

Testimony from the University of New England to the Committee on Taxation

LD 1795: An Act to Change the Calculation for Municipal Service Charges for Tax-exempt Organizations, and

LD 438: An Act to Allow Municipalities to Limit Nonprofit Property Tax Exemptions

May 6, 2025

Thank you for the opportunity to submit testimony in opposition to both bills. Even though there are differences in these bills, the outcomes are the same for Maine's independent colleges and universities. Levying additional taxes will negatively impact our business, make a college education less affordable, and decrease the critical services that we provide Maine communities throughout the year.

The University of New England (UNE) has two Maine campuses located in Biddeford and Portland and a third campus in Tangier, Morocco. UNE serves over 11,000 undergraduate and graduate students annually. Approximately 25% of undergraduate students are from Maine. UNE directly employs over 1,400 on its Portland and Biddeford campuses and provides (directly and indirectly) nearly \$150 million in total earnings across the region.

UNE strives to provide a high-quality educational experience for all of its students and it takes its responsibility as a Maine workforce development provider seriously. In 2023, UNE awarded \$12.6 million in scholarship to 720 Maine students. Over 95% of undergrads are employed or in graduate school within a year of graduation. UNE is the top provider of healthcare professionals to the State of Maine. UNE has received commendations for improving the financial well-being of its students as measured by their earnings post-graduation. As a result, UNE students have some of the lowest loan default rates in New England and well below the national average. The return on investment for our students is high.

There are numerous examples of UNE's contribution to the local communities but for this testimony, we will focus on the work of our students, staff, and faculty on supporting community health. UNE educates approximately 2,500 health professions students annually. An integral part of their education, and UNE's mission, is community service. The following are some examples of what this looks like:

- In 2023, UNE's health clinics received nearly 20,000 visits and provided health services at a reduced rate or at no cost.
- UNE dental students have annual rotations at public health care providers around Maine and UNE hygienists provide services at a number of schools and WIC sites.

- Allied health care students provide services to STRIVE, Long Creek Youth Development Center, the Boys and Girls Club, and the Cedars – to name just a few of our partners.
- UNE's Center for Excellence in Public Health (CEPH) delivers the State's SNAP-ED program to eligible families in Maine and partners with the Maine Access Immigrant Network to address health disparities among immigrants, refugees, and asylum-seeking individuals.
- UNE students regularly donate their time to help feed Maine people in need. In 2024, students produced 100,000 meals over the course of two days for Maine shelters.

There is much more that can be added to this list. We are proud to partner with communities to ensure that all residents receive the support they need to be healthy and productive.

UNE is a tuition-dependent business. Every dollar goes toward supporting the education of our students. Our endowment is restricted in its use by our funders. It is not a savings account. It is used almost entirely to provide scholarships to our students and to ensure a diverse student body. All other dollars are accounted for in the operations budget.

There are no margins in today's higher education business and it is getting more difficult. Funds to pay a new tax will come from the activities listed above and affect our ability to maintain the essential social safety net. We contend that those dollars will go much further in serving underserved residents if UNE can put them to that purpose. We are a good and proud partner of Maine communities. We work tirelessly to minimize our burden on public services while maximizing our positive effect on the health of our community.

Thank you for your consideration.

Sincerely,

Ed Cervone
Director of External Relations

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University of New England
LD 1795

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