

	L.D. 993
2	DATE: 5-1-03 (Filing No. S-97)
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6	BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT
8	Reported by:
10	Reproduced and distributed under the direction of the Secretary of the Senate.
12	STATE OF MAINE
14	SENATE 121ST LEGISLATURE
16	FIRST REGULAR SESSION
18	COMMITTEE AMENDMENT "A" to S.P. 334, L.D. 993, Bill, "An
20	Act To Promote Economic Growth by Retaining Engineers in Maine"
22	Amend the bill in section 1 in that part designated " §12521. " by striking out all of subsections 1 to 6 (page 1,
24	lines 23 to 44 in L.D.) and inserting in their place the following:
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28	' <mark>1. Authority. "</mark> Authority" means the Finance Authority of <u>Maine.</u>
30	2. Chief executive officer. "Chief executive officer" means the Chief Executive Officer of the Finance Authority of
32	Maine.
34	3. Eligible employer. "Eligible employer" means a business in the State that employs engineers and that demonstrates a need
36	to fill an eligible employment position.
38	4. Eligible employment position. "Eligible employment position" means a full-time position of employment with an
40	employer located in this State, a requirement of which is a
	<u>bachelor's degree in an engineering discipline.</u>
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44	5. Eligible individual. "Eligible individual" means a person who:
44	Derson who:

H.C.

X

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COMMITTEE AMENDMENT "A" to S.P. 334, L.D. 993 A. Holds a bachelor's degree from a college of engineering 2 within the University of Maine System; or 4 B. Received a high school diploma, or its equivalent, in this State and holds a bachelor's degree from a college of б engineering in a state other than this State. **Program.** "Program" means the Maine Engineers 8 6. Recruitment and Retention Program established in section 12522.' 10 Further amend the bill in section 1 by striking out all of that part designated "S12522." and inserting in its place the 12 following: 14 '§12522. Maine Engineers Recruitment and Retention Program 16 The Maine Engineers Recruitment and Retention Program is established to provide assistance to eligible employers seeking 18 to recruit engineers for full-time employment in this State by 20 providing financial assistance to eligible individuals who fill such positions.' 22 Further amend the bill in section 1 by striking out all of 24 those parts designated "\$12524." and "\$12525." and inserting in their place the following: 26 <u>§12524. Loan repayment agreement application</u> 28 Beginning July 1, 2007, an eligible employer seeking to fill an eligible employment position with an eligible individual who 30 has outstanding student loans from financial institutions may apply on behalf of that individual to obtain one or more program 32 loan repayment agreements under section 12526. Applications must be submitted to the authority at a time and in a format to be 34 determined by the authority. 36 <u>§12525. Maximum loan repayment; participation</u> 38 The maximum program loan repayment amount available to each eligible individual, excluding the employer's match under section 40 12526, is \$2,500 per year, for a maximum of 4 years. No more than 10 program loan repayment agreements may be awarded in any 42 year. The authority may not award more than 40% of the program loan repayment agreements in any one year to individuals who are 44 eligible under the provisions of section 12521, subsection 5, paragraph B.' 46 Further amend the bill in section 1 in that part designated 48 "**§12526.**" by striking out all of subsection 2 (page 3, lines 10

R.d.S.

50 to 13 in L.D.) and inserting in its place the following:

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COMMITTEE AMENDMENT "A" to S.P. 334, L.D. 993

'2. Matching funds. An eligible employer must provide
funds to match the amount provided by the authority for program loan repayments under this section. The employer's match must be
paid to the authority for payment to the financial institution holding the employee's student loan and must be in an amount
equal to the amount of the program loan repayment to be provided by the authority.'

Further amend the bill in section 1 by striking out all of 10 that part designated "<u>\$12527.</u>" and inserting in its place the following:

'<u>§12527.</u> Payment provisions

The authority shall enter into a program loan repayment 16 agreement with an eligible individual on terms and conditions that are acceptable to the authority and that at a minimum must 18 require the eligible individual and the eligible individual's employer to certify annually, before payment of any installment by the authority under the program loan agreement, that the 20 eligible individual has been employed in an eligible employment 22 position for the preceding 12-month period. Payment of any installment by the authority, including matching funds provided 24 to the authority by the employer, must be made directly for credit to the eligible individual's account at the financial 26 institution certified by the eligible individual as responsible for administration of that person's student loans.'

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SUMMARY

32 The bill proposed to provide a mechanism for repayment of student loans for persons who receive an engineering degree from 34 the University of Maine System and who are employed full-time in an engineering position in this State.

This amendment expands the eligibility for those loan repayments to allow up to 40% of the loan repayment awards to go to persons who received a high school diploma, or its equivalent, in this State and who hold a bachelor's degree from a college of engineering in a state other than this State but who returned to work in this State full-time in an engineering position.

44 The amendment also clarifies that loan repayments do not begin until July 1, 2007 and that the matching funds paid by the 46 employer must be paid to the Finance Authority of Maine for

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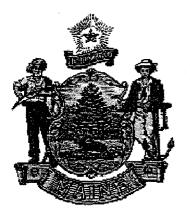
COMMITTEE AMENDMENT "A" to S.P. 334, L.D. 993 R. d. S. payment by the authority to the financial institution holding the 2 employee's student loan. 4

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FISCAL NOTE REQUIRED (See attached)

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Approved: 04/11/03



121st Maine Legislature Office of Fiscal and Program Review

LD 993

An Act to Promote Economic Growth by Retaining Engineers in Maine

LR 1189(02) Fiscal Note for Bill as Amended by Committee Amendment "AS-97 Committee: Business, Research and Economic Development Fiscal Note Required: Yes

Fiscal Note

Future biennium cost increase - General Fund

Fiscal Detail and Notes

This bill establishes the Maine Engineers Recruitment and Retention Program Fund as a nonlapsing fund administered by the Finance Authority of Maine. The Fund is authorized to receive money from gifts, grants, bequests, loans and donations in addition to money appropriated or allocated by the State. It is not clear whether monies generated from these sources of funds will be sufficient to support the program. The estimated amount of funds needed to repay the loans in the first year, which is expected to be fiscal year 2007-08, is \$25,000, excluding administrative costs. That amount will increase by an additional \$25,000 per year until it reaches the maximum amount needed in the fourth year of the program of \$100,000.

In addition, the Finance Authority of Maine will require a General Fund appropriation to establish and administer the program of \$28,000 in fiscal year 2006-07 and \$3,000 per year beginning in fiscal year 2007-08 for on-going administrative costs. These costs may be partially offset by interest earnings of the fund which may be used for administrative purposes. The amount of interest income that will be generated is not expected to be significant. Any additional cost to the University of Maine System to serve on the advisory committee can be absorbed by the University utilizing existing budgeted resources.