



Maine Education Association

Grace Leavitt President | Jesse Hargrove Vice President | Beth French Treasurer
Rebecca Cole NEA Director | Rachelle Bristol Executive Director

**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
Grace Leavitt, President, Maine Education Association
Before the Joint Standing Committee on Education & Cultural Affairs
March 6, 2023**

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

My name is Grace Leavitt. My pronouns are she, her, hers. I am serving as President of the Maine Education Association while on leave from teaching Spanish in MSAD 51. I have over 43 years of classroom teaching experience with 20 years as a National Board Certified teacher. The MEA represents nearly 24,000 educators in our Maine system of public education in pre-K-12 schools as well as in our institutions of higher education, both the University of Maine System and the Maine Community College System, along with students in teacher prep programs as well as many retired educators.

I am here to testify on behalf of MEA 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.

You will be hearing, or have already heard, from others who are speaking in support of this proposal. You hopefully were able to hear the testimony from MEA, presented by our Government Relations Director, John Kosinski, at the Appropriations and Financial Affairs Committee earlier this session which included information about MEA's support of LD 512 along with other proposed financial support for our public institutions of higher education. I won't take your time repeating all the very important reasons you should support this bill that others have stated or will be stating. Instead, I will focus on how this bill will be crucial in helping to address the critical challenge we are facing in our state, in fact, across the nation—the educator shortage.

You have seen some bills, and will be seeing more, that propose various ways to help address this very real crisis. There is no one simple way that will get us to where we need to be to ensure we are attracting people to the profession, able to both recruit and retain quality educators, to support our students and provide the public schools they need and deserve. The tuition waivers as proposed in LD 512 will go a long way towards making a four-year degree accessible, to addressing the declining enrollment we have seen in teacher preparation programs for years now, to enabling students who want to become teachers to complete the essential preparation and become certified prior to entering the classroom, and to rebuilding the pipeline of future educators back to where it needs to be in Maine.

Other states are also working on ways to address the educator shortage; this is a nationwide crisis. Some states are ahead of us in this effort. We know that students who study at our Universities of Maine to become teachers and do their student teaching here are very likely to take positions right here in our



Maine Education Association

Grace Leavitt President | Jesse Hargrove Vice President | Beth French Treasurer
Rebecca Cole NEA Director | Rachelle Bristol Executive Director

state, often in the same communities where they student teach or where they live. Passage of LD 512 will be an effective fertilizer for the ‘grow your own educator’ programs we talk about.

A few of you may be thinking, why wouldn’t a student first go to a community college then transfer to one of the universities to finish their Bachelor’s degree? Of course one could, and some may do that. But others may prefer the path of being on the same campus for all four years, building longer, stronger connections with their peers and professors. We have heard that having a cohort, especially in teacher preparation, that is on the journey with you provides a support, a long-lasting support, that carries on with the educator as they enter the profession. We have heard this from our aspiring educators and our former aspiring educators who now teach in various parts of the state, but stay connected.

Of course, these waivers will also be used for students enrolled in other programs, studying other majors, seeking other careers—all also extremely important and needed. But we know that the salaries for educators don’t—yet—compare with the beginning salaries in many other professions, so while we work to improve the situation at that end of the pipeline, it will also help immensely to provide the incentive and the support that LD 512 will provide at the beginning of the pipeline.

LD 512, in conjunction with the proposed continuation of the Free Community College program, will go a long way towards not only supporting our students, but also addressing the needs of our state in building and sustaining a strong economy, and, importantly, a strong system of public education that is essential to our democracy and our future.

Please be sure to take time to read the letter that accompanies this testimony. The letter is written and signed by a number of economics professors and staff and makes a lot of important points about how important passage of LD 512 is for our state.

We encourage you to vote ‘ought to pass’ on LD 512.

A handwritten signature in cursive script that reads "Grace Leavitt".

President, Maine Education Association

The Maine Legislature is currently considering a bill that would institute a tuition waiver program covering up to 50% of tuition for qualifying students who enroll in the University of Maine system. We, the undersigned economic researchers and instructors of economics, believe that a policy of this nature would be economically beneficial.¹

There is overwhelming evidence that higher education is essential for economic success. A wealth of sophisticated economic research supports this conclusion, particularly the stark differences for those who have college degrees and those who do not. According to data from the U.S. Bureau of Labor Statistics, workers with a bachelor's degree earn 65% more than those with no college education. Moreover, the unemployment rate for high school graduates with no college education is typically about twice as high as it is for those with a bachelor's degree. Reducing barriers to higher education can therefore improve social mobility and offer many Mainers a pathway to a higher quality of life. But the main problem that students currently face is that they are often burdened with substantial student debt, undermining the benefits of higher education to the individual.

Although these private benefits of education are well-known, the public benefits are not. Higher education does not just determine an individual's chances for economic success, it determines the success of communities as well. According to economic theory and research, human capital is a primary determinant of economic growth and the standard of living. Education has a number of non-monetary benefits as well. For example, research shows that less-educated societies tend to have lower life expectancies and experience higher rates of crime.

Despite the critical importance of higher education, Maine lags behind other states in educational attainment. According to data from the U.S. Census Bureau, only 36% of Mainers above the age of 25 have a bachelor's degree. Maine is the lowest in New England for this measure, e.g. compared to New Hampshire's 40% Massachusetts' nearly 47%.

While our education lags behind, our economy will as well. It is difficult to attract and retain businesses—especially those that offer good, high-paying jobs—when there is a larger pool of more-educated workers in other states nearby. Therefore, it is likely not a coincidence that these neighboring states also enjoy higher standards of living. Indeed, Maine ranks 40th out of the 50 U.S. states in terms of the standard of living, and our average income is 26% below the national average, based on U.S. government data.

Given the substantial public benefits of higher education, subsidizing it with government funds is logical policy. After all, economic theory tells us that an essential role for the government is to provide services like higher education that benefit society as a whole but will be under-consumed if the costs must be paid for entirely by individuals.

This bill would augment existing efforts to improve access to higher education in Maine. Last year, the state began offering graduating high-school seniors two free years of community

¹ Please note that in making these comments we are not representing the institutions for whom we work. These comments reflect our own personal views alone.

college education—a program that many lawmakers, including Governor Mills, hope to continue. Although we support those efforts as well, we note that without an accompanying policy reducing the cost of attending a school within the University of Maine System, this policy is likely to have a destabilizing effect on the system of public higher education in Maine and on students themselves.

The early evidence suggests that the community college tuition waiver program has had some positive effects and some negative effects. The Maine Community College System reports that enrollment at the beginning of this academic year was up 12% relative to the previous year, with roughly 1,800 more students enrolled. However, the policy has had the unintended effect of reducing enrollment across the University of Maine System, wherein about 1,400 fewer undergraduates were enrolled relative to the previous year as of the beginning of the fall term (a 6.5% decline). The good news is that overall enrollment across both sets of institutions has increased by over 400 students, suggesting that the policy has been effective at reducing barriers to higher education overall. The bad news is that the public higher education system has been thrown out of balance. The community college system is operating above its capacity—some community colleges throughout the state are now teaching 25-30% more students—while campuses across the University of Maine System are operating below their capacity and facing budgetary problems as a result. Both are harmful for student success. Strained faculty and staff members in community colleges will not be able to provide as much time and attention to each individual student, whereas budgetary issues at the state's public universities can lead to reduced funding for beneficial programs, fewer choices of classes, the loss of talented and dedicated instructors, and even the elimination of entire academic programs (as was the case at University of Maine Farmington last year). Offering students similar benefits at both community colleges and UMaine campuses would restore balance to the system.

To be clear, we are not suggesting that every student should bypass the community college system to enroll in a public university after high school. We fully recognize that there is tremendous value in having a thriving community college system. Indeed, some of us have even taught at community colleges in the past. An associate's degree may be preferable to a bachelor's degree for some students, and it can be a valuable first step on a longer educational journey for others. However, while attending community college is an essential option to have and the right choice for many students, it is not designed to be a solution for every student. Although it is true that students can enroll in one of our public universities after completing an associate's degree at a community college, transitioning between schools can be disruptive for students, as they have to adjust to a new environment and have less time to make essential connections with instructors and fellow students. A set of policies that offered students a tuition waiver at a community college or the equivalent of two years at a public university would allow students to choose the path that is right for them.

We are obviously aware that tuition at Maine's public universities exceeds the cost of tuition at a community college. However, some back-of-the-envelope calculations show that these differences would not be exorbitantly costly to taxpayers. To give one example, a full-time undergraduate student at the University of Southern Maine pays \$8,640 per year in tuition,

whereas the same number of credit hours at Southern Maine Community College would cost \$2,880. The difference between two years of tuition at SMCC and 50% of four years of tuition at USM would be \$11,520 per student. Even if every high school graduate in the state (just under 12,000 in 2022 according to the Maine Department of Education) took advantage of the program, the cost differential between the two tuition waiver programs would only amount to roughly 1% of the state's annual appropriations (about \$138 million relative to the \$12.7 billion budget). Of course, the true cost would be considerably lower, as many high-school graduates would still opt to attend community college, attend an out-of-state or private college, or forego college altogether. The cost would also be lowered by any federal aid that students receive. We can also expect that these costs will be at least partially offset by the growing tax base that will come with a more skilled workforce, and reduced need for state funds to support our public universities if enrollments continue to decline.

Maine would not be unique in offering a public tuition waiver program. New York and New Mexico have similar programs that cover up to 100% of tuition for qualifying students, and other states and localities have offered more targeted, but nevertheless extensive, public scholarship programs. Research shows that programs of this variety can have a number of benefits, including increased college attendance, retention, and graduation. Analysis shows that the benefits of these programs exceed the costs and are likely to offer a positive return on investment for taxpayers. These existing programs can also offer important lessons for Maine. For example, we would do well to avoid the excessive restrictions and burdensome requirements that experts believe have prevented more potential beneficiaries from taking advantage of the program.

Whether 50% is the appropriate amount of tuition for the state to cover is debatable. To our knowledge, this is the only level currently being considered, and finding the optimal percentage would require research that is not feasible at this time. What is less debatable, in our view, is that support for Maine's public universities is essential, especially when similar subsidies are being given for community colleges. Investing in higher education will benefit Maine's students, citizens, and economy.

Signed,

Dr. Jono Anzalone, Lecturer of Economics University of Southern Maine, Portland, ME

Richard Bilodeau, Senior Lecturer of Entrepreneurship | Interim Director of Center for Business and Economic Research, University of Southern Maine, Portland, ME

Dr. Rachel Bouvier, Associate Professor and Chair of Economics, University of Southern Maine, Portland, ME

Dr. Michael Cauvel, Assistant Professor of Economics, University of Southern Maine, Portland, ME

Michael Cote, Senior Lecturer of Economics, University of Southern Maine, Portland, ME

Dr. Michael Hillard, Professor of Economics (retired), University of Southern Maine, Portland, ME

Dr. Vaishali Mangain, Associate Professor of Economics, University of Southern Maine, Portland, ME

Sanval Nasim, Assistant Professor of Economics, Colby College

Joseph E Medley, PhD, Economics, Portland, Maine (retired)

Dr. Daniel F. Stone, Associate Professor, Department of Economics, Bowdoin College

Dr. Timothy M. Waring, Associate Professor, School of Economics, University of Maine, Orono, ME

Laura M. Yeitz, Project Director/Research Associate, Maine Center for Business and Economic Research, University of Southern Maine, Portland, ME

Maine Voices: UMaine System tuition waiver would benefit students, taxpayers alike

[pressherald.com/2023/03/05/maine-voices-umaine-system-tuition-waiver-would-benefit-students-taxpayers-alike/](https://www.pressherald.com/2023/03/05/maine-voices-umaine-system-tuition-waiver-would-benefit-students-taxpayers-alike/)

By Michael Cauvel

March 6, 2023



Higher education is essential. It's also unaffordable. Both of these realities are hard to ignore.

Few can deny that a college degree offers a path to a better-paying job and greater employment security. On average, workers with no college education earn only about 60% as much as those with a bachelor's degree, and they typically face an unemployment rate that is nearly twice as large. But a bachelor's degree is expensive. Four years of tuition at a public university in Maine will cost a student nearly \$35,000, even if they live at home and commute to school. Did I mention that this is the cheap option? The average cost of attending a private college is nearly four times larger.

ABOUT THE AUTHOR

Michael Cauvel, Ph.D., is an assistant professor of economics at the University of Southern Maine. This column reflects his views alone and does not speak on behalf of USM or the University of Maine System.

Few students can afford this cost on their own, so many take on substantial amounts of debt to go to school. This can be a wise investment – the wage premium of a college degree can cover these costs and still put students out ahead – but it pushes the cost of a degree even higher, discouraging many students from pursuing one.

This may explain why only 36% of Mainers above the age of 25 have completed a bachelor's degree. Although the cost of college is a national problem, educational attainment is lower here than in many other states. For example, 47% have a bachelor's degree in Massachusetts, and every other state in New England has relatively more college graduates than Maine as well.

This doesn't just hurt the individuals who miss out on better economic opportunities, it costs all of us who live in Maine. This is because the benefits of education are not just enjoyed by the individuals who receive it, but they extend to society as a whole, too. An economy with a better-educated workforce will be better able to attract and retain businesses – especially those that offer good, high-paying jobs. It will also generate faster rates of economic growth and non-economic benefits, such as lower rates of crime and better health.

Market forces are leading us to an outcome that is socially suboptimal. Many people choose not to pursue higher education because the costs are so high, even though society as a whole would benefit if they did. Economists have a term for situations like this – market failure. They also have a solution – having the government cover part of the costs.

Lawmakers in Maine have proposed a policy that would do just that. They are currently considering a bill that would help to lower costs for students who attend one of Maine's public universities. It would cover up to 50% of tuition expenses for up to four years to make higher education more affordable for Mainers graduating from high school. It would also cover up to 50% of tuition expenses for up to one year for students who are close to completing a degree but have stopped attending school.

In my view, this is good economic policy. A number of economists throughout the state agree, arguing in an open letter to lawmakers (which you can read at bit.ly/openletterUMS) that a partial tuition waiver at Maine's public universities would be economically beneficial for the state. Research on similar programs in other states supports this conclusion, indicating that the benefits of such programs exceed the costs, likely yielding a positive return on investment for taxpayers.

This type of investment in higher education would not just improve the standards of living for students who wouldn't otherwise be able to attend college, it would improve the living standard for the state as a whole. We need the state to make this investment because students increasingly can't afford to invest in higher education themselves, even though it's essential for economic success – both theirs and ours.

« Previous

Maine Voices: A healthy respect for health care system pay equity

© 2023