

MAINE STATE LEGISLATURE

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OMG

Date: 6/11/19 Minority (Filing No. H-559)

INNOVATION, DEVELOPMENT, ECONOMIC ADVANCEMENT AND BUSINESS

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STATE OF MAINE HOUSE OF REPRESENTATIVES 129TH LEGISLATURE FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 990, L.D. 1368, Bill, "An Act To Require Postsecondary Institutions To Meet the Expected Family Contribution without Additional Loan Burdens for Students"

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 20-A MRSA c. 441 is enacted to read:

CHAPTER 441

EXPECTED FAMILY CONTRIBUTIONS

§12951. Expected family contributions

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

A. "Cost of attendance" means the total annual cost for attendance at a postsecondary institution as defined in 20 United States Code, Section 1087ll.

B. "Expected family contribution" means the amount determined in accordance with 20 United States Code, Section 1087nn.

C. "In-state undergraduate student" means an individual who is a resident of the State, who has not been awarded a baccalaureate degree and who is currently enrolled or accepted for enrollment as a full-time or part-time student at a postsecondary institution.

D. "Stafford loan" means a loan secured by the Federal Government for postsecondary education costs.

2. Prohibition on billing students and families for costs exceeding the expected family contribution. A postsecondary institution in this State may not, with the exception of costs covered by Stafford loans, bill or otherwise hold an in-state

COMMITTEE AMENDMENT

1 undergraduate student responsible for any amount of the cost of attendance that exceeds
2 the student's expected family contribution. If the cost of attendance exceeds the expected
3 family contribution plus costs covered by Stafford loans, the school may award the
4 student grants or scholarships to cover the remaining cost of attendance, but in no case
5 may the postsecondary institution require that the student repay any costs associated with
6 those grants or scholarships.'

7 **SUMMARY**

8 This amendment replaces the concept draft. It prohibits a postsecondary institution
9 from billing or otherwise holding an in-state undergraduate student responsible for any
10 amount of the cost of attendance at that postsecondary institution that exceeds the
11 student's expected family contribution, with the exception of federal Stafford loans.

12 **FISCAL NOTE REQUIRED**

13 **(See attached)**



129th MAINE LEGISLATURE

LD 1368

LR 1454(02)

An Act To Require Postsecondary Institutions To Meet the Expected Family Contribution without Additional Loan Burdens for Students

Fiscal Note for Bill as Amended by Committee Amendment *A(H-559)*
Committee: Innovation, Development, Economic Advancement and Business

Fiscal Note Required: Yes

Fiscal Note

Reduction in tuition revenue - Higher educational institutions

Fiscal Detail and Notes

Prohibiting the State's higher educational institutions to bill for costs that exceed a student's expected family contribution will result in a loss of tuition revenue to the University of Maine System, the Maine Community College System and the Maine Maritime Academy. The impact on revenue will depend on actual experience, but estimates provided by the University of Maine System, the Maine Community College and the Maine Maritime Academy indicate annual revenue reductions of approximately \$71.4 million, \$27.5 million and \$11.1 million respectively. It is not clear how much of these revenue reductions can be absorbed through program and other expenditure cuts or whether the institutions will seek additional General Fund appropriations in the future.