



The Joint Standing Committee on Education and Cultural Affairs
Testimony from Katherine Johnston, Director of Research and Strategic Initiatives,
Educate Maine

In Support Of

L.D. 761 “An Act to Establish the Maine Community College System Pell Grant Match Program”

Friday, April 23, 2021

Senator Rafferty, Representative Brennan, distinguished members of the Education and Cultural Affairs Committee, my name is Katherine Johnston and I am the Director of Research and Strategic Initiatives at Educate Maine, a statewide nonprofit organization that focuses on education and the workforce. Thank you for the opportunity to provide testify in support of L.D. 761.

Educate Maine’s mission is to ensure that Maine people are prepared to succeed in education and career and that all Maine people reach their highest educational potential. As a member of the MaineSpark coalition, we measure this by attainment - the share of adult workers with a postsecondary credential of value in demand by Maine employers. Maine’s goal is to reach 60% by 2025. **Establishing a Pell Grant Match Program at MCCS is an excellent step toward achieving this goal.**

The Pell Grant is a critical resource for low-income students pursuing higher education. I can speak from personal experience – the Pell Grant was an essential portion of financial aid helped me attain my bachelor’s degree. Every last bit of funding helps. In fact, research has shown that need-based grants such as Pell expand college access and success: a \$1,000 reduction in college cost (either through lower tuition or increased aid) boosts enrollment by 3-5% while the same amount in grant aid has shown to increase retention by 1-5%.¹

Pell Grants represent targeted funding to the students who need it the most and can make a significant dent in community college costs. That said, while the Pell Grant used to cover most costs associated with a degree in the community college system, its purchasing power toward a college degree has declined over time. The Pell Grant Match program addresses this issue by providing qualified students an additional form of aid that could be the difference in making it across the finish line and ultimately getting their degree.

In Maine, roughly 60% of high school graduates enroll in postsecondary education in the Fall following their high school graduation, a rate that drops to 45% of economically disadvantaged

¹ <https://www.cbpp.org/research/federal-budget/pell-grants-a-key-tool-for-expanding-college-access-and-economic>

students compared with 71% of their higher-income peers. Only 40% of economically disadvantaged students who enroll make it to graduation, compared with 75% of their higher-income peers.² These are significant gaps that the Pell Grant Match program can meaningfully address.

Not only important for getting students *through* college, Pell Grants can also be a powerful marketing tool to increase enrollments. Matching grants can close the aid gap, tipping a student's decision toward enrolling knowing that there is a reliable source of funding to draw from in order to complete their degree. The GPA eligibility provision ensures that the funds go to students who are on track to graduate. **In short, this targeted program benefits the neediest students and may increase enrollment and persistence in postsecondary education in Maine.**

We encourage you to support this bill and additionally consider extending the Pell Grant Match to our state's other public institutions. The University of Maine System has promise programs across four campuses that have been very successful. Pell-eligible students get significant financial aid that reduces or eliminates all out-of-pocket costs, which not only removes that barrier to graduation, but also encourages them to consider in the institution in the first place. Maine must employ every strategy at our disposal to get our citizens to and through postsecondary education so they have the knowledge and skills necessary to participate fully in the workforce and earn family-sustaining wages. The Pell Grant Match program is an excellent example of a strategy to do exactly this and we would love to see it used widely and to tremendous impact for our students.

I urge you to vote in favor of LD 761 and would be happy to answer any questions. Thank you for your consideration.

² <https://educationindicators.me/post-secondary-education/#1>