



**Testimony by William Norbert
Governmental Affairs and Communications Manager**

In Support of L.D. 247 as Amended

***Resolve, To Reestablish the Commission to Study College
Affordability and College Completion.***

May 13, 2021

Joint Standing Committee on Education and Cultural Affairs

Senator Rafferty, Representative Brennan, and Distinguished Members of the Joint Standing Committee on Education and Cultural Affairs:

My name is Bill Norbert. I am the Governmental Affairs and Communications Manager at the Finance Authority of Maine (FAME). I live in Brunswick and am here to testify in support of the amended version of L.D. 247, *Resolve, To Reestablish the Commission to Study College Affordability and College Completion*.

FAME's mission is to provide financial solutions that help Maine people achieve their business and higher education goals. Our vision is to help create a Maine workforce with well-paying jobs by focusing on the nexus of economic and educational development. Two of our key strategic goals are that FAME will help to create the workforce of the future by increasing the number of Maine residents who have attained and can afford a credential of value.

This resolve would reestablish the 2014 Commission to Study College Affordability and College Completion, including adding a guidance counselor to the original list of task force members. We support this effort and would be pleased to participate in it again. The prior Commission's overall mission was to "*examine and make recommendations on the development of strategies to keep the cost of public postsecondary education in the State affordable and to increase the graduation rate of students enrolled in state-supported public institutions of higher education.*" (p. 3). The group learned about the affordability gap and unmet need of Maine students and ultimately established "that many Maine College students experience a significant affordability gap in their ability to pay for the complete costs of college, even when a myriad of financial sources are tapped such as family resources, part-time work, federal and state grant programs, and educational loans." (p. 20). Among its chief recommendations were various changes to the Maine State Grant Program (MSGP), including amending the statute to allow for tiered awards when funding allows (not yet)

and to provide annual awards of \$2,500 for families with \$0 EFC (they remain just \$1,500), with annual increases of \$250 for each year that the student is enrolled. The Commission further recommended that annual grant awards of \$1,500 be made to families with Expected Family Contributions (EFCs) that are greater than \$0, with annual increases of \$250 for each year that the student is enrolled. The Commission “had no difficulty in concluding that the MSGP grants have not kept pace with inflation—particularly in relation to tuition charged for a 4-year college program.” (p. 17)

FAME supports the goal of making higher education more affordable, which can and should be addressed in a multi-faceted way, including, but not limited to, saving in advance of college through 529 accounts or other vehicles, containing costs at the institutional level, federal, state, and private aid/grants, increased financial education and prudent borrowing, adequate funding of public postsecondary institutions, student debt relief programs, and other means. As you know, FAME administers various state programs designed to increase access to higher education, including grants, loans, and loan forgiveness and repayment programs. We have long advocated for increased funding for student financial assistance programs, especially the Maine State Grant Program, which we administer. We are appreciative of this committee’s and the Legislature’s past support for increased funding for the program. It is notable that the chairs of the previous study were then-Senator Millett and this bill’s sponsor, Senator Daughtry.

We partner extensively with Maine’s school counselors, financial aid officers, nonprofits like Educate Maine and the Maine Development Foundation, and Maine’s higher educational institutions in various ways and know they share our concerns regarding access to affordable higher education, the importance of addressing costs and offering student aid, as well as debt management and counseling. We should consider better funding of our public higher educational institutions on the front end, as well as increased financial aid through programs like the Maine State Grant, in order to avoid or reduce the need for borrowing and debt to begin with. We look forward to reviewing our progress related to affordability and completion of higher education, updating the affordability gap, and collaborating with others to evaluate and recommend further steps to address these important issues.

Thank you for your consideration. I would be happy to answer any questions.