

MAINE STATE LEGISLATURE

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L.D. 1864

DATE: 3-23-04

(Filing No. H-794)

MAJORITY
EDUCATION AND CULTURAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
121ST LEGISLATURE
SECOND SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1387, L.D. 1864, Bill, "An Act To Recruit and Retain College Graduates through Loan Repayment"

Amend the bill in section 1 in that part designated "~~§12522.~~" by striking out all of subsection 5 (page 2, lines 12 to 23 in L.D.) and inserting in its place the following:

'5. Loan repayment agreement; provisions. The authority shall enter into loan repayment agreements with participants on terms and conditions acceptable to the authority, which at a minimum must require the participant and the participant's employer to certify annually, before any payment by the authority under the loan repayment agreement may be made, that the participant has been employed in an eligible employment position for the preceding 12-month period.'

Further amend the bill in section 1 by striking out all of that part designated "~~§12523.~~" (page 2, lines 25 to 38 in L.D.) and inserting in its place the following:

'§12523. Nonlapsing fund

A nonlapsing, interest-earning, revolving fund under the jurisdiction of the authority is created to carry out the purposes of this chapter. The authority may receive, invest and expend on behalf of the fund money from gifts, grants, bequests and donations in addition to money appropriated or allocated by the State. Money received by the authority under this chapter

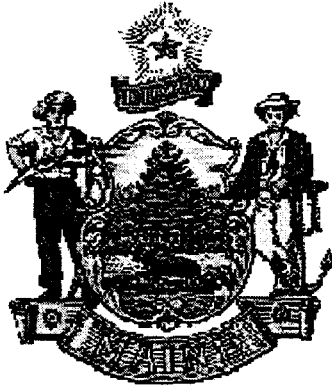
2 must be invested by the authority, as provided by law, with the
3 earned income to be added to the fund. Money in the fund must be
4 used for the designated purposes of the fund, which includes the
5 payment of administrative costs incurred by the authority for the
6 operation of the program.'

8 **SUMMARY**

10 This amendment is the majority report of the Joint Standing
11 Committee on Education and Cultural Affairs. The amendment
12 proposes to strike the provision of the bill directing the
13 Finance Authority of Maine to make loan installment payments
14 directly to the student loan recipient's financial institutions
15 and instead allows the authority to determine by rule the best
16 method for ensuring that loan repayments are credited to the
17 recipient's student loans. The amendment also proposes to allow
18 the authority to use the fund created in the bill for the
19 administrative costs of operating the Future for Youth in Maine
20 Loan Repayment Program.

FISCAL NOTE REQUIRED
(See attached)

**121st Maine Legislature
Office of Fiscal and Program Review**

**LD 1864**

**An Act to Recruit and Retain College Graduates through Loan
Repayment**

LR 2722(02)

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Majority Report

Fiscal Note

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Net Cost (Savings)				
General Fund	\$0	\$1,000,000	\$0	\$0
Appropriations/Allocations				
General Fund	\$0	\$1,000,000	\$0	\$0

Fiscal Detail and Notes

This bill establishes a Future for Youth in Maine Loan Repayment Program as a non-lapsing, interest-earning, revolving fund within the Finance Authority of Maine and provides a General Fund appropriation of \$1,000,000 in fiscal year 2004-05 to fund loan repayments. Future General Fund appropriations may be required to support the program. The amount and timing of the appropriations can not be determined at this time and will depend on the number of applicants over time.

Information available to the Department of Labor to determine "labor shortage areas" in the State may not be sufficient to provide a complete assessment. If the Department of Labor is able to fulfill the requirements of this bill using the available information, there will be no additional cost to the department. If additional information is required in order to provide more accurate data, there would be a fiscal impact. The ability of the department to absorb those additional costs can not be determined at this time.

Additional costs to the Department of Economic and Community Development can be absorbed utilizing existing budgeted resources.