

MAINE STATE LEGISLATURE

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AUGUSTA, MAINE

L.D. 1043

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DATE: *6/21/01*

(Filing No. H-*756*)

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

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

Amend the amendment in section 1 by inserting at the end the following:

§11717. Effective date

This chapter takes effect July 1, 2002.

Further amend the amendment by striking out all of section 2 and inserting in its place the following:

Sec. 2. 22 MRSA §2052, as amended by PL 1993, c. 390, §1, is further amended to read:

§2052. Declaration of necessity

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

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2 programs in the State, all to the public benefit and good, and
the exercise of the powers, to the extent and manner provided in
4 this chapter, is declared the exercise of an essential
governmental function.

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

8 **3-C. Endowment Incentive Fund; Maine scholarship provider.**
10 **"Endowment Incentive Fund" means the fund created in Title 20-A,**
12 **section 10006. "Maine scholarship provider" means a private,**
14 **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.

16 **Sec. 4. 22 MRSA §2053, sub-§6, ¶B**, as enacted by PL 1979, c.
18 680, §6, is amended to read:

20 B. In the case of a participating institution for higher
22 education, the acquisition, construction, improvement,
24 reconstruction or equipping of, or construction of an
26 addition or additions to, any structure designed for use as
28 a dormitory or other housing facility, dining facility,
30 student union, academic building, administrative facility,
32 library, classroom building, research facility, faculty
34 facility, office facility, athletic facility, health care
36 facility, laboratory, maintenance, storage or utility
38 facility or other building or structure essential, necessary
40 or useful for instruction in a program of education provided
42 by an institution for higher education, or any multi-purpose
44 structure designed to combine 2 or more of the functions
46 performed by the types of structures enumerated in this
48 paragraph or, in the case of the Endowment Incentive Fund,
50 the funding of the Endowment Incentive Fund to provide
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,

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2 supplies or other items which that are customarily
3 considered as a current operating charge. For purposes of
4 this paragraph, "qualifying gift" means a gift of at least
5 \$500,000 from a single donor or multiple donors who agree to
6 aggregate their gifts.

7 **Sec. 5. 22 MRSA §2055, sub-§16**, as amended by PL 1999, c. 231,
8 §1, is further amended to read:

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

22 **Sec. 6. 22 MRSA §2055, sub-§17**, as enacted by PL 1997, c. 385,
23 §4, is amended to read:

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

36 **Sec. 7. 22 MRSA §2055, sub-§18** is enacted to read:

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

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Sec. 8. 22 MRSA §2061, sub-§1, as amended by PL 1993, c. 390, §23, is further amended to read:

1. Assistance. Such project will enable or assist a health care facility to fulfill its obligation to provide health care facilities or an institution for higher education to provide 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;

Sec. 9. Maine Health and Higher Educational Facilities Authority; issuance of securities. Pursuant to the Maine Revised Statutes, Title 22, section 2060, subsection 3, the Maine Health and Higher 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:

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

2. With the Endowment Incentive Fund, established in Title 20-A, section 10006, \$1,000,000, which must used to match private donations to provide scholarships and financial assistance to 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.

Sec. 10. Transfer of funds. Notwithstanding the Maine Revised 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.

Sec. 11. State Controller; postclosing. The State Controller is authorized to keep open the official system of general accounts 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.

Sec. 12. Report out legislation. The Joint Standing Committee on Education and Cultural Affairs may report out legislation to the Second Regular Session of the 120th Legislature concerning the Maine Scholarship Foundation, including methods of funding and eligibility criteria.

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2 **Sec. 13. Appropriation.** The following funds are appropriated
4 from the General Fund to carry out the purposes of this Act.

	2001-02	2002-03
6 MAINE HEALTH AND HIGHER		
8 EDUCATIONAL FACILITIES AUTHORITY		

10 **Maine Health and Higher Educational**
12 **Facilities Authority**

14 All Other	\$143,000	\$870,000
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16 Provides funds for the first
18 2 years of an estimated 10
20 years of debt service
22 payments on \$7,000,000 of
24 securities to be issued in
fiscal year 2001-02 for the
Senator George J. Mitchell
Scholarship Research
Institute and the Endowment
Incentive Fund.

26 **Sec. 14. Retroactivity.** That section of this Act that requires
28 the administrator of the Abandoned Property Fund to transfer
funds from the Abandoned Property Fund to the General Fund
30 applies retroactively to June 1, 2001.'

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

36 **FISCAL NOTE**

	2001-02	2002-03
40 APPROPRIATIONS/ALLOCATIONS		

42 General Fund	\$143,000	\$870,000
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44 **REVENUES**

46 General Fund	\$1,013,000	
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2 The amendment eliminates the portions of the bill that
3 established the Maine Scholarship Foundation, including all
4 provisions that would have capitalized the Maine Scholarship
5 Fund. The amendment reduces the General Fund appropriations
6 included in the bill by \$374,571 in fiscal year 2001-02 and
7 \$112,429 in fiscal year 2002-03.

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

17 The bill, as amended, increases General Fund revenue by
18 \$1,013,000 in fiscal year 2001-02 to offset General Fund
19 appropriations included in the bill by requiring that amount to
20 carry forward from the Abandoned Property Fund for fiscal year
21 2000-01 to fiscal year 2001-02 at which time the amount will be
22 transferred to the unappropriated surplus of the General Fund.

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SUMMARY

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29 This amendment postpones the effective date of the Maine
30 Scholarship Foundation created in the bill and committee
31 amendment to July 1, 2002 and authorizes the Joint Standing
32 Committee on Education and Cultural Affairs to report out
33 legislation regarding the foundation to the Second Regular
34 Session of the 120th Legislature.

34

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

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Finally, the amendment requires the transfer of \$1,013,000

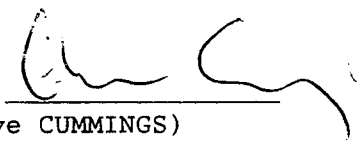
HOUSE AMENDMENT

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HOUSE AMENDMENT "E" to COMMITTEE AMENDMENT "A" to H.P. 799, L.D.
1043

2 to the unappropriated surplus of the General Fund from the
Abandoned Property Fund to offset the General Fund appropriations
4 included in the amendment.

6

SPONSORED BY: 
(Representative CUMMINGS)

10 TOWN: Portland

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HOUSE AMENDMENT