

The Maine Heritage Policy Center Testimony in Opposition to LDs 461 & 1445

LD 461: “An Act To Improve the Affordability of Higher Education”

**LD 1445: “An Act To Provide Debt-free Educational Opportunities for
Maine Residents”**

Senator Herbig, Representative Daughtry and distinguished members of the Committee on Innovation, Development, Economic Advancement and Business, my name is Adam Crepeau and I am a policy analyst at The Maine Heritage Policy Center. Thank you for the opportunity to testify in opposition to LDs 461 & 1445.

The Maine Heritage Policy Center is opposed to both LDs 461 and 1445. While the goal of making education more affordable for students is certainly laudable, these bills would create a huge financial burden for the state of Maine. LD 461 would cost \$90 million to the state of Maine over the 2020-21 biennium to “enable more low-income residents of the State to attend an institution of higher education within the State.” Similarly, LD 1445 would provide students with tuition and associated costs for each full academic year that they apply for the grant established by this bill. Both of these bills would cost Maine taxpayers millions of dollars annually.

For one, LD 461 provides an additional \$90 million of one-time funds to the Finance Authority of Maine to ensure students are able to attend a Maine college or university. Taxpayers should not be responsible for sending students to an institution of higher education. After all, going to an institution of higher learning is a conscious choice made by students and parents, therefore they should remain responsible for the cost of tuition.

LD 1445 is misguided because it would saddle the state of Maine with a large fiscal note. Because most Mainers would be eligible to receive a “debt-free” education under the bill, the price of LD 1445 would likely be more than \$90 million. To be eligible for “debt-free educational opportunities,” an individual must have a high school diploma, their GED, or equivalent; be enrolled or accepted for enrollment as an undergraduate; have applied for this grant; and be a resident of Maine for a minimum of one year. According to the US Census Bureau, over 92 percent of Mainers are high school graduates or higher.¹ Without taking other aid into account, this program could cost Mainers over \$340 million based on current in-state

¹ <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

student enrollment in the University of Maine System and the average cost of in-state tuition.² This bill would place the financial burden of paying for student debt on working men and women in the state, whether or not they choose to attend college or not.

These bills would not only be costly, but they would provide an education for students that may not be able to find a job in the state of Maine. According to the Maine Department of Labor, only 76 percent of graduates from Maine institutions of higher learning found jobs within the state. Of those, only 46 percent were employed the entire year after graduation.³ While this dataset was published in 2014, these results illustrate that state subsidization of student tuition would likely be ineffective.

Further, only 56 percent of first-time, full-time Maine college students complete their degree.⁴ Both of these bills would provide tuition to Maine students regardless of whether or not they finish their schooling. Is the state of Maine prepared to subsidize tuition when over 40 percent of students do not finish their degrees at Maine post-secondary schools? This would be a waste of taxpayer dollars.

To be clear, we encourage individuals to pursue a degree if they believe it will benefit them in their pursuit of a career. However, college may not be a practical move for everyone, particularly if students do not know what career path they would like to pursue. These bills would subsidize tuition for Maine students without ensuring they complete their programs.

How would the state of Maine fund these initiatives, especially since K-12 education has not been funded at the full 55 percent?

For those reasons, The Maine Heritage Policy Center does not support subsidizing student debt accrued by college students with taxpayer funds. We urge you to vote, “Ought Not to Pass” on both LDs 461 and 1445. Thank you.

² Average in-state tuition (\$16,677, University of Maine System) multiplied by the number of in-state students attending schools in the University of Maine System (20,474, University of Maine System) <https://www.maine.edu/admissions-aid/tuition-rates/>; <http://staticweb.maine.edu/wp-content/uploads/2018/10/ASA-MtgMat-103018-rev102918.pdf?0d0f03>

³<https://www.bostonfed.org/publications/communities-and-banking/2015/spring/measuring-the-outcomes-of-maines-college-graduates.aspx>

⁴ http://www.educatemaine.org/docs/EducateMaine_2018_IndicatorReportWEB01.pdf