



Maine Education Association

Jesse Hargrove President | Beth French Vice President | Jaye Rich Treasurer
Rebecca Cole NEA Director | Rachelle Bristol Executive Director

Testimony

Neither For Nor Against

LD 681: An Act Regarding Public Higher Education Funding in the State

Jan Kosinski, Government Relations Director, Maine Education Association

Before the Education and Cultural Affairs Committee

April 3rd, 2025

Senator Rafferty, Representative Murphy, and other members of the Education and Cultural Affairs Committee,

My name is Jan Kosinski, and I am the Director of Government Relations for the Maine Education Association (MEA). The MEA represents nearly 24,000 educators, including teachers and other educators in nearly every public school in the state, as well as full-time faculty and other professional and support staff in both the University of Maine and Community College systems. Thousands of retired educators continue their connection and advocacy work through the MEA- Retired program.

I offer this testimony today on behalf of the MEA NEITHER FOR NOR AGAINST LD 681, *An Act Regarding Public Higher Education Funding in the State*.

While we do not represent faculty or staff at the Maine Maritime Academy and do not feel prepared to offer comments on section one of the bill, we want to express our support for “The Commission to Study the Funding of Public Institutions of Higher Education” called for in Section 2 of the bill and if nothing else we hope the Committee will consider moving at least this Commission forward through this bill.

As I have shared with this Committee during the public hearing for LD 700, *An Act to Promote Student Enrollment and Degree Completion in the University of Maine System by Awarding Waivers of Tuition and Fees to Eligible Students*, we are deeply concerned about the current financial support for the University of Maine System. Years of stagnant funding, slight declines in enrollment, historic inflation combined now with a “free community college program” have created a “perfect storm” of financial pressures. Faculty and staff report to us a consistent atrophy of staff and programs. Little by little, year by year, the University System is seeing cuts. Sometimes these cuts make headlines in the newspapers. Other times staff leave, and positions go unfilled. Many report that low wages among the hourly staff have left some staff unable to afford, in some cases, necessities like food and housing. Other hourly staff members in the UMaine System rely on public assistance programs like the Supplemental Nutrition Assistance Program (SNAP), and many qualify for Maine Care. One of our members reported donating their plasma just to make ends meet. (We look forward to the public hearing on LD 1218, *An Act to Increase State Funding for the Campuses of the University of Maine System and to Raise the Minimum Hourly Wage for Employees of the System*, sponsored by Senator Mike Tipping, and we expect MEA members will be on hand to share more of these concerns.)

Our concerns about the UMaine System’s financial predicament are not rooted in anecdotes and personal stories. I am including with my testimony parts of a presentation prepared by Professor Michael Cauvel, an economics professor at the University of Southern Maine. This research tells a powerful and tells a story about the consistent underfunding of our four-year public higher education system here in Maine.

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As the attached charts illustrate, 2022 showed the lowest real appropriation to the University of Maine System since 1988. This chart alone demonstrates the challenging fiscal pressures in the UMaine System and explains the compromised position of the System. (slide 1)

At the same time, the University System Board of Trustees has been hesitant to raise tuition. We understand this concern. Raising tuition impacts access to higher education, increases debt that students incur to enroll, and may even preclude some students from enrolling in degree programs. Of course, the free community college program creates more pressure on the Board of Trustees to keep tuition stagnant. According to the research of Professor Cauvel, when accounting for inflation, tuition has declined by more than 6% since 2019. (slide 2)

The next table shows the discrepancy in state support for the Maine Community College System and the UMaine System and underscores the need for greater study, analysis, and scrutiny of the state's contribution to public higher education. According to the State Higher Education Finance Report (SHEFR), Maine has the second largest discrepancy of investment between the Community College System and the UMaine System. As the chart conveys, state financial aid for community college students is nearly triple the amount for UMS undergraduates -- 20.4% of education appropriations go to community college student financial aid vs. only 7.5% to UMS student financial aid. Maine spends nearly \$2,300 per student at community colleges but less than \$800 per student at UMS. Maine spends only 62% of the national average on aid for students at our public universities. (slide 3)

I hope we can all agree about the importance of higher education, both socially and economically. While economists have repeatedly found a direct correlation between education outcomes and degree attainment and higher economic outcomes—Maine continues to lag other states in New England in terms of bachelor's degree attainment. While we recognize the legislature's significant investments in public higher education in recent years, these investments are still insufficient to meet the demand or compete with other New England states in addressing the workforce needs of today's economy.

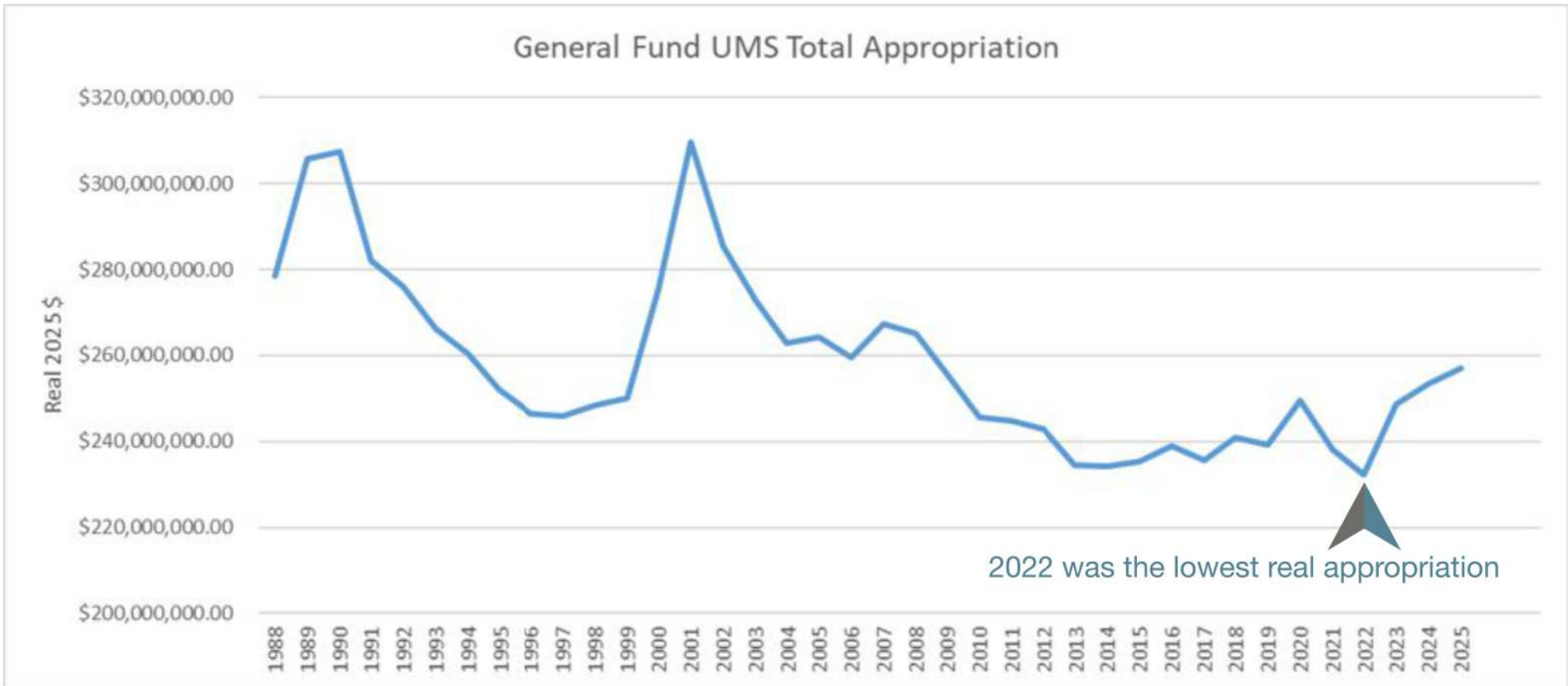
The Commission to Study the Funding of Public Institutions of Higher Education as called for in this bill could help bring clarity to the state's current investments and may offer pathways to better supporting all our public higher education institutions. Such a Commission can find even more ways to integrate our public institutions of higher learning and bring stakeholders together to find solutions across systems. We stand ready to help and assist however needed.

Thank you for your attention and your service to the people of Maine and I will do my best to answer any questions you may have.

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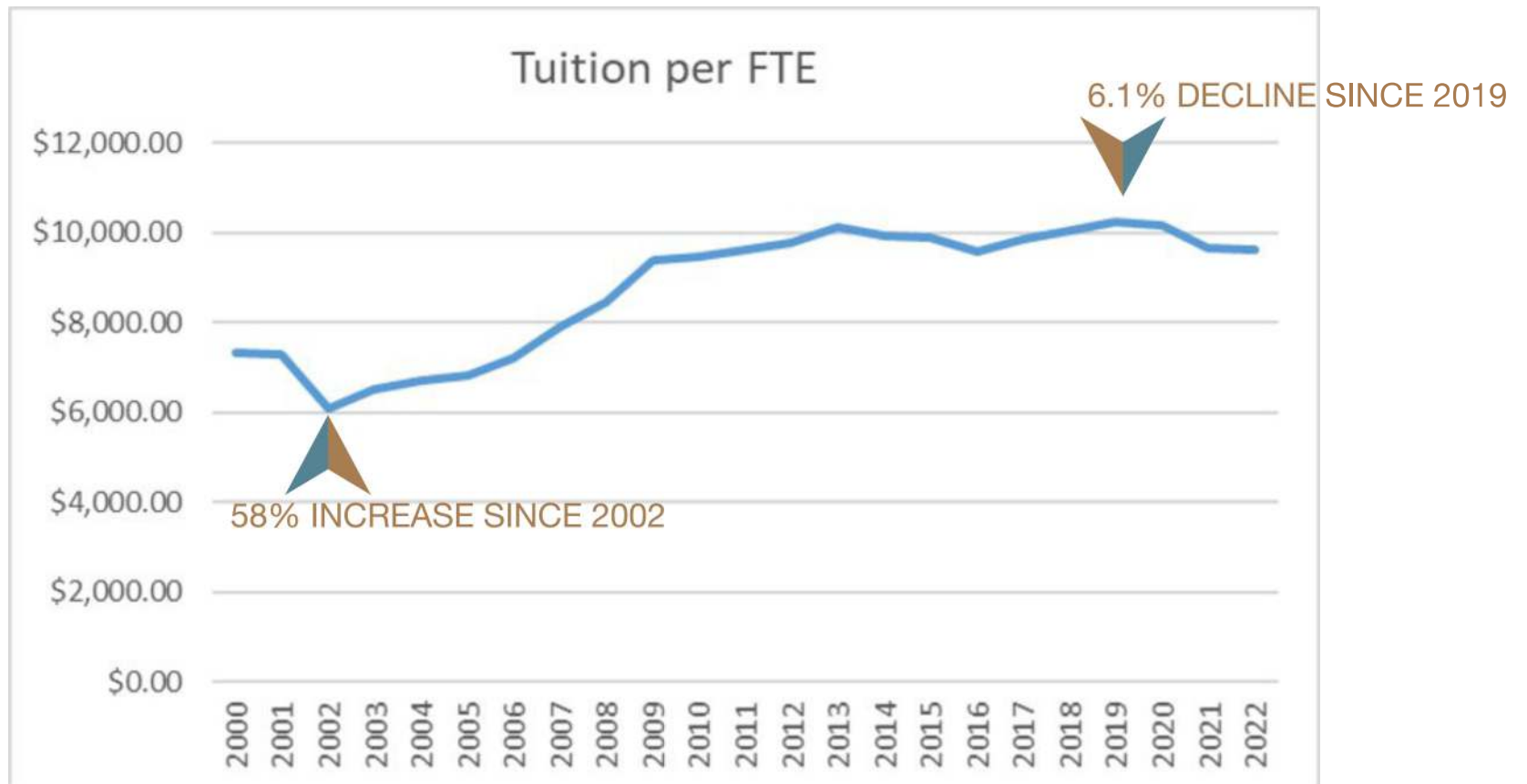
FALLING APPROPRIATIONS FOR DECADES HAVE CREATED STRUCTURAL GAPS



Source: Maine Office of Fiscal and Program Review, converted to real numbers inflation with U.S. CPI and projected inflation for 2024-2025

UNIVERSITY TUITION

Tuition set by the Board of Trustees

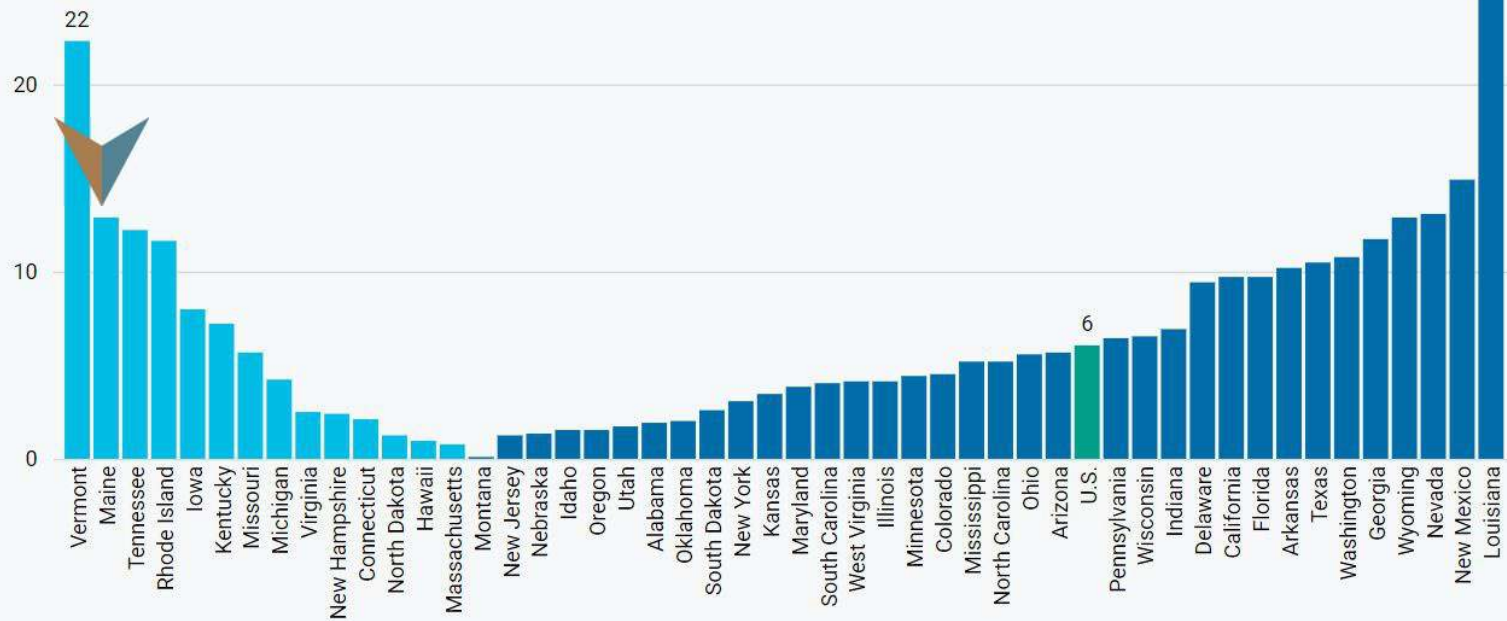


FINANCIAL AID DISPARITY

State Higher Education Finance (SHEF) Report

Two-Year Aid Share is Higher Four-Year Aid Share is Higher

30
Maine has the second largest gap in the nation



State financial aid for community college students is nearly triple the amount for UMS undergrads

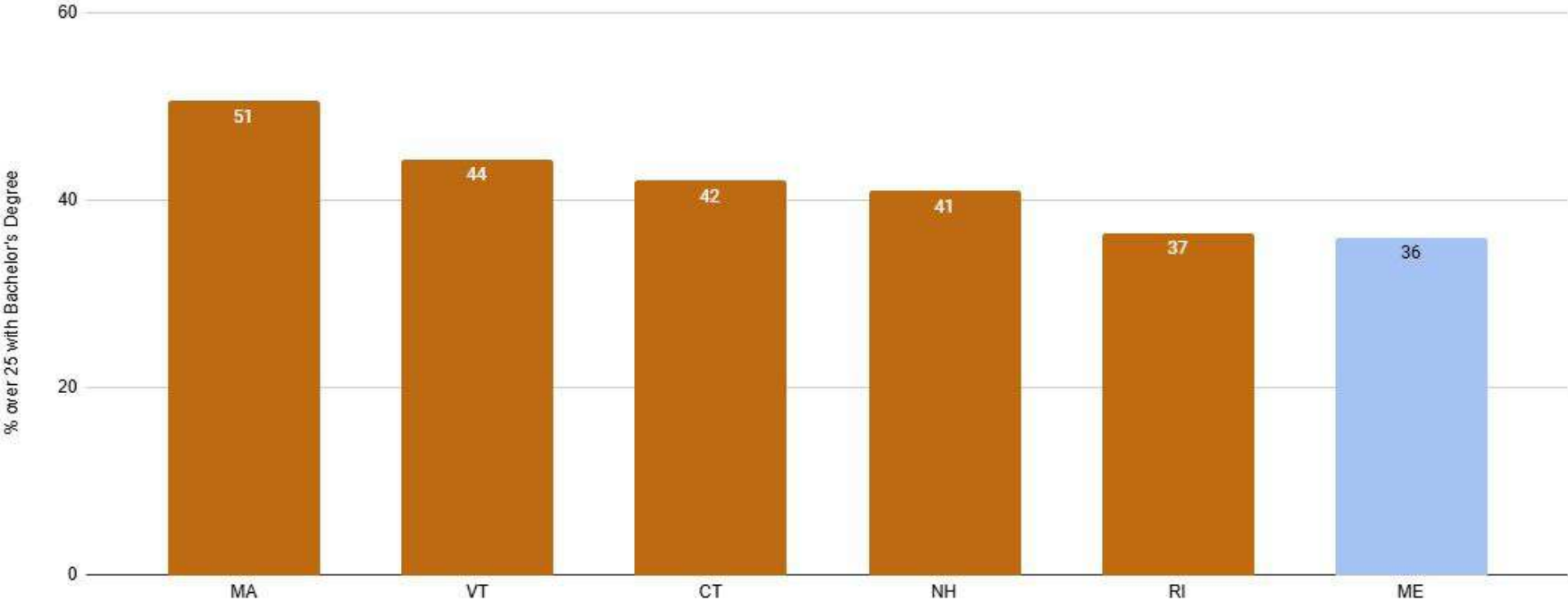
- 20.4% vs. 7.5% of budget

COLLEGE EDUCATION IN NEW ENGLAND

NOTE: 3 STATES HAVE FREE TUITION PUBLIC UNIVERSITIES (NY, NM, CO)

Maine lags behind its neighbors on educational attainment and consequently economic outcomes.

Maine has difficulty attracting and retaining dynamic businesses and bright young people.





IMPORTANCE OF HIGHER EDUCATION

- There is overwhelming evidence that **higher education is essential for economic success**, both for individuals and for society.
- **Maine** isn't enjoying these benefits to the fullest extent because it **is underinvesting**.

INDIVIDUAL BENEFITS OF A BACHELOR'S DEGREE

U.S. BLS 2024



PATHWAY TO SOCIAL MOBILITY

STUDENTS WITH A BACHELOR'S EARN

84%

more than those
without a Degree

60%

more than those with an
Associate's Degree

STUDENTS WITH A BACHELOR'S HAVE UNEMPLOYMENT RATES

50%

lower than those without
a Degree

33%

lower than those with an
Associate's Degree

SOCIAL BENEFITS OF A 4-YEAR DEGREE

Per the World Bank (2024), tertiary education:



Fosters Economic Growth



Improves Productivity



Reduces Poverty



Prerequisite for Innovation



Better Health, Environmental Outcomes, and Civic Engagement



Higher Economic Return than Primary or Secondary Education (17% increase in income per year)

INVESTMENTS IN PUBLIC HIGHER EDUCATION MORE THAN PAY FOR THEMSELVES

“Public universities are the workhorses of middle-class mobility” per the Brookings Institution (Reber et al. 2020)

RATE OF RETURN



The rate of return on government spending for public universities is “conservatively estimated” above 10%

LIFETIME SERVICES



Governments spend roughly \$85,000 less on lifetime services for those with a college degree

TAX REVENUE



Those with a college degree pay roughly \$500,000 more in lifetime taxes

(TROSTEL 2009)