

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 399

H.P. 302

House of Representatives, January 25, 2005

### **An Act To Recruit and Retain College Graduates through Loan Repayment**

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

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND  
Clerk

Presented by Representative FISCHER of Presque Isle.  
Cosponsored by Senator MITCHELL of Kennebec and  
Representatives: BOWEN of Rockport, CAIN of Orono, CUMMINGS of Portland, DAVIS of  
Falmouth, Senators: BRENNAN of Cumberland, RAYE of Washington.

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

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

6 **CHAPTER 428-B**

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

10 **§12531. 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  
18 Maine.

20 **2. Eligible employment position.** "Eligible employment  
22 position" means a full-time position within the State as the  
24 founder or employee of a technology-based business developed  
within the Applied Technology Development Center System, as  
established in Title 5, section 15321, or a full-time position  
within 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  
of Labor, in consultation with the Department of Economic and  
Community Development, as facing a shortage of qualified workers.

30 **§12532. Future for Youth in Maine Loan Repayment Program**

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

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

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

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

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

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

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

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

16 **§12533. Nonlapsing fund**

17 A nonlapsing, interest-earning, revolving fund under the  
18 jurisdiction of the authority is created to carry out the  
19 purposes of this chapter. The authority may receive, invest and  
20 expend, on behalf of the fund, money from gifts, grants, bequests  
21 and donations in addition to money appropriated or allocated by  
22 the State. Money received by the authority under this chapter  
23 must be invested by the authority, as provided by law, with the  
24 earned income to be added to the fund. Money in the fund must be  
25 used for the designated purposes of the fund and for the payment  
26 of administrative costs incurred by the authority for the  
27 operation of the program.

28 **§12534. Rules**

29 The authority shall establish rules necessary to implement  
30 this chapter. Rules adopted pursuant to this section are routine  
31 technical rules as defined in Title 5, chapter 375, subchapter  
32 2-A.

33 **§12535. Report**

34 The authority shall report on the program to the Department  
35 of Economic and Community Development, to the joint standing  
36 committee of the Legislature having jurisdiction over education  
37 matters and to the joint standing committee of the Legislature  
38 having jurisdiction over business matters no later than January  
39 15, 2007 and annually thereafter.

40 **Sec. 2. Appropriations and allocations.** The following  
41 appropriations and allocations are made.  
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2 **FINANCE AUTHORITY OF MAINE**

4 **Future for Youth in Maine Loan  
Repayment Program**

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

10

<b>GENERAL FUND</b>	<b>2005-06</b>	<b>2006-07</b>
All Other	\$1,000,000	\$1,000,000
<b>GENERAL FUND TOTAL</b>	<u>\$1,000,000</u>	<u>\$1,000,000</u>

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14

16 **SUMMARY**

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