

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2005

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Legislative Document

No. 1655

S.P. 614

In Senate, May 5, 2005

### An Act To Establish the Maine Graduate Retention Loan Program

(AFTER DEADLINE)

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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.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator DIAMOND of Cumberland.  
Cosponsored by Representative BRYANT of Windham and  
Senators: BROMLEY of Cumberland, MITCHELL of Kennebec, SCHNEIDER of Penobscot,  
TURNER of Cumberland, Representatives: CAIN of Orono, DAVIS of Falmouth, NORTON  
of Bangor, PLUMMER of Windham.

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 **MAINE GRADUATE RETENTION LOAN PROGRAM**

10 **§12541. Definitions**

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

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

16 2. **Eligible employment position.** "Eligible employment position" means a full-time position within the State as an employee of a qualified business.

18 3. **Eligible student.** "Eligible student" means a resident of the State enrolled in or accepted for enrollment in a postsecondary educational institution.

20 4. **Participant.** "Participant" means an eligible student who has applied to and been accepted by the program.

22 5. **Postsecondary educational institution.** "Postsecondary educational institution" includes public and private postsecondary educational institutions and postgraduate institutions.

24 6. **Program.** "Program" means the Maine Graduate Retention Loan Program established pursuant to section 12542.

26 7. **Qualified business.** "Qualified business" means a business that is located in the State.

28 **§12542. Maine Graduate Retention Loan Program**

30 1. **Establishment; administration.** The Maine Graduate Retention Loan Program is established to provide loans of 75% of tuition and board to certain eligible students enrolled in postsecondary educational institutions who agree to accept and maintain full-time employment in the State after graduation. The authority shall administer the program.

32 2. **Eligibility requirements.** The authority shall establish eligibility requirements for participation in the program by rule.

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

4  
6 4. Contract with State. Applicants to the program must  
sign a contract asserting that, if accepted by the program, the  
applicant will accept and maintain employment in an eligible  
8 employment position after the completion of the applicant's  
postsecondary education.

10  
12 5. Loan repayment agreement. The authority shall enter  
into loan repayment agreements with participants on terms and  
conditions acceptable to the authority.

14  
16 6. Loan forgiveness. Following the completion of a  
participant's postsecondary education, the program shall forgive  
15% of the entire loan amount that was provided to the  
18 participant by the program for each full year that the  
participant is employed in the State.

20 **§12543. Nonlapsing fund**

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24 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  
26 expend, on behalf of the fund, money from gifts, grants, bequests  
and donations in addition to money appropriated or allocated by  
28 the State. Money received by the authority under this chapter  
must be invested by the authority, as provided by law, with the  
30 earned income to be added to the fund. Money in the fund must be  
used for the designated purposes of the fund and for the payment  
32 of administrative costs incurred by the authority for the  
operation of the program.

34 **§12544. Rules**

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

42 **SUMMARY**

44  
46 This bill establishes the Maine Graduate Retention Loan  
Program to provide loans of 75% of tuition and board to certain  
48 eligible students enrolled in postsecondary educational  
institutions who agree to accept and maintain full-time  
50 employment in the State after graduation. The loans may then be  
forgiven at a rate of 15% per year of eligible employment in the

2 State. The bill directs the Finance Authority of Maine to administer the program.