

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 1340

H.P. 985

House of Representatives, March 12, 2003

### An Act To Amend the Educators for Maine Program

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Submitted by the Finance Authority of Maine pursuant to Joint Rule 204.

Reference to the Committee on Business, Research and Economic Development suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative CUMMINGS of Portland.

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

2           **Sec. 1. 20-A MRSA §12501**, as amended by PL 1999, c. 783, §2,  
4 is repealed.

6           **Sec. 2. 20-A MRSA §12501-A** is enacted to read:

8           **§12501-A. Definitions**

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

14           1. **Academic achievement.** "Academic achievement" means  
16 earning a grade point average of 3.0 or more, based on a 4.0  
grade point system, or the equivalent, based upon the most recent  
cumulative grade point average.

18           2. **Authority.** "Authority" means the Finance Authority of  
20 Maine.

22           3. **Chief executive officer.** "Chief executive officer"  
24 means the chief executive officer of the Finance Authority of  
Maine.

26           4. **Child care.** "Child care" means a regular service of  
28 care and protection provided for compensation for any part of a  
day less than 24 hours to a child or children under 13 years of  
age whose parents work outside the home, attend an educational  
program or are otherwise unable to care for their children.

30           5. **Child care facility.** "Child care facility" means a  
32 child care center or a home day care provider as defined in Title  
22, section 8301-A.

34           6. **Child care provider qualifications.** "Child care  
36 provider qualifications" means a degree or certificate in child  
development or a related area as determined by rule of the  
38 authority.

40           7. **Cost of attendance.** "Cost of attendance" has the same  
42 meaning as in 20 United States Code, Section 108711 and the  
regulations, guidelines and procedures promulgated under that  
44 section except, for students attending less than half-time, cost  
of attendance is determined on the same basis as for students  
attending half-time.

46           8. **Duly enrolled.** "Duly enrolled" means, for an  
48 undergraduate, enrolled full-time and, for a graduate student,  
enrolled at least part-time at an institution of higher  
50 education, as evidenced in a form satisfactory to the authority.

2           **9. Eligible individual.** "Eligible individual" means a  
student who meets the eligibility requirements of section 12505.

4  
6           **10. Graduating high school senior.** "Graduating high school  
senior" means a student who is a resident of the State, who  
8           graduates from a secondary school approved pursuant to section  
2901 and who is entering that student's first year in an  
10           institution of higher education at the beginning of the next  
academic year. An academic year for graduating high school  
seniors is considered to be from September to June.

12  
14           **11. Institution of higher education.** "Institution of  
higher education" means an institution of higher education  
16           located within this State, another state or a foreign country  
that meets the requirements of and conforms to the definitions  
18           contained in the federal Higher Education Act of 1965, as  
amended, 20 United States Code, Section 1001(a) and the  
20           regulations, guidelines and procedures promulgated by the  
Secretary of Education pursuant to these sections of the law.

22           **12. Return service.** "Return service" means service in  
24           public elementary or secondary school or private school in this  
State approved for tuition purposes for a full school year as a  
26           certified teacher or a speech pathologist or service for a  
12-month period in a child care facility by an individual who has  
attained child care provider qualifications.

28  
30           **13. Student pursuing postbaccalaureate certification.**  
"Student pursuing postbaccalaureate certification" means a  
32           student who has earned a baccalaureate degree or its equivalent  
and is pursuing a program of study leading to certification as a  
34           teacher or speech pathologist or to the attainment of child care  
provider qualifications.

36           **14. Undergraduate.** "Undergraduate" means an individual who  
has not been awarded any baccalaureate degree and who is  
38           currently enrolled or accepted for enrollment as a full-time  
student at an institution of higher education, including a  
40           graduating high school senior.

42           **15. Underserved subject areas.** "Underserved subject areas"  
44           means those subjects or programs, required or authorized to be  
taught in the public schools, for which there is an insufficient  
46           supply of teachers or speech pathologists as determined by the  
chief executive officer in consultation with the commissioner.

48           **Sec. 3. 20-A MRSA §12502,** as repealed and replaced by PL  
50           1999, c. 783, §3, is amended to read:

2  
3 **§12502. Educators for Maine Program**

4 There is established the Educators for Maine Program to  
5 provide financial assistance for postsecondary education to  
6 college undergraduate students, ~~graduating high school seniors~~  
7 and students pursuing postbaccalaureate certification, ~~child~~  
8 development ~~associate certification or an associate's degree in~~  
9 child development who demonstrate academic achievement and an  
10 interest in pursuing a career in teaching, speech pathology or  
11 child care in this State ~~for postsecondary education and to~~  
12 teachers and speech pathologists for advanced degree or continued  
13 study. ~~The program recognizes outstanding graduating high school~~  
14 seniors, college students and students pursuing postbaccalaureate  
15 certification or child development associate certification or an  
16 associate's degree in child development. The chief executive  
17 officer shall administer the program and shall establish by rule  
18 pursuant to rules of the authority the rates of interest or fees  
to be charged.

20 **Sec. 4. 20-A MRSA §12503**, as amended by PL 1999, c. 441, §7,  
21 is further amended to read:

22 **§12503. Educators for Maine loan recipients**

23 Each year graduating high school seniors, ~~college students~~  
24 undergraduates and students pursuing postbaccalaureate  
25 certification who show evidence of academic achievement may be  
26 considered for recognition as Educators for Maine loan  
27 recipients. Applications must be submitted to the chief  
28 executive officer at a time and in a format to be determined by  
29 rule of the ~~chief executive officer~~ authority. In determining  
30 loan recipients, the chief executive officer shall consider  
31 candidates in 3 categories: graduating high school seniors;  
32 undergraduates, other than graduating high school seniors; and  
33 students pursuing postbaccalaureate certification.

34 The Governor, after consultation with the chief executive  
35 officer, shall announce the names of those individuals selected  
36 by the chief executive officer to be Educators for Maine loan  
37 recipients.

38 **Sec. 5. 20-A MRSA §12504**, as amended by PL 2001, c. 417, §25,  
39 is further amended to read:

40 **§12504. Allocation of funds**

41 The ~~chief executive officer~~ authority shall establish by  
42 rule the allocation of funds available under this chapter.  
43

Loans of up to ~~\$1,500~~ \$2,000 per academic year or ~~\$6,000~~ \$8,000 total may be made to students pursuing postbaccalaureate certification. Loans of up to \$3,000 per academic year or \$12,000 total may be made to eligible ~~graduating high school seniors and college students.~~ ~~Loans of up to \$3,000 per academic year or \$6,000 total may be made to eligible child development students pursuing an associate's degree in child development, and loans of up to \$3,000 total but not exceeding the cost of tuition, books and fees may be made to child development students pursuing a child development associate certification undergraduate students.~~ An individual who has received ~~a~~ an Educators for Maine loan ~~or a Blaine House Scholars Program loan as a graduating high school senior or as a college student as an undergraduate~~ may also receive a loan for students pursuing postbaccalaureate certification ~~or as a teacher or speech pathologist engaged in graduate education or continuing education.~~ In no event may an individual receive more than ~~\$18,000~~ \$20,000 in total Educators for Maine loans. Loans ~~for undergraduate students, postbaccalaureate recipients and child development students pursuing an associate's degree in child development~~ are for one academic year and are automatically renewed renewable if the recipient maintains a grade point average of at least 2.5 based on a 4.0 grade point system or the equivalent and submits a complete renewal application by the deadline annually.

**Sec. 6. 20-A MRSA §12505, sub-§1,** as amended by PL 1999, c. 441, §9, is further amended to read:

**1. Eligibility for loans for undergraduate education.** ~~A postsecondary education loan may be given only to a high school graduate, or the equivalent, who is a resident of the State, who has been recognized as a Educators for Maine loan recipient and who has met other eligibility criteria established by rule of the authority.~~ An Educators for Maine loan recipient must be an undergraduate at an institution of higher education. Preference must be given to students enrolled in a program that has been determined to be an underserved subject area.

**Sec. 7. 20-A MRSA §12505, sub-§2,** as amended by PL 1999, c. 441, §9, is repealed.

**Sec. 8. 20-A MRSA §12505, sub-§3,** as amended by PL 1999, c. 441, §9, is further amended to read:

**3. Eligibility for postbaccalaureate certification.** A loan to a student pursuing postbaccalaureate certification may be given only to a resident of the State who has shown academic achievement, who has a baccalaureate degree, who is ~~not eligible for a loan for graduate study or continuing education pursuant to~~

2 ~~subsection-2,~~ pursuing a course of study that will lead to  
3 certification as a teacher, to licensure as a speech pathologist  
4 or to attainment of child care provider qualifications and who  
5 has met other eligibility criteria established by rule of the  
6 authority.

7 **Sec. 9. 20-A MRSA §12506, 2nd ¶,** as enacted by PL 1989, c. 7,  
8 Pt. O, §5, is amended to read:

9  
10 These loans ~~shall~~ must only be used to substitute or replace  
11 the family contribution or interest-accruing loans. A loan  
12 recipient may not receive student financial assistance in excess  
13 of the cost of attendance.

14  
15 **Sec. 10. 20-A MRSA §12507,** as amended by PL 1999, c. 783, §5,  
16 is further amended to read:

17 **§12507. Repayment and return service provisions**

18  
19 Each ~~graduating-high-school-senior-or-college~~ student who  
20 receives a loan may cancel the total amount of the loan by  
21 completing one year of return ~~services~~ service in the public  
22 schools or private schools approved for tuition purposes in the  
23 State for each year the individual receives a loan. An  
24 individual who received that individual's first program loan  
25 after January 1, 2000 may also cancel the total amount of the  
26 loan by completing one year of return service by working in a  
27 child care facility. The return service requirement is one year  
28 for every 2 years or less that the individual receives a loan if  
29 return service is performed in an underserved subject areas-~~er-~~in  
30 educator-shortage-areas area. Return service for this purpose  
31 must be performed within 5 years of graduation from the  
32 institution of higher education. If the chief executive officer  
33 grants a deferment, the time period for performance of return  
34 service may be extended for the same period as the deferment.  
35 Return service may not be credited for the same semester for  
36 which an individual receives a loan pursuant to this chapter.  
37 Pro rata loan forgiveness may be granted for part-time return  
38 service as determined by rule of the authority. Failure to  
39 fulfill the return service option necessitates repayment to the  
40 authority as follows.

41  
42 **1. Debt calculation.** The debt must include the total  
43 amount of the loan and interest at the rate established by rule  
44 of the authority, less the amount, if any, that has been  
45 cancelled by return service.

46  
47 **2. Time for repayment.** The total debt must be repaid to  
48 the authority within ~~10~~ 11 years of graduation from the  
49 institution of higher education according to a schedule  
50

2 established by the chief executive officer. Due dates for  
3 repayments are set by the chief executive officer and may be  
4 extended for the same period of any deferment granted by the  
5 chief executive officer.

6 **3. Deferment.** A recipient of a loan may seek a deferment  
7 of the annual payments for a period or periods as established by  
8 rule of the authority. A request for deferment must be made to  
9 the chief executive officer who shall make a determination on a  
10 case-by-case basis. The chief executive officer may grant a  
11 deferment in the event that a recipient of a loan evidences  
12 intent to teach and inability to secure employment necessary to  
13 obtain forgiveness of the loan at the time the deferment is  
14 sought. The chief executive officer shall require certification  
15 of the intent annually and grant a ~~one-year~~ deferment for each  
16 successful request for deferment for a period not to exceed one  
17 year. ~~A recipient may not receive more than 5 one-year~~  
18 ~~deferments.~~ The decision of the chief executive officer is final  
19 may establish limits to the number of deferments that may be  
20 granted to any recipient by rule of the authority.

21 ~~**4. Child development students.** A child development student~~  
22 ~~may fulfill a return service requirement under this section by~~  
23 ~~working in a licensed day care center or for a certified home day~~  
24 ~~care provider, as defined in Title 22, section 8301-A.~~

25 **5. Death or disability.** The authority may forgive loans of  
26 loan recipients who have died or who have become permanently  
27 disabled, as determined by the chief executive officer.

28 **Sec. 11. 20-A MRSA §12508,** as amended by PL 1999, c. 441,  
29 §11, is repealed.

30 **Sec. 12. 20-A MRSA §12511** is enacted to read:

31 **§12511. Rules**

32 Rules adopted by the authority pursuant to this chapter are  
33 routine technical rules as defined in Title 5, chapter 375,  
34 subchapter 2-A.

35 **Sec. 13. Promissory note.** Educators for Maine loans under the  
36 Maine Revised Statutes, Title 20-A, chapter 428 may be originated  
37 using a master promissory note that allows all Educators for  
38 Maine loans provided over a period of up to 7 years to be  
39 originated on the same promissory note.



## SUMMARY

2

4 This bill makes modifications to the Educators for Maine  
6 Program administered by the Finance Authority of Maine. The  
8 modifications allow for uniform administration of the program by  
10 integrating and coordinating amendments that have been made over  
12 several years. The changes allow for consistent treatment for  
14 all undergraduate candidates, notwithstanding their course of  
16 study.

10

12 It repeals the existing definition section and replaces it  
14 with updated definitions. New definitions are added for "child  
16 care provider qualifications," "cost of attendance" and  
18 "undergraduate." The definition of "preservice" was removed  
20 because all loan recipients now are required to show an interest  
22 in providing return service.

18

20 It eliminates distinctions in program participants other  
22 than as undergraduate and postbaccalaureate students.

20

22 It increases the maximum loan amounts available to students  
24 pursuing postbaccalaureate teacher certification from \$1,500  
26 annually to \$2,000 and from up to \$6,000 total to a maximum  
28 aggregate loan of \$8,000.

26

28 It clarifies that there are only 2 categories of eligible  
30 students: undergraduate and postbaccalaureate.

28

30 It clarifies that no loan recipient may receive loan funds  
32 that result in making the total financial aid award exceed the  
34 amount it costs the recipient to attend the school.

32

34 It provides that individuals may provide return service as a  
36 child care worker if they received their first loan after January  
38 1, 2000, the first year that Educators for Maine funds were  
40 available to students pursuing a career in child care. The bill  
42 also clarifies that the authority may allow for partial loan  
44 forgiveness for individuals who are teaching part-time. A  
46 reference to educator shortage areas is removed because the  
48 Department of Education no longer designates educator shortage  
50 areas.

42

44 It changes the maximum time to repay the debt to 11 years,  
46 to provide for the period between graduation and commencement of  
48 the repayment period. It provides that the authority may limit  
50 by rule the number of deferments granted to any one student.

48

50 It allows the authority to forgive loans made to individuals  
who die or become permanently disabled.

50

2           It repeals forgiveness provisions that are now incorporated  
into other provisions.

4           It provides that the authority may use a single master  
6           promissory note for multiple disbursement of loans under the  
program.