

Testimony at Hearing on LR 1046:**An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2014 and June 30, 2015****By Garrett Martin, Executive Director
March 18, 2013**

Good afternoon Senator Hill, Representative Rotundo, Senator Millett, Representative MacDonald, and distinguished members of the Joint Standing Committees on Appropriations and Financial Affairs and on Education and Cultural Affairs. My name is Garrett Martin. I am the Executive Director at the Maine Center for Economic Policy.

I am here today to testify in favor of proposed funding for Maine's College Transition Program and GED testing program and against the funding proposal as presented for General Purpose Aid in Part C of the Governor's biennial budget proposal.

Too many Maine families where at least one person works a full-time job do not make enough to meet a basic needs budget (calculated at 200 percent of the federal poverty level or \$39,060 for a three person family). One of the best ways to improve the economic conditions of low-income working adults is to improve their knowledge and skills so that they can obtain a better paying job. Unfortunately, the pathway to a better paying job is not an easy one and the current statistics are daunting. Maine lags behind New England on a number of indicators:

- Nearly 34 percent of Mainers ages 18 to 64 have only a high school diploma or equivalent. Maine has the highest number of adults in New England without any kind of postsecondary degree.¹
- 24 percent of Mainers ages 18 to 64 have some post-secondary education, but no degree. The rate of degree completion in Maine is less than all other New England states, except Rhode Island.²
- 35 percent of Mainers ages 18 to 64 have an associate degree or higher. Maine also lags behind New England in this regard.³

A recognized high-school equivalency certificate is the first step toward enhancing the education levels of low-income working adults to enable them to compete more successfully for higher paying jobs. As of January 1, 2014, the new for-profit provider of the GED testing service, PearsonVue, will administer the test in electronic form only, necessitating an upgrade of technology and test-taking areas in adult education centers across Maine. The funds allocated in the Governor's budget proposal are necessary to allow some of Maine's 78 testing sites to begin acquiring computer hardware and test-monitoring equipment required by PearsonVue for administering online exams. More than 2,000 Mainers relied upon this service to gain their GED in 2012. Uninterrupted provision of GED services during the FY14-FY15 biennium free of charge to Mainers is an important step along the path toward greater economic security for low-skill, low-income adults.

The proposed budget also includes support for the Maine College Transitions Program. Maine College Transitions assists adult learners to prepare for and achieve admission to college within 12-18 months. The program targets adults who require skill enhancement in reading, writing, math, and computers before they can gain acceptance into community college, university, or other post-secondary education. The program's success has been attributed to innovative case-management which includes counseling, tutoring, mentoring, career planning and other support services to enable non-traditional adult learners to overcome barriers to education. Maine's College Transitions Program has been cited as a national model for how to provide low-skill students the academic, study, and planning skills needed to succeed in college (see excerpts from issue brief *Graduating to College: Three States Helping Adult Education Students Get a College Education* provided with this testimony). In 2010, the program enrolled 5,301 participants. The additional funding will allow College Transitions to bolster its 22 sites to provide better statewide coverage and to assist a greater proportion of low-income adult learners out of low-paying jobs, into a successful college-level education and ultimately into higher-wage careers.

These same Maine families are particularly vulnerable to any action that undermines their current income or the ability of their children to obtain a high quality education. Included with my testimony is a MECEP issue brief *Education Funding Falters in Maine: Severe Education Funding Cuts Threaten Maine's Economic Future* that highlights our concerns with the GPA funding proposal. In short, the current proposal takes us in the wrong direction both in terms of adequately funding K-12 education and in avoiding costly tax increases for low- and middle-income families as a result of increasing property taxes. As I highlighted in testimony on March 13, 2013 before the Appropriations and Taxation Committees, increasing property taxes without providing targeted relief to low- and middle-income families will result in an even less fair tax system than we have at present.

There are better solutions that can provide more adequate funding for education and improve tax fairness for Maine residents. For starters, rolling back the 2011 estate, income, and pension tax cuts would provide approximately \$433 million in revenue. Making sure that Maine's wealthiest residents pay the same effective state and local tax rate as the average Mainer will generate close to \$200 million over the coming biennium. Applying greater scrutiny to business tax expenditures and insisting that corporations contribute to the solution, could generate another \$50 million. There are plenty of other ways to raise revenue to secure key investments in education, health care, public safety, and other important services for Maine people. Ultimately, Maine's tax system needs serious reform. While it is unlikely to occur through the budget process, I urge you to consider the total impact of the decisions you make on advancing tax fairness and making sure Maine has the resources it needs to increase education funding and make other investments that will keep Maine strong now and in the future.

Maine needs a budget that reflects our values, one in which everyone pays their fair share, and one that invests in our people, their education, and the prospect for a better future.

¹ Working Poor Families Project using the American Community Survey (ACS), the Current Population Survey (CPS), and the Occupational Employment Survey (OES). Available on-line at <http://www.workingpoorfamilies.org/indicators/>. Accessed March 14, 2013. Data are for Mainers at 200% below the poverty level in 2010.

² Ibid.

³ Ibid.