

Maine Education Association

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

Testimony

In Support Of

**LD 1219: 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.**

**LD 1533: An Act to Ensure the Retention of R1 Research Institution Status by the University of
Maine**

Jan Kosinski, Government Relations Director, Maine Education Association

Before the Education and Cultural Affairs Committee

April 24th, 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.

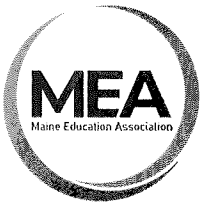
I offer this testimony today on behalf of the MEA in SUPPORT of LD 1219, *An Act to Increase State Funding for the Campuses of the University of Maine System and to Raise the Minimum Hourly Wage for Employees of the System*. We also want to lend our support in favor of LD 1533, *An Act to Ensure the Retention of R1 Research Institution Status by the University of Maine*.

The University of Maine System is a treasure for our state. The University System prepares the workers of the future our state desperately needs. It provides a multitude of degree programs, opportunities for professional development, growth for workers and residents and this work is done across its seven campuses in every corner of the state. The campuses provided tremendous resources for teachers and educators by offering a multiple degree programs to support their work with students. It is an engine of innovation for our state – developing and supporting business leaders and entrepreneurs who help make our state great, while providing wide-ranging and comprehensive programs to make sure our state's residents are well-rounded, productive citizens.

We have appeared before this Committee and the Appropriations Committee with deep concerns about the atrophy that has been allowed to occur and a concern about the future of the System without additional state support. Little by little, over the years, lack of state investment in the University System, along with a defensible hesitation to raise tuition, has directly contributed to the atrophy we are witnessing today. Given the role the University System plays, the lack of state funding is pennywise and pound-foolish.

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LD 1219, what we have been calling the “Fund Maine’s Future” bill, calls for additional state funding to the University of Maine System – an additional 6% in the first year of the biennial and 4% more in the second year. This bill was developed with Senator Tipping in advance of the state’s budget picture being clear – and that picture is now very clear. We should be doing better for the University of Maine System, given the institution’s role and the relationship with our overall economic well-being.

The bill also proposes to direct the funding to the campuses, where the money can be as close to students as possible. While we know the System Office has tried to centralize services and find efficiencies across campuses, we also know the campus leaders know best the programs their communities need and the best way to support their students. The bill proposes a “peer institution” comparison model that uses similar institutions using an already existent definition to set goals for the seven campuses. These goals will help make sure any additional funding moves to campuses, not more Central Office operations.

Lastly, the bill proposes to lift the minimum wage for the hourly support staff because the wages of too many are too low. Through our recent collective bargaining, we heard the hard stories from the hourly staff. We find it unconscionable that full time, hourly staff in the UMaine System qualify for food assistance, donate plasma to make ends meet, and far too many rely on Maine Care for health care. The bill proposes to lift the minimum wage for all hourly staff to at least 125% of the state’s minimum wage. We hope this will help lift wages for hourly staff and avoid the use of state assistance programs.

Given the state’s current budget picture, we fully understand how challenging it will be to implement this bill. We know there are many competing priorities.

While we aspire for more, we hope the Legislature will at least find a way at to provide the 4% increase each year, over the next two years, the Governor proposed in her initial two-year budget proposal. This 4% increase was NOT included in the current services budget passed by the Legislature last month. Without this funding, I worry the problem will go from one of atrophy to rapid decline – this can and must be avoided.

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

FMMF

FUND MAINE'S FUTURE

INVEST IN MAINE'S PUBLIC UNIVERSITIES

A project of the Maine Education Association, ACSUM, AFUM, and UMPSA Unions

January 2025



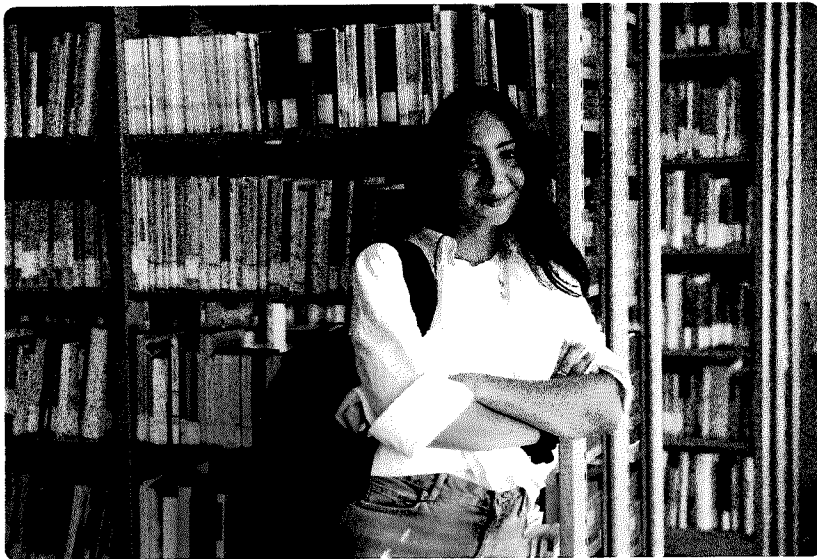


IMPORTANCE OF HIGHER EDUCATION

- 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:

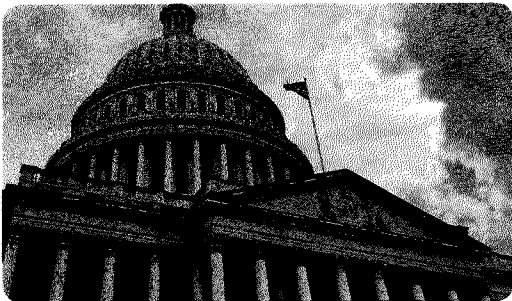


- Fosters Economic Growth
- Improves Productivity
- Reduces Poverty
- Prerequisite for Innovation
- Better Health, Environmental Outcomes, and Civic Engagement
- Higher Economic Return than Primary or Secondary Education (17% increase in income per year)

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

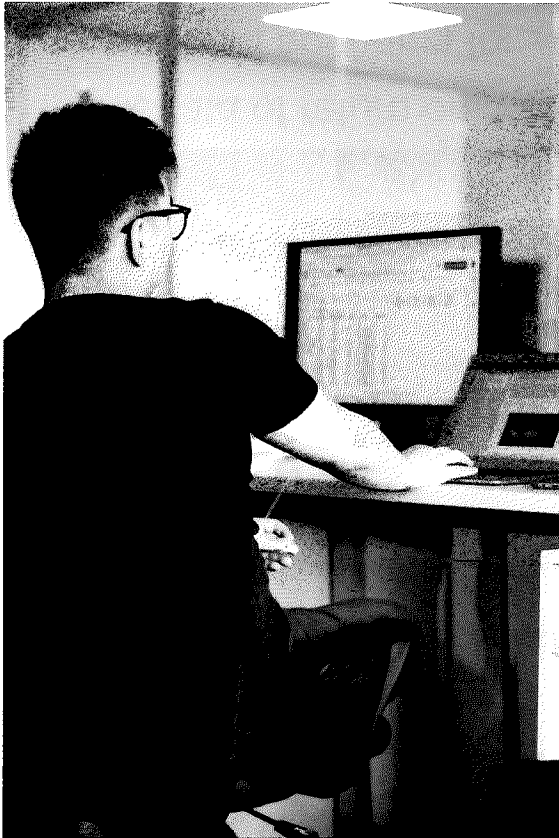
TAX REVENUE



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

(TROSTEL 2009)

IMPORTANCE OF UNIVERSITY RESEARCH



Richert (2014) argued that Maine's per capita income could reach the national average with:

- Greater rate of adults with 4-year degrees
- More investment in research and development

Maine's public universities play a key role in both areas

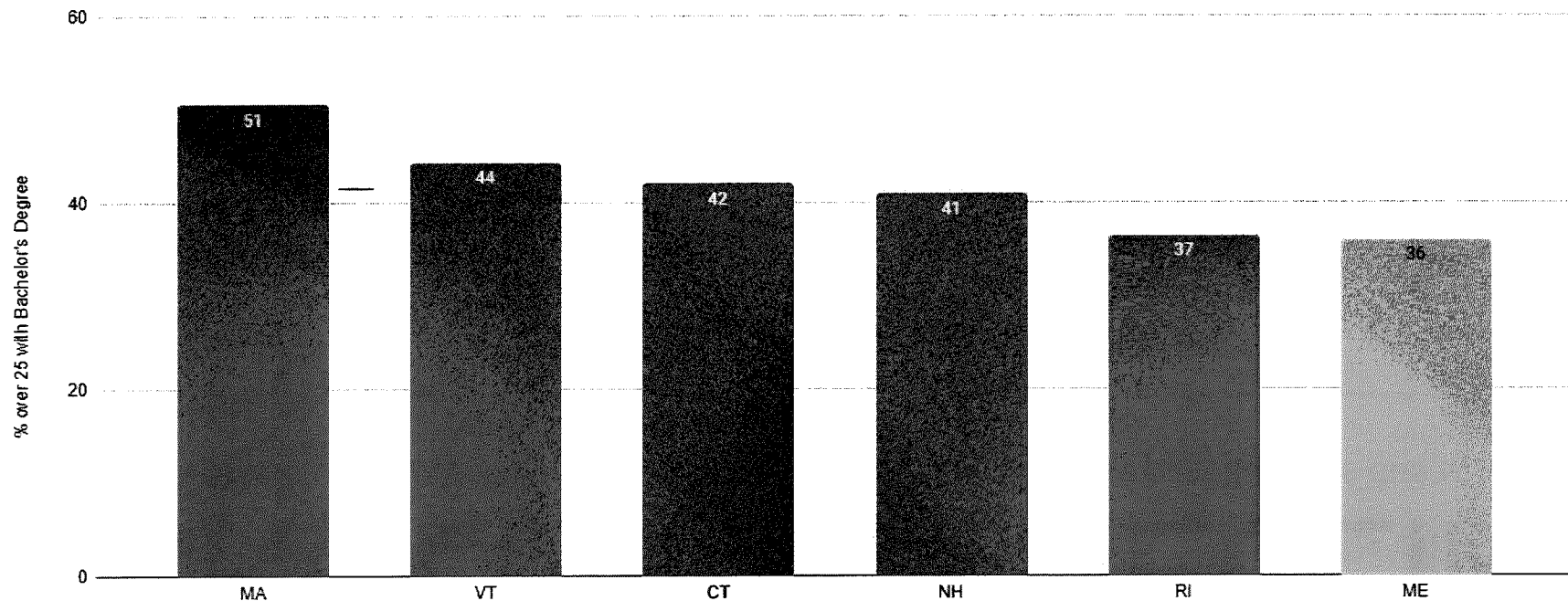
Economists estimate the rate of return to public investment in research to be between 30% and 100 % (Jones and Williams 1997)

COLLEGE EDUCATION IN NEW ENGLAND

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

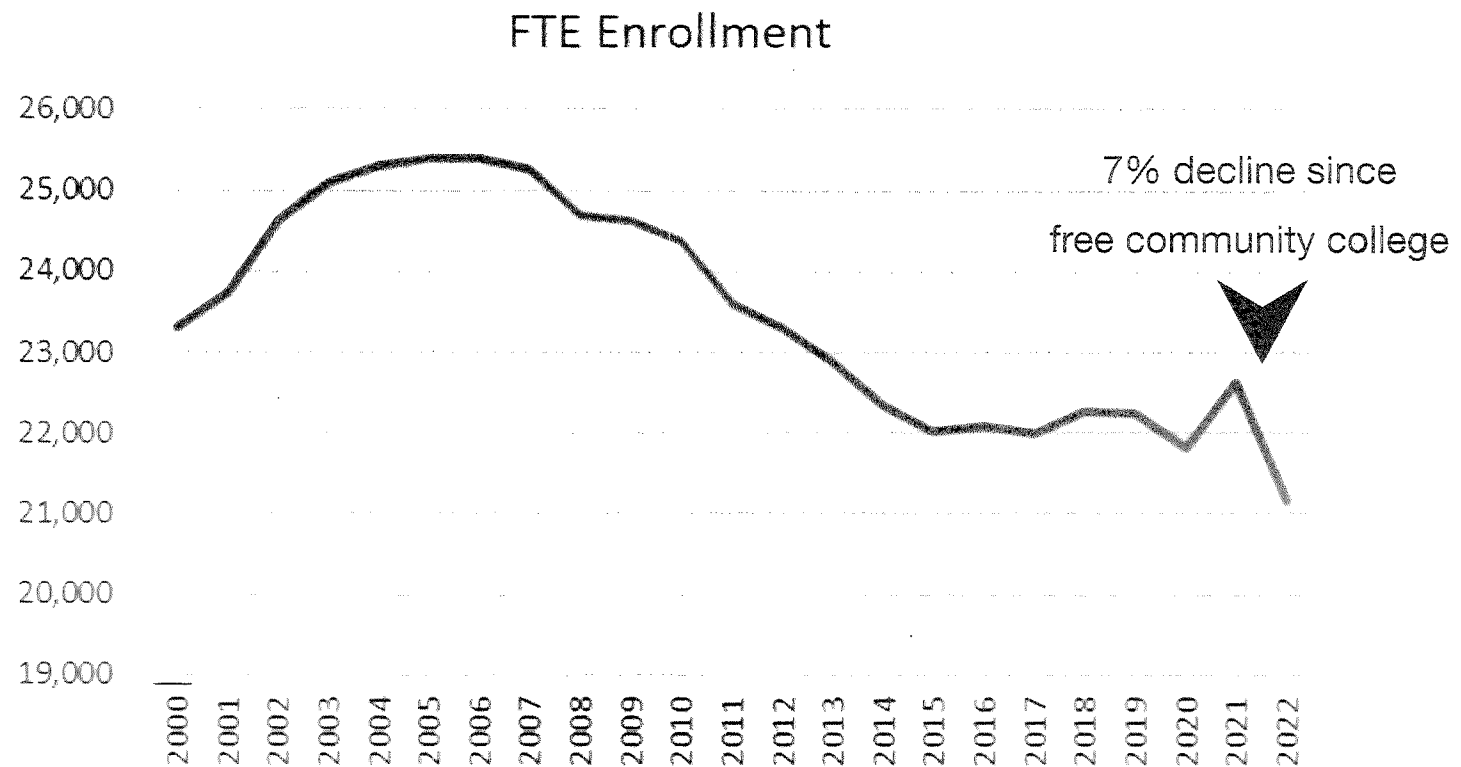
Maine lags behind its neighbors on educational attainment and consequently economic outcomes.

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



ENROLLMENT DECLINE

Full-time student enrollment has dropped dramatically over the past 20 years due to demographics and free community college



POLICY-INDUCED STRUCTURAL BUDGET CHALLENGES

COMMUNITY COLLEGES ARE OVER CAPACITY



Community College Enrollment
increases of roughly 4,500 from
2021-2023

(Portland Press Herald and MCCS)

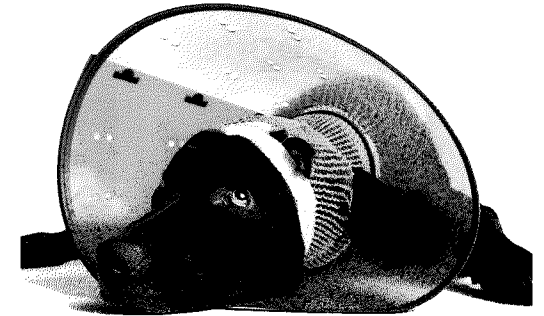
UMS IS BELOW CAPACITY



Undergraduate headcount down
by roughly 3,000
from 2019-2020 to 2023-2024

(UMS System)

WHY DOES IT MATTER?



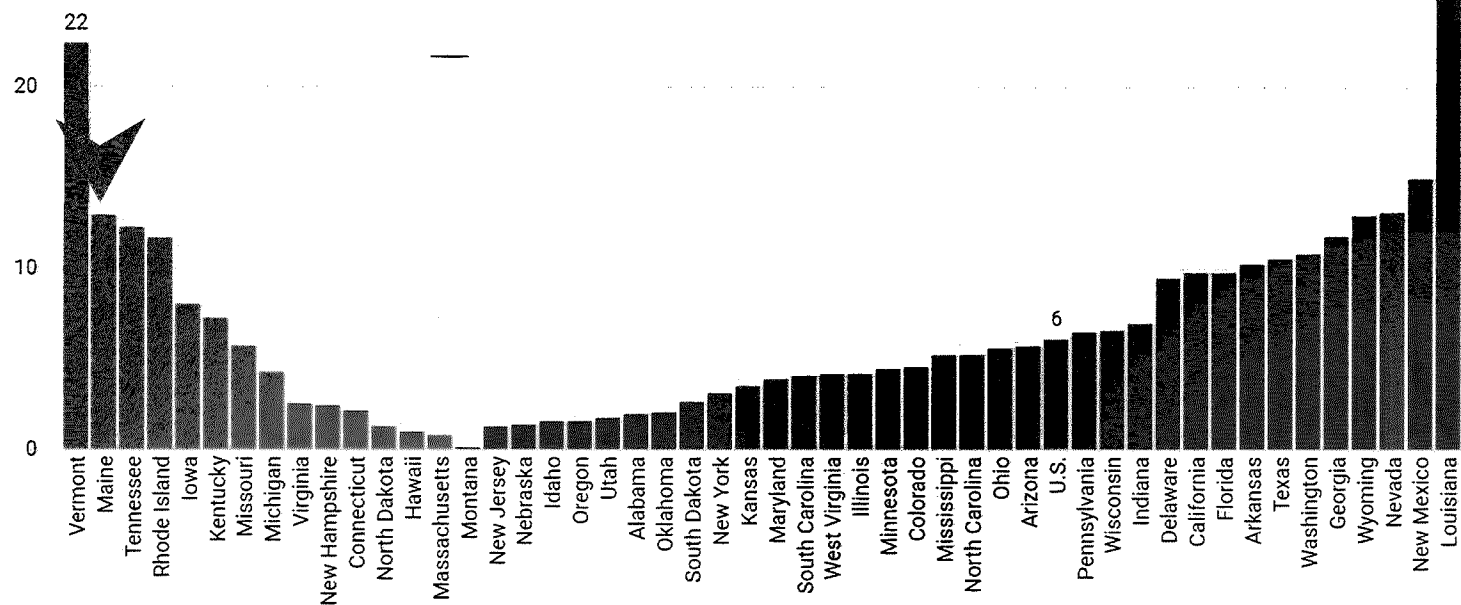
Providing free tuition for
community colleges without
a corresponding option for
4-year universities creates
sub-optimal student
experiences in both settings

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

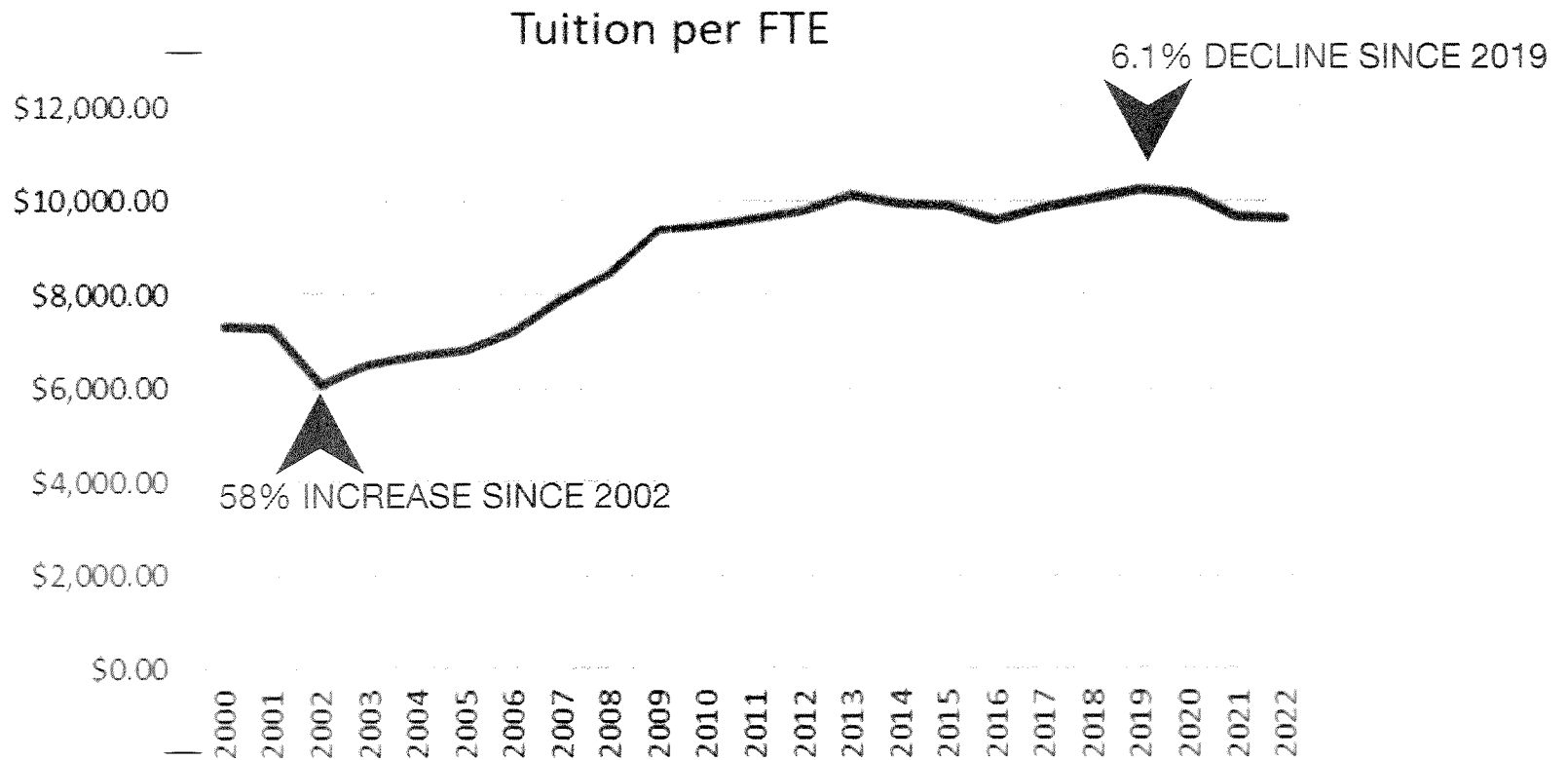


State financial aid for community college students is nearly triple the amount for UMS undergrads

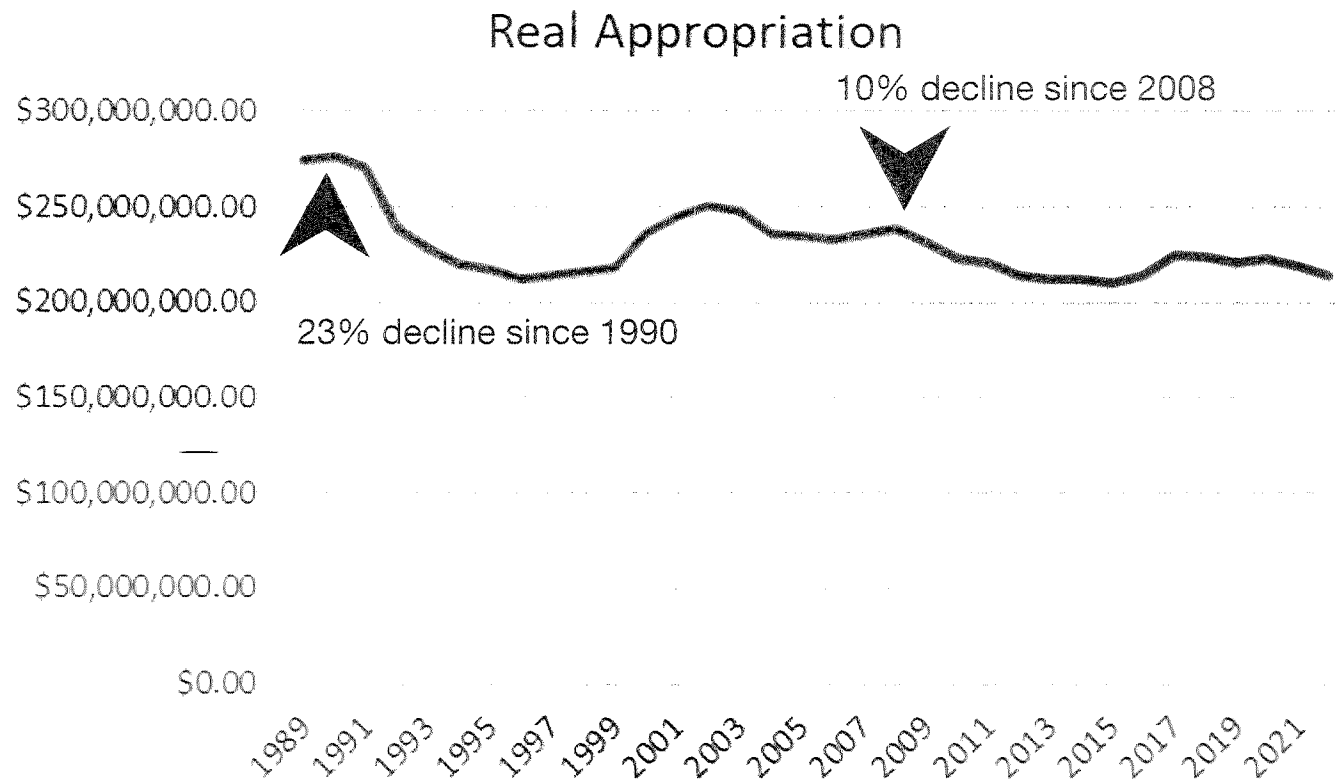
- 20.4% vs. 7.5% of budget

UNIVERSITY TUITION

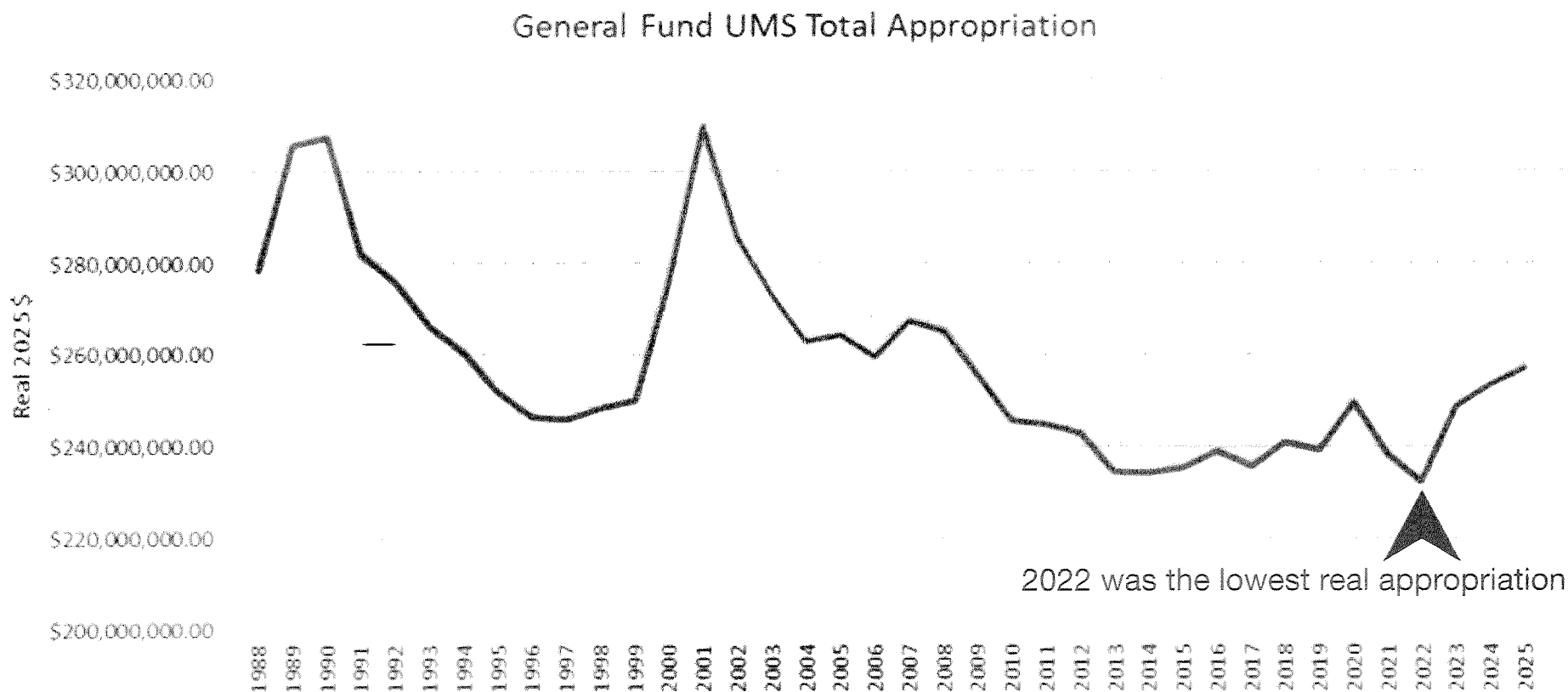
Tuition set by the Board of Trustees



INFLATION ERODES APPROPRIATIONS



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

STRUCTURAL BUDGET ISSUES



The share of expenses covered by either appropriations or tuition has fallen by 6 percentage points since 2018

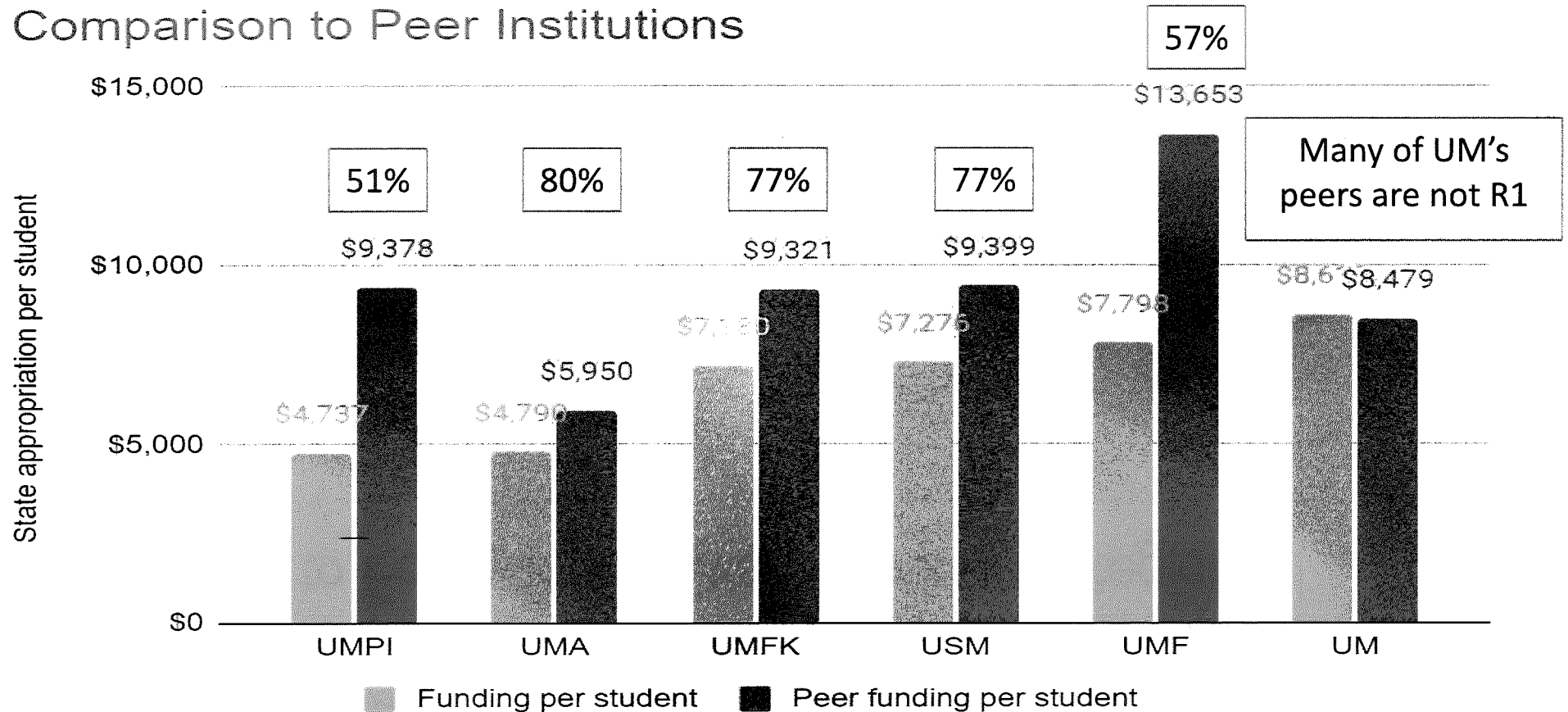
- (10% since 1991)

Across UMS there is \$1.6 billion in deferred maintenance (Bangor Daily News 5/21/24)

- Anecdotally prospective students report nicer facilities in their high schools

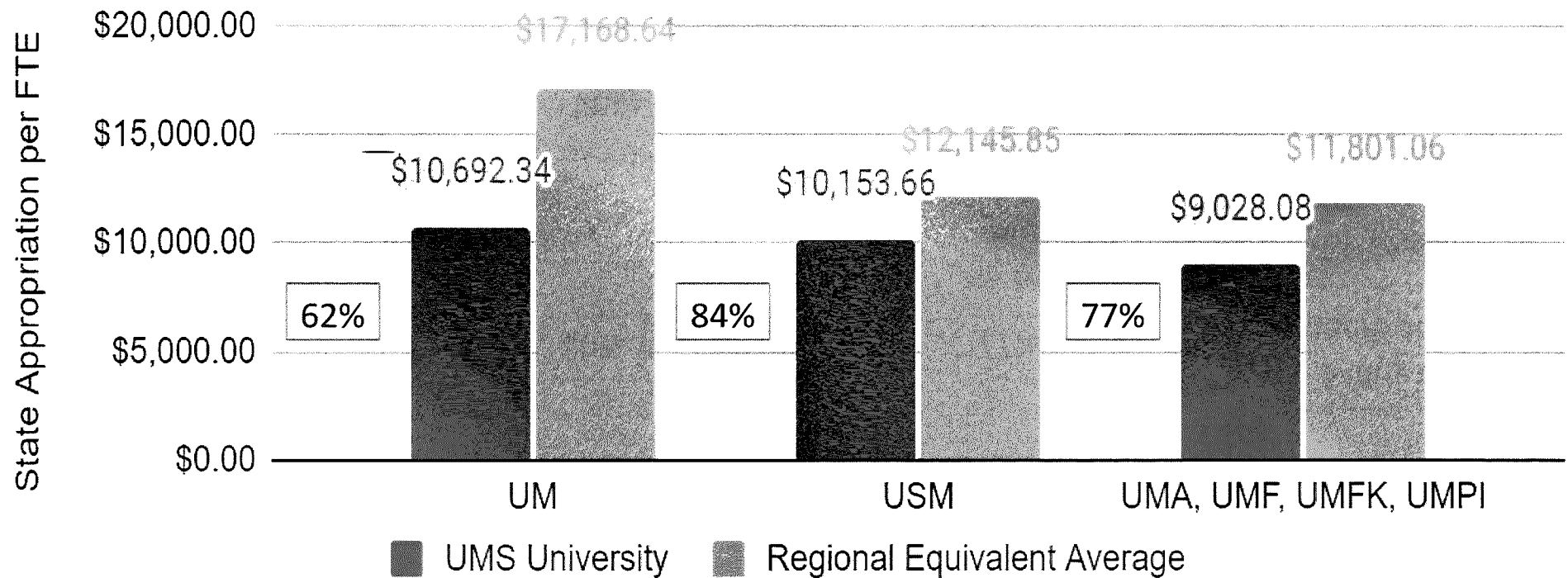
LAGGING BEHIND PEER INSTITUTIONS

Comparison to Peer Institutions



LAGGING BEHIND NEARBY STATES

Comparison to Equivalent Universities in the Region



PAIN TO UMS EMPLOYEES

Budget crises would be substantially worse if not for unacknowledged employee sacrifices.

UMS employees have experience inflation-induced pay cuts.



Note: UMS is the 6th largest employer in the state of workers enrolled in Medicaid (U.S. GAO 2020)

7% PAY CUT

for UMPSA Professional Staff since 2020

6% PAY CUT

for AFUM Faculty since 2016

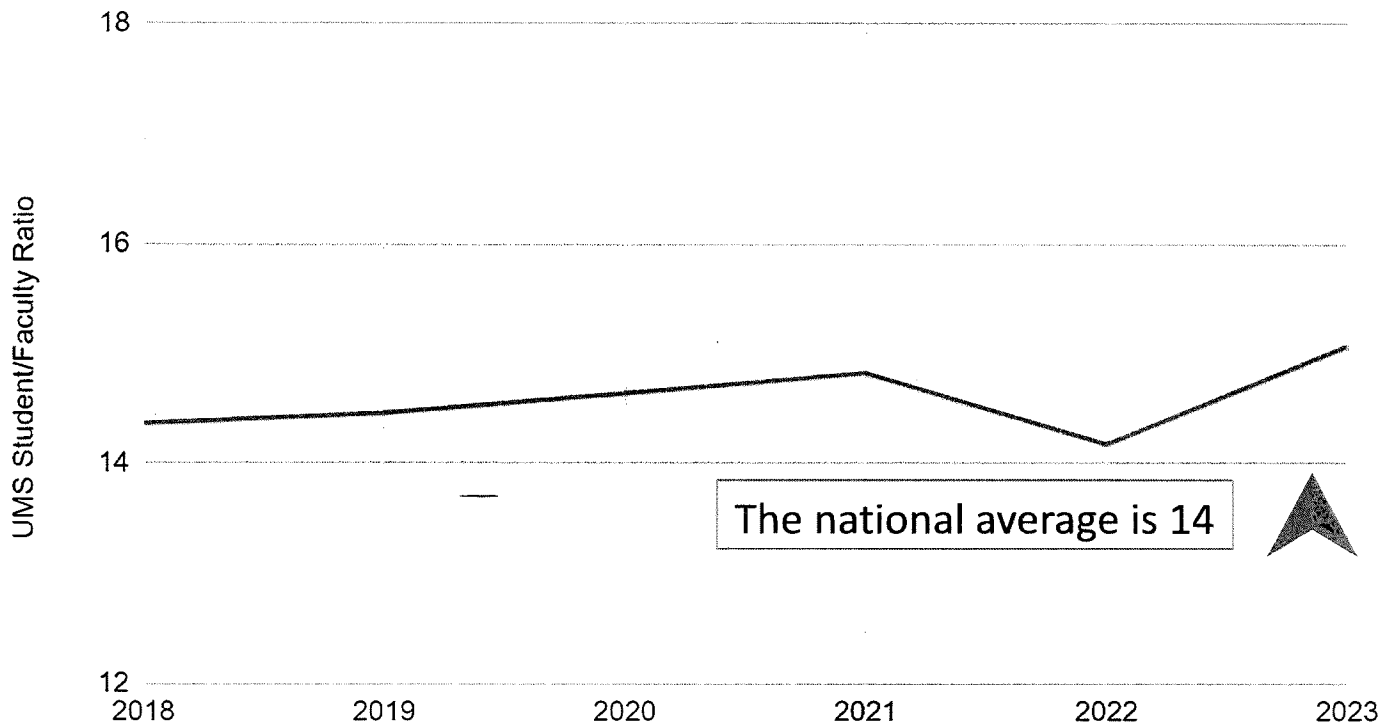
4% PAY CUT

for ACSUM Hourly Staff since 2021

Note: It would be more if not for the minimum wage increase

STUDENT EXPERIENCE & ENGAGEMENT

Student/Faculty Ratio



There have been cuts to discretionary spending that have diminished the student experience.

The student/faculty ratio has risen 5% since 2018.

OUR NEEDS

- **Increase state funding for the University of Maine System** so we have the resources to provide students a top-notch education AND so we can improve wages and working conditions for staff.
- **Dedicate increased state funding to campuses** so our campuses are vibrant learning communities and the money gets as close to students as possible.
- **Lift the minimum wage throughout the System** so hourly employees are paid a living wage. We intend to ask that the University is required to pay all employees at least 125% of the minimum wage.

CONTACT US

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