

94-457 FINANCE AUTHORITY OF MAINE

Chapter 601: THE MAINE STATE GRANT PROGRAM (MSGP)—Amendment 12

Summary: This rule defines criteria necessary to be met for student and institution eligibility for participation in the Maine State Grant Program, and establishes a procedure for awarding grants.

1. Definitions

- A. **Academic year.** “Academic year” has the same meaning as in the definition of that term contained in the Higher Education Act of 1965, as amended, United States Code, Title 20, Section 1088(a); and the regulations, guidelines and procedures promulgated by the Secretary of Education and published in the Federal Register pursuant to these sections of federal law.
- B. **Adult learner.** “Adult learner” means an individual aged twenty-four (24) years or older as of January 1 of the year they will start or return to school. They must not have received the grant for the three prior academic years and their expected family contribution must not exceed the maximum set for a given academic year.
- B. **Authority.** The “Authority” means the Finance Authority of Maine.
- C. **Chief Executive Officer.** “Chief Executive Officer” means the Authority's Chief Executive Officer or a person acting under the supervisory control of the Chief Executive Officer.
- D. **Dependent Student.** “Dependent student” has the same meaning as that found in 34 CFR §668.2(b), or any amendment or replacement thereof.
- E. **Eligible program of study.** “Eligible program of study” means a certificate/diploma program of at least one year, an associate degree program or a baccalaureate degree program.
- F. **Enrolled.** “Enrolled” has the same meaning as set forth in 34 CFR §668.2(b), or any amendment or replacement thereof.
- G. **Expected family contribution.** “Expected family contribution-” means the amount that the student and his or her family may be reasonably expected to contribute toward post-secondary education for the academic year for which the student is seeking a Program grant.
- H. **Full-time student.** “Full-time student” means a student enrolling for at least twelve credit hours during a semester, or a student who is a full-time student as defined by the published policies of the eligible institution that the student attends.
- I. **Independent Student.** “Independent student” has the same meaning as that found in the Higher Education Act of 1965, Section 480(d), as amended, United States Code, Title 20, Section 1087vv(d) and any regulations promulgated thereunder, or any amendment or replacement thereof.

- J. **Institution of higher education.** “Institution of higher education” or “institution” means an institution of higher education that meets the requirements of and conforms to the definitions contained in the federal Higher Education Act of 1965, as amended, United States Code, Title 20, Sections 1001(a) and 1002(a); and the regulations, guidelines and procedures promulgated by the Secretary of Education and published in the Federal Register pursuant to these sections of law. An institution must have a federal school code (also known as a Title IV institution code) under the Higher Education Act, as amended, for its location. An institution must be located within the State or, for a student participating in the New England Board of Higher Education’s New England Regional Student Program and eligible for the Tuition Break, be an institution offering the approved degree program in which such student is enrolled.
- K. **Part-time student.** “Part-time student” means a student enrolling for at least six credit hours during a semester, or a student who is a part-time student as defined in accordance with the published policies of the institution the student is attending and the Authority accepts said definition.
- L. **Program.** “Program” or “MSGP” means the Maine State Grant Program established by 20-A MRSA §11611 *et seq.*
- M. **Resident of the State.** “Resident of the State” means an applicant who is either (1) an independent student who has been a domiciled resident of the State for at least one calendar year prior to the date of attendance at the institution or (2) a dependent student whose parent or legal guardian has been a domiciled resident of the State at least one calendar year prior to the date of attendance at the institution. A residence established in the State while attending an educational institution is not sufficient to establish a domiciled residence in the State. An individual may establish a domiciled residence in the State by providing indicia of residency satisfactory to the Chief Executive Officer, which may include evidence of home ownership within the State, ownership of a driver’s license issued by the State, identification of Maine as the state of residency on the FAFSA, or filing of State income tax returns for residents. When determining residency, all factors must be considered; establishment of any one indicia of residency may not be sufficient to establish residency.
- Members of the armed forces on active duty in the State and their dependents are deemed residents of the State for eligibility purposes, notwithstanding the date residency is established, provided that the applicant is not eligible to receive financial aid provided by any other state.
- N. **State.** “State” means the State of Maine.

2. Student Eligibility

To be eligible for consideration for the Program the student must be a full-time student or a part-time student and meet each of the following eligibility criteria:

- A. The student must be a U.S. citizen or an eligible noncitizen as defined in Title IV of the Higher Education Act of 1965, Section 484, as amended, United States Code, Title 20,

Section 1091; and the regulations, guidelines and procedures promulgated by the Secretary of Education and published in the Federal Register pursuant thereto.

- B. The student must be a resident of the State and shall have graduated from an approved secondary school (or matriculated at an approved post-secondary school prior to high school graduation) or successfully completed a general education development examination or its equivalent.
- C. The student must be accepted for enrollment as an undergraduate in an eligible program of study; or be in good standing as an undergraduate for a first baccalaureate degree at an institution of higher education according to the prescribed standards, regulations, and practices of that institution; meet the required academic standards for admissions and have not received a previous baccalaureate degree; and qualify under Section 6.
- D. The student must have need as determined by the Authority pursuant to Section 5.
- E. The student must not owe a refund to or be in default of any educational grant or loan programs.
- F. The student must annually apply to participate in the MSGP by completing such application forms as may be designated by the Chief Executive Officer and filing the complete application with the designated recipient by the deadline established each year by the Authority.

Whether a student is an independent student or a dependent student shall be determined on the basis of the applicant's information reported on the required application and is subject to verification by the institution.

3. Institution Eligibility

To be eligible to participate in the Program an institution must:

- A. Meet the definition of institution of higher education set forth in Section 1(J).
- B. Submit cost of attendance figures and other reports as requested by the Authority.
- C. Have one person designated as the contact person for the Maine State Grant Program.
- D. Certify that the student recipient is an eligible student within institutional standards or by utilizing federal financial aid guidelines.
- E. Certify that the student is maintaining satisfactory progress in a course of study according to the standards and practices of the institution.
- F. Certify that the student does not owe a refund on any grant previously received under the Federal Pell Grant or Federal Supplemental Educational Opportunity Grant (SEOG) programs.

- G. Certify that the student is not in default on any loan made, insured, or guaranteed under the Federal Perkins Loan, the Federal Direct Student Loan Program or the Federal Family Education Loan Program.
- H. Certify to the best of its knowledge and belief that the student's dependency status is as shown on the required application and that it has no conflicting information.
- I. Certify that appropriate auditing and control procedures have been utilized in the operation of the Program at the institutional level.
- J. Certify that no student has received an over-award.
- K. Have a drug/alcohol free work-place policy and have related policies for student recipients in place.

4. *(Repealed effective August 12, 1996)*

5. **Determination of Need**

The Chief Executive Officer shall establish the need of a student for a Program grant for an academic year for which the student applies:

- A. **Method.** A student shall be considered to have a need to qualify for a Program grant if the total of the cost of attendance of the student, minus the expected family contribution and minus estimated student financial assistance not received under this Program, is greater than zero. Total expected family contribution together with any other student financial assistance received by the student may not exceed the cost of attendance at the institution the student attends.
 - (1) Expected family contribution shall consist of parental contribution and student and spouse (if applicable) contribution. All income, assets and any other resources available to the parents, student and spouse (if applicable) shall be considered.
 - (2) In determining the cost of attendance to determine eligibility under this subsection, the Authority shall consider the following, as published by the institution:
 - (a) Tuition and required fees charged to all full-time and part-time students;
 - (b) Standard room and board costs at the level charged by the University of Maine and applied to all eligible institutions; and
 - (c) Books and personal expenses or other amounts determined by the Authority.
- B. *(Repealed effective February 3, 1992)*

6. **Length of Grant; period of study**

- A. A grant shall be for a period not to exceed one academic year. A grant recipient who remains eligible shall be considered in the succeeding award year only upon submission of a complete application.
- B. A student may receive a grant during the period required for the completion of the first undergraduate baccalaureate course of study being pursued by that student at the institution at which the student is enrolled. The period may not exceed ten (10) semesters or the equivalent thereof at the institution the student is attending, except that an adult learner as defined above may receive a grant for a period not to exceed twelve (12) semesters.

7. Determination of Grant

Grants to eligible students shall be determined as follows:

- A. Students with the lowest expected family contributions shall be given priority over all other eligible students for the awards of grants.
- B. Grants awarded under this chapter shall be no less than the minimum amount provided by 20-A M.R.S.A. §11614(2). The Authority may, in its discretion, award grants to 2nd, 3rd, and 4th-year students in (i) one amount to all such students which is more than the grant amount awarded to 1st-year students or (ii) a combination of amounts whereby the grant is awarded to 2nd-year students in an amount that is more than the grant awarded to 1st-year students and increases with each of the 3rd and 4th-year classes.
- C. *(Repealed effective July 13, 1998.)*
- D. No grant will be awarded if the award will reduce institutional or other grant aid to the student, unless the institutional or other grant aid is subsequently granted to a student with demonstrated financial need.

8. Payment Procedures

Funds will be issued to the institution pursuant to the following procedures:

- A. The institution shall notify the Authority of the number of students actually enrolled and eligible and the amount due.
- B. The institution shall be sent funds at least once each semester for the grant money to be credited to the students actually enrolled and eligible at the time the disbursement designated for a student is requested.
- C. The institution shall make payment to the recipient students by crediting the student's account or by utilizing other procedures as determined by the institution.
- D. When refunds are in order, the institution's published refund policy will be used to refund the Authority its appropriate share. If the refund is processed by check, the refund check will show only whole dollars and be sent to the Authority.

- E. Each institution must reconcile amounts received and amounts credited to the account of eligible students by the date determined by the Authority each year. Such reconciliation must include payment to the Authority of any amounts due to the Authority as a result of any refunds made to a student.
- F. Each institution must provide reports to the Authority, as required by the Authority.

9. Program Review

The Authority may periodically conduct a program review of a participating institution's operation of the MSGP, and may offer technical assistance to the institution. An institution loses its ability to participate in the MSGP if it no longer meets the requirements of the MSGP.

10. Waiver of Rule

The Chief Executive Officer may waive any requirement of this rule, except to the extent that the requirement is mandated by the Act, in cases where deviation from the rule is insubstantial.

11. *(Repealed Effective September 3, 2001)*

12. Safety Net

The Chief Executive Officer may not allocate a lesser aggregate dollar amount of MSGP (formerly known as MSISP) grants to students attending the University of Maine System, the Maine Maritime Academy, the Maine Community College System (formerly known as the Applied Technology-Technical Institute System) and private post-secondary institutions than was allocated for students of each of those institutions or groups of institutions of higher education in 1988-89.

13. Reconsideration

In the event that an application for a grant is denied because of a finding that the applicant is not a resident of the State, the applicant or the institution of higher education the applicant is planning to attend shall have the right to seek reconsideration by the Chief Executive Officer. The request for reconsideration, together with a statement of the reasons why the decision on residency should be reversed must be given to the Chief Executive Officer in writing within 20 days after the date the of notice of the ineligibility of the applicant to the institution of higher education. The decision of the Chief Executive Officer shall be final.

STATUTORY AUTHORITY: 10 MRSA §969-A(14), 20-A MRSA §11617(2).

EFFECTIVE DATE:
March 6, 1990

AMENDED:

February 3, 1992
January 2, 1994

EFFECTIVE DATE (ELECTRONIC CONVERSION):

May 4, 1996

AMENDED:

August 12, 1996 - general change in references from “scholarship” to “grant” or “Program grant”; addition of 1(P); insertion of “incentive” in 3(J); insertion of “expected” in 5(A); addition of reference to Higher Education Act of 1965 in 7(D) and 7-A(D); addition of reference to section 11.B(3) in 7(F); addition of 11(A, B, C).

NON-SUBSTANTIVE CORRECTIONS:

October 7, 1996 - minor spelling.

AMENDED:

July 13, 1998 - 3(G), 5(B), 7(B,C,H), 7-A(C,G)11(C,D).

NON-SUBSTANTIVE CORRECTIONS:

August 12, 1998 - minor formatting.

AMENDED:

November 2, 1998
July 20, 1999 (EMERGENCY - expired October 18, 1999) - Amendment 6, Sections 7 and 7-A
October 23, 1999 – Amendment 6 (non-emergency)

NON-SUBSTANTIVE CORRECTIONS:

March 17, 2000 - section symbol in 1(H)

AMENDED:

September 3, 2001 - Amendment 7: amended title, summary, 1(I, J, P), 2(1st paragraph, F), 3(1st paragraph, J), 5(A)(2), 6(B), 7(H), 7A(G), 8, 9; added 8A; repealed 11

AMENDED:

November 9, 2003 – Amendment 8, filing 2003-407
May 21, 2005 – Amendment 9, filing 2005-157, amended 1(L), 3(C), 6(B), added 13
July 1, 2007 – Amendment 10, filing 2007-11
January 7, 2013 – Amendment 11, filing 2013-001
~~September X, 2022+Amendment 12, filing 2022+-?~~