

MAINE STATE LEGISLATURE

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Maine Community College System

**ANNUAL REPORT ON
USE OF RACINO INCOME FOR SCHOLARSHIPS**
For FY06 through FY10

September 2010



Maine Community College System

OFFICE OF THE PRESIDENT

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September 23, 2010

The Honorable Nancy B. Sullivan, Chair
The Honorable Pamela Jabar Trinward, Chair
Joint Standing Committee on Legal and Veterans Affairs
124th Maine Legislature
Augusta, ME 04333

Dear Senator Sullivan, Representative Trinward and members of the Joint Standing Committee on Legal and Veterans Affairs:

In accordance with Title 8, Chapter 31, Subchapter 3, Section 1036 of the Maine Revised Statutes, enclosed you will find the Maine Community College System's September 2010 report on the use of *Racino* funds for the period FY06 through FY10. A representative of the MCCS will be available at your September 27, 2010 meeting to present the report and address any questions you may have. Thank you.

Sincerely yours,

John Fitzsimmons
President

JF:ejc

Enclosure

Cc: Joint Standing Committee on Appropriations and Financial Affairs

OVERVIEW

Students enrolled in the Maine Community College System (MCCS) are recipients of financial aid from various sources of funding including federal and state grant programs, system-wide and college scholarship opportunities as well as scholarship opportunities made available through private sector partnerships. The MCCS is continually looking for ways to increase the availability of scholarship funds to ensure that students wishing to attend one of our community colleges will have the financial means to do so.

As evidence of the MCCS's commitment to increasing scholarship opportunities, the amount of scholarships awarded to students from other than federal and state programs has increased by 31% in the last five years. Clearly, when taking into consideration the findings of a result study commissioned by the MCCS Board of Trustees regarding the ability of our students to pay for their education, the need for scholarship assistance continues to rise.

To help students survive the confluence of increased need and availability of resources, the MCCS has worked diligently to keep the cost of attending our community colleges low. The Ability to Pay Study referenced above found that if our tuition rates were to increase by as little as \$5 per credit hour, 22% of students would have to withdraw from school. And yet, while the MCCS is proud of its ability to have frozen tuition for seven of the past twelve years, 76% of full-time students in the fall of 2009 received financial aid.

RACINO FUNDED SCHOLARSHIPS

As stipulated in Title 8, Chapter 31, Subchapter 3, Section 1036 of the Maine Revised Statutes, the Maine Community College System receives one percent of the net slot machine income to be applied by its Board of Trustees to fund its scholarship programs. To date (FY06-FY10), the MCCS has received \$1,924,049 from slot machine income. A detailed report on the receipt, System allocation and expenditure of the funds is provided as Attachment 1. With the exception of \$27,000 earmarked for Washington County Community College, the allocations and expenditures reach across all of the community colleges. All of the Racino income received has been used for scholarships. None of the funds have been used for administration.

Of the \$290,934 listed as "unexpended", \$187,758 is committed and carried into FY11 for award to students enrolled in Early College for ME, Bring College to ME programs at Central Maine, Northern Maine, Eastern Maine and York County Community Colleges, and at Washington County Community College.

Of note, in FY07, the MCCS received permission from the Gambling Control Board to use Racino funds to answer a portion of the challenge grant from the Bernard Osher Foundation creating a \$5M endowment specifically for students from rural Maine. A copy of the Gambling Control Board's letter is provided as Attachment 2. The \$600,000 transfer of funds to the Osher Endowment Fund occurred during FY08.

To date, 1,224 students have benefitted from the Racino income allocated to the MCCS. These funds have proven to be an increasingly important component of the resources available to our students.

MAINE COMMUNITY COLLEGE SYSTEM
September 2010 Report on Receipt and Expenditures of Racino Funds
FY06 through FY10

	FY06	FY07	FY08	FY09	FY10	TOTAL
Racino Receipts	134,037	352,850	335,589	580,215	521,358	\$1,924,049
MCCS Allocations for Scholarships						
Early College for ME	-	134,037	213,000	247,500	250,000	844,537
Rural Initiative Childcare	-	-	-	150,000	150,000	300,000
Bring College to ME	-	-	-	25,000	25,000	50,000
WCCC	-	27,000	-	-	-	27,000
Osher Match	-	-	600,000*	-	-	600,000
						\$1,821,537
Expenditures						
Early College for ME	-	68,500	135,500	223,800	261,000	688,800
Rural Initiative Childcare	-	-	-	149,126	150,210	299,336
Bring College to ME	-	-	-	12,420	9,687	22,107
WCCC	-	-	13,247	7,667	1,958	22,872
Osher Match	-	-	600,000*	-	**	600,000
						\$1,633,115
					UNEXPENDED BALANCE	\$290,934
SCHOLARSHIPS AWARDED						
Early College for ME	-	95	152	252	297	796
Rural Initiative Childcare	-	-	-	102	107	209
Bring College to ME	-	-	-	23	17	40
WCCC	-	-	30	24	14	68
Osher Match	-	-	-	-	111 ***	111
						1,224

* Authorized transfer of funds to MCCS Osher Scholarship Endowment by Gambling Control Board (letter attached)
 ** Expended from Endowment: Colleges – \$67,594; Early College for ME – \$19,000; Total from Endowment: \$86,594
 *** College Scholarships – 73; Early College for ME Scholarships – 38; Total Scholarships Awarded: 111



ATTACHMENT #2

STATE OF MAINE
Department of Public Safety
Gambling Control Board
45 Commerce Drive Suite #3
Augusta, Maine 04333-0087

JOHN ELIAS BALDACCI
GOVERNOR
ANNE H. JORDAN
COMMISSIONER

GEORGE McHALE
CHAIRMAN
ROBERT P. WELCH
EXECUTIVE DIRECTOR

February 21, 2008

Mr. David J. Daigler
Maine Community College System
323 State St.
Augusta, Maine 04330

Mr. Daigler,

On February 20, 2008, I presented to the Maine Gambling Control Board a copy of your February 15, 2008 letter. The Board wishes to thank you for taking the time to advise them of the plan to use the Racino Funds as seed money for the Bernard Osher Scholarship Program.

The Board had no objection to the use of the funds in this fashion.

The Maine Gambling Control Board recognizes our duty to forward funds to the Community College System to provide scholarship funds to Maine youth. If there is ever anything we can do to improve our delivery system please let me know.

Sincerely,

/RPW/

Robert P. Welch
Executive Director