

MAINE STATE LEGISLATURE

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L.D. 1043

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DATE: 6/21/01

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION**

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HOUSE AMENDMENT "C" to COMMITTEE AMENDMENT "A" to H.P. 799, L.D. 1043, Bill, "An Act to Increase Access to Higher Education"

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Amend the amendment by striking out all of sections 1 and 2 and inserting in their place the following:

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'Sec. 1. 22 MRSA §2052, as amended by PL 1993, c. 390, §1, is further amended to read:

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§2052. Declaration of necessity

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It is declared that for the benefit of the people of the State, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions, it is essential that health care facilities within the State be provided with appropriate additional means to expand, enlarge and establish health care facilities and other related facilities; that this and future generations of students be given the fullest opportunity to learn and to develop their intellectual capacities; and that it is the purpose of this chapter to provide a measure of assistance and an alternative method to enable health care facilities and institutions for higher education in the State to provide the facilities and structures needed to accomplish the purposes of this chapter, to assist qualified residents of the State to attend postsecondary educational programs in the State, all to the public benefit and good, and the exercise of the powers, to the extent and manner provided in this chapter, is declared the exercise of an essential governmental function.

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2 **Sec. 2. 22 MRSA §2053, sub-§3-C** is enacted to read:

4 **3-C. Endowment Incentive Fund; Maine scholarship provider.**
6 "Endowment Incentive Fund" means the fund created in Title 20-A,
8 section 10006. "Maine scholarship provider" means a private,
10 nonprofit organization qualified under the United States Internal
 Revenue Code of 1986, Section 501(c)(3) whose principal purpose
 is to provide scholarships to residents of the State who are or
 will be attending Maine institutions of higher education.

12 **Sec. 3. 22 MRSA §2053, sub-§6, ¶B,** as enacted by PL 1979, c.
14 680, §6, is amended to read:

16 B. In the case of a participating institution for higher
18 education, the acquisition, construction, improvement,
20 reconstruction or equipping of, or construction of an
22 addition or additions to, any structure designed for use as
24 a dormitory or other housing facility, dining facility,
26 student union, academic building, administrative facility,
28 library, classroom building, research facility, faculty
30 facility, office facility, athletic facility, health care
32 facility, laboratory, maintenance, storage or utility
34 facility or other building or structure essential, necessary
36 or useful for instruction in a program of education provided
38 by an institution for higher education, or any multi-purpose
40 structure designed to combine 2 or more of the functions
42 performed by the types of structures enumerated in this
44 paragraph or, in the case of the Endowment Incentive Fund,
46 the funding of the Endowment Incentive Fund to provide
48 matching gifts and grants to students pursuant to Title
 20-A, section 10006 or, in the case of a Maine scholarship
 provider, providing matching funds to qualifying gifts to
 residents of the State who are or will be attending a Maine
 institution of higher education. "Project" includes all real
 and personal property, lands, improvements, driveways,
 roads, approaches, pedestrian access roads, rights-of-way,
 utilities, easements and other interests in land, machinery
 and equipment, and all appurtenances and facilities either
 on, above or under the ground which that are used or usable
 in connection with any of the structures mentioned in this
 paragraph, and also includes landscaping, site preparation,
 furniture, machinery, equipment and other similar items
 necessary or convenient for the operation of a particular
 facility or structure in the manner for which its use is
 intended, but does not include such items as books, fuel,
 supplies or other items which that are customarily
 considered as a current operating charge. For purposes of
 this paragraph, "qualifying gift" means a gift of at least

2 \$500,000 from a single donor or multiple donors who agree to
3 aggregate their gifts.

4 **Sec. 4. 22 MRSA §2055, sub-§16**, as amended by PL 1999, c. 231,
5 §1, is further amended to read:

6 **16. Bulk purchases.** To purchase, lease or otherwise
7 acquire, finance, sell and transfer for, to or on behalf of
8 itself and any eligible entities organized pursuant to the United
9 States Internal Revenue Code, Section 501 or in partnership with
10 any of its eligible entities organized pursuant to the United
11 States Internal Revenue Code, Section 501 commodities necessary
12 for the daily operation of the facilities of the eligible
13 entities, including, but not limited to, electricity, petroleum
14 products, fuel oil and natural gas. For purposes authorized in
15 this subsection, the University of Maine System and its colleges
16 and universities are eligible participating institutions under
17 the definition of eligible participant for the authority; and
18 and

19 **Sec. 5. 22 MRSA §2055, sub-§17**, as enacted by PL 1997, c. 385,
20 §4, is amended to read:

21 **17. Nonprofit corporation.** In accordance with the
22 limitations and restrictions of this chapter, to cause any of its
23 powers, duties, programs or operations to be carried out by one
24 or more nonprofit corporations. Nonprofit corporations acting at
25 the direction of the authority must be organized and operated
26 under the Maine Nonprofit Corporation Act. For the purposes
27 authorized in this section the University of Maine System and its
28 colleges and universities are eligible participating institutions
29 under the definition of eligible participant for the authority; ~~and~~
30 and
31 and

32 **Sec. 6. 22 MRSA §2055, sub-§18** is enacted to read:

33 **18. Bonds for grants to Maine students.** To borrow money
34 and issue bonds, notes, bond anticipation notes and other
35 obligations of the authority for the purpose of making loans and
36 grants to foundations or programs that in turn make or match
37 scholarship grants to the State's high school graduates or other
38 students for postsecondary education. These high school
39 graduates or other students must be residents of the State who
40 are or will be attending Maine institutions of higher education.
41 The provisions of section 2061 are not applicable to any
42 obligations described in this subsection. The authority at no
43 time may have bonds outstanding, excluding refunding bonds, for
44 the purposes of this subsection in an amount in excess of
45 \$15,000,000.

46 **Sec. 7. 22 MRSA §2061, sub-§1**, as amended by PL 1993, c. 390,
47 §23, is further amended to read:

Rel

2 **1. Assistance.** Such project will enable or assist a health
4 care facility to fulfill its obligation to provide health care
6 facilities or an institution for higher education to provide
8 educational facilities within the State or, in the case of a
Maine scholarship provider or similar eligible institution, the
opportunity for state residents to attend postsecondary
educational programs in the State;

10 **Sec. 8. Maine Health and Higher Educational Facilities Authority;**
12 **issuance of securities.** Pursuant to the Maine Revised Statutes,
14 Title 22, section 2060, subsection 3, the Maine Health and Higher
16 Educational Facilities Authority may issue securities in its own
name in an amount up to \$7,000,000, the proceeds of which must be
used to provide funds to the Office of the Treasurer of State.
The total proceeds must be deposited as follows:

18 1. With the Senator George J. Mitchell Scholarship Research
20 Institute, \$6,000,000; and

22 2. With the Endowment Incentive Fund, established in Title
24 20-A, section 10006, \$1,000,000, which must used to match private
26 donations to provide scholarships and financial assistance to
28 residents of the State to attend a postsecondary educational
program at the University of Maine System and each of its
universities, the Maine Technical College System and each of its
colleges or the Maine Maritime Academy.

30 **Sec. 9. Transfer of funds.** Notwithstanding the Maine Revised
32 Statutes, Title 33, section 1964, the administrator of the
Abandoned Property Fund shall retain \$1,163,000 within the fund
at the end of fiscal year 2000-01. On October 1, 2001, the
administrator shall transfer \$1,013,000 to the General Fund.

34 **Sec. 10. State Controller; postclosing.** The State Controller is
36 authorized to keep open the official system of general accounts
38 of State Government for fiscal year 2000-01 in order to make
post-closing entries and adjustments to carry out the provisions
of this Act.

40 **Sec. 11. Retroactivity.** That section of this Act that requires
42 the administrator of the Abandoned Property Fund to transfer funds
44 from the Abandoned Property Fund to the General Fund applies
retroactively to June 1, 2001.'

46 Further amend the amendment by inserting after section 2 the
48 following:

'Sec. 3. Appropriation. The following funds are appropriated
from the General Fund to carry out the purposes of this Act.

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2001-02 **2002-03**

**MAINE HEALTH AND HIGHER
EDUCATIONAL FACILITIES AUTHORITY**

**Maine Health and Higher Educational
Facilities Authority**

12 All Other \$143,000 \$870,000

14 Provides funds for the first
16 2 years of an estimated 10
18 years of debt service
20 payments on \$7,000,000 of
22 securities to be issued in
24 fiscal year 2001-02 for the
26 Senator George J. Mitchell
28 Scholarship Research
30 Institute and the Endowment
32 Incentive Fund.'

34 Further amend the amendment by relettering or renumbering
36 any nonconsecutive Part letter or section number to read
38 consecutively.

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FISCAL NOTE

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2001-02 **2002-03**

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APPROPRIATIONS/ALLOCATIONS

46 General Fund \$143,000 \$870,000

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REVENUES

40 General Fund \$1,013,000

42 The amendment eliminates the portions of the bill that
44 established the Maine Scholarship Foundation, including all
46 provisions that would have capitalized the Maine Scholarship
48 Fund. The amendment reduces the General Fund appropriations
included in the bill by \$374,571 in fiscal year 2001-02 and
\$112,429 in fiscal year 2002-03.

2 The bill, as amended, includes General Fund appropriations
of \$143,000 and \$870,000 in fiscal years 2001-02 and 2002-03,
4 respectively, to the Maine Health and Higher Educational
Facilities Authority for the first 2 years of an estimated 10
6 years of debt service payments on bonds that will be issued by
the authority for the Endowment Incentive Fund administered by
8 the Office of the Treasurer of State and for the Senator George
J. Mitchell Scholarship Research Institute.

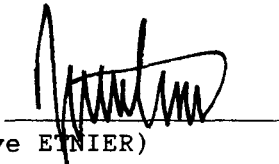
10 The bill, as amended, increases General Fund revenue by
\$1,013,000 in fiscal year 2001-02 to offset General Fund
12 appropriations included in the bill by requiring that amount to
carry forward from the Abandoned Property Fund from fiscal year
14 2000-01 to fiscal year 2001-02 at which time the amount will be
transferred to the unappropriated surplus of the General Fund.

18 SUMMARY

20 This amendment strikes the Maine Scholarship Foundation
created in the bill and committee amendment.

22 The amendment also amends the laws of the Maine Health and
24 Higher Educational Facilities Authority to allow the authority to
issue bonds to provide additional capitalization for the Maine
26 Scholarship Endowment Fund. It authorizes the authority to issue
up to \$7,000,000 in securities of which \$1,000,000 will be
28 provided to the Endowment Incentive Fund and \$6,000,000 will be
provided to the Senator George J. Mitchell Scholarship Research
30 Institute. The \$1,000,000 provided to the Endowment Incentive
Fund must be used to match private donations for scholarships and
32 financial assistance for students at the University of Maine
System, the Maine Technical College System or the Maine Maritime
34 Academy. It provides General Fund appropriations to the
authority for the first 2 years of debt service payments
36 associated with that issuance.

38 Finally, the amendment requires the transfer of \$1,013,000
to the unappropriated surplus of the General Fund from the
40 Abandoned Property Fund to offset the General Fund appropriations
included in the amendment.

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44 SPONSORED BY: 
46 (Representative ETNIER)

48 TOWN: Harpswell

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