

MAINE STATE LEGISLATURE

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2 Date: 06-11-07

(Filing No. S- 269)

3 **EDUCATION AND CULTURAL AFFAIRS**

4 Reproduced and distributed under the direction of the Secretary of the Senate.

5 **STATE OF MAINE**

6 **SENATE**

7 **123RD LEGISLATURE**

8 **FIRST REGULAR SESSION**

9 COMMITTEE AMENDMENT "A" to S.P. 355, L.D. 1103, Bill, "An Act To
10 Ensure Funding for Higher Education"

11 Amend the bill by striking out the title and substituting the following:

12 **'Resolve, To Determine the Impact of Funding for State Higher Education on**
13 **the Distribution of Higher Education Costs among Families, Taxpayers and**
14 **Publicly Supported Institutions of Higher Education'**

15 Amend the bill by striking out everything after the title and before the summary and
16 inserting the following:

17 **'Sec. 1. Review of funding for state higher education. Resolved:** That the
18 University of Maine System, the Maine Community College System, Maine Maritime
19 Academy and the Finance Authority of Maine, referred to in this resolve as "the review
20 panel," shall collaboratively conduct a review of the impact of funding for publicly
21 supported higher education in the State during the period from fiscal year 2002-03 to
22 fiscal year 2006-07 on the following policy questions.

23 1. How have Maine finance policies related to the distribution of public subsidies
24 influenced the distribution of student-related higher education costs among parents and
25 students, state taxpayers, federal taxpayers and publicly supported institutions of higher
26 education in the State?

27 2. As perceived by the review panel, what conclusions and implications can be
28 drawn from the data concerning the degree to which state finance policies related to the
29 distribution of public subsidies have sustained access, advanced equity of higher
30 education opportunity and promoted equitable cost-sharing for all Mainers?

31 The review panel shall determine the methodology for this review in accordance with
32 section 2; and be it further

1 **Sec. 2. Scope of review; methodology. Resolved:** That the review panel shall
2 determine the methodology for this review after consideration of the research literature on
3 higher education finance pertaining to the implications of state appropriations for the
4 operating costs of publicly supported institutions of higher education and pertaining to the
5 distribution of the costs and benefits of higher education for students and their families,
6 state taxpayers, federal taxpayers and the publicly supported institutions of higher
7 education. The data compiled and analyzed must include, but is not limited to, the
8 following:

9 1. The amounts and levels of state general funds appropriated during each year from
10 fiscal year 2002-03 to fiscal year 2006-07 to support the so-called "educational and
11 general" operational expenditures of the University of Maine System, the Maine
12 Community College System and Maine Maritime Academy;

13 2. The amounts and levels of state general funds appropriated during each year from
14 fiscal year 2002-03 to fiscal year 2006-07 to the Finance Authority of Maine for awarding
15 need-based grants through the Maine State Grant Program in order to subsidize tuition
16 prices and provide need-based tuition assistance for eligible students to attend publicly
17 supported institutions of higher education in the State;

18 3. The amounts and levels of state tax support for higher education, including state
19 General Fund appropriations for universities, colleges, community colleges and state
20 higher education agencies compiled by the Grapevine project at the Center for the Study
21 of Education Policy at Illinois State University. The review team shall consider the
22 Grapevine project data reported for the level of state appropriations for higher education
23 as a percentage of the total state appropriations, on a per capita basis, and as a percentage
24 of income. The review team shall also compare these state appropriation trends for
25 Maine, for the New England states and for an appropriate set of comparison states whose
26 demographic profile and higher education systems are reasonably comparable to the
27 system of higher education in Maine;

28 4. The proportion of state General Fund appropriations as a source of revenue as
29 compared to the total revenues of the University of Maine System, the Maine Community
30 College System and Maine Maritime Academy;

31 5. The proportion of revenues received from sources other than state General Fund
32 appropriations, including revenues from tuition, mandatory fees and room and board,
33 revenues from the Federal Government and from other philanthropic organizations or
34 individuals, as compared to the total revenues of the University of Maine System, Maine
35 Community College System and Maine Maritime Academy;

36 6. The amounts and levels of education subsidies, including state and federal student
37 financial assistance, provided to resident students attending the University of Maine
38 System, the Maine Community College System and Maine Maritime Academy as
39 compiled from institutional expenditure data and reported annually to the Integrated
40 Postsecondary Education Data System and from financial aid packaging reports provided
41 to the Finance Authority of Maine;

42 7. Data compiled by the Finance Authority of Maine on the Maine State Grant
43 program recipients at publicly supported institutions of higher education in the State
44 reported as full-time equivalent students, including the average amounts of grants

1 awarded and the average levels of unmet need for the prototypical grant recipients at each
2 institution disaggregated by family income quartiles; and

3 8. State-level and higher education institution data regarding family income, state tax
4 appropriations, institutional finances, enrollments, attendance costs, student aid, and any
5 other relevant data reported to the Integrated Postsecondary Education Data System, the
6 National Center for Education Statistics and the United States Department of Commerce,
7 Bureau of Economic Analysis; and be it further

8 **Sec. 3. Report. Resolved:** That the review panel shall present its report,
9 including findings, recommendations and any necessary legislation, to the Joint Standing
10 Committee on Education and Cultural Affairs no later than January 31, 2008. The Joint
11 Standing Committee on Education and Cultural Affairs may submit a bill based on the
12 report presented pursuant to this resolve to the Second Regular Session of the 123rd
13 Legislature.'

14 SUMMARY

15 This amendment strikes and replaces the bill with a resolve directing the University
16 of Maine System, the Maine Community College System, Maine Maritime Academy and
17 the Finance Authority of Maine to collaboratively conduct a review of the impact of
18 funding for publicly supported higher education in the State during the period from fiscal
19 year 2002-03 to fiscal year 2006-07. The amendment provides 2 research questions for
20 this review.

21 1. How have Maine finance policies related to the distribution of public subsidies
22 influenced the distribution of student-related higher education costs among parents and
23 students, state taxpayers, federal taxpayers and publicly supported institutions of higher
24 education in the State?

25 2. As perceived by the review panel, what conclusions and implications can be
26 drawn from the data concerning the degree to which state finance policies related to the
27 distribution of public subsidies have sustained access, advanced equity of higher
28 education opportunity and promoted equitable cost-sharing for all Mainers?

29 The amendment also provides that the review panel shall present its report, including
30 findings, recommendations and any necessary legislation, to the Joint Standing
31 Committee on Education and Cultural Affairs no later than January 31, 2008. The Joint
32 Standing Committee on Education and Cultural Affairs may submit a bill based on the
33 report presented pursuant to this resolve to the Second Regular Session of the 123rd
34 Legislature.

FISCAL NOTE REQUIRED
(See attached)



123rd MAINE LEGISLATURE

LD 1103

LR 1209(02)

An Act To Ensure Funding for Higher Education

Fiscal Note for Bill as Amended by Committee Amendment "A "

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund

Fiscal Detail and Notes

Additional costs to the University of Maine System, the Maine Community College System, the Maine Maritime Academy and the Finance Authority of Maine associated with conducting the required review can be absorbed within existing budgeted resources.