

May 11, 2015

Senator Brian Langley, Chair
Representative Victoria Kornfield, Chair
Joint Standing Committee on Education and Cultural Affairs
Maine State Legislature
100 State House Station
Augusta, ME 04333

Dear Senator Langley, Representative Kornfield, distinguished members of the Joint Standing Committee on Education and Cultural Affairs

Please accept these additional comments on LD 1141, which the committee tabled pending an anticipated public hearing on a college affordability bill from the Commission to Study College Affordability and Completion.

At LD 1141's work session, the bill's sponsor provided the committee with a draft mark-up of Oregon legislation to be used to implement a Pay It Forward pilot in Maine's Community College System (MCCS). The detail in the new language does not alleviate the concerns MECEP raised about the Pay It Forward program in its testimony on LD 1141. The legislation provides for the Finance Authority of Maine to adopt rules for administering a Pay It Forward program. It leaves it to FAME's discretion to determine the parameters of the program, including the covered costs, the length of the repayment period, and percentage of the graduate's income to be paid, so we are unable to determine whether these elements of the Pay It Forward program would work for Maine students. It also does not indicate the funding source for the projected \$6 million state subsidy of the program over its first 15 years.

In addition, the mark-up language raises other concerns for MECEP. The legislation does not indicate that it would be a pilot. It also does not indicate who would be eligible for participating in the program (part-time or summer students for example).

More important, its implementation at the community college system misses the mark. Community college is Maine's low-cost college option. MCCS has frozen tuition for eight of the past 14 years. Once the community college system with the second-highest tuition and fees in the nation, MCCS now is ranked 23rd for affordability¹ —and boasts the lowest average tuition and fees in New England.

Low-income students seeking admission to community college have less unmet need than those attending the University of Maine. According to research presented to the Commission to Study College Affordability, after grants and loans, part-time work, and family contributions,

students attending the University of Maine still have more than a \$17,000 affordability gap over a four-year period. Students attending the Maine Community College System have an estimated \$3,000 affordability gap over two years.²

The real need for tuition relief is for students looking to attend Maine's four-year public university system where costs have jumped from \$11,958 in 2000 to \$17,820 in 2013, and now consume 71% of the annual earnings of a low-income family.

What's more, Maine's community colleges have seen a spike in applicants. Because of diminishing state funding, MCCS has had to limit enrollment in some high-demand programs —placing candidates in some programs on waiting lists for years.³ Without additional state funding for program instruction, MCCS could not accommodate many of the new students entering under a Pay It Forward payment arrangement.

We urge the committee to reject the Pay It Forward pilot proposed in concept in LD 1141, just as the Commission for College Affordability and Completion did.

Thank you for your consideration.

Sincerely,



Jody Harris
Associate Director

cc: Dr. Phillip McCarthy, Policy Analyst
Aida Gagnon, Committee Clerk

¹ Seth Koenig, "Maine Community College System freezes tuition for 2012-2013." *Bangor Daily News*, June 27, 2012. Available at <http://bangordailynews.com/2012/06/27/education/maine-community-college-system-freezes-tuition-for-2012-13/>.

² Plimpton, Dr. Lisa, Research Director, Mitchell Institute. Presentation to the Commission to Study College Affordability and College Completion, October 22, 2014. These numbers are for students with an annual family income of \$30,000 per year or less.

³ Alex Barber: "Want to enroll in a Maine community college? You may have to wait." *Bangor Daily News*, October 5, 2011. Available at <http://bangordailynews.com/2011/10/05/education/want-to-go-enroll-in-a-maine-community-college-you-may-have-to-wait/>.