CHAPTER 409

DEGREE-GRANTING INSTITUTIONS

§10701. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 1981, c. 693, §§5, 8 (NEW).]

1. Academic credit. "Academic credit" means credit hours or some equivalent measure which may be awarded and which are applicable toward a degree.
[PL 1981, c. 693, §§5, 8 (NEW).]

2. Degree. "Degree" means a document of achievement at the associate level or higher conferred by a postsecondary educational institution authorized to confer that degree in its home state. It includes educational, academic, literary and professional degrees. It also includes associate, baccalaureate, master's, first professional and doctoral degrees and certificates of advanced graduate studies.
[PL 2009, c. 274, §10 (AMD).]

3. Educational institution. "Educational institution" means any person, partnership, board, association, institution or corporation other than the University of Maine System, the Maine Community College System and the Maine Maritime Academy that offers academic, educational, literary or professional courses or programs.
[PL 2007, c. 572, Pt. A, §8 (AMD).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 1991, c. 563, §3 (AMD). PL 2003, c. 20, §OO2 (AMD). PL 2003, c. 20, §OO4 (AFF). PL 2007, c. 572, Pt. A, §§7, 8 (AMD). PL 2009, c. 274, §10 (AMD).

§10702. Use of name "community college," "college" or "university"

An educational institution may use the term "community college," "college" or "university" in connection with its operation or use any other name, title or descriptive matter that might tend to indicate that it is an institution of higher learning with the authority to confer degrees, only if it: [PL 2007, c. 572, Pt. A, §9 (AMD).]

1. Temporary approval. Is operating under a license or certificate of temporary approval from the state board in accordance with section 10703; or
[PL 1981, c. 693, §§ 5, 8 (NEW).]

2. Authorization. Has authorization to confer degrees in accordance with sections 10704 and 10704-A.
[PL 1987, c. 395, Pt. A, §81 (AMD).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 1987, c. 395, §A81 (AMD). PL 2007, c. 572, Pt. A, §9 (AMD).

§10703. Temporary approval to use the name "community college," "college" or "university"

1. Power. The state board may grant an applicant a certificate of temporary approval, permitting use of the term "community college," "college" or "university" in its name until the earlier of:

A. The expiration of the academic year; or [PL 1981, c. 693, §§ 5, 8 (NEW).]

B. The applicant is authorized by the Legislature to grant degrees in accordance with section 10704. [PL 1981, c. 693, §§ 5, 8 (NEW).]

[PL 2007, c. 572, Pt. A, §10 (AMD).]

2. Extensions and renewals. The state board may extend or renew a certificate of temporary approval for not more than 2 years.
[PL 1981, c. 693, §§ 5, 8 (NEW).]

3. Basis for degree-granting authority. Temporary approval granted pursuant to this section may not be used as a basis for a recommendation by the state board for permanent degree-granting authority under section 10707.
[PL 2025, c. 630, §3 (NEW).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 2007, c. 572, Pt. A, §10 (AMD). PL 2025, c. 630, §3 (AMD).

§10704. Initial authority to confer certain degrees

An educational institution may confer certain degrees if it has been granted initial authority under an Act of the Legislature. [PL 1987, c. 395, Pt. A, §82 (AMD).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 1987, c. 395, §A82 (AMD).

§10704-A. Authority to confer additional degrees

An educational institution initially authorized by the Legislature to offer certain degrees under section 10704 may offer additional degrees with the approval of the state board. [PL 1987, c. 395, Pt. A, §83 (NEW).]

SECTION HISTORY

PL 1987, c. 395, §A83 (NEW).

§10705. Courses for credit

An educational institution may offer courses or programs for academic credit leading to degree-completion requirements only if: [PL 2007, c. 572, Pt. A, §11 (AMD).]

1. Authority. It has been authorized under sections 10704 and 10704-A to grant degrees;
[PL 1987, c. 395, Pt. A, §84 (AMD).]

2. State board authority. It has been given temporary authority by the state board to use the name "community college," "college" or "university";
[PL 2009, c. 274, §11 (AMD).]

3. Out-of-state institution. It is:

A. Located outside the State; and [PL 2007, c. 572, Pt. A, §11 (AMD).]

B. Authorized by the state board to offer courses for academic credit leading to degree-completion requirements; or [PL 2009, c. 274, §11 (AMD).]
[PL 2009, c. 274, §11 (AMD).]

4. Coordinated programs. It is offering courses or programs in coordination with an educational institution in the State that is authorized to grant degrees and the state board has approved the coordination.
[PL 2009, c. 274, §11 (NEW).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 1987, c. 395, §A84 (AMD). PL 2007, c. 572, Pt. A, §11 (AMD). PL 2009, c. 274, §11 (AMD).

§10706. Coordinated programs

An educational institution may offer programs for academic credit that are coordinated with a Maine degree-granting educational institution and that have been approved by the state board. [PL 2007, c. 572, Pt. A, §12 (AMD).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 2007, c. 572, Pt. A, §12 (AMD).

§10706-A. For-profit college and university review

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

A. "Adequate educational standards" means educational offerings and spending priorities that the state board finds meet the metrics established under subsection 3. [PL 2019, c. 157, §1 (NEW).]

B. "Employed" means a person has obtained permanent employment and:

(1) The position is paid. If the position is an entry-level position, the salary must be at least 80% of the entry-level salary for the position as listed by the Department of Labor, Bureau of Labor Standards in its most recent report on industry employment and wages;

(2) The position requires at least 32 hours of work per week;

(3) The person has worked in the position for at least 30 days; and

(4) The position is not affiliated with a for-profit college or university from which the person graduated, its parent company or a subsidiary or affiliate of its parent company. [PL 2019, c. 157, §1 (NEW).]

C. "Employment in the field of study" means employment in a job:

(1) That is included on a list of job titles for which a graduate of a program of study is qualified, as published by the for-profit college or university, and in the most recent national relational database as a job related to that program of study. If the job title is not in the national relational database, the job may be considered as employment in the field of study if the employer's description of the job matches the job description, tasks and work activities for a job that is included in the most recent national relational database as related to the program of study; or

(2) That requires the graduate to use the core skills listed in the school's published program of study taken by the graduate and the employer's written job description provides that the job requires education beyond a high school diploma, that applicants with a postsecondary credential are preferred or that the position is a supervisory or managerial position. [PL 2019, c. 157, §1 (NEW).]

D. "For-profit college or university" means a postsecondary institution that:

(1) Is regulated by the department;

(2) Is eligible to participate in federal student aid programs; and

(3) Is operated by a private, for-profit business. [PL 2019, c. 157, §1 (NEW).]

E. "National relational database" means the relational database developed by the United States Department of Education, Institute of Education Sciences, National Center for Education Statistics and the United States Department of Labor, Bureau of Labor Statistics relating the United States Department of Education classification of instructional program code identified for a particular program of study to a standard occupational classification. [PL 2019, c. 157, §1 (NEW).]
[PL 2019, c. 157, §1 (NEW).]

2. Reporting. A for-profit college or university shall report annually by July 1st to the commissioner the following information in accordance with rules established by the commissioner that

ensure the information is provided in a manner that allows evaluation in accordance with the metrics established under subsection 3:

A. The amount of funds, disaggregated by campus, spent on each of the following as compared with total spending by the for-profit college or university:

(1) Educational instruction;

(2) Advertising; and

(3) Executive salaries; [PL 2019, c. 157, §1 (NEW).]

B. The percentage of those who graduated in the previous calendar year, disaggregated by campus and program, who have employment in the field of study; [PL 2019, c. 157, §1 (NEW).]

C. The percentage of those who graduated in the previous calendar year, disaggregated by campus and program, who are employed; [PL 2019, c. 157, §1 (NEW).]

D. As reported to the United States Department of Education, the percentage of graduates who graduated in the previous 3 calendar years who received federal student loans and:

(1) The percentage of those who received such loans who have defaulted; and

(2) The percentage of those who received such loans whose loan balances declined in the 3 years after repayment first became due, excluding those graduates for whom repayment was deferred as a result of military service; and [PL 2019, c. 157, §1 (NEW).]

E. The design and implementation of student support services, including the process by which student complaints are handled in a timely and effective manner and information on the number and nature of complaints received and the responses to those complaints. [PL 2019, c. 157, §1 (NEW).]

[PL 2019, c. 157, §1 (NEW).]

3. Evaluation. The commissioner shall by rule establish metrics to determine adequate educational standards that must be met by for-profit colleges and universities. The metrics must include at least the following annual evaluation criteria.

A. The commissioner shall evaluate spending priorities by using information supplied pursuant to subsection 2, paragraph A. If the commissioner finds a for-profit college or university spends less than 50% of its total spending on instruction or more than 15% of its total spending on advertising, the commissioner must find that the for-profit college or university fails to meet adequate educational standards. [PL 2019, c. 157, §1 (NEW).]

B. The commissioner shall determine whether a for-profit college or university has received necessary accreditations to allow graduates to meet professional licensing or other career standards related to the educational programs for which degrees or certificates are granted by the for-profit college or university. If the commissioner finds a for-profit college or university has not received these necessary accreditations, the commissioner must find that the for-profit college or university fails to meet adequate educational standards. [PL 2019, c. 157, §1 (NEW).]

C. The commissioner shall evaluate the design and implementation of student support services, including whether the complaint process by which student complaints are handled is transparent, includes an appropriate official to receive complaints and provides appropriate and timely responses to complaints. If the commissioner finds that a for-profit college or university does not have adequate or appropriate student support services, the commissioner must find that the for-profit college or university fails to meet adequate educational standards. [PL 2019, c. 157, §1 (NEW).]

[PL 2019, c. 157, §1 (NEW).]

4. Rules. The commissioner shall adopt rules necessary to implement this section. The rules must include definitions of "educational instruction," "advertising" and "executive salaries." Rules adopted under this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.
[PL 2019, c. 157, §1 (NEW).]

5. Termination of degree-granting authority. The commissioner, after completing the evaluation under subsection 3, shall terminate the degree-granting authority of a for-profit college or university that the commissioner finds does not meet adequate educational standards.
[PL 2019, c. 157, §1 (NEW).]

SECTION HISTORY

PL 2019, c. 157, §1 (NEW).

§10707. Applications

1. Degree-granting authority. Applications for authority to grant degrees must be made on application to the state board through a process provided by the commissioner. An educational institution shall pay a fee for the initial application that reflects the costs to the department for processing the application, as determined by the commissioner.

A. The state board may recommend an educational institution to the Legislature for degree-granting authority without additional review if:

(1) The state board has approved or renewed approval for the educational institution to offer academic programs in the State within 5 years of the institution's application for degree-granting authority; and

(2) The educational institution has applied for degree-granting authority only for degrees for which the institution offers academic programs approved by the state board. [PL 2025, c. 630, §4 (NEW).]

B. Upon recommending an educational institution to the Legislature for degree-granting authority under section 10704, the state board shall provide any reports resulting from completed state board reviews of the applicant educational institution to the joint standing committee of the Legislature having jurisdiction over education matters. [PL 2025, c. 630, §4 (NEW).]
[PL 2025, c. 630, §4 (AMD).]

2. Temporary use of name. Applications for temporary state board authority to use the name "community college," "college" or "university" must be made to the state board through a process provided by the commissioner. An educational institution shall pay a fee for the initial application that reflects the costs to the department for processing the application, as determined by the commissioner.
[PL 2025, c. 630, §4 (AMD).]

3. Courses for academic credit. Applications by out-of-state educational institutions to offer courses for academic credit must be made to the state board through a process provided by the commissioner. Such an educational institution shall pay a fee for the initial application that reflects the costs to the department for processing the application, as determined by the commissioner.
[PL 2025, c. 630, §4 (AMD).]

4. Coordinated programs. Applications to offer coordinated programs must be made to the state board through a process provided by the commissioner. An educational institution shall pay a fee for the initial application that reflects the costs to the department for processing the application, as determined by the commissioner.
[PL 2025, c. 630, §4 (AMD).]

5. Exempt status. Applications for exempt status under section 10708, subsection 2 must be made to the commissioner. An educational institution shall pay a fee for the initial application that reflects the costs to the department for processing the application, as determined by the commissioner.

[PL 2025, c. 630, §4 (AMD).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 1987, c. 395, §A85 (AMD). PL 2007, c. 572, Pt. A, §13 (AMD). PL 2025, c. 630, §4 (AMD).

§10708. Exemptions

This chapter does not apply to educational institutions which: [PL 1981, c. 693, §§5, 8 (NEW).]

1. Prior to September 18, 1981. Had been authorized by the Legislature or the state board to grant undergraduate or graduate degrees prior to September 18, 1981 and are offering additional or different degrees at the same level;
[PL 2009, c. 274, §12 (AMD).]

2. Federal reservations. Offer programs or courses that are conducted solely on a federal reservation over which the Federal Government has exclusive jurisdiction. The commissioner shall authorize exempt status under this subsection;
[PL 2005, c. 85, §1 (AMD).]

3. Noncredit courses. Offer courses or programs that are not for academic credit; and
[PL 2005, c. 85, §1 (AMD).]

4. Religious, nonpublic, educational institution. Meet the following criteria.

A. The educational institution must be substantially owned, operated or supported by a bona fide church or religious organization. [PL 2005, c. 85, §2 (NEW).]

B. The educational programs of the educational institution must be primarily designed for, aimed at and attended by persons who seek to learn the particular religious faith or beliefs of the church or religious organization under paragraph A. [PL 2005, c. 85, §2 (NEW).]

C. The programs under paragraph B must be intended to prepare students to assume leadership positions in, or enter into some other vocation closely related to, the particular faith of the church or religious organization under paragraph A. [PL 2005, c. 85, §2 (NEW).]

The exemption under this subsection does not apply to any educational institution that represents to any student or prospective student that the major purpose of its program is to prepare the student for a vocation not closely related to the particular religious faith of the educational institution or to provide the student with a general educational program substantially equivalent to the educational programs offered by schools or departments or branches of schools that are not exempt from this section. Any educational institution receiving an exemption under this subsection must inform all applicants of its exempt status in writing and must prominently display the following statement on all written materials, including, but not limited to, any electronic materials, made available to potential applicants or to the general public: "Pursuant to the Maine Revised Statutes, Title 20-A, section 10708, subsection 4, this institution is not required to obtain authorization from either the State Board of Education or the Maine State Legislature in order to: (1) use the name "junior college," "college" or "university," (2) offer courses or programs for academic credit or (3) confer degrees."
[PL 2005, c. 85, §2 (NEW).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 2005, c. 85, §§1,2 (AMD). PL 2009, c. 274, §12 (AMD).

§10709. Penalties

Any educational institution conferring degrees within the State or offering courses or programs within the State that carry academic credit without being authorized or approved to do so in accordance

with this chapter is subject to a civil penalty of not more than $5,000, payable to the State, to be recovered in a civil action. [PL 1991, c. 548, Pt. A, §14 (AMD).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 1991, c. 548, §A14 (AMD).

§10710. Rules

The state board shall, in accordance with section 3, adopt rules necessary to carry out the purposes of this chapter. [PL 1981, c. 693, §§ 5, 8 (NEW).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW).

§10711. Prohibition

The authority of an educational institution to confer degrees may not be sold, transferred, assigned or given as collateral. Any purported sale, transfer, assignment or encumbrance of this authority is void. [PL 1991, c. 563, §4 (NEW).]

SECTION HISTORY

PL 1991, c. 563, §4 (NEW).

§10712. Termination of degree-granting authority

The authority of an educational institution to confer degrees terminates upon determination by the state board that any of the following has occurred: [PL 1991, c. 563, §4 (NEW).]

1. Discontinuance of instruction. The substantial discontinuance of instruction by the educational institution;
[PL 1991, c. 563, §4 (NEW).]

2. Sale of stock. The sale, exchange or other transfer of all or a substantial part of the voting stock of an educational institution;
[PL 1991, c. 563, §4 (NEW).]

3. Sale or lease of assets. The sale, exchange, lease or other transfer of all or a substantial part of the assets of an educational institution; or
[PL 1991, c. 563, §4 (NEW).]

4. Merger; consolidation; reorganization. The merger or consolidation of the educational institution with an external entity, or the reorganization of the educational institution, including, but not limited to, reorganization in bankruptcy. This subsection does not apply and authority to confer degrees is not terminated if degree programs are consolidated or reorganized within an educational institution and are at the same level as those authorized by the Legislature or the state board prior to the consolidation or reorganization.
[PL 2009, c. 274, §13 (AMD).]

Upon termination of its degree-granting authority pursuant to this section, an educational institution may apply to the state board pursuant to section 10703 for a certificate of temporary approval to use the term "community college," "college" or "university" in its name. [PL 2007, c. 572, Pt. A, §14 (AMD).]

SECTION HISTORY

PL 1991, c. 563, §4 (NEW). PL 2007, c. 572, Pt. A, §14 (AMD). PL 2009, c. 274, §13 (AMD).

§10713. Investigations; hearings

1. Investigations. Whenever the state board believes that an event, transaction or condition within the scope of section 10712 may have occurred or may exist, it may conduct an investigation, which may include, but is not limited to, an examination of the educational institution by a visiting committee convened by the state board for that purpose. As part of an investigation conducted under this subsection, the state board has the power to subpoena and examine under oath educational institutions, their trustees, directors, officers and employees, lenders, creditors and investors, together with their records, books and accounts. The state board may also require the educational institution to provide other written information relevant to the subject matter of the investigation in the format prescribed by the state board. The Superior Court has jurisdiction upon complaint filed by the state board to enforce any subpoena or request for other written information issued under this subsection.
[PL 2007, c. 572, Pt. A, §15 (AMD).]

2. Hearings. Before making any of the determinations authorized by section 10712, the state board shall give the educational institution an opportunity for a hearing pursuant to Title 5, chapter 375, subchapter IV.
[PL 1991, c. 563, §4 (NEW).]

SECTION HISTORY

PL 1991, c. 563, §4 (NEW). PL 2007, c. 572, Pt. A, §15 (AMD).

§10714. Application; retroactivity

1. Application. Sections 10711 to 10713 apply to all educational institutions having degree-granting authority on or after the effective date of those sections, except that sections 10711 to 10713 do not apply to any educational institution if the action taken under those sections constitutes an impairment of contract that violates the United States Constitution, Article 1, Section 10, Clause 1.
[PL 1991, c. 563, §4 (NEW).]

2. Retroactivity. Any transaction described in section 10711 or 10712 occurring on or after December 4, 1990, is subject to sections 10711 to 10713.
[PL 1991, c. 563, §4 (NEW).]

SECTION HISTORY

PL 1991, c. 563, §4 (NEW).

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