

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

SECOND SPECIAL SESSION-2004

Legislative Document

No. 1864

H.P. 1387

House of Representatives, February 24, 2004

An Act To Recruit and Retain College Graduates through Loan Repayment

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative FISCHER of Presque Isle.
Cosponsored by Senator HALL of Lincoln and
Representatives: Speaker COLWELL of Gardiner, CUMMINGS of Portland, SULLIVAN of
Biddeford, THOMAS of Orono, Senators: President DAGGETT of Kennebec, SAVAGE of
Knox, STANLEY of Penobscot.

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

4 **Sec. 1. 20-A MRSA c. 428-A is enacted to read:**

6 **CHAPTER 428-A**

8 **FUTURE FOR YOUTH IN MAINE LOAN
REPAYMENT PROGRAM**

10 **§12521. Definitions**

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

16 1. **Authority.** "Authority" means the Finance Authority of
Maine.

18 2. **Eligible employment position.** "Eligible employment
20 position" means a full-time position within the State as the
22 founder or employee of a technology-based business developed
24 within the Applied Technology Development Center System, as
established in Title 5, section 15321, or a full-time position
within an occupation or industry that is defined as a labor
shortage area at the time of hire.

26 3. **Labor shortage area.** "Labor shortage area" means an
28 occupation or industry in the State identified by the Department
30 of Labor, in consultation with the Department of Economic and
Community Development, as facing a shortage of qualified workers.

32 **§12522. Future for Youth in Maine Loan Repayment Program**

34 1. **Establishment; administration.** There is established the
36 Future for Youth in Maine Loan Repayment Program, referred to in
38 this chapter as "the program." The program is established to
recruit and retain college graduates in the State to start new
technology-based businesses and to work in occupations and
industries facing labor shortages. The authority shall
administer the program.

40 2. **Eligibility requirements.** Eligibility requirements must
42 be established by rule of the authority and, at a minimum, must
44 include:

46 A. That the applicant has received a bachelor's degree or
graduate degree within 2 years of the date of application;

48 B. That the applicant has outstanding education loans; and

2 C. That the applicant is willing to accept and maintain
3 employment in an eligible employment position.

4 3. Application. An application to the program must be made
5 directly to the authority at a time and in a format to be
6 determined by the authority.

8 4. Maximum loan repayment. The maximum loan repayment
9 amount available to a participant in the program is \$5,000 per
10 year for a maximum of 4 years.

12 5. Loan repayment agreement; provisions. The authority
13 shall enter into loan repayment agreements with participants, on
14 terms and conditions acceptable to the authority, which at a
15 minimum must require the participant and the participant's
16 employer to certify annually, before payment of any installment
17 by the authority under the loan repayment agreement, that the
18 participant has been employed in an eligible employment position
19 for the preceding 12-month period. Payment of any installment by
20 the authority must be made directly for credit to the
21 participant's account at the financial institution certified by
22 the participant as responsible for administration of that
23 person's student loans.

24 **§12523. Nonlapsing fund**

26 A nonlapsing, interest-earning, revolving fund under the
27 jurisdiction of the authority is created to carry out the
28 purposes of this chapter. The authority may receive, invest and
29 expend, on behalf of the fund, money from gifts, grants, bequests
30 and donations in addition to money appropriated or allocated by
31 the State. Money received by the authority under this chapter
32 must be invested by the authority, as provided by law, with the
33 earned income to be added to the fund. Money in the fund, except
34 interest income, must be used for the designated purpose of the
35 fund; interest income may be used for the designated purpose or
36 to pay administrative costs incurred by the authority for the
37 operation of the program.

40 **§12524. Rules**

42 The authority shall establish rules necessary to implement
43 this chapter. Rules adopted pursuant to this section are routine
44 technical rules as defined in Title 5, chapter 375, subchapter
45 2-A.

46 **§12525. Report**

48 The authority shall report on the program to the
49 policy-making body established to direct a coordinated effort to
50 the policy-making body established to direct a coordinated effort to

2 develop, realign, streamline and oversee the State's economic
3 development policy and specific efforts to retain and attract
4 young people, to the joint standing committee of the Legislature
5 having jurisdiction over education matters and to the joint
6 standing committee of the Legislature having jurisdiction over
7 business matters no later than January 15, 2005 and annually
8 thereafter.

9 **Sec. 2. Appropriations and allocations.** The following
10 appropriations and allocations are made.

11 **FINANCE AUTHORITY OF MAINE**

12 **Future for Youth in Maine Loan**
13 **Repayment Program**

14 Initiative: Provides funds for loan repayment for graduates who
15 are employed in new technology-based businesses or in occupations
16 or industries that are facing labor shortages.

17

18 General Fund	19 2003-04	20 2004-05
21 All Other	\$0	\$1,000,000
22		
23 General Fund Total	\$0	\$1,000,000

24

25

26 **SUMMARY**

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29 This bill establishes the Future for Youth in Maine Loan
30 Repayment Program to recruit and retain college graduates to
31 start new technology-based businesses and to work in occupations
32 and industries facing labor shortages in the State. The program
33 provides loan repayments of up to \$5,000 per year for a maximum
34 of 4 years for graduates who are employed in new technology-based
35 businesses within the Applied Technology Development Center
36 System or in occupations or industries that are facing labor
37 shortages. The bill directs the Finance Authority of Maine to
38 administer the program.