

To: Chair Rotundo, Chair Sachs
Members of the Joint Standing Committee on Appropriations & Financial Affairs
Chair Rafferty, Chair Brennan
Members of the Joint Standing Committee on Education & Cultural Affairs

From: President Jerry Paul, Maine Maritime Academy

Re: Testimony in Support of LD 258 "*An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2023, June 30, 2024 and June 30, 2025*"

Date: Monday, February 13, 2023

Good morning Chair Rotundo, Chair Rafferty, Chair Sachs, Chair Brennan, and distinguished members of the Committees on Appropriations & Financial Affairs and Education & Cultural Affairs. My name is Jerry Paul, and I am proud to appear before you on behalf of Maine Maritime Academy where I am both an alumnus and the institution's newest President. We are here today in full support of those portions of LD 258 which pertain to Maine Maritime Academy.

Established in 1941 and based in Castine, MMA is a special-purpose, primarily STEM, college that prepares the next generation of mariners to serve the maritime interests of the United States including national security. We offer 11 degree programs including Engineering, Marine transportation, Ocean Studies and International Business and Logistics. Maine can be proud to serve as one of only 6 states to host a State Maritime Academy. We bridge this state's proud seafaring tradition with its storied role in American maritime history, training Maine students who become the finest mariners operating vessels all around the globe. Our graduates are commonly recognized by industry employers as the best among all maritime academies. Many of our students are members of our Regiment of Midshipmen which is a rigorous course of military-style training, discipline and leadership. MMA prides itself as "**Maine's Leadership College**".

MMA receives only about \$9,700,000 of its current \$41,000,000 operating budget from our great State. This represents only about 23% of MMA's operating budget. This compares to approximately 44% received by the peer cohort of colleges in Maine having enrollment within +/- 50% of MMA's. Similarly, the other State Maritime Academies in America receive funding from their host states in an amount averaging over 40%. Meanwhile, Maine Maritime Academy provides an extraordinary return on investment to the state based upon tax revenue, overall economic impact and strong reward for our graduates. In fact, MMA is ranked by the annual Georgetown University Study as the *#1 College in America for Return on Investment for low income students*. Note: More detailed background and statistics is contained in the white paper provided to the Committee members.

The balance of the current funding disparity must be “made up” with additional sources, including tuition paid by students, which promotes declining enrollment in a competitive market, reduces access to low-income Maine families, and results in additional constraints on balancing MMA’s budget. Higher tuition for MMA students impairs the Academy’s ability to compete for students (including Maine residents) who may choose State Maritime Academies of other states such as Massachusetts.

The funding disparity that has emerged over the years is not to be ascribed to the State alone. MMA has long-prided itself in being a self-reliant institution and has not traditionally requested much. However, due to rising costs, a changing global economy, changing expectations and competitiveness among college applicants, as well as other factors, we at MMA have realized we must now ask the executive and legislative branches to collaborate with us over this biennium and beyond on reaching the funding parity necessary for Maine’s state maritime academy.

Today we openly thank Governor Mills’ for recognizing the merits of this effort to update MMA’s funding through her proposed budget. She has taken a meaningful step toward updating MMA’s funding. In addition to the 4.5% baseline increase made available to all institutions of higher learning, Governor Mills’ budget appropriates an additional \$2 million in each year of the biennium to Maine Maritime Academy’s operating budget. This is helpful, although it increases the state funding percentage to only about 23.6% for the projected 2024 budget compared with the current 23%. (Note: The Governor’s proposal represents a significant increase from FY23 to FY24 but, due to rising costs and the increased costs due to projected increased enrollment, the Governor’s proposed budget mostly just keeps pace with projected growth. MMA will try to make budget cuts where possible to account for expenses in other areas necessary for growth although some additional base budget funding will still need to be requested).

Governor Mills and Commissioner Figueroa have also worked with us on finding solutions to critical renovations needed at our primary dormitory building, Curtis Hall. Curtis Hall is the largest student housing building currently owned by the State of Maine, and home to more than 600 Maine Maritime Academy students. Renovations have been deemed necessary to the Hall’s heating, ventilation, and air filtration systems, among others, for some time now. However, securing funding for these critical safety upgrades has been challenging in an environment of rapid inflation and increased building costs. LD 258 would help us address this matter by making \$3 million of debt service available across the biennium to finance these long overdue renovations.

This Budget also allocates \$3 million in each year of the biennium to the Maine Economic Improvement Fund for research, development, commercialization, and grant partnerships between Maine Maritime Academy and the University of Maine System. These dollars will support our future goals for MMA to expand research and development on emerging trends in the global maritime industry including reduced environmental footprint, decarbonization, electrification, and digitization. This will help us bring research revenue from all across the global maritime industry to the State of Maine to be shared by other colleges and Maine’s economy. We are also eager to partner with our peers in the UMS and Maine Community College System and leverage our relationships with global industries to benefit everyone. This

support of the Maine Economic Improvement Fund greatly aids in that purpose. It will also help support our goal of becoming America's leading Arctic Maritime Academy.

MMA is also home to the Schooner Bowdoin, an Arctic vessel that serves as the state flagship, a training vessel for our students, and a platform for ocean science research. We are hopeful the Schooner Bowdoin will soon make its first visit to the Arctic in nearly a decade, supported by maintenance funds and expeditionary funds found in LD 258 totaling \$147,000.

Finally, this Biennial Budget allocates small sums related to the casino fund and in support of homeless youth, which we are fully supportive of.

However, despite all this good news Maine Maritime Academy will continue to face hurdles in the future and we must ask the Legislature and Administration to join us in collaborating on solutions. The current proposed budget provides much-needed funding but a disparity will still leave us with no more than 23.6% of our operating budget supported by the state while, in a competitive environment, our peers inside and out of Maine are supported by more than 40% of their budgets.

Significant investment in MMA will continue to be needed if we are to ensure the Academy's strength in the future and if we collectively believe in the role it has to play for Maine in a rapidly globalizing world. These investments would allow us to accommodate lower tuition for students. They would also allow us to leverage our unique brand to capture maritime technology research funds from around the world and share it with colleges across Maine through collaborative projects.

We look forward to partnering with you in this biennial budget process - and beyond - to strengthen Maine's State Maritime Academy. I look forward to speaking with you more in the coming weeks and getting to know you individually.

Thank you.

Respectfully,

Jerald S. "Jerry" Paul, MMA 89
President
Maine Maritime Academy

Background and Summary

Maine Maritime Academy 2024-2025 Biennial Budget Request

Below is a summary of Maine Maritime Academy's six (6) 2024-2025 Biennial Budget Requests as follows:

Request #1 (***Highest Priority***), Baseline Budget: \$18,368,000, \$18,919,040

Request #2, Debt Service: \$1,465,125, \$1,469,375

Request #3, Schooner Bowdoin Maintenance: \$50,000, \$50,000

Request #4, Schooner Bowdoin Arctic Expedition 50% Cost Share: \$97,500, \$97,500

Request #5, Casino Scholarship Funds: \$166,133, \$167,179

Request #6, Homeless Student, PL 2019, chapter 538

Request #1: ME MARITIME ACADEMY Baseline Budget 01075A003501

- 2024 \$ 18,368,000 2025 \$ 18,919,040
- Updating the state share of operational expenses in parity with peer Maine colleges that have enrollment within +/- 50% of MMA will allow the Academy to increase its in-state enrollment and compete with other State Maritime Academies which receive between 40% and 60% of their revenue from their states. The funding will allow MMA to leverage its niche brand in the global maritime industry to bring research funds to Maine in partnership with each college in the UMaine system and MCCS system. The funding will allow MMA's continued ability to produce Maine resident graduates who receive compensation at rates that afford the rising costs of staying and living in Maine to contribute to economic development, workforce development and tax revenue. Finally, the funding will facilitate MMA's goal to compete internationally to become recognized as the #1 Maritime College in the world.

See attachment “A”, Outcomes and Return on Investment (ROI) for Budget Request 2023.

Maine Maritime Academy, established in 1941, is one of six (6) State Maritime Academies (along with Massachusetts Maritime Academy, SUNY Maritime Academy, California Maritime Academy, Texas A&M Maritime Academy, and Great Lakes Maritime Academy in Michigan). MMA serves as the basis for the State of Maine to be one of only 6 states in America to host these special-purpose Academy’s.

Maine Maritime Academy also maintains and operates Maine’s Flagship, Schooner Bowdoin, as a platform for student training, research in the Arctic, and promotion of the State of Maine.

MMA also maintains versatile and active college-based waterfront infrastructure, including vessels, which it makes available to other Maine colleges for activities necessitating waterfront activities.

These State Maritime Academies provide undergraduate and graduate degrees but also support the maritime interests of the United States. They receive some partial contributions from the U.S. Government although such funds cover only some of the costs associated with the federal programs. These are primarily partial pass-through costs of some training such as those related to the training ship (owned by the U.S. Government) on which students earn sea-time qualifying them to take examinations for a U.S. Coast Guard license. The federal government does not provide funds for costs of operating the college.

The other State Maritime Academies receive funding from their host states ranging from approximately 34.39% to 46.23%. Maine Maritime Academy, however, receives recurring funding from its host state totaling only 23%. This results in higher tuition for MMA which impairs MMA’s ability to compete for students (including Maine residents) who may choose the other State Maritime Academies. Other State Maritime Academies are now offering a level of “in-state tuition” to out-of-state students, in part due to their comfortable levels of state funding.

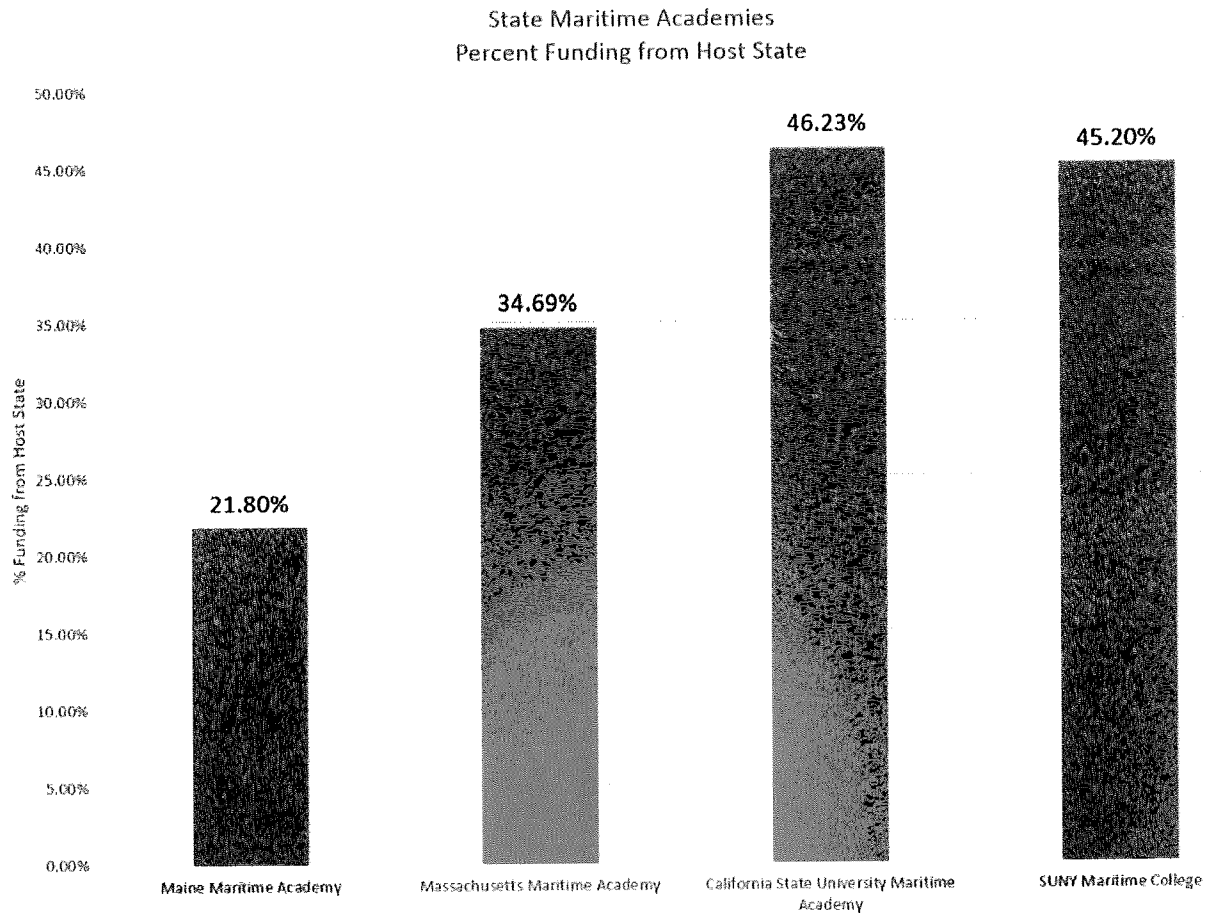


Figure 1

In Maine, MMA is proud to be among world class colleges of the University of Maine System and the Maine Community College System. We extend the highest possible respect and admiration to each along with appreciation for the opportunity to partner with each in ways that allow us to all maximize our collective potential. With an update to our available resources, MMA can be an even more effective partner.

MMA's peer cohort of colleges having enrollment within +/- 50% of MMA's receive, on average, 44.8% of their operational budgets from base recurring funding from the State. MMA, however, receives only 23%. An analysis can be broadened to compare two categories of colleges in Maine:

- A. Maine colleges having enrollment within +/- 50% of MMA's enrollment (UMMachias, EMCC, NMCC): Based upon enrollment, this is the category that is closest to MMA as peers. The average percentage of operating budget that these colleges receive from the State is 48.71%. MMA's percentage is 25.71% below this rate.

Note: If adjusted to Category 1, which is the most accurate fit by enrollment, MMA's base funding would be 48.71% of its operating budget (\$41M) or approximately \$18,368,000. This would be an increase in base budget funding to MMA of about \$9,000,000 which, due to the small size of MMA, is less than 3% of the State funds allocated to higher education.

- B. Maine colleges having enrollment that is more than 50% greater than MMA (UM So. Maine, UM Augusta, SMCC, CMCC): The average percentage of operating budget that these colleges receive from the State is 41.11%. MMA's percentage is 18.11% below this rate.

Maine Colleges (UMS + MCCC + MMA) Percent Funding from state

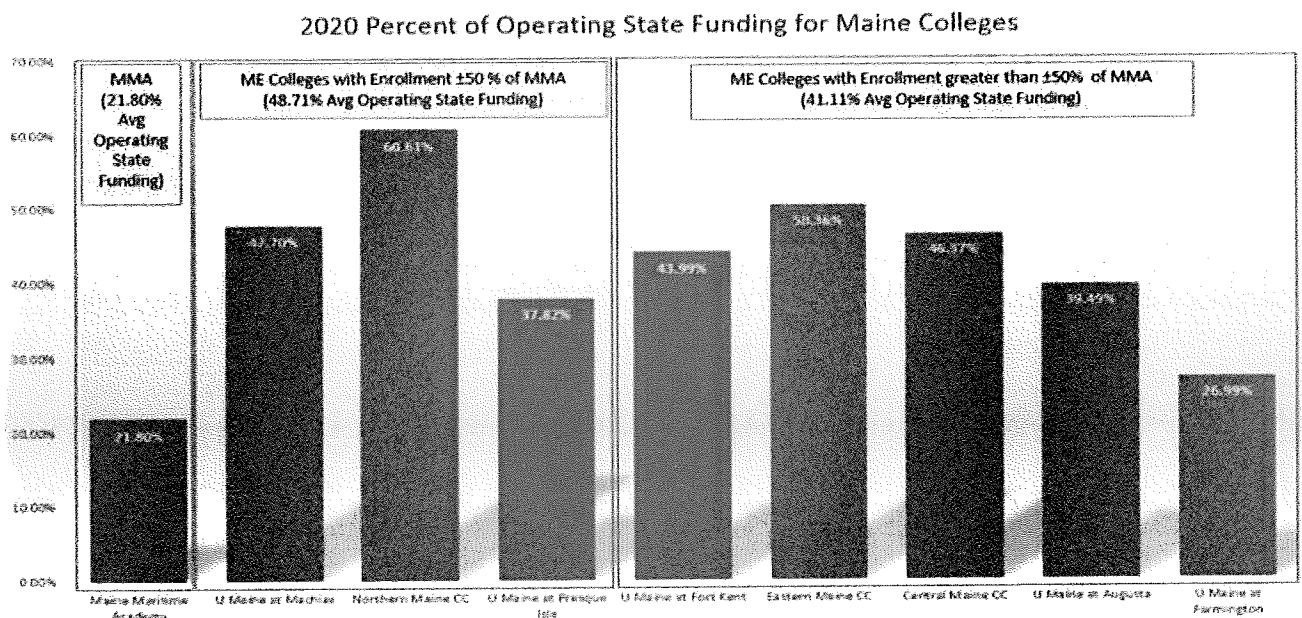


Figure 2

The general pattern is that lower enrollment translates to a higher percentage of funding. As to MMA, however, which is one of Maine's smallest colleges by enrollment, the percentage of base funding it receives is not only lower (opposition of the trend) but lowest of all.

Accordingly, MMA receives only about \$9,700,000 of its \$41,000,000 operating budget from the State. The balance of MMA's budget (approximately \$32,000,000) currently must be "made up" with additional sources, such as tuition, which promotes declining enrollment in a competitive market, reduces access to low-income Maine families, and results in additional constraints on balancing its budget.

Nonetheless, as a self-help institution with a can-do spirit, MMA has still worked hard to ensure that its students receive an education that positions them for employment at levels of compensation that allow Maine students to still afford the rising costs of Maine housing, thus allowing MMA graduates to continue raising their families in Maine and directing their income to Maine's economy. The following are key indicators of MMA successes and challenges.

Economic Impact. Maine Maritime Academy contributes greatly to Maine's economy and tax revenues each year.

MMA contributes \$13.7 million in tax revenue annually to local and state government. Over a five-year period, MMA contributed \$67.1 million in state and local taxes.

MMA annually contributes an estimated \$74.3 million in total economic output, \$33.4 million in earnings, 560 jobs. Over a five-year period, MMA's economic contribution totaled \$371.3 million in output, \$167.2 million in earnings, 2,800 job-years, and \$67.1 million in state and local taxes.



Figure 3

Graduation Rate. Notwithstanding its budget constraints, MMA maintains the highest graduation rate by its students of all colleges in Maine.

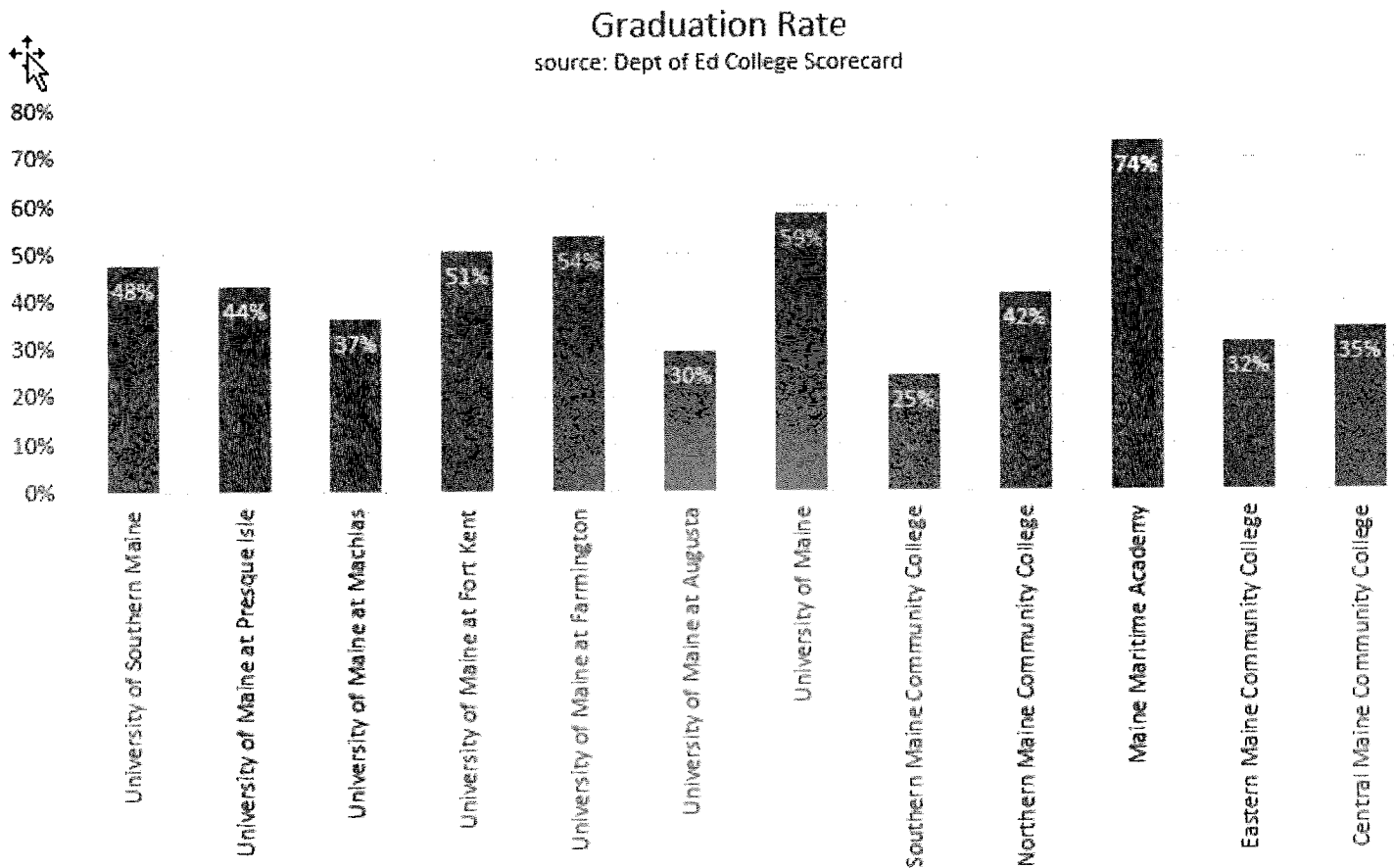


Figure 4

Tuition. The average percentage of operating budget paid by students in tuition and fees among all other Maine colleges is approximately 30%. MMA is forced to charge tuition and fees at a rate of 51%. Accordingly, MMA is driven to higher tuition (even though it produces the highest “Return on Investment” for low-income students of any public college in America. See Georgetown University Report, below). This contributes greatly to a relatively high average annual cost to students. This contributes greatly to a higher college loan debt compared to our competing State Maritime Academies.

Hiring rate. MMA maintains exceptional hiring rates among colleges. 95% of our students are hired within 90 days of graduation which is the highest rate of any college in

Maine. MMA's students are in high demand within the competitive marketplace, especially in the maritime industry. This competitive hiring rate, at high wages, provides our students with compensation that afford them to accommodate the high cost of housing and other expenses in the State of Maine which, in turn, maintains a source of tax revenue within this state.

Diversity. MMA is a special purpose college with a high percentage of STEM majors which, demographically, affects the percentage of high school students applying from varying gender and diversity sectors. Still MMA maintains one of the highest percentages of women students among other State Maritime Academies with similar special purpose STEM focus. MMA has historically been a leader in producing alumna professional women mariners including the first ever woman licensed captain of unlimited tonnage vessels. Moreover, MMA is the only State Maritime Academy that joined and maintains the NASPA (Student Affairs Administrators in Higher Education) "Culture of Respect" program focused on reducing sexual violence. Still, MMA would like to dedicate more resources toward recruiting efforts to increase the offering of MMA's educational and training opportunities to more persons from a broader host of diverse populations, especially in Maine.

Maine Residency. MMA graduates earn compensation allowing them to afford to maintain residency, including housing costs, in Maine. For example, approximately 70% of graduates over the last 5 years remain as Maine residents, thus contributing the Maine State economy and tax base.

Veterans. MMA is ranked as America's #1 College for Veterans including Veteran's dependents. MMA proudly provides education to Veterans at a higher percentage of its student body than any college in Maine even though the funding is not favorable to the operating funds received.

Graduate Earnings. Among all public colleges in Maine, MMA maintains the highest "median earnings" of its graduating students. This promotes graduates' ability to continue affording the cost of living in Maine, continue contributing to Maine's economy, and continue contributing to Maine's tax base long after graduation. Many of MMA's out-of-state students later leverage their earnings to own second homes in Maine and continue contributing to Maine's economy and tax base.

Veterans + National Guard

MMA is proud to be ranked by U.S. News & World Reports as "The #1 College in America for Veterans". Among its student body enrollment, MMA maintains the highest percentage of veterans and the highest percentage of National Guard students of any college in Maine. MMA is proud of this but, of course, this results in over \$1,000,000 of net revenue loss to our budget, representing __% of our current deficit.

Employee Retention During Covid

During Covid, MMA did not lay off any members of the Maine State Employees Union even though the standard had been met for retrenchment. We are proud of this but, of course, it contributes to our current deficit.

Current Budget Deficit

Due to circumstances beyond MMA's control, our current projected budget deficit for FY24 is approximately \$6,000,000. Examples include:

1. Lowest state contribution to operational budget;
2. Retention of employees during Covid;
3. Maintaining a high percentage of Veterans and National Guard students;
4. Rising costs due to inflation;
5. Rising costs of wages;
6. Rising costs of housing;
7. _____

Note: If MMA is funded at the requested percentage, in parity with its peer colleges in Maine, coupled with our aggressive enrollment and fundraising strategies and internal cost efficiency proposals, MMA would no longer have any deficit in our budget.

Median Earnings

source: Dept of Ed College Scorecard

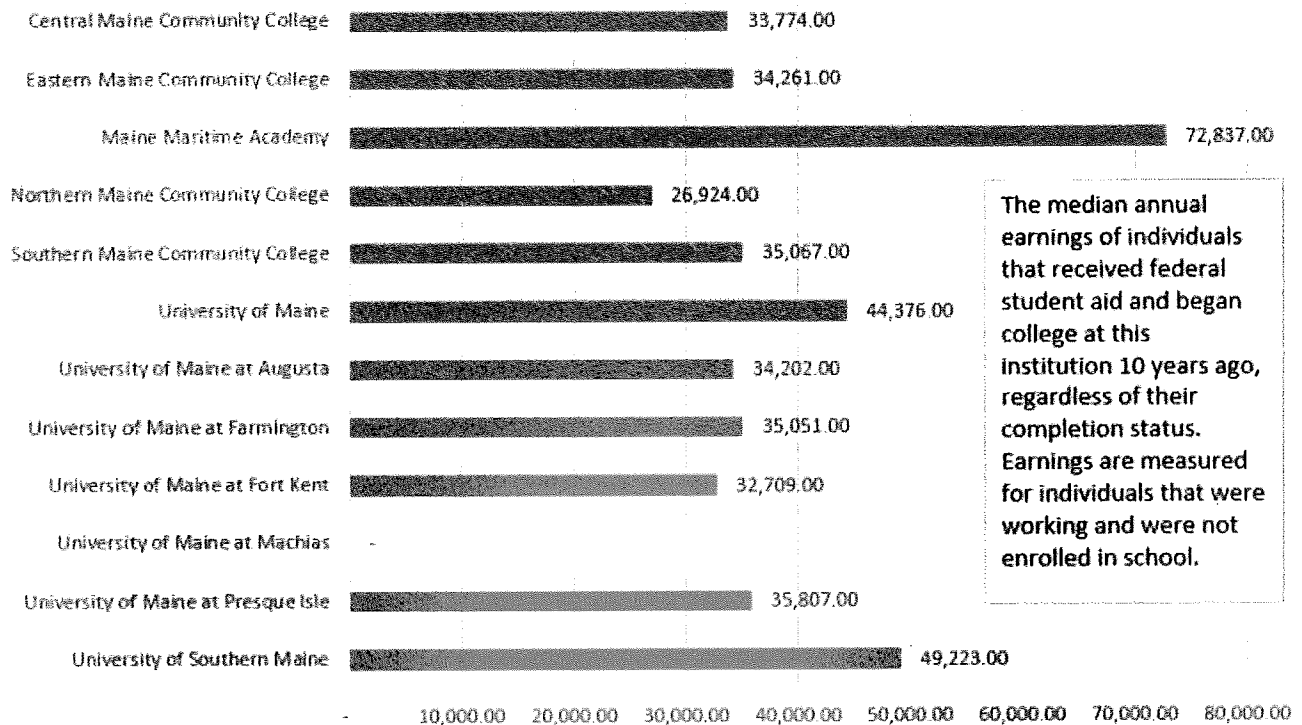


Figure 5

Return on Investment. MMA has the “highest return on investment for low-income students among all public 4-year institutions” in America. See, Georgetown University Study, *Inside Higher Education*,

https://www.insidehighered.com/news/2022/01/25/returns-investment-low-income-students?fbclid=IwAR2-NMr7s6vNgsTxKHi2I-B-EbA-z0Q_EpgWnQSSjab3TEkA4iG3c3xeWY4

Faculty Support. MMA faculty are valued professionals provide world-class service within a remotely located special-purpose college that requires additional professional dedication and commitment. In addition to providing a high-caliber college education, MMA faculty perform these duties in conjunction with the logistical challenges of integrating a majority cohort of students in the Regiment of Cadets which includes many additional challenges and constraints. MMA Faculty also integrate unique hands-on training including service aboard the *Training Ship State of Maine* which provides Maine students with exposure to world travel and training across oceans. These efforts position MMA to allow Maine to be one of only 6 states in America to provide this special purpose maritime academy mission for Maine and America. Moreover, their service

positions MMA to be competitive globally in the international maritime industry and academia. These professionals are also committed to a new vision launching MMA into a multi-year effort to become recognized as the *#1 Maritime College in the World*, thus establishing the State of Maine as the world leader in maritime education.

Alumni. MMA has produced more than 10,000 graduates, the vast majority of which have been Maine residents. Currently there are 4,328 Maine Residents or property owners along with their families. MMA's alumni are some of the most successful people in Maine. Many of MMA's graduates are the most successful professionals throughout the State. MMA Alumni are generous in their giving to the Academy. However, due to the relatively small size of MMA, its alumni base is not as capable of closing the state funding gap compared with other colleges.

Historical perspective

MMA prides itself in being a self-help organization. For decades, MMA has operated with the lowest state percentage contribution toward its base operating budget and has not requested an increase in base recurring budget relative to other colleges in Maine (with the exception of equal incremental funding increases received recently by all Maine colleges).

For example, in the 1980's, MMA President Ken Curtis (former Governor of Maine) pointed out in his annual report to the Maine Legislature that "[t]he Academy budget continues with difficulty to remain in balance with ... state appropriations that comprise 58% of Educational and General Expenditures."

Today the percentage of state contribution toward MMA's operational budget is only 23%.

Also, MARAD does not provide funds to cover the operational costs of the state maritime academies. Each state maritime academy is obligated to fund its operational costs through host state funding and other sources.

Return on Investment to the State of Maine from MMA Request #1

MMA will be able to remain in the top colleges in America for Return on Investment, particularly for low-income Maine students.

MMA will be able to remain "The #1 College in America for Veterans", providing education to a greater percentage of Veterans in its student body than any other Maine college.

MMA will be able to continue to host the highest percentage Veterans and National Guard students within its student body.

MMA will be able to make progress on restoring its facilities (84% of which are currently listed in the Gordian Report as "High Risk").

MMA will be able to return to contributing funds to reserves for fiscal sustainability.

MMA will be able to continue producing the highest hiring rate for graduates including high wages.

MMA will be able to continue producing graduates with starting compensation that facilitates continued in-state residency with resulting contribution to Maine's local and state economies and tax bases.

MMA will be able to invest even greater in recruiting to increase diversity of its student population and faculty population.

MMA will be able to continue providing housing to students at affordable rates. See, Affordable Housing Creates Addition Challenge for Maine College Students, Portland Press Herald, Aug 28, 2022. https://www.pressherald.com/2022/08/28/affordable-housing-crisis-creates-another-barrier-for-maine-college-students/?utm_source=Newsletter&utm_medium=email&utm_content=Daily+Headlines%3A+Affordable+housing+crisis+creates+another+barrier+for+Maine+college+students&utm_campaign=PPH+DH+-+SUNDAY+%28HTML%29

MMA can become the *#1 Maritime College in the World*. Maine would therefore host a college that is the preeminent college in its class worldwide.

MMA can partner with colleges in the UMaine System and Community College System on the following key projects, programs and disciplines on which MMA is positioning itself as a leader within the Maritime Industry:

- A. Advanced technologies for reduced environmental footprint of maritime shipping
- B. Global Decarbonization including advanced fuels, vessel optimization, and application of Carbon Intensity Index models
- C. Advanced Data Integration into Global Maritime Shipping Operations & Management data
- D. Advanced maritime software engineering applications
- E. Development of one-of-a-kind master's degree in International Business & Logistics with Seaport Certification
- F. Establishing Maine as a leader on global improvement to supply chain and shipping backlogs
- G. Transformational clean maritime fuels (green methanol, fuel cells, etc.) including logistics, operations and METEL Labs
- H. Development of world class Maritime Reliability Engineering curriculum and degrees

- I. Electrification of vessels
- J. Autonomous Vessels
- K. Offshore Wind (workforce, infrastructure, logistics)
- L. Providing Maine students with opportunities to training and education at shipyards abroad
- M. Domestic remote locations such as shipyards and potential satellite campus(es)
- N. New research facilities and simulators for each of the above items
- O. Supporting Workforce Housing and Affordable Housing

Q&A – MMA Request #1

How did MMA become the lowest percent funded college in the State? [Need time graph showing decline over time]

What contributed to MMA's budget deficit?

Answer:

Multiple factors contributed to MMA's current budget deficit including the following:

1. The host state contribution to MMA's operational budget declined from around 58% in the 1980's to its current level of 21.8% which is the lowest among all colleges in Maine and the lowest among all State Maritime Academies nationwide.
2. MMA maintained high employee retention with no layoffs throughout Covid;
3. MMA maintains the highest percentage of Veterans and National Guard students which requires net cost to MMA of over \$1,000,000;
4. _____

Doesn't MMA receive funds from the Federal Government?

MMA receives some funding from the U.S. Maritime Administration (MARAD), but this funding only covers a portion of the expenditures for training ship cruise-related expenses. For example, by federal law, MARAD is not even obligated to provide the full costs of fuel for operating the training ship. The training ship itself is owned by the federal government and loaned to the Academy for the purpose of providing training to students.

MARAD does not provide funds to cover the operational costs of the state maritime academies. Each state maritime academy is obligated to fund its operational costs through host state funding and other sources.

What would be the increase in appropriated funds to bring MMA in parity with its peer colleges in Maine?

Answer:

Approximately \$9,000,000 which is less than 3% of the overall funds provided for higher education in Maine. The amount requested is a large increase by percentage but still a small amount compared with other colleges in Maine and other State contributions to SMAs. Under our proposal, MMA would still be funded by its host state at a rate that is less than the average of its other peer State Maritime Academies.

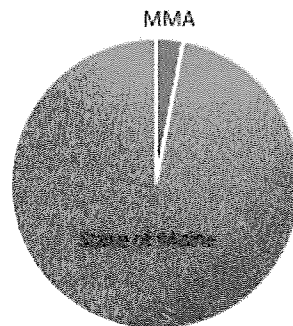
What percentage of the overall State Higher Education Funding Allocation would this request represent?

Answer:

Less than 3%.

MMA Funding
as
Percentage of Higher Education Budget

Figure 6



Conclusion – MMA's Request #1

MMA's Request #1 would be a long-awaited update to place MMA's budget in relative parity with its in-state peers. Although the request would still leave MMA at the low end of host state contribution compared to its peer State Maritime Academies, the request would close much of the gap and help facilitate competitiveness within that cohort.

The funds from Request #1 would be an investment that returns value to Maine through increased in-state enrollment, reduced tuition, greater contribution to Maine's economy and tax

base, and generation of revenue from research funds to be shared with other colleges throughout Maine.

Maine Maritime Academy, its many Maine Alumni, and families of MMA Students would be most appreciative for the support of the Governor and the Maine Legislature in approving this budget update request.

Request #2: MAINE MARITIME ACADEMY - DEBT SERVICE 01075AZ30401

- 2024 \$1,465,125 2025 \$1,469,375
- Debt service payment for borrowing to upgrade mechanical, plumbing, electrical, fire protection and heating systems of Curtis Hall Dormitory, MMA's primary on-campus student residential building.
- This funding supports MMA's ability to provide affordable housing to college students.

**Request #3: MARITIME ACADEMY - SCHOONER BOWDOIN
Maintenance of Schooner Bowdoin 01075AZ25301**

- 2024 \$50,000 2025 \$50,000
- Maintain the Schooner Bowdoin, the Official Vessel of the State of Maine, and the flagship of Maine Maritime Academy's Vessel Operations.

**Request #4: MARITIME ACADEMY - SCHOONER BOWDOIN Partial
(50%) Funding of Arctic Expedition Schooner Bowdoin 01075AZ25301**

- 2024 \$40,836 2025 \$106,406
- The request represents a one-time 50% cost of the Schooner Bowdoin expeditions. MMA would raise the additional 50% funding.
- If received, MMA will organize, plan and lead a centennial cruise expedition of the Schooner Bowdoin to the Arctic for student training, environmental research and promotion of the State of Maine. This funding will cover half of the costs for an initial Labrador Expedition training cruise in 2023 and the full Arctic Expedition training cruise in 2024.

MAINE MARITIME ACADEMY SCHOLARSHIP FUND – CASINO
01475az16701

- 2024 - \$166,133 2025 - \$167,179
- Casino Scholarship Funds

Attachment “A”
MMA Budget Request
Summary 2023

Outcomes and Return on Investment (ROI)

Budget Request by Maine Maritime Academy 2023

If MMA's host state funding percentage is updated as requested, the following Outcomes and Return on Investment are expected.

1. MMA will have the resources necessary for the Key Factors affecting competitiveness with America's other State Maritime Academies which receive an average of 42.04% of their operational budget from their host state compared with 21.8% received by MMA. Such Key Factors for competitiveness include but are not limited to the following:
 - a. Strategies for sustainable Enrollment through Recruiting
 - b. Marketing
 - c. Advancement, including expanded host of revenue sources
 - d. Faculty hiring, retention, scholarship, and professional development
 - e. Faculty compensation
 - f. Staff hiring and retention
 - g. Program offerings that are attractive to high school students and synchronized with emerging trends within industry
 - h. Student services which affects student quality of life, retention, attrition and revenue
2. In addition to funding the above listed Key Factors for competitive recruiting, an updated level of funding for MMA will, over time, allow the us to rebalance our high rates of student tuition and fees, improve affordability for Maine students and compete on a level playing field of both quality and price.
3. The following is a more detailed list of outcomes that will result from an updated re-balancing of the funding disparity, as requested:
 - 1) Global Competitiveness for Maine. MMA has stated a new goal that, if the funding can be updated, we can position the State of Maine to host the "*The #1 Maritime College in the World*". This bold goal incorporates many strategies which can be described in detail upon request.
 - 2) New resources for Maine. MMA is in a position to leverage its reputation, faculty, brand and role in the global maritime industry to bring significant funding to the State for research initiatives that had emerged within the maritime industry including decarbonization (reduced carbon footprint of shipping), electrification of vessels, autonomous vessels, offshore wind, vessel digitization and others. These strategies require resources that are not currently available within the above-described funding disparity. Moreover, MMA has pledged that it will establish enhanced partnerships with all Maine colleges to share the outside funding that would be brought to Maine

for these initiatives. By updated MMA's base funding as requested, the investment by our State would allow MMA to pursue this productive initiative to produce net revenue *to* the State.

- 3) Operational Modernization. The updated funding investment would allow MMA Additional staff resources (employees, equipment, etc.) for the following items that will enhance MMA's competitiveness:
- a. Development of a grant writing program
 - b. Enrollment strategies
 - 1. Greater outreach to Maine high schools
 - 2. Greater outreach to select out-of-state high schools
 - c. Leveraging the incoming new Training Ship State of Maine to train more Maine students for high paying jobs
 - d. Expansion of waterfront facilities and associated programs
 - e. Enhanced Student Services and Student Quality of Life
 - 1. Additional counselors and counseling services for students
 - 2. Enhanced Athletics opportunities for Maine Student-Athletes
 - a) Additional coaches
 - b) Additional trainers
 - f. Offer MMA's new Fire Training Facility to benefit first responders from towns throughout Maine.
 - g. Provide adequate resources to maintain facilities, thus preventing costs of replacement.
 - h. Modernized campus safety.
 - i. Modernized campus security.
 - j. Assisting students (especially low-income students) with financial costs
 - 1. Scholarships
 - 2. Affordable tuition
 - k. Development of graduate program offerings to bring in more in-state and out-of-state revenue.
 - l. Enhance our online learning program to bring in more in-state and out-of-state revenue.

- m. Development/reprogramming curriculum and programs (undergraduate, graduate, micro-credentials) to adapt to the changing maritime marketplace ... synchronizing it with wants and needs of Maine students.
- n. Micro-credential program as discussed with Senator Daughtry. Details available upon request.
- o. Additional Faculty (including faculty exchanges within Maine and Internationally).
- p. Increased faculty compensation to maintain competitiveness in the global talent search
- q. Expanded offshore wind training opportunities and programs.
- r. Development of new and enhanced programs in key areas
 - 1. Support for Maine's growing aquaculture industry
 - 2. Environmental programs including decarbonization
 - 3. Electric vessels
 - 4. Automated vessels
 - 5. Vessel digitation
 - 6. Maritime cyber security
 - 7. Enhancement of degree programs with Bath Iron Works in Bath, ME
 - 8. Development of MMA's Center for Professional Maritime Training in Bucksport, ME
 - 9. Development of Micro-Credential Program in partnership with Community Colleges
- s. Modernizing campus communications (I.T. and cellular).
- t. Modernizing classroom technology resources including industry-standard equipment.