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**Final Report of the Commission to Study College  
Affordability and College Completion**

**December 9, 2014**



## Introduction

The Commission to Study College Affordability and College Completion was created by the 2nd Regular Session of the 126<sup>th</sup> Maine State Legislature by Resolve, Chapter 109 (See Appendix 1). As a general mission, the Commission was required 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.*” The Commission was further tasked with the following specific responsibilities:

- Review Oregon's "Pay Forward, Pay Back" pilot project's model of funding public postsecondary education, under which a student enrolled in a public institution of higher education, in lieu of paying tuition or fees, contracts to pay to the State a certain percentage of the student's annual income upon graduation for a specified number of years;
- Review the possibility of increasing funding to the State of Maine Grant Program that boosts the minimum grant from \$1,000 to \$1,500 for eligible Maine residents;
- Review the initiatives proposed by the public and independent colleges and universities in the State as part of the March 2014 "Improving College Affordability and Completion in Maine" report submitted to the Joint Standing Committee on Education and Cultural Affairs;
- Review the extent to which Maine's public institutions of higher education support the state reforms included in the October 2013 "The Game Changers" report prepared by Complete College America;
- Review the mandatory fees charged to students beyond the price of tuition charges, including technology and laboratory fees;
- Review the affordability of college textbooks, including consideration of the costs and benefits of open source textbooks, for college students in the state;
- Review other pertinent reports including the “Statewide Education and Workforce Development Strategic Plan” submitted to the Legislature on January 30, 2014; and
- Review and examine other strategies that a majority of the commission members agree to include in this review.

The 13 members of the Commission were appointed by July of 2014 and were required by law to submit a final report to the Joint Standing Committee on Education and Cultural Services by December 9, 2014. The Commission was composed of the following appointed members:

- Senator Rebecca J. Millett, Chair;
- Senator Brian D. Langley;
- Representative Matthea Daughtry, Chair;
- Representative Brian Hubbell;
- Representative Matthew Pouliot;
- Robert Clark, President of Husson University, representing the Maine Independent College Association;
- John Fitzsimmons, President of the Maine Community College System;
- Gianna Marrs, Director of Student Financial Aid, University of Maine, representing the Maine Association of Student Financial Aid Administrators;
- Ryan Low, Vice President for Administration and Finance, University of Maine, representing the University of Maine System;
- Wendy Ault, Executive Director, MELMAC Education Foundation, representing a nonprofit entity that provides financial assistance to students;
- Mila Tappan, College Access and Outreach Manager, representing the Finance Authority of Maine;
- Elizabeth True, Vice President of Student Affairs and Enrollment Management, representing Maine Maritime Academy; and

- Lisa Plimpton, Director of Research, the Mitchell Institute, representing a statewide education policy research institute.

To accomplish its mission, the Commission met six times in Augusta on the following dates:

1. August 5, 2014
2. August 26, 2014
3. September 18, 2014
4. October 8, 2014
5. October 22, 2014
6. November 12, 2014

(Copies of the Commission meeting summaries have been are posted on the Commission's website <http://www.maine.gov/legis/opla/collegeaffordability.htm> and are available in electronic form from staff person Lock Kiermaier; e-mail: [kier.consulting@gmail.com](mailto:kier.consulting@gmail.com))

### *Commission Activities*

#### Panel Discussions and Presentations

To supplement and expand upon the information contained in the various reports that the Commission was mandated to review, the Commission organized and conducted a number of discussion panels regarding specific topics that were relevant to the overall topic of college affordability and completion. These panels included students, parents, educators, members of the commission and various subject experts. (A complete list of panel participants is included as Appendix 2.) In addition, the Commission benefitted from several presentations regarding college affordability and completion. Brief descriptions of each presentation and panel with the salient points of discussion are as follows:

- Student Panel on College Affordability (August 5, 2014): This 7 person panel included current students from Central Maine Community College, University of Maine at Augusta, Maine Maritime Academy and the University of Southern Maine. The students ranged in background and experience from first time traditional students to adult learners with families that had returned to college. Several of the students had transferred to their present college from other private and public colleges. Each student gave a brief presentation of their experiences and perspectives on college affordability and completion. The comments made in these presentations included the following:
  - One student had transferred from a private in-state college to the MCCA under the terms of an articulation agreement that resulted in considerable savings to that student and his family;
  - The majority of panel members rely on their parents and families for significant financial support;
  - Many of the panel members also had to make use of a combination of grants and loans resulting in sizeable prospective post-college debt;
  - Another student had successfully transferred from CMCC to UMA but was experiencing considerable difficulty in securing grants to be able to attend UMA and felt financially penalized by the fact that her family owned a second home in Maine that was used for vacation purposes;
  - Another current UMA student with a family of her own felt that grants and other financial aid information were not readily available nor were they tailored to meet the needs of a non-traditional student. In addition, this student commented that the costs of textbooks were quite high, represented a significant additional cost and that many of the required textbooks were not available for loan reference at the UMA library;
  - A student currently attending MMA had made the deliberate decision to pursue grants and loans to be able to attend MMA with the understanding that his likely post-college earnings would be sufficient to cover his student debt;

- A current student at USM had made the decision to attend that school based largely on affordability and location. He further commented that more effort needs to be made to meet the financial needs and circumstances of many non-traditional students who are working full-time while attending USM and suggested that employers should be incentivized to work with and employ students;
  - Another MMA student believes that the federal student loan program does not accurately assess the financial capacity of a family to pay for college costs; and wishes that better and more accurate financial aid information had been provided to him while in high school; and
  - A female MMA student spoke of her belief that that much more outreach is needed to encourage young women to pursue the more technical, professional careers that are possible by attending schools like MMA and feels that the opportunities for involving students like herself in high school outreach efforts is beginning to occur.
- “Maine College Affordability & Completion” Presentation by Malia Sieve, Senior Associate at HCM Associates (October 8, 2014): To help orient the Commission to basic concepts of college affordability and completion, Ms. Sieve was invited to make a presentation which included the following points:
    - College affordability is best understood when the focus is on students and what they can afford;
    - The affordability of college is complicated because:
      - of a wide array of differing financial situations;
      - a great deal of information about those students that don’t enroll is simply not available;
      - in a college context, expensive and unaffordable mean different things;
      - the significant differences between reality and perceptions regarding the cost of college;
      - net tuition costs and financial aid programs have different impacts on different income brackets
    - What constitutes an affordable college education?
      - Defining *unmet need* which is the gap between cost of attendance and the financial resources of a student;
      - Making a distinction between an expensive college and an affordable college; and
      - Due to recent high levels of unemployment, many uncertain outcomes exist for postgraduate employment opportunities and income.
    - College is affordable for whom?
      - Again, the answer to this question should focus on students- not parents;
      - Parents and other family members should be regarded as a source of financial subsidy; and
      - The ability to pay should rest on the student after completion
    - Financial support principles for college affordability should be designed to :
      - Make college more affordable for low-income students;
      - Make college prices more predictable and transparent;
      - Provide incentives to students and institutions to increase completion and lower prices; and
      - Align federal, state, and institutional policies and programs.
- Panel on the Maine State Grant Program (August 26, 2014): The convening of this 3 person panel was preceded by a presentation from staff members of the Finance Authority of Maine (FAME) which is responsible for administering the Maine State Grant Program (MSGP). During that presentation, the following information was presented regarding the MSGP:
    - The Maine State Grant, administered by FAME, is the state’s basic need-based undergraduate grant program;

- Students apply through the Free Application for Federal Student Aid (FAFSA);
- The current cut off for grant awards is based on a determination of Expected Family Contribution (EFC); the cut-off point is dependent on funding and “take-rate”;
- In recent years, FAME has awarded over 10,000 Maine students a maximum grant of \$1,000 annually;
- The buying power of the grant has been eroded over the years, both by cuts in funding and by the commensurate rise in the total cost of a higher education;
- Over the past ten years, state appropriations used for the grant have been reduced by twenty-one percent;
- FAME is seeking to boost the state’s commitment to the grant via increased funding;
- The federal Pell Grant program now covers just one-third of the costs of higher education; it covered three-quarters of the costs in the 1970s;
- The maximum MSGP award was \$1,000 in 1992 and remains so in 2014;
- FAME is permitted to establish by rule tiered award amounts but has not yet done so;
- MSGP individual grants should be at least \$2,500 in 2014 to have same buying power as they did in 1992. This would require an additional \$15million appropriation per year; and
- FAME’s goal is to increase program funding to the level where, combined with a Pell Grant, the grant could approximately pay for tuition and fees at a Maine Community College for students with financial need.

After the initial presentation on the MSGP, the 3 person panel which was comprised of a financial aid administrator, student and parent convened. All 3 people were from (or connected to) Husson University. Their comments included the following points:

- Despite recent improvements in the economy, many families are not able to borrow or significantly contribute to the costs of their child’s college education;
  - Many students have to struggle with either higher debt or loans that are inadequate to meet total college costs;
  - The MSGP has a significantly positive effect on a student’s ability to help pay for college and is usually but one element of package of loans and grants that make up a student’s financial aid package;
  - To combat the high annual cost of a 4 year college program, many students are resorting to extending their program to over 4 years. This solution is temporary at best and often exacerbates the overall financial difficulties faced by many college students; and
  - The commission was urged to strongly support the MSGP and that the current administrative procedures used by FAME (like FAFSA) generally work well and should not be changed; and
  - The MSGP has definitely made a difference in the student’s efforts to pay for college and that every amount of money was important to relieving the financial strain on his family.
- Panel on “Improving College Affordability & Completion in Maine” Report (September 18, 2014): The 5 person panel comprised of representatives from FAME, MCCS, MMA, Independent Colleges and UMS reported their priorities for increasing affordability as reflected in the March 2014 report submitted to the Legislature:
    - FAME: Currently, FAME has implemented various comprehensive outreach activities to promote college access and provide information regarding college financing. FAME recommended that maximum amount of grants from the Maine State Grant program be increased to \$1,500 at an approximate cost of \$12.5 million. FAME also recommended the establishment of a Workforce Development Undergraduate Loan Program which was not included in the final recommendations of the Joint Select Committee on Maine’s Workforce and Economic Future.
    - Maine Community College System: The MCCS listed the following priorities:

- Hire 15 additional Student Success Counselors at an annual cost of \$1 million to serve approximately 16,000 Maine students;
  - Increase funding by an annual cost of \$2 million for additional work study opportunities for the 7 colleges within the MCCS to serve 500 students. The Commission learned that such a program would not negatively impact individual grant awards from the Federal Pell Grant program;
  - Create an Alternative Semester Scholarship at an annual cost of \$3.6 million; this program would provide additional grant opportunities for those students seeking to attend college during the summer; and
  - At an annual cost of \$800,000, expand Student Success Academies to help address some of the remedial academic issues faced by many MCCS students; this expansion would serve an additional 500 students. The Commission also learned that the MCCS is currently devoting considerable existing resources towards this effort and does not plan at the present time to ask for additional resources to expand the program.
- Husson University and the Maine Independent Colleges Association: As an example of what priorities private institutions of higher education have, the Commission reviewed the following circumstances and priorities provided by Husson University:
    - All private higher education institutions seek to use private funds to defray the costs of higher education supported by tuition revenues and recognize the limitations of public funding to private institutions, while strongly supporting providing funding for student directed decision making. Examples of private initiatives include Husson University's approaches as follows:
      - Husson University is the most affordable private institution of higher education in Maine;
      - Husson strives to offer affordable programs that are not duplicative and are within the university's capability to deliver with excellence;
      - Husson works to develop collaborative programs with other colleges and has been doing so for quite a long period of time;
      - Husson appreciates a legislative perspective that focuses on doing "no harm" to private colleges, particularly with regards to taxation policy and taxable donations;
      - Husson offers work force flexibility to help keep costs down;
      - Husson proactively addresses the remediation issues faced by some of its student body;
      - Husson works to encourage student persistence (i.e. completion); and
      - Husson works with its students to design affordable loans.
- Maine Maritime Academy: MMA listed the following priorities in the report:
    - Increasing the Maine State Grant program at a cost of \$190,000 for 4 years;
    - Hire a First Year Experience Coordinator at a 3 year cost of \$190,000;
    - Expand the College Student Inventory at a 3 year cost of \$4,700; this program provides invaluable data about student risk factors; and
    - Hire an Academic Coach at an annual cost of \$60,000.
- University of Maine System: UMS identified the following priorities in the report:
    - Preserve the existing General Fund appropriation to the UMS and ideally, increase that appropriation to keep pace with inflation. Since 2008, the GF appropriation to the UMS



has declined by \$6.2 million and yet the UMS has been able to freeze tuition for 3 consecutive years; and

- Provide additional resources for the Maine State Grant Program.
- Panel on the “Statewide Education and Workforce Development Strategic Plan” (September 18, 2014): This 3 person panel was comprised of representatives of MCCA, MMA and UMS. The Commission learned that the report was initiated by the Joint Select Committee on Maine’s Workforce and Economic Future and required the University of Maine System, the Maine Community College System, Maine Maritime Academy and the Maine Department of Education to collaborate in the first ever long term strategic planning process for education in the state of Maine. During the panel discussion and review of this report, the Commission was urged to focus on Objective 1 of Goal 2 (page 12 of the report):
  - *Goal 2: Provide higher education programs leading to academic credentials that meet the demands of the current and emerging economy.*
    - *Objective 1. Improve persistence and graduation rates.*

Other information presented by the panel included the following:

- The report specifies a number of specific and quantifiable measures regarding persistence and graduation rates that the different report participants will work to achieve in a 3 year time span;
  - MMA was lauded for initiating the Maine Maritime Prep program to prepare students by first enrolling in the MCCA and then, after the necessary academic success, transferring to MMA;
  - The strategic plan recognizes the importance of identifying and addressing the academic need of groups of students that have not been previously successful in higher education;
  - The strategic plan also recognizes the need for comprehensive and collaborative remedial efforts across the state’s educational system;
  - It is crucial to work collaboratively across the systems to more easily transfer credits between the state’s higher education institutions;
  - Future credit transfer efforts may be facilitated by targeting specific educational programs for credit transfer among the different public higher education institutions;
  - It is very important to realize that this strategic plan is based on the current level of financial resources and funding available to each of the report participants;
  - The strategic plan also emphasizes the importance of academic/employer collaborations and the goal of trying to keep college graduates in the state after they graduate; and
  - The strategic plan includes an important section titled “Strategic Areas to Consider for Future Investment”.
- Panel on “Pay Forward, Pay Back” pilot project; (October 8, 2014): This panel was composed of 4 persons and was convened to present information on Oregon’s pilot project popularly known as “Pay It Forward” (PIF) and to discuss different viewpoints on the pros and cons of this relatively new concept. The information and comments presented to the Commission included the following:
  - PIF works by: eliminating upfront tuition costs; replacing tuition with post-completion income contributions; contributions are placed in a public trust fund that finances future students and eventually generating net revenue;
  - Advantages of PIF include: enables college entrance by knocking down financial and psychological barriers to higher education, further enables college completion by eliminating debt financing of tuition, is completely transparent and predictable, enables alignment and continuity of studies, and integrates with other means of financing higher education ;
  - The upfront costs of financing a pilot PIF project for Maine involving a mixture of 250 UMS students and 500 MCCA students would have an annual cost of \$11.7 million which one member of the external panel felt could be funded by drawing from the current UM endowment;

- Based on projected PIF models, for an average post graduate monthly salary of \$1,880, the average PIF monthly contribution (or payback) would be \$75 per month or 4% of the monthly income which contrasts with the current average monthly college loan payment of \$240 or 13% of monthly income;
- A total of 23 states (including Maine) are currently considering adopting some form of PIF;
- Criticisms of PIF include the following:
  - PIF is problematic in that funding the initial significant start-up costs is politically difficult and on a practical basis, collecting repayment costs will be extremely difficult;
  - PIF cannot be accurately described as “debt free”, rather it slightly reduces total student debt and does not address significant college costs other than tuition;
  - PIF does not actually make college more affordable and therefore does not address some of the underlying issues regarding affordability and completion;
  - Many of the underlying assumptions such as projected income levels and the effect of long-term economic cycles that may be used in PIF are not clear and are subject to reasonable doubt; and
  - It may be that only individuals contemplating lower income occupations would select to participate in PIF.
- Panel on Textbook Costs and Current College Fees; (October 8, 2014): This panel discussion was actually divided into two sessions: the first 5 member panel discussed the costs of college textbooks. Comments and information regarding textbooks included the following:
  - Since 1981, the average costs of college textbooks has far exceeded the rate of inflation- 600% increase for textbooks vs. 150% increase in inflation;
  - The average student can expect to pay \$1,200 on textbooks and course materials in 2014-15;
  - From the UMS perspective, the best way to deal with textbook costs is to continually work with faculty and staff to get advance lists of textbooks that will be used which allows for the advance purchase of used books and the availability of rentals and electronic versions;
  - From the MCCS perspective, the UMS perspective is one that is shared within the MCCS and there is a high degree of cost consciousness regarding textbooks and the ongoing need to keep these costs down as well as the need in some professions to retain useful textbooks as career reference sources; and
  - In terms of alternatives to the traditional hard copy versions of textbooks, the Commission received a great deal of information about the burgeoning use of Open Educational Resources (OERs) . OERs include a wide variety of teaching, learning, and research resources which are available under an open license that permits their free use.

The second 4 member panel discussed non-tuition fees currently charged in Maine’s colleges and universities and had the following comments:

- Fees for MMA are comparatively high but correspond to the highly technical nature of the courses and degrees offered at that institution;
- The UMS publishes an Annual Report on Student Charges which lists the specific fees charged on each campus;
- Most campuses within the UMS make use of a Unified Fee which consolidates fixed costs of services offered to students on each campus such as fitness centers. In addition, most UMS campuses also charge a Student Activities Fee;
- Most fees within the UMS have been frozen in recent years to correspond with recent tuition freezes; and
- Fees charged by private universities and colleges within Maine vary widely from a low of \$280 to a high of \$1,990 with an average annual General Fee of \$869.

- Panel on the “Game Changers” Report; (October 8, 2014): This 5 member panel discussed and provided information regarding the 2013 “Game Changers” Report issued by Complete College America. In brief, this report addresses the issues of college affordability and completion by advocating for the adoption of 5 distinct strategies:
  1. ***Performance Funding***: Base public funding provided for higher education on a multitude of performance measures, not just enrollment.
  2. ***Corequisite Remediation*** : Accept academically unprepared students into college-level gateway courses with mandatory, remedial instructional support that is tied to their particular major.
  3. ***Full-Time is 15***: Incentivize students to attend college on a full-time basis which is clearly understood to mean 15 credits per semester.
  4. ***Structured Schedules***: Make use of structured scheduling of classes to provide predictability and meet the needs of working students to balance jobs and school.
  5. ***Guided Pathways to Success***: With the use of technology, place all students into highly structured degree plans which eventually narrow down to specific degrees, without an initial emphasis on individual courses.

During the course of the panel discussion, the Commission learned the following:

- The MCCS has not formally adopted the Game Changers model. With regards to the specific strategies, the MCCS is currently implementing the following approaches:
  - *Performance Funding*: Due in large part to funding limitations, the MCCS has relied on funding its different campuses based on previous history and the current needs of each campus;
  - *Corequisite Remediation*: MCCS makes extensive use of remedial courses for the significant number of academically unprepared students that enroll in the system;
  - *Full Time is 15*: MCCS has not adopted this strategy though some of the campuses have examined using this approach;
  - *Structured Schedules*: Because of the technical nature of the degrees offered at MCCS, structured schedules are an integral part of most of the degree programs;
  - *Guided Pathways to Success*: MCCS has implemented several strategies for student success which have a focus on adjusting to campus life and promoting courses of study which will help to ensure success in the student’s chosen field.
- While not having formally adopted the Game Changer strategies, MMA offered the following reactions to the Game Changer model:
  - *Pay for Performance*: While supportive of the concept, MMA has reservations regarding its use, feeling that the use of any metrics must reflect the unique characteristics and mission of a higher education institution like MMA;
  - *Corequisite Remediation*: MMA supports the use of innovative approaches to remedial courses but maintains that an MMA student must achieve a certain GPA or pass certain prerequisite courses to progress. If a student fails, they get out of sequence which delays their ability to complete and graduate and can be very expensive;

- *15 is Full-time*: MMA students have a strict schedule to follow and it is in their best interest to be full-time. In addition, tuition remains the same whether a student is taking 14 or 18 credits and thus it is to their advantage to take a full course load;
  - *Structured Schedules*: To their benefit, MMA students are currently required to have structured schedules; and
  - *Guided Pathways*: MMA supports this approach but notes that MMA students currently have a structured schedule and curriculum and thus little room for error.
- As a whole the UMS is supportive of the Game Changer strategies and offered the following reactions to the Game Changer model:
    - *Pay for Performance*: For the past three years, UMS has made use of a version of this strategy called Outcomes Based Funding which aligns funding with performance outcomes. This strategy is used in conjunction with an historic funding approach for each campus with a plan to phase in a higher percentage of Outcomes Based Funding in future years;
    - *Corequisite Remediation*: Within the UMS, just over 11% of the student population requires developmental coursework in either Math or English or both. In particular, UM does not admit students into the regular degree programs that require developmental coursework but have specially focused programs that they refer students into in order to be fully admitted. Current placement and remediation policies are being examined at the various UMS campuses;
    - *15 is Full-time*: Full time students at UMS are advised to take 15 credits but for many students, there may be issues around either being able to afford 15 credits or being able academically able to handle 15 credits. Federal financial aid standards define full time as 12 credits or more. UMS also has a high proportion of part time students for whom 15 credits is not an option;
    - *Structured Schedules*: The solutions contained within “The Game Changers” will not fit every campus at UMS. Because UMS students can take courses at other campuses, they are not limited to the courses offered only on their campus and so can utilize the entire menu of courses across the institutions. Because of our transfer work and established equivalencies across all of our courses, this is a straightforward way for students to access the courses they need; and
    - *Guided Pathways*: Advisors work with UMS students in the completion of their degree plans and emphasize 15 credits; the UMS degree progress system allows students to track their progress every semester and the progress reports are used for advising. Throughout UMS, campuses utilize an intrusive, intentional advising model that, while all students are advised, that makes sure those who are the most at risk are targeted for additional support. Any student wishing to change a major can only do so upon consultation with their advisor.

### Survey of Students, Parents and Graduates

To facilitate and add to the Commission’s understanding of how the public regards the topic of college affordability and completion, the Commission developed an on-line survey instrument with the assistance of Mikel Leighton, Administrative Specialist, UMS Student Affairs & Organizational Effectiveness. The survey of students, parents and graduates was intended as an anecdotal attempt to gather opinions and feedback on the topic

of college affordability and completion. The online survey was titled “State of Maine: Student Costs and Loans” and could be accessed at the following link:

<https://www.surveymonkey.com/s/MaineStudentCostsandLoans>

In reviewing the survey results during the Commission’s last meeting on November 12, 2014, the Commission learned that:

- To date, there had been 302 responses to the survey;
- The survey provided opportunities for the following individuals to self-identify whether they are:
  - Parents;
  - Currently enrolled students/student with some college experience but no degree; or;
  - Graduates.
- The results showed that the respondents had attended a wide variety of in-state and out-of-state public and private colleges and universities;
- Some 67% of parents had talked with a financial aid officer with a wide range of anecdotal responses regarding their actual experiences;
- With regard to any financial sacrifices (“unmet need”) that were made by parents to help their child attend college, many respondents stated that they had to use retirement savings, or were unable to save for retirement, or had to forego routine expenses such as vehicle replacement, entertainment, and dining out;
- As to those students that had talked with a financial aid officer, the anecdotal responses included a smaller range of responses ranging from being able to get more financial aid to a frustration in getting useful or helpful information;
- For those students who responded to the question about how much they had to borrow to attend college, the answers ranged from a high of \$500,000 to a low of nothing with many answers on either side of approaching \$100,000;
- With regards to miscellaneous comments that were made at the end of the survey, a wide variety of responses were received including:
  - Participating in AmeriCorp for a year helped postpone and manage that person’s student debt;
  - Several parents perceived that they were “penalized” for having savings, thereby receiving reduced financial aid for their child;
  - A lack of family and personal financial resources, without significant financial aid and an unwillingness to enter into significant debt resulted in a decision to drop out of college; and
  - Paradoxically, being able to secure a number of scholarships resulted in reduced financial aid thereby forcing the student drop out of college.

### Affordability Model

To further facilitate their understanding of college affordability and to quantify the current ability of Maine’s college students and their families to pay for a college education in Maine, the Commission made use of an Affordability Model developed for the Washington Student Achievement Council by HCM Strategists in a report dated August 21, 2014. The model was designed to answer the questions: 1) Is there a viable pathway to a bachelor’s degree—including significant part-time work and student loans—for all state residents?; 2) How can state grant policies (amount, eligibility, etc.) increase affordability for students?; and 3) Should any policies be modified to support student success?

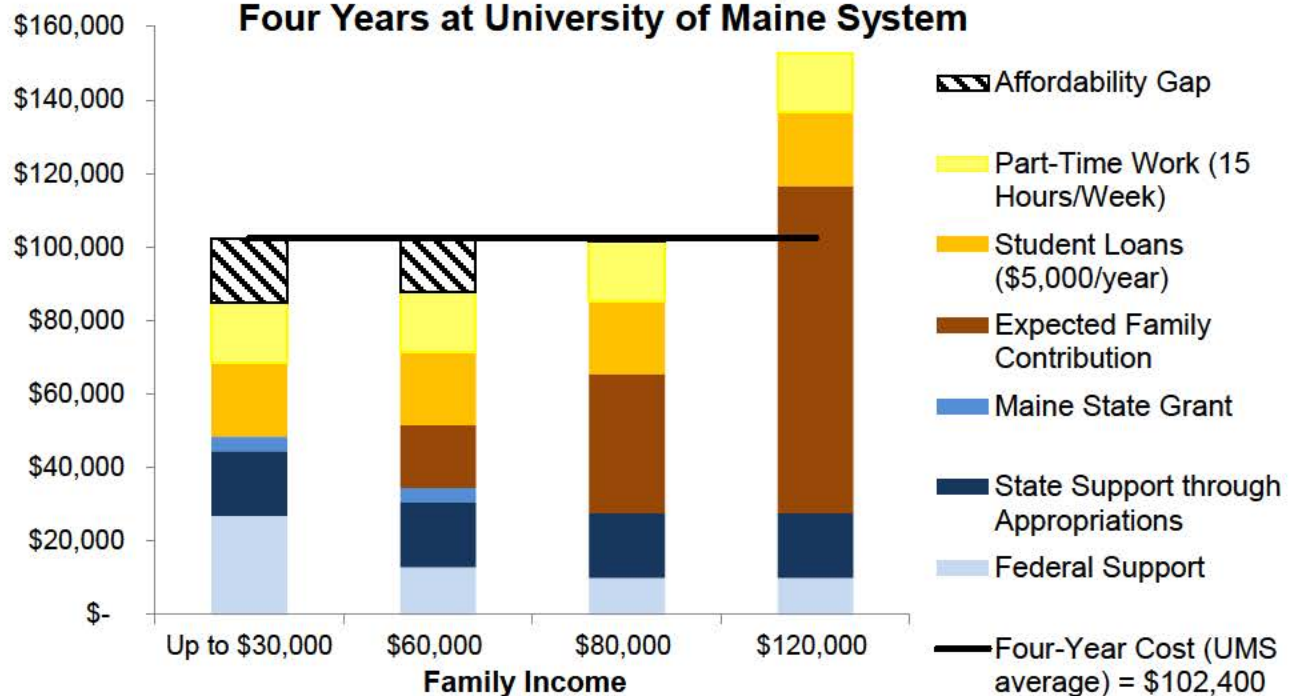
In brief, the Commission adapted this Affordability Model to determine the total *unmet financial need* of attending a public institution of higher education for students and their families based on the following factors:

- State support through appropriations;
- Student loans (\$5,000 per year);
- Federal support (Pell grants and loan programs);

- Maine State Grant Program (\$1,000 annual grant);
- Expected Family contribution; and
- Part-time work (15 hours per week at minimum wage)

With the help of Commission member Lisa Plimpton, Director of Research for the Mitchell Institute, the Commission was able to determine, as portrayed in the following graph, the current unmet financial need (Affordability Gap) of students attending 4 year degree program within the UMS:

### Maine College Affordability Gap Analysis: Dependent Students, Four Years at University of Maine System



In brief, through this analysis, the Commission determined the following:

- For a family with an annual income of up to \$30,000, there is a current Affordability Gap of slightly more than \$17,000 over a 4 year period after all other available financial sources have been used;
- For a family with an annual income of up to \$60,000, there is a current Affordability Gap of almost \$15,000 over a 4 year period after all other available financial sources have been used;
- For families with incomes over \$60,000, there is not currently an Affordability Gap for the costs of attaining a 4 year degree in the UMS.

The Commission used this information to quantify that there is a significant degree of unmet financial need for the 4 year cost of attending a university within the UMS for families with annual incomes of less than \$60,000. The Commission used this conclusive financial analysis as the basis for adopting several of its following recommendations.



### **Recommendations and Findings**

1. *The Commission endorses the various goals and objectives pertaining to attainment and completion stated in the Statewide Education and Workforce Development Strategic Plan and requires MCCS, UMS and MMA to report back to the Joint Standing Committee on Education and Cultural Affairs by July 1, 2015 regarding progress in implementing these goals and objectives.*

During its review of the Statewide Education and Workforce Development Strategic Plan, which was supplemented by a panel presentation and discussion on September 18, 2014, the Commission found that the goals and objectives pertaining to college affordability and completion were laudable and deserved appropriate follow up from the three institutions of public higher education in Maine to determine their progress in attaining these goals. Thus, the Commission has recommended that the MCCS, UMS and MMA be required by law to report back to the Joint Standing Committee on Education and Cultural Affairs by July 1, 2015 on the progress made towards in achieving those goals.

2. *Require the Boards of Trustees for the UMS, MCCS and MMA to report back to the Joint Standing Committee of Education and Cultural Affairs by July 1, 2015 regarding their reactions to the Game Changers strategies, what action(s) was agreed upon, what additional resources would be required to implement these strategies, what plan of action has been adopted and identify how the State of Maine could assist in implementation of these strategies.*

Similar to the previous recommendation, the Commission's review of the Game Changers report issued by Complete College America was supplemented by a presentation and panel discussion on October 8, 2014. During that presentation, the Commission ascertained that while aspects of the various Game Changer strategies were being employed by the MCCS, UMS and MMA, none of these institutions had formally considered the possible adoption of these strategies. Understanding that circumstances within each institution may or may not lend themselves to formal and verbatim adoption of these strategies, the Commission did feel that it would be worthwhile for these public colleges and universities to specifically consider adoption of these strategies and thus is recommending that the MCCS, UMS and MMA be required to review these strategies and report back to the Joint Standing Committee on Education and Cultural Affairs by July 1, 2015 on their conclusions.

3. *All institutions of higher education in Maine should publish average class fees by major course of study and that the Joint Standing Committee on Education and Cultural Affairs consider including this requirement in statutory law and work with the Maine Department of Education to determine what requirements currently exist regarding the publication of current class fees.*

The Commission's review of the current non-tuition fees charged by colleges and universities in Maine showed that these fees constitute a significant additional financial burden to students. Just as significantly, the Commission found that most of these fees were not adequately publicized and that many students are unaware ahead of time exactly what fees they would have to pay over the course of their academic career. Accordingly, the Commission recommends that all Maine colleges and universities should publish average class fees by course of study and that the Joint Standing Committee on Education and Cultural Affairs further consider including this requirement in statutory law after consulting with the Maine Department of Education as to what current federal and state requirements might already exist regarding this broad topic.



4. *The Commission encourages higher education institutions in the State of Maine to partner, where possible, with other colleges and institutions in other states to develop open education resources and to secure, when possible, private funding for the further development of open education resources. In addition, the Commission recommends that colleges and universities in Maine work to encourage additional options in securing classroom materials such as open education resources.*

The Commission's review of the cost of required college textbooks confirmed that textbook acquisition is another significant burden to students with an average annual cost of more than \$1,000. While noting that many colleges and universities in Maine are sensitive to this cost and make reasonable efforts to offer used and rented textbooks as well as employing efforts to reduce textbook costs whenever possible, the Commission concluded that more effort needs to be made in providing students with a low cost emerging alternative in the form of open education resources which allow the open and free electronic dissemination of an increasing number of essential textbooks. While recognizing the limitations that public funding has with regards to this topic, the Commission recommends that Maine colleges and universities work to secure private funding and look for additional opportunities to increase the use of open education resources.

5. *The Commission finds and wishes to acknowledge the importance of the K-12 educational process in order to ensure adequate academic readiness of those Maine students entering college for the first time.*

As the Commission proceeded with its review of the topics of college affordability and completion, it frequently was reminded of the importance of the K-12 educational process in adequately preparing Maine students for college. Any attempts to rectify the many issues surrounding higher education, including affordability and completion, are predicated upon a sound and well-designed elementary and secondary educational system which creates an educational environment that stimulates learning and encourages educational advancement. The Commission finds that a properly conceived educational system in its totality is essential for success in a post-secondary college environment and therefore will help students aspire to being in college, deal with affordability issues as they occur and strive to complete college as an important step to a successful career.

6. *Recommend that the Joint Standing Committee on Education and Cultural Affairs consider setting a statutory college attainment goal that is not lower than the 50% by 2025 promoted by Educate Maine with additional consideration to attainment goals established by the Lumina Foundation and the "40-40-20" aspirational goal for all levels of education established by the State of Oregon. In addition, recommend that in light of whatever statutory attainment goal that has been established, that the Joint Standing Committee on Education and Cultural Affairs propose legislation which requires that the Legislature bi-annually monitor education attainment metrics from Educate Maine and/or the Maine Development Foundation's Measures of Growth report.*

During its review of the issues of college affordability and college completion, the Commission considered the issue of what a realistic attainment (proportion of the state's adult population holding an associate or higher degree) goal might be for the state of Maine. After a great deal of consideration and recognition of the additional time that would be needed to properly ascertain and decide upon an appropriate goal, the Commission decided to recommend that the Joint Standing Committee on Education and Cultural Affairs consider establishing an statutory college attainment goal that is not lower than the 50% by 2025 promoted by Educate Maine with additional consideration to attainment goals established by the Lumina Foundation and the "40-40-20" aspirational goal for all levels of education established by the State of Oregon. In addition, the Commission voted to recommend that in light of whatever statutory attainment goal that has been established, that the Joint Standing Committee on Education and Cultural Affairs propose legislation which requires that the Legislature bi-annually monitor education attainment metrics from Educate Maine and/or the Maine Development Foundation's Measures of Growth report.

7. *Recommend that the Maine State Grant Program be reconstituted to provide a tiered grant program starting at annual awards of \$2,500 for families with \$0 EFC with annual increases of \$250 for each year that the student is enrolled. Further recommend that annual awards of \$1,500 be made to families with EFCs that are greater than \$0 with annual increases of \$250 for each year that the student is enrolled. In addition, recommend that these tiered programs be reviewed by the Legislature in light of forth coming studies from the New England Board of Higher Education. Further recommend that the grant award levels be reviewed by the Legislature from an affordability and unmet need perspective every two years.*

The Commission spent a great deal of time considering the annual grants available to many college students from the Maine State Grant Program (MSGP). In considering the issue of college affordability, the Commission reviewed the following facts about the MSGP:

- Annual MSGP grants have gradually declined due to funding limitations from a high of \$1,500 in FY 07 and FY 08, to \$1,250 in FY 09 through FY 12, to \$1,000 in FY 13;
- In that same time period, average tuition and fees for a 4 year college program have increased steadily from approximately \$6,000 in FY 07 to close to \$9,000 in FY 13;
- Average tuition and fees for a 2 year college program have slightly increased from \$3,000 in FY 07 to approximately \$3,250 in FY 13; and
- If the annual grants had been increased to keep pace with inflation since 1992, the annual grants from the MSGP would be \$2,500.

Based on these facts, 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. During its review of this topic, the Commission acknowledged that funding provided for the MSGP by the Legislature since 1992 has been inadequate and that the inadequate funding has significantly contributed to the Affordability Gap identified earlier in this report.

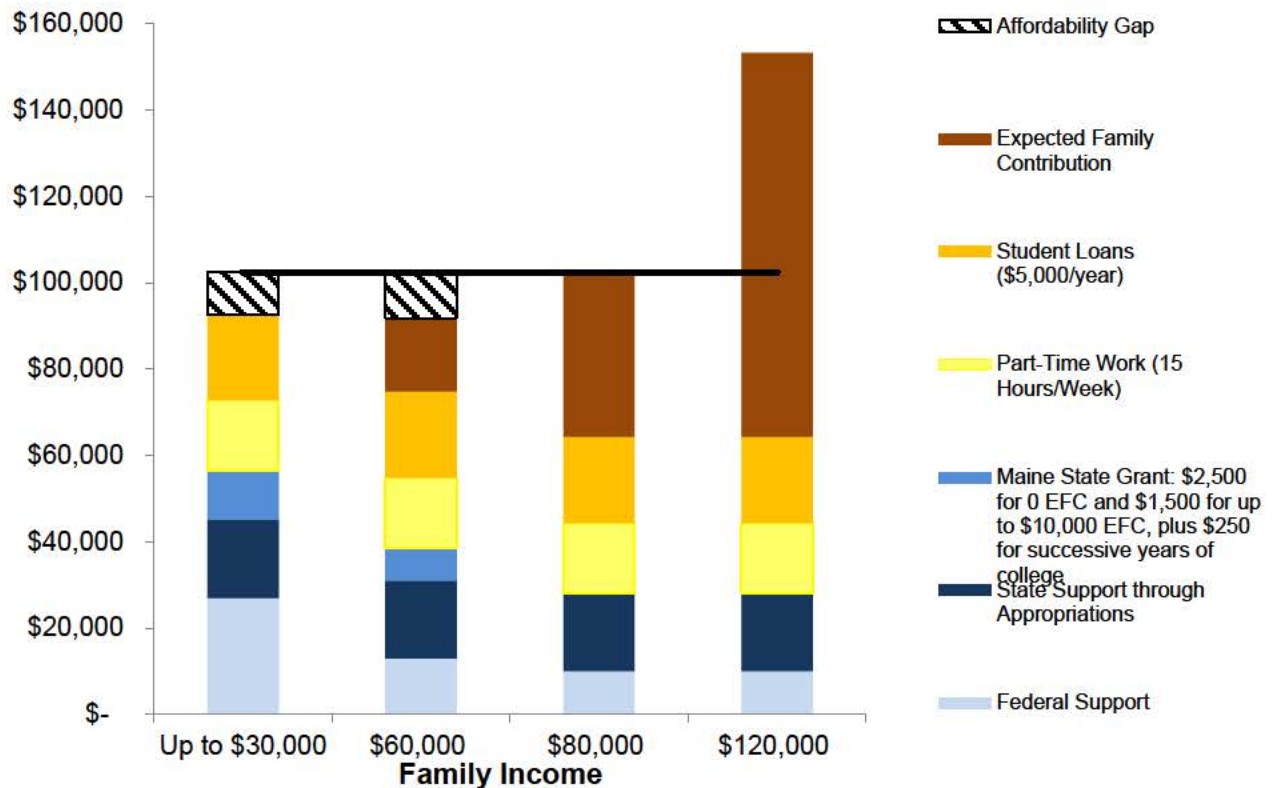
To remedy this significant lack of funding for the MSGP and how to target those families with college students most in need of financial resources to be able to attend college, the Commission considered a large number of alternatives that might be recommended to help mitigate the current Affordability Gap. After considerable discussion of the different alternatives, the Commission decided to recommend the following:

- Reconstitute the MSGP to provide a tiered grant program starting at annual awards of \$2,500 for families with \$0 Estimated Family Contribution (EFC) with annual increases of \$250 for each year that the student is enrolled;
- Provide annual awards of \$1,500 for families with EFCs that are greater than \$0 with annual increases of \$250 for each year that the student is enrolled;
- These tiered programs should be reviewed by the Legislature in light of forth coming studies from the New England Board of Higher Education; and
- These grant award levels should be reviewed by the Legislature from an affordability and unmet need perspective every two years.

The annual cost of funding this series of recommendations will require additional General Fund appropriations of \$27 million to the Finance Authority of Maine which is responsible for administering the MSGP. While the Commission is quite aware of the financial magnitude of this recommendation, it believes that the corresponding issues of college affordability more than justify the additional funding and in fact, is long overdue.

The Commission arrived at this recommendation through further use of the Affordability Model discussed earlier in this report. If the Commission's recommendations for the MSGP are fully funded, the Affordability Gap for many Maine students will be significantly reduced as shown in the following graph:

**College Affordability Commission Recommendation:  
Maine State Grant Increase to \$2,500 for 0 EFC and \$1,500 for up to \$5,000 EFC  
Plus \$250 for Each Successive Year in College**



In summary, the Commission's funding recommendations for the MSGP will:

- Reduce the Affordability Gap for a 4 year degree program at the UMS from slightly more than \$17,000 to less than \$10,000 for a family with an annual income of up to \$30,000; and
- Reduce the Affordability Gap for a 4 year degree program at the UMS from almost \$15,000 to slightly more than \$10,000 for a family with an annual income of up to \$60,000.

In making this recommendation, the Commission acknowledges that a significant Affordability Gap will still exist for many Maine families but believes that this funding increase for the MSGP will be a significant and essential step towards making college more affordable for many Maine students.

8. *Recommend that the FY 16-17 budget requests for the University of Maine System, the Maine Community College System and the Maine Maritime Academy should be fully funded as a means of achieving greater affordability for Maine students.*

During its review, the Commission received a great deal of testimony which maintained that much of the college affordability issue has been exacerbated by inadequate funding for Maine's institutions of public higher education. It was repeatedly pointed out that as state funding for the public colleges and universities does not keep pace with the normal rate of inflation, these institutions are forced to raise tuition and other fees to maintain the current level of programing and services. The net effect of this

revenue shift is to significantly increase costs to students thereby increasing the aforementioned Affordability Gap.

While the Commission recognizes that funding levels for public education have been adversely affected by declining state revenues and the recessionary economic climate of recent years, the Commission believes that continued levels of appropriate investment in public higher education will help alleviate the Affordability Gap and ultimately result in a highly educated workforce and a more prosperous economy. Therefore, the Commission recommends that the FY 16-17 budget requests for the University of Maine System, the Maine Community College System and the Maine Maritime Academy should be fully funded as a means of achieving greater affordability for Maine students. The Commission also believes that this funding should be viewed as an important investment in the quality of the Maine work force and will ultimately return greater state revenues through a stronger wage based work force.

9. *Recommend that the Legislature appropriate an additional \$1,800,000 to the Maine Community College System for the annual costs of hiring 27 College Navigator positions.*

10. *Recommend that the Legislature appropriate an additional \$2,000,000 to the Maine Community College System for the annual costs of expanding student work study opportunities.*

When the Commission reviewed the “Improving College Affordability & Completion in Maine” Report, it carefully considered the proposals made by the MCCS, UMS and MMA that were intended to help address the dual issues of college affordability and completion. Commission members were asked to prioritize those proposals that they felt could most effectively deal with these dual issues.

Commission members made note of the proven effectiveness of having on-campus counselors that could effectively help students deal with campus life and successfully chart their academic programs- all of which will significantly help students stay in college and complete their degree programs. Commission members were also persuaded that providing more work study opportunities would also address both affordability and college completion issues and they believed that a large number of students would be positively affected by proposals which would provide funding for more College Navigator positions and work study opportunities in the MCCS. Therefore, the Commission voted to recommend that the Legislature appropriate an additional \$1,800,000 to the Maine Community College System for the annual costs of hiring 27 College Navigator positions and that the Legislature appropriate an additional \$2,000,000 to the Maine Community College System for the annual costs of expanding student work study opportunities. (With regards to the former recommendation, the Commission notes that the original request from MCCS was for thirty additional College Navigator positions. During the course of the Commission’s review, it was announced that KeyBank has generously made a 3 year grant which will fund 3 additional College Navigator positions at SMCC. Accordingly, the Commission adjusted its recommendation to fund a total of 27 College Navigator positions but the clear intent of its recommendation is that the Legislature will eventually fully fund the cost of the 3 positions after the KeyBank grant expires.)

### **Conclusion**

The Commission entered into its task to study college affordability and completion with an acute awareness that these topics are immense in their scope and will not easily be solved, particularly by a group of dedicated citizens such as the Commission members who met six times over a relatively short amount of time with no recourse other than to make the most meaningful and relevant recommendations possible. The Commission itself does not have the means to solve these important issues but has worked hard to construct a series of recommendations that, if implemented, will work in concert to significantly improve the issue of college affordability and encourage students in Maine to complete college.

Like a great many public policy issues, college affordability and completion inevitably involve questions surrounding matters of funding. In particular, the issue of college affordability is about whether many students in Maine have adequate financial resources to realistically cover the increasingly high cost of college. The Commission placed a priority on trying to quantify whether such an affordability problem actually exists. Through its use of the Affordability Model discussed in this report, the Commission 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.

The causes of this Affordability Gap are many and unfortunately, many of the solutions are inevitably expensive. The Commission was cognizant of the significant costs associated with its recommendations- particularly in an era of scarce and sometimes diminishing public resources. Yet there can be little doubt that a decision not to fund these recommendations will simply result in a situation that at best remains static with no other solution in sight and at worst, the Affordability Gap for Maine college students will continue to widen and fewer students will be able afford to attend college and even fewer will be able to complete college.

The Commission sincerely urges the 127<sup>th</sup> session of the Maine State Legislature to carefully consider these recommendations and to make every effort to fully fund and implement them. In closing, the Commission wishes to emphasize that even if its recommendations are completely adopted, an Affordability Gap, albeit smaller, will still exist and that students will continue to face challenges in accessing and attaining higher education. In addition, the complete adoption of the Commission's recommendations will require an ongoing willingness to revisit the issues of college affordability and completion to ensure that financial resources invested in higher education are keeping pace with costs and the overall effects of inflation. The Commission's recommendations are a necessary first step in a determined effort to make college more affordable for the people of Maine and to encourage college completion.

# **Appendix 1**

## **Authorizing Legislation for the Commission to Study College Affordability and College Completion**

**Resolves 2013, Chapter 109**

## **Resolve, To Establish the Commission To Study College Affordability and College Completion**

**Emergency preamble. Whereas,** acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** this legislation needs to take effect before the expiration of the 90-day period in order to allow the commission established in this resolve sufficient time to complete its work; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

**Sec. 1 Commission established. Resolved:** That, notwithstanding Joint Rule 353, the Commission To Study College Affordability and College Completion, referred to in this resolve as "the commission," is established; and be it further

**Sec. 2 Commission membership. Resolved:** That the commission consists of 13 members as follows:

1. The President of the Senate shall appoint:

A. Two members of the Senate who serve on the Joint Standing Committee on Education and Cultural Affairs, including one member of the party holding the highest and one member of the party holding the 2nd highest number of seats in the Legislature;

B. One person representing a statewide association of independent higher education institutions; and

C. One person representing a statewide association of student financial aid directors;

2. The Speaker of the House shall appoint:

A. Three members of the House of Representatives who serve on the Joint Standing Committee on Education and Cultural Affairs, including 2 members of the party holding the highest and one member of the party holding the 2nd highest number of seats in the Legislature;

B. One person with expertise in higher education policy issues representing a nonprofit entity in the State that provides financial assistance to students or to high schools to assist students for college enrollment; and

C. One person with expertise in higher education policy issues representing a statewide education policy research institute; and

3. Four members of the publicly supported higher education systems in the State, including:

A. The Chancellor of the University of Maine System or the chancellor's designee;

B. The President of the Maine Community College System or the president's designee;

C. The President of the Maine Maritime Academy or the president's designee; and

D. The Chief Executive Officer of the Finance Authority of Maine or the chief executive officer's designee; and be it further

**Sec. 3 Chairs. Resolved:** That the first-named Senate member is the Senate chair and the first-named House of Representatives member is the House chair of the commission; and be it further

**Sec. 4 Appointments; convening of commission. Resolved:** That all appointments must be made no later than 30 days following the effective date of this resolve. The appointing authorities shall notify the Executive Director of the Legislative Council once all appointments have been completed. Within 15 days after appointment of all members, the chairs shall call and convene the first meeting of the commission, which must be no later than 30 days following the appointment of all members; and be it further

**Sec. 5 Duties. Resolved:** That the commission shall 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. The strategies and related cost issues to be reviewed include:

1. Oregon's "Pay Forward, Pay Back" pilot project's model of funding public postsecondary education, under which a student enrolled in a public institution of higher education, in lieu of paying tuition or fees, contracts to pay to the State a certain percentage of the student's annual income upon graduation for a specified number of years;

2. Increased funding to the State of Maine Grant Program established in the Maine Revised Statutes, Title 20-A, section 11612 that boosts the minimum grant from \$1,000 to \$1,500 for eligible Maine residents;

3. The initiatives proposed by the public and independent colleges and universities in the State as part of the March 2014 "Improving College Affordability and Completion in Maine" report submitted to the Joint Standing Committee on Education and Cultural Affairs;

4. The extent to which Maine's public institutions of higher education support the state reforms included in the October 2013 "The Game Changers" report prepared by Complete College America, which recommends implementing the following strategies to enable more college students to complete degree programs and certificate programs and graduate from college: Performance Funding; Corequisite Remediation; Full-Time is 15; Structured Schedules; and Guided Pathways to Success;

5. The mandatory fees charged to students beyond the price of tuition charges, including technology and laboratory fees;

6. The affordability of college textbooks, including consideration of the costs and benefits of open source textbooks, for college students in the State; and

7. Other strategies that a majority of the commission members agree to include in this review.

The commission shall review previous reports prepared and submitted to the Legislature on college affordability and the rate of college degree completion in the State, including the "Statewide Education and Workforce Development Strategic Plan" report submitted by the Education Coordination Committee to the Joint Select Committee on Maine's Workforce and Economic Future on January 30, 2014; and be it further

**Sec. 6 Staffing assistance; information. Resolved:** That the University of Maine System, the Maine Community College System and the Maine Maritime Academy shall provide staffing assistance to the commission. The Finance Authority of Maine shall provide the commission with access to any nonconfidential aggregate information in its student financial assistance database for postsecondary education students in the State necessary to carry out the duties pursuant to section 5. The Office of Policy and Legal Analysis shall provide drafting assistance to the commission; and be it further

**Sec. 7 Outside funding for commission activities.** The commission may seek outside



funds to provide staff support, consulting or other services or to fund the costs of carrying out the duties and requirements of the commission. Contributions to support the work of the commission may not be accepted from any party having a pecuniary or other vested interest in the outcome of the matters being studied. Any person, other than a state agency, desiring to make a financial or in-kind contribution shall certify to the Legislative Council that it has no pecuniary or other vested interest in the outcome of the commission's activities. Such a certification must be made in the manner prescribed by the Legislative Council. All contributions are subject to approval by the Legislative Council. All funds accepted must be forwarded to the Executive Director of the Legislative Council along with an accounting record that includes the amount of the funds, the date the funds were received, from whom the funds were received and the purpose of and any limitation on the use of the funds. The Executive Director of the Legislative Council shall administer any funds received by the commission; and be it further

**Sec. 8 Report; recommendations. Resolved:** That the commission shall submit a report containing its findings and recommendations pursuant to section 5, including any necessary implementing legislation, to the joint standing committee of the Legislature having jurisdiction over education matters by December 9, 2014. The joint standing committee may submit a bill related to this report to the First Regular Session of the 127th Legislature.

**Emergency clause.** In view of the emergency cited in the preamble, this legislation takes effect when approved.

**Appendix 2**  
**Panel Memberships**

## **Panels Conducted by the Commission to Study College Affordability and College Completion:**

- Student Panel on College Affordability ; August 5<sup>th</sup>
  1. Joey Blanchard , Central Maine Community College
  2. Ms. Danielle Wadsworth, University of Maine at Augusta
  3. Ms. Erica Fredrick-Rock, University of Maine at Augusta
  4. Mr. Erin Donlon, Maine Maritime Academy
  5. Mr. Alex Greenlee, University of Southern Maine
  6. Mr. Connor Thomas, Maine Maritime Academy
  7. Ms. Eliza Pingree, Maine Maritime Academy
  
- Panel on the Maine State Grant Program; August 26<sup>th</sup>
  1. Ms. Nicole Vachon, Financial Aid Director for Husson University
  2. Mr. Shayne Brown, student at Husson University
  3. Mr. Richard Brown, parent of Shayne.
  
- Panel on “Improving College Affordability & Completion in Maine” Report ; September 18<sup>th</sup>
  1. President John Fitzsimmons, M CCS
  2. Mr. Ryan Low, UMS
  3. President Bob Clark, Husson University
  4. Elizabeth True, MMA
  5. Bill Norbert, FAME
  
- Panel on the “Statewide Education and Workforce Development Strategic Plan”; September 18<sup>th</sup>
  1. President John Fitzsimmons, M CCS
  2. Mr. Ryan Low, UMS
  3. Elizabeth True, MMA
  
- Panel on “Pay Forward, Pay Back” pilot project; October 8<sup>th</sup>
  1. Sara Goldrick-Rab; Professor of Educational Policy Studies and Sociology at the University of Wisconsin-Madison (by phone)
  2. Jody Harris; Associate Director, Maine Center for Economic Policy
  3. John Burbank; Executive Director, Economic Opportunity Institute
  4. Sarah Pingel; Researcher, Education Commission of the States
  
- Panel on Textbook Costs and Current College Fees; October 8<sup>th</sup>

*Textbooks*

  1. Dan Sturup, Assistant Vice President for Auxiliary Services, University of Maine
  2. Dr. Janet Sortor, Vice President/Academic Dean at Southern Maine Community College
  3. Daniel Williamson, Managing Director, OpenStax, Rice University (by phone)
  4. Nicole Allen, Director of Open Education, SPARC, the Scholarly Publishing & Academic Resources Coalition (by phone)

5. Dr. Dave Ernst, Director of Academic and Information Technology College of Education and Human Development (CEHD) University of Minnesota (by phone)

*Fees*

1. Ryan Low, University of Maine System
  2. President John Fitzsimmons, Maine Community College System
  3. Elizabeth True, Vice President of Student Affairs, Maine Maritime Academy
  4. Robert Clark, President, Husson University
- Panel on the “Game Changers” Report; October 8<sup>th</sup>
    1. Dominique (Domy) Raymond, Vice President for Complete College America
    2. Rosa Redonnett, Chief Student Affairs Officer, University of Maine System
    3. Larry Barrett, President, Eastern Maine Community College
    4. Elizabeth True, Maine Maritime Academy
    5. Robert Clark, President, Husson University



## **Appendix 3**

# **Draft Legislation**

**An Act to Implement the Recommendations of the  
Commission To Study College Affordability and College Completion**

**Emergency preamble.** Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** this legislation needs to take effect before the expiration of the 90-day period in order to provide additional funding beginning in fiscal year 2015-16 to the Finance Authority of Maine for the expansion of the Maine State Grant program, to the Maine Community College System for the annual costs of hiring 27 College Navigator positions and to the Maine Community College System for the annual costs of expanding student work study opportunities; and

**Whereas,** the Finance Authority of Maine needs sufficient time to adopt rules for the Maine State Grant program in order to provide additional grant funding to eligible students beginning with the 2015-2016 academic year; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. MRSA 20-A, §11614, sub-§2** is amended to read:

**2. Minimum amount.** It is the intent of the Legislature that grants awarded under this chapter, except as provided in subsections 4, 5 and 6, may not be less than ~~\$1,000~~ \$1,500. The authority may establish by rule increased grant amounts for students attending their 2nd, 3rd and 4th years, or the equivalents thereof, at institutions of higher education. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**Sec. 2. College attainment and degree completion goals; report.** The University of Maine System, the Maine Community College System and the Maine Maritime Academy shall each submit a report to the Joint Standing Committee on Education and Cultural Affairs by July 1, 2015 regarding their progress in implementing the goals and objectives pertaining to college attainment and degree completion specified in the "Statewide Education and Workforce Development Strategic Plan" report submitted by the Education Coordination Committee to the Joint Select Committee on Maine's Workforce and Economic Future on January 30, 2014.

**Sec. 3. Strategic plan and funding required to implement college completion strategies; report.** The Boards of Trustees for the University of Maine System, the Maine Community College System and the Maine Maritime Academy shall each submit a report to the Joint Standing Committee of Education and Cultural Affairs by July 1, 2015 regarding their reactions to the strategies included in the October 2013 "The Game Changers" report to enable more college students to complete degree programs and certificate programs and graduate from college. The report submitted by each board of trustees shall include what strategies were agreed upon, what additional resources would be required to implement these strategies, what plan of action has been adopted and what assistance is necessary from the State of Maine to support the implementation of these college completion strategies.

**Sec. 4. Maine State Grant tiered funding program; rulemaking.** The Finance Authority of Maine shall amend the Maine State Grant program rules adopted in accordance with Public Law 2011, chapter 642 in order to increase the grant amounts that may be awarded for eligible students attending their 2nd, 3rd and 4th years, or the equivalents thereof, at institutions of higher education. The Maine State Grant program rules related to the determination of tiered grants awards for eligible students shall be amended to include the following provisions:

1. Students with expected family contributions of \$0 are eligible for tiered grants starting at an annual award of \$2,500 and with annual increases of \$250 for each year that the student is enrolled; and

2. Students with expected family contributions that are greater than \$0 are eligible for tiered grants starting at an annual award of \$1,500 and with annual increases of \$250 for each year that the student is enrolled.

The Finance Authority of Maine shall amend the Maine State Grant program rules authorized pursuant to the Maine Revised Statutes, Title 20-A, section 11614, subsection 2 in order to implement these changes to the tiered grant awards beginning with the 2015-2016 academic year.

**Sec. 5. Maine State Grant program; legislative review.** Beginning with the second regular session of the 127<sup>th</sup> Legislature, the joint standing committee of the Legislature having jurisdiction over education and cultural affairs shall review the grant amounts awarded from the Maine State Grant program to eligible students, including the tiered grants awarded to eligible students attending their 2nd, 3rd and 4th years, or the equivalents thereof, at institutions of higher education. No later than January 15<sup>th</sup> of each year, the Finance Authority of Maine shall report on the levels of grant awards made from the Maine State Grant program to eligible students to the joint standing committee of the Legislature having jurisdiction over education and cultural affairs. The report submitted by the Finance Authority of Maine shall also include any data, findings and recommendation related to college affordability and the unmet need levels of Maine college students, including analyses submitted in studies conducted by the New England Board of Higher Education.

**Sec. 6. Appropriations and allocations.** The following appropriations and allocations are made:

**FINANCE AUTHORITY OF MAINE**

**Student Financial Assistance Programs 0653**

Initiative: Provides funding for the annual costs of increasing the tiered grants awarded to eligible students from the Maine State Grant program.

<b>GENERAL FUND</b>	<b>2015-16</b>	<b>2016-17</b>
All Other	\$27,000,000	\$27,000,000
<b>GENERAL FUND TOTAL</b>	<u>\$27,000,000</u>	<u>\$27,000,000</u>

**COMMUNITY COLLEGE SYSTEM, BOARD OF TRUSTEES OF THE MAINE**

**Maine Community College System - Board of Trustees 0556**

Initiative: Provides funding for the annual costs of hiring 27 College Navigator positions.

<b>GENERAL FUND</b>	<b>2015-16</b>	<b>2016-17</b>
All Other	\$1,800,000	\$1,800,000
<b>GENERAL FUND TOTAL</b>	<u>\$1,800,000</u>	<u>\$1,800,000</u>

**Maine Community College System - Board of Trustees 0556**

Initiative: Provides funding for the annual costs of expanding student work study opportunities.

<b>GENERAL FUND</b>	<b>2015-16</b>	<b>2016-17</b>
All Other	\$2,000,000	\$2,000,000



GENERAL FUND TOTAL

\$2,000,000

\$2,000,000

**Emergency clause.** In view of the emergency cited in the preamble, the Act takes effect when approved.

### SUMMARY

This draft legislation is an emergency bill that includes certain recommendations proposed by the Commission To Study College Affordability and College Completion for consideration by the joint standing committee of the Legislature having jurisdiction over education and cultural affairs. The joint standing committee may submit a bill related to this report to the First Regular Session of the 127th Legislature.