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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, 2023, June 30, 2024 and June 30, 2025

Testimony in Support of the Proposed Initiative Related to the Maine State Grant Program

February 15, 2023

Senators Rotundo and Curry, Representatives Sachs and Roberts, and honorable members of the Joint Standing Committees on Appropriation and Financial Affairs (AFA), and Innovation, Development, Economic Advancement & Business, my name is Ninette Irabaruta, Director of Public Policy and Advocacy at United Way of Southern Maine (UWSM). I testify today on behalf of UWSM in support of the proposed initiative that “provides ongoing funds to the Maine State Grant Program to increase the minimum grant award from \$2,500 to \$3,000.”

Higher education is one of the key drivers of growth performance, prosperity, and competitiveness in national and global economies.¹ Mainers can use higher education to compete in these job markets. The modern workplace is in a constant state of evolution, and today, job roles and the skills required to succeed in them have changed enormously, with technological advancement being a key factor.

Although demand for higher education remains strong, the cost of that education has never been higher. Rising interest rates have made borrowing more expensive and college has never been more costly than it is today.² The cost of college is a hard obstacle to overcome and can be a significant barrier especially for people from low-income families, people of color, and those who are the first to go to college in their family.

In Maine, we have a unique program to meet the needs of low-income Mainers seeking higher education – the Maine State Grant Program (MSGP). Established in 1990, MSGP is administered by the Finance Authority of Maine (FAME). According to FAME, the program’s funding is set through the biennial state appropriation process.³ It is Maine’s only state-funded need-based grant program for college students.

MSGP is and can be a solution for approximately 15,000 Maine students who wish to continue their education but struggle with the cost of college. The additional ongoing proposed \$10 million will increase the award minimum amount from \$2,500 to \$3,000.

The funding for the proposed ongoing \$10 million is not only critically important to low-income Maine students or economically disadvantaged youth, but also to Maine’s future workforce. The

¹ <https://research.collegeboard.org/media/pdf/education-pays-2019-full-report.pdf>

² <https://www.cnbc.com/2022/07/15/inflation-is-suddenly-making-college-more-expensive-than-ever.html>

³ https://www.famemaine.com/wp-content/uploads/2021/01/MSGP_Guidelines2020-21_JAN2021-final.pdf

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adjustment for the Maine State Grant Program will boost grants to \$3,000 per year for full-time students in order to keep pace with the rising costs of college.

Access to more affordable post-secondary education through the Maine State Grant Program also advances the efforts of the Thrive2027 community initiative led by UWSM. Affordable education is a critical piece of Goal 2, which is about individuals and families in Southern Maine having the education, employment opportunities, and resources to achieve financial stability. Targeted financial support toward completion of a degree can help individuals go on to meet their career goals and better afford to live and work here. This program, for example, enables economically disadvantaged youth, many of whom are first-generation college-going students, to meet their education needs.

Thank you for your leadership and service.