money appropriated or allocated for inclusion in the
45 fund, from whatever source;

48 **B.** Money appropriated for or allocated to the student
49 incentive scholarship program that would have been awarded
50 to students but for section 11662, subsection 5; and

2 C. Any other money available to the Finance Authority of
3 Maine and directed by the Finance Authority of Maine to be
4 paid into the fund.

6 3. Application of the fund. Money in the fund may be
7 applied to carry out any power of the Finance Authority of Maine
8 under or in connection with section 11662 or to pay any
9 obligations incurred in connection with the fund, except that the
10 maximum aggregate amount of scholarships awarded to students
11 attending private institutions may not exceed \$1,000,000 annually
12 from funds appropriated for the Maine First Scholars Program.
13 Money in the fund not needed currently to meet the obligations of
14 the Finance Authority of Maine as provided in this chapter may be
15 invested in any manner permitted by law.

16 4. Accounts within fund. The Finance Authority of Maine
17 may divide the fund into separate accounts as it determines
18 necessary or convenient for carrying out the purposes of this
19 chapter.

22 5. Revolving fund. The fund is a nonlapsing, revolving
23 fund. Any unexpended funds appropriated by the Legislature to
24 carry out the purposes of this program do not lapse but must be
25 carried forward for continued use in the program.

26 §11662. Maine First Scholars Program

28 1. Established. The Maine First Scholars Program, referred
29 to in this chapter as the "program," is established to provide
30 students in this State with an incentive to aspire to and plan
31 for pursuing their education after high school at institutions of
32 higher education in the State. The program offers financial
33 assistance to students in their first year of postsecondary
34 education in order to reduce the deterrent effect of the cost of
35 higher education on students' aspirations.

38 2. Assistance provided to students at public institutions.
39 The Finance Authority of Maine may provide scholarship assistance
40 to eligible students attending the University of Maine System,
41 the Maine Technical College System or the Maine Maritime Academy,
42 subject to the following limitations.

44 A. The maximum amount of scholarship assistance to be
45 provided by the Finance Authority of Maine to any student
46 under this subsection is the lesser of the actual amount of
47 tuition charged by the institution attended by that student
48 or the amount set as tuition by the Board of Trustees of the
49 University of Maine System for the University of Maine,
50 except that in the case of a scholarship to a student

2 attending any of the schools of the Maine Technical College
3 System, the difference between these 2 amounts may be paid
4 to the Maine Technical College System to support its
5 capacity to enroll more students.

6 B. The scholarship assistance may be provided only for each
7 eligible student's first year of full-time study. Funds
8 must be disbursed on a semester or equivalent basis. An
9 eligible student must maintain a minimum grade point average
10 of 2.0 and be making satisfactory progress to receive any
11 disbursements after the first disbursement. If a
12 scholarship recipient's course load is reduced from full
13 time, that recipient's grant must be prorated for the term
14 of the recipient's enrollment.

15 C. The Finance Authority of Maine must establish rules to
16 prioritize available funds to eligible applicants based on
17 financial need. The Finance Authority of Maine must
18 establish the need of a student for a grant for an academic
19 year for which the student applies. A student is considered
20 to have financial need for purposes of this subsection if
21 the total of the expected family contribution, together with
22 any Pell Grant established pursuant to the Higher Education
23 Act of 1965, Title IV, 20 United States Code and a Maine
24 First Scholars grant does not exceed the cost of attendance
25 at the institution the student attends. This subsection
26 does not require that a student receive or apply for a Pell
27 Grant but only that the amount of any Pell Grant that a
28 student is entitled to receive must be included in
29 calculating the amount of a Maine First Scholars grant
30 whether or not the student receives the Pell Grant. The
31 expected family contribution and the cost of attendance must
32 be determined in accordance with section 11613.

33 D. The Finance Authority of Maine must enter into an
34 agreement with educational institutions participating in the
35 program that includes:

36 (1) That the participating educational institution
37 will accept the maximum scholarship assistance provided
38 for in this section as full tuition for each
39 participating student;

40 (2) That the participating educational institution
41 will provide students receiving scholarships under the
42 program with appropriate advice, counseling and
43 assistance in order to help those students to remain in
44 school;

2 (3) That in the event that a student withdraws from
4 the institution and the student is entitled to a refund
6 under that institution's refund policy, the institution
 shall make the refund payment directly to the Finance
 Authority of Maine to the extent of any payment
 pursuant to this chapter on behalf of that student; and

8 (4) Such other terms and conditions as the Finance
10 Authority of Maine determines to be necessary or
 desirable to implement the program.

12 3. Assistance provided to students at private
14 institutions. The Finance Authority of Maine may provide
16 scholarship assistance to eligible students attending private
 institutions of higher education in the State, subject to the
 following limitations.

18 A. The maximum amount of scholarship assistance to be
20 provided by the Finance Authority of Maine to any student
 under this subsection is \$3,000.

22 B. The scholarship assistance may be provided only for each
24 eligible student's first year of full-time study. Funds
26 must be disbursed on a semester or equivalent basis. An
28 eligible student must maintain a minimum grade point average
30 of 2.0 and be making satisfactory progress to receive any
 disbursements after the first disbursement. If a
 scholarship recipient's course load is reduced from full
 time, that recipient's grant must be prorated for the term
 of the recipient's enrollment.

32 C. In order to participate in the program, institutions of
34 higher education must offer a degree program of 2 years or
36 more, must be located within the State and must meet the
38 eligibility requirements established by the Finance
 Authority of Maine for participation in the student
 incentive scholarship program established under chapter
 419-A.

40 D. The Finance Authority of Maine must enter into an
42 agreement with educational institutions participating in the
 program that includes:

44 (1) That the participating educational institution
46 will provide students receiving scholarships under the
48 program with appropriate advice, counseling and
 assistance in order to help those students to remain in
 school;

2 (2) That in the event that a student withdraws from
4 the institution and the student is entitled to a refund
6 under that institution's refund policy, the institution
 shall make a refund payment directly to the Finance
 Authority of Maine to the extent of any payment
 pursuant to this chapter on behalf of that student;

8 (3) That awards to students must be made based on a
10 determination of need made in accordance with section
12 11613, substituting the amount of a Maine First
14 Scholars grant for the student incentive scholarship
 grant for purposes of the need calculation and with the
 priority established in section 11614, subsection 1; and

16 (4) Such other terms and conditions as the Finance
18 Authority of Maine determines to be necessary or
 desirable to implement the program.

20 4. Eligible students. To be eligible for a scholarship
 under the program, a student must meet the following criteria.

22 A. The student must be a resident of the State.

24 B. The student must have completed an approved course of
26 home schooling or have graduated from a public or private
28 secondary institution within 12 months prior to the date of
 enrollment at an eligible postsecondary educational
 institution.

30 C. The student must be accepted for full-time attendance at
32 an eligible institution in a certificate program of at least
34 one year, an associate degree program or a baccalaureate
 degree program.

36 D. The student must have applied for a Maine First Scholars
38 Program grant on forms and within a time designated by the
 Finance Authority of Maine.

40 5. Other state and federal assistance. A student receiving
42 a scholarship under the program is not entitled to receive a
44 scholarship under the student incentive scholarship program under
 chapter 419-A for that academic year. The Finance Authority of
 Maine must seek, to the extent possible consistent with the
 intent of this chapter, to preserve the eligibility and use of
46 federal tax credits and grants available to students and parents.

