

## Testimony in Support of LD 627, An Act to Make College More Affordable for Maine Residents

Good afternoon, Senator Langley, Representative Kornfield, and distinguished members of the Joint Committee on Education and Cultural Affairs. I am Christy Daggett, a policy analyst with the Maine Center for Economic Policy (MECEP), and I am here today to testify in favor of LD 627.

A good education opens the door to a good job for aspiring Maine workers, to future prosperity for them and their families, and to a strong Maine economy that attracts business investment. But the rising education costs, shrinking student aid, and crushing student loan debt are closing that door to far too many Mainers, especially those from low income families. College has become less affordable for all Maine students, but college remains least affordable for low-income students and working adults.

The statistics in Maine related to college affordability and college completion are staggering:

- Maine's average student loan debt of \$29,934 places the state 7<sup>th</sup> when ranking states by student debt load.<sup>i</sup>
- Maine has the highest rate in New England of adults who have some college credit, but don't have a degree and are stuck in low-paying jobs.<sup>ii</sup> Approximately 206,000 Mainers have some college, but no degree.

For low-income families and working adult students, the challenge is even greater:

- Forty-eight percent of low-income high school graduates go to college compared to 72 percent for middle- and upper-income graduates.<sup>iii</sup>
- College costs on average account for 71 percent of low-income family annual earnings.

Targeting grant aid to students who need it most, as LD 627 would do, is a critical step for boosting college affordability and college completion.

Kentucky's experience demonstrates this. In 1997, Kentucky placed near the bottom of states in completion.<sup>iv</sup> At that time, the state legislature committed to improving college graduation rates using several tools—but most relevant here, Kentucky dramatically expanded state grant programs. By 2006, Kentucky ranked 3<sup>rd</sup> nationally for state grant dollars expended per undergraduate full-time equivalent.<sup>v</sup> By comparison, Maine currently ranks 31<sup>st</sup>.

From 2000 to 2009, Kentucky improved faster than any other on several higher education metrics:

- The percent of young Kentucky adults with degrees improved more than any other state—moving the state from 44<sup>th</sup> place to 36<sup>th</sup> among U.S. states.<sup>vi</sup>
- Kentucky’s on-time graduation rates from public four-year institutions improved the most in the nation, and three-year community college graduation rates moved from 38<sup>th</sup> in the U.S. to 16<sup>th</sup>.<sup>vii</sup>
- Overall, Kentucky increased the number of degrees and credentials awarded by 62 percent and median income increased 22 percent.<sup>viii</sup>

While there are several factors that influenced these outcomes, the state’s decision to invest in its students and make college more affordable is an important one.

Compared to Kentucky, Maine has been headed in the wrong direction. The state has cut needs-based aid by 21 percent past ten years.<sup>ix</sup> Families and students now cover approximately 57 percent of the cost of public higher education compared to 20 years ago when it was closer to 30 percent. Programs that help low-income, working adults upgrade their skills by covering the costs of tuition and fees as well as other associated costs of pursuing higher education have also been cut.

LD 627 is an important step in the right direction.

Today, MECEP released its report, Maine’s Public College Affordability Crisis: It’s Worst for Families Earning the Least. I am providing copies of that report as background to my testimony. The report cites analysis from the National Center for Public Policy and Higher Education of the most affordable public higher education systems. NCPPHE found that increased state spending for need-based aid graduates students with the lowest debt. In the most successful states, need-based financial aid matches or exceeds the total amount that low-income families in the state receive from the federal Pell Grant program –a maximum of \$5,500 for full-time students.<sup>x</sup> Currently, just \$1,000 per year is available through the State of Maine grant program. LD 627 could be transformational for hundreds of thousands of individuals and families and for Maine’s economy. We urge the committee to expand the State of Maine Grant and to amend the current proposal to do so for all Maine students, regardless of the college they attend.

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<sup>i</sup> The Project on Student Debt. Student debt and the class of 2013. November 2014. Available at:

<http://projectonstudentdebt.org/files/pub/classof2013.pdf>.

<sup>ii</sup> Working Poor Families Project. “Education and skills status of adults.” 2015. Available at:

<http://www.workingpoorfamilies.org/indicators/>

<sup>iii</sup> Mitchell Institute. College-going in Maine: data brief. July 2014. Available at: <http://mitchellinstitute.org/wp-content/uploads/2014/07/2014MaineCollegeGoing.pdf>

<sup>iv</sup> Kentucky Council on Postsecondary Education. “Kentucky ranked number one in nation for 10-year improvement rate in higher education”. October 2011. Available at

<http://insight.councilonpostsecondaryeducation.org/2011/10/kentucky-ranked-no-1-in-nation-for-10-year-improvement-rate-in-higher-education>

<sup>v</sup> Based on MECEP analysis of annual survey data from the National Association of State Student Grant and Aid Programs. Available at <http://www.nassgap.org/viewrepository.aspx?categoryID=3#>

<sup>vi</sup> *Ibid.*

<sup>vii</sup> *Ibid.*

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<sup>viii</sup> Kentucky Council on Postsecondary Education. *Double The Numbers: Kentucky’s Plan to Increase College Graduates.* October 2007. Available at <http://cpe.ky.gov/NR/rdonlyres/76889317-86C5-4AFF-9046-AD95E4137602/0/DoubletheNumbersPlanFINALNov15.pdf>

<sup>ix</sup> Maine Legislature. *Final Report of the Commission to Study College Affordability and College Completion*, December 9, 2014.

<sup>x</sup> “Losing Ground” is available at [http://www.highereducation.org/reports/losing\\_ground/ar.shtml](http://www.highereducation.org/reports/losing_ground/ar.shtml).