

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

SECOND REGULAR SESSION-2000

Legislative Document

No. 2485

H.P. 1772

House of Representatives, January 11, 2000

An Act to Promote Educational Opportunity and Economic Development.

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative SAXL of Portland.

Cosponsored by Representatives: BRENNAN of Portland, RICHARD of Madison, TESSIER of Fairfield, THOMPSON of Naples, WATSON of Farmingdale, WILLIAMS of Orono, Senator: AMERO of Cumberland, President LAWRENCE of York.

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

4 **Sec. 1. 5 MRSA §12004-F, sub-§18** is enacted to read:

6 18. Business Expenses 20-A MRSA
7 Information Technology Only §12523
8 Board

10 **Sec. 2. 20-A MRSA c. 428-A** is enacted to read:

12 **CHAPTER 428-A**

14 **BUSINESS INFORMATION TECHNOLOGY PROGRAM**

16 **§12521. Definitions**

18 As used in this chapter, unless the context otherwise
indicates, the following terms have the following meanings.

20 1. BIT program. "BIT program" means the Business
Information Technology program.

22 2. Board. "Board" means the Business Information
24 Technology Board, established in section 12523.

26 3. College student. "College student" means a student who
is attending an institution of higher education on a full-time
28 basis in an associate degree or bachelor's degree program at the
time of application for BIT program participation.

30 4. Duly enrolled. "Duly enrolled" means that a college
32 student or postgraduate degree student has begun attending
classes.

34 5. Institution of higher education. "Institution of higher
36 education" means a postsecondary institution of higher education
located within this State.

38 6. Postgraduate degree student. "Postgraduate degree
40 student" means a student who has earned a Bachelor of Arts or
Bachelor of Science degree or its equivalent and is pursuing a
42 program of study in information technology.

44 7. Return service. "Return service" means employment in a
public or private sector information technology position in this
46 State, as approved by the board.

48 **§12522. Business Information Technology program**

2 The Business Information Technology program is established
3 to provide financial assistance to associate degree students,
4 bachelor's degree students and postgraduate degree students
5 pursuing careers in information technology-related fields in this
6 State.

8 **§12523. Business Information Technology Board established**

10 The Business Information Technology Board is established.
11 The board shall administer the BIT program. The board consists
12 of the following 5 members:

14 1. University of Maine System. One member representing the
15 University of Maine System, appointed by the Chancellor of the
16 University of Maine System;

18 2. Maine Technical College System. One member representing
19 the Maine Technical College System, appointed by the President of
20 the Maine Technical College System;

22 3. Maine software dealers. One member representing
23 computer software dealers in the State, appointed by the
24 President of the Senate;

26 4. Private colleges. One member representing the private
27 colleges in the State, appointed by the Speaker of the House of
28 Representatives; and

30 5. Public member. One member of the public, appointed by
31 the Governor.

32 Members serve for terms of 3 years and may be reappointed.

34 **§12524. BIT program loan recipients**

36 Each year college students and postgraduate degree students
37 pursuing degrees in information technology who show evidence of
38 academic achievement may be considered for recognition as BIT
39 program loan recipients. Applications must be submitted to the
40 board at a time and in a format to be determined by the board.

42 The board shall announce the names of those individuals
43 selected to be BIT program loan recipients.

44 **§12525. Allocation of funds**

46 The board shall establish by rule the allocation of funds
47 available under this chapter.

2 Loans of up to \$10,000 per academic year may be made to
3 college students and postgraduate degree students. Loans are for
4 one academic year and are automatically renewed if the recipient
5 maintains a minimum grade point average as determined by the
6 board.

7 **§12526. Eligibility requirements**

8
9 A BIT program loan may be given only to a college student or
10 postgraduate degree student who attends an institution of higher
11 education on a full-time basis in an information technology
12 course of study, who has been recognized as a BIT program loan
13 recipient and who has met other eligibility criteria established
14 by rules of the board.

15 **§12527. Payment provisions**

16
17 The board shall make payment of loans directly to the
18 institution of higher education for credit to the student's
19 account and shall make payment within 60 days following evidence
20 that the college student or postgraduate degree student has
21 become duly enrolled at the institution of higher education.

22
23 If a recipient of a loan withdraws from an institution of
24 higher education and is entitled to a refund of tuition, fees or
25 other charges, the institution of higher education shall pay
26 directly to the board from that refund a sum that represents the
27 portion of the loan paid to the student for the portion of the
28 academic year that the student did not complete.

29 **§12528. Repayment and return service provisions**

30
31 Each graduating college student or postgraduate degree
32 student who received a loan may cancel the total amount of the
33 loan by completing one year of return service approved by the
34 board for each year the individual received a loan. Return
35 service must be performed within 5 years of graduation from the
36 institution of higher education. An individual receiving
37 forgiveness for a postgraduate degree loan may not receive
38 forgiveness for any undergraduate BIT program loan simultaneously.

39
40 If the board grants a deferment pursuant to subsection 3,
41 the time period for performance of return service may be extended
42 for the same period as the deferment. Failure to fulfill the
43 return service option necessitates repayment to the board as
44 follows.

45
46 **1. Debt calculation.** The debt includes the total amount of
47 the loan and interest at the rate established by rule of the
48 board less the amount, if any, that has been cancelled by return
49 service.

2 2. Time for repayment. The total debt must be repaid to
4 the board within 10 years of graduation from the institution of
6 higher education according to a schedule established by the
 board. Due dates for repayments are set by the board and may be
 extended for the period of any deferment granted by the board.

8 3. Deferment. A loan recipient may seek a deferment of the
10 payments for a period or periods established by rule of the
12 board. A request for deferment must be made to the board, which
14 shall make a determination on a case-by-case basis. The board
16 may grant a deferment if a recipient of a loan evidences intent
18 to work in the information technology industry and inability to
20 secure the employment necessary to obtain forgiveness of the loan
 at the time the deferment is sought. The board shall require
 certification of the intent annually and shall grant a one-year
 deferment for each successful request for deferment. A recipient
 may not receive more than 5 one-year deferments. The decision of
 the board is final.

22 **§12529. Default**

24 A college student or postgraduate degree student who
26 receives a loan and who fails to maintain the minimum grade point
28 average specified by the board or who fails to graduate from an
 information technology degree program at an institution of higher
 education is in default. The student shall make repayment to the
 board as follows.

30 1. Debt calculation. The debt includes the total amount of
32 the loan and interest at the rate established by rule of the
34 board less the amount, if any, that has been repaid by the
 student.

36 2. Time for repayment. The total debt must be repaid to
38 the board within 10 years of default according to a schedule
40 established by the board. Due dates for repayments are set by
 the board and may be extended for the period of any deferment
 granted by the board.

42 **§12530. Nonlapsing revolving fund**

44 The Business Information Technology program fund, referred
46 to in this section as the "fund," is created as a nonlapsing,
48 interest-earning, revolving fund to carry out the purposes of
 this chapter. Any unexpended balance in the fund carries over
 for continued use under this chapter. The board may receive,
 invest and expend on behalf of the fund money from gifts, grants,
 bequests, loans, including loans obtained pursuant to chapter

2 417-B, and donations in addition to money appropriated or
4 allocated by the State. Loan repayments under this chapter and
6 other repayments to the board must be invested by the board as
8 provided by law, with the earned income to be added to the fund.
10 Money received by the board on behalf of the fund, except
12 interest income, must be used for the purposes of this chapter;
14 interest income may be used for the purposes of this chapter or
16 to pay student loan administrative costs incurred by the board,
18 as determined appropriate by the board.

20 **§12531. Rules**

22 The board shall adopt rules to implement this chapter.
24 Rules adopted by the board pursuant to this chapter are major
26 substantive rules pursuant to Title 5, chapter 375, subchapter
28 II-A.

18 **SUMMARY**

20 This bill establishes the Business Information Technology
22 program, the "BIT program," to provide financial assistance and
24 incentives to postsecondary students in information technology
26 education programs. The BIT program provides loans to
28 information technology students, which may be repaid by one year
of service in a Maine information technology business for each
year a person receives a BIT loan. The BIT program is
administered by the Business Information Technology Board.