

**Testimony from the University of New England before the Committee on Appropriations
& Financial Affairs and the Committee on Education & Cultural Affairs**

LD 210, the Governor's Biennial Budget Proposal (Maine State Grant Program)

Public Hearing: February 7, 2025

Senator Rotundo, Representative Gattine, Senator Rafferty, Representative Murphy, and distinguished members of the Committees on Appropriations & Financial Affairs and Education & Cultural Affairs, my name is Ed Cervone, Director of Partnerships and External Relations at the University of New England. I am submitting this written testimony on behalf of the University, and our Maine students, in opposition to LD 210.

We have serious concerns regarding the proposed changes to the Maine State Grant Program (MSGP) as outlined in the Governor's biennial budget, and we kindly ask the Legislature to oppose these policy recommendations. Eliminating independent post-secondary institutions from the MSGP will directly and negatively impact Maine students and families who have chosen non-public pathways to achieve their higher education and career goals. We see the following as key issues:

- The MSGP empowers Maine students to pursue their education at the college or university that is best suited to their individual needs and goals.
- This successful student-centered approach has been supported by bipartisan legislatures and administrations year after year and in study after study.
- If Maine's independent colleges and universities are ineligible for the MSGP, some students who would have otherwise attended them will have their education interrupted. For some, this may derail any college plans entirely.
- Only 18% of total MSGP funding last year went to students attending independent institutions in Maine (\$5M out of a total \$22.8M).
- Maine's independent colleges and universities offer generous financial aid to students and are constantly seeking ways to increase access to more students from modest financial backgrounds.
- Eliminating Maine's independent colleges and universities from the MSGP would seriously jeopardize our collective efforts to promote higher education among Maine people at a time of decreased college participation rates in Maine and nationwide.

The Maine State Grant Program is a widely popular and effective, putting the choice of where to attend college in the hands of Maine residents. It is a critical piece of a financial aid system that makes post-secondary education attainable for many. FY24 data reveal a total disbursement of \$22.8 million in scholarships to over 15,000 students. Approximately \$5 million went to 2,800 students who chose independent institutions to pursue their higher education. UNE accounts for 247 of those students and approximately \$450,000 in MSGP funds. This proposed policy change will disrupt the plans of many Maine families.

We share your concerns regarding higher education affordability. We take our responsibility to contain costs and to provide access to students very seriously. With very few exceptions, Maine's independent colleges and universities are all tuition-dependent. There is little to no margin in our budgets. Independent institutions dedicate what endowments they have to generate scholarship dollars to bring down the net-price for our students and their families. They dedicate every "extra dollar" toward making higher education more affordable for more students. To do otherwise would put us out of business and undermine the education we promise each of our students.

To put a number on our commitment to affordability, a 2023 economic impact study of MICA institutions reports \$72.5 million in scholarship dollars awarded to 4,230 Maine students that year. At UNE, that was 720 Maine students receiving \$12.6 million in scholarship. Our collective commitment to greater equity in education has us recruiting more first-generation students, students from rural communities, and students with limited financial means. At UNE, more than 30% of this year's entering class are first-generation students, and they receive generous need-based and merit-based financial aid packages. UNE will launch a new tuition-free program in Fall 2025 to academically strong students whose families earn less than \$100,000.

In addition to the considerable price-discounting, we work hard to ensure that our students succeed. Almost all UNE graduates are gainfully employed or in graduate program within a year of graduation. UNE has received accolades and commendations for our graduates' social and economic mobility. We provide the foundational knowledge and skills that our graduates use to launch promising careers that give them and their families the economic security they need to thrive. In contrast to exaggerated media stories, the vast majority of our students graduate with reasonable levels of debt. Most recent data show that UNE graduates have a loan default rate of 0.6% - lower than the national average and lower than many of our peers. In short, the ROI is very high for our students, their families, and the state.

We appreciate that this budget cycle is a particularly challenging one. Having said that, this policy change doesn't provide any budget savings. What it would do is disrupt the education choices of several thousand Maine students and families. For some, the loss of funds would result in their dropping out of college, and for others, not pursuing college at all. The proposal would also tax the limited financial resources of Maine's independent colleges and universities that collectively employ 7,100 people, that spend nearly \$1 billion annually in Maine communities, and that provide over 142,000 volunteer hours annually in community service.

Maine is a rich "education destination." The mix of our public and independent institutions provides a diverse menu of educational opportunities for all Maine people. This robust choice is a true asset that helps recruit and retain our future leaders. The Maine State Grant Program was designed with that goal in mind and provides Maine students the ability to pursue the best choice for them. We are committed to working with the Legislature to ensure that more Maine students have access to the affordable quality education that they deserve. This policy change would do the opposite.

Thank you for your time and for your consideration.

Sincerely,

Ed Cervone
Director Partnership and External Relations