

# MAINE STATE LEGISLATURE

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State of Maine  
ONE HUNDRED AND TWENTY-FIFTH LEGISLATURE  
COMMITTEE ON EDUCATION AND CULTURAL AFFAIRS

March 13, 2012

The Honorable Kevin L. Raye  
President of the Senate  
The Honorable Robert W. Nutting  
Speaker of the House of Representatives  
125th Maine Legislature  
State House  
Augusta, ME 04333

Dear Mr. President and Mr. Speaker:

Pursuant to Title 3 Maine Revised Statutes, chapter 35, we are pleased to submit the findings of the Joint Standing Committee on Education and Cultural Affairs from the review and evaluation of the Maine Health and Higher Educational Facilities Authority under the State Government Evaluation Act. In its review, the Committee found that the Maine Health and Higher Educational Facilities Authority is operating within its statutory authority.

Sincerely,

Handwritten signature of Brian D. Langley in black ink.

Senator Brian D. Langley  
Senate Chair

Handwritten signature of David E. Richardson in black ink.

Representative David E. Richardson  
House Chair

cc: Mr. Robert O. Lenna, Executive Director, Maine Health and Higher  
Educational Facilities Authority  
Marion Hylan Barr, Director, Office of Policy and Legal Analysis

<p style="text-align:center"><b>Joint Standing Committee on Education and Cultural Affairs</b> <b>125<sup>th</sup> Legislature</b></p>
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**Review of the Maine Health and Higher Educational Facilities Authority  
under the Government Evaluation Act  
March 2012**

### **The Government Evaluation Act**

The Government Evaluation Act provides for a system of periodic review of the efficacy and performance of state government agencies. The keystone of the Act is the agency “program evaluation report” that consists of a number of components required by the statute (3 MRSA §951 et seq). Essentially, the report is an agency self-assessment, which the committee of jurisdiction uses as a starting point for its evaluation of the agency’s effectiveness, efficiency and performance.

### **Review Process**

In May of 2011, the Joint Standing Committee on Education and Cultural Affairs notified the Maine Health and Higher Educational Facilities Authority (MHHEFA or Authority) of its intent to review these entities pursuant to the schedule established in 3 MRSA, §959. The Authority submitted a program evaluation report as requested in September of 2011.

On January 26, 2012 Mr. Robert O. Lenna, Executive Director of the MHHEFA presented the program evaluation report to the Joint Standing Committee on Education and Cultural Affairs at a public meeting. In response to a question about the authority of the MHHEFA to provide bond proceeds to make postsecondary education loans for Maine students and their families, Mr. Lenna indicated that the MHHEFA has not used this authority since the mid-1980s and did not intend to use this authority in the future since there are other entities authorized by Maine statutes that provide loans for Maine students and their families to finance their postsecondary education.

### **Findings and Recommendation**

The Joint Standing Committee on Education and Cultural Affairs has reviewed the Maine Health and Higher Educational Facilities Authority and finds the commission is operating within its statutory authority. The Committee finds that the Authority is doing a commendable job of providing financing for capital projects to non-profit higher education and health care providers in Maine. The Committee is submitting legislation to implement one change to the statutory authority of the MHHEFA. The proposed bill would repeal MHHEFA’s authority to issue revenue bonds and other obligations and loan the proceeds to one or more student loan corporations for the purpose of issuing loans for Maine students and their families to finance their postsecondary education. The Maine Health and Higher Educational Facilities Authority has not used this authority since the 1980s; and, given that other entities authorized by Maine statutes provide such loans, this authority is no longer deemed necessary by the Joint Standing Committee on Education and Cultural Affairs.

LR #: 285301

Sponsor: EDU Cmte pursuant to law

Drafter: PDM

Date: 3/13/12

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**Title: An Act To Implement the Recommendations of the Joint Standing Committee on Education and Cultural Affairs Regarding Review of the Maine Health and Higher Education Facilities Authority under the State Government Evaluation Act**

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

**Sec. 1. 20-A MRS.A, Chapter 418**, as enacted by PL 1983, c. 422, §21, is repealed

**SUMMARY**

This bill is introduced by the Joint Standing Committee on Education and Cultural Affairs pursuant to Title 3, section 955, subsection 4 to implement the recommendations of the committee resulting from its review of the program evaluation report submitted by the Maine Health and Higher Educational Facilities Authority pursuant to the Government Evaluation Act.

The bill strikes the authority of the Maine Health and Higher Educational Facilities Authority to issue revenue bonds and other obligations and loan the proceeds to one or more student loan corporations for the purpose of issuing low-cost loans by the student loan corporation to qualified students to assist the students in attending their institution for higher education and lowering the cost to the students or their parents of financing the students' educations. The Maine Health and Higher Educational Facilities Authority has not used this authority since the mid-1980s and this authority is no longer deemed necessary by the Joint Standing Committee on Education and Cultural Affairs.