

Testimony in support of LD 512, “An Act to Promote Student Enrollment and Degree Completion in the University of Maine System by Providing Tuition Waivers to Eligible Students”

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Senator Rafferty, Representative Brennan, and members of the Committee on Education and Cultural Affairs, thank you for the opportunity to testify. My name is Arthur Phillips, and I am an analyst at the Maine Center for Economic Policy.

MECEP strongly supports efforts to invest in higher education for two reasons: to make it more affordable for students from working class households and to ensure these vital public institutions have the resources they need to thrive.

We applaud the efforts the Governor and legislators have taken in recent years to make higher education more accessible. These include free community college for recent high school graduates, raising the value of the Maine State Grant, expanding Maine’s Student Loan Repayment Tax Credit, and ensuring students have access to their transcripts and diplomas. However, for the reasons outlined below, we believe there is more work to be done.

The need to stabilize the University of Maine System

The initiative to extend free community college to recent high school graduates has been a huge success. Due to its bold design and the relatively easy transferability between the Maine Community College and University of Maine systems, however, we are experiencing a profound increase in community college enrollment and an associated decline at UMaine. Savvy students seeking a four-year degree have a clear incentive to attend two years of community college before transferring to the University of Maine for the final two years.

We should therefore take similarly bold steps to shore up the stability of our university system, which was already facing significant financial headwinds before the community college policy was passed. Senator Tipping’s LD 512 would create a parallel initiative to the community college program and offer students from working class households greater opportunity to attend the University of Maine for all four years.

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The need to limit Maine students' debt burden

According to The Institute for College Access and Success (TICAS), Maine was in the top 10 states for 2020 graduates' average student debt at \$32,764. Nearly two-thirds (63 percent) of graduates had student debt, which was the eighth highest in the nation. The state's share of the cost of higher education has been on a steady downward trajectory since the late 1980s, leaving students and families to cover the difference. In 1989, the state covered 78 percent of the cost of full-time-equivalent enrollment. Over the past decade, those costs have been evenly split, leaving more students and families in debt.

Limiting student debt is also an equity imperative. According to the Brookings Institution, nationally, Black borrowers with undergraduate degrees default at five times the rate of white borrowers (21 versus 4 percent) and are more likely to default than white borrowers who do not complete their degree. In 2017, the Center for American Progress found that 12 years after entering college, the typical Black student who started in the 2003-04 school year and took on debt for their undergraduate education owed more on their federal student loans than they originally borrowed. Research has also shown that rural students accumulate 60% more student debt by age 25 than do those who grew up in suburban and urban areas.

Again, we urge you to vote "ought to pass" on LD 512. Thank you for the opportunity to testify.