

# MAINE STATE LEGISLATURE

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January 1, 2021

Hon. Matthea Daughtry, Senate Chair  
Hon. Michael Brennan, House Chair  
Joint Standing Committee on Education and Cultural Affairs  
Cross State Office Building, Room 202  
Augusta, ME 04333

Dear Sen. Daughtry, Rep. Brennan, and Distinguished Members of the Education and Cultural Affairs Committee:

Happy New Year!

Enclosed please find copies of the Finance Authority of Maine's *Decennial Review of the Maine State Grant Program* as required by 20-A M.R.S.A. § 11617(3).

We would be most happy to present our findings and recommendations to the committee at a convenient time for you.

Please let me know if you have questions or require further information. We look forward to working with you this Session.

Sincerely,

A handwritten signature in black ink that reads "B. E. Wagner". The signature is written in a cursive style with a large, looped "W" at the end.

Bruce Wagner  
Chief Executive Officer

Encl.



# Maine State Grant Program



Decennial Review  
January 1, 2021



**FAME**  
FINANCE AUTHORITY OF MAINE



## Decennial Review of the Maine State Grant Program

### *Report to the Joint Standing Committee on Education and Cultural Affairs of the 130<sup>th</sup> Maine Legislature (First Session)*

#### *Executive Summary:*

The Finance Authority of Maine (FAME) has administered the Maine State Grant Program on behalf of Maine students since 1990. The program is Maine's only widely available, need-based grant for undergraduate students funded with state appropriations. Over the past ten years, FAME has awarded a total of \$124,583,787 in grants to hundreds of thousands (an average of 12,000 annually) of Maine students through this program. Consistently, over this same period, Zero Expected Family Contribution (EFC) - eligible applicants have represented greater than 50% of the awardees.

As required by statute, FAME has consulted in recent months with various stakeholders to review the program and consider what, if any, changes might be needed. These stakeholders included financial aid officers at Maine's public and private institutions of higher education, senior management of these institutions, and legislative liaisons and a lobbyist representing them. The group reached broad consensus on three overarching principles: (1) certain programmatic changes are desirable to aid students and Maine's workforce during these challenging times; (2) continued and increased advocacy for more program funding is needed in order to eventually increase minimum awards; and (3) innovation and further exploration is needed for workforce items not addressed by the current program. This could entail advocating for a new pool of funds to support pilot programs to support workforce development through stackable or "micro" credentials, which do not currently qualify under the program. Funding for graduate students and other student populations who do not currently qualify for the grant was discussed as a future goal, as well. Additionally, FAME staff expressed its willingness to assist with accessing enrollment data and maintaining an annual dashboard, provided adequate funding for such a project can be secured.

FAME received extensive input that the grant is an essential piece of the financial aid package for many students and families, and that funding should be increased, even in this challenging state budget and health pandemic situation (indeed, especially at this time), in order to address the needs of Maine students and the workforce. Stakeholders support enhanced advocacy by partners/stakeholders for increased funding so as to achieve a full-time student grant award level of \$2,500 instead of the current \$1,500 award, so long as such funding continue to support the approximately 12,000 students per year currently served. Stakeholders also acknowledged the good core elements of the program and the importance of maintaining its key attributes (e.g. it is student-centered, easy to understand, based on need) while enhancing certain aspects of it (making it available year-round and a "pipeline guarantee"). The group did not wish to change the program in any major ways that might restrict or diminish its current usage. In view of state budget challenges resulting from the pandemic and concomitant recession, the group also supports the exploration of additional, alternative sources of increased funding, such as possible new sports gaming revenue.

***Introduction:***

20-A M.R.S.A. § 11617(3) requires that FAME shall, by January 1, 2021, and every ten years thereafter, conduct a review of the Maine State Grant Program. FAME must establish a stakeholder group, through a partnership with other appropriate entities, to work together on the review. The review must include, but is not limited to, the following:

- A. A review of the history and efficacy of the program and any necessary changes to the program;
- B. Ideas to enhance the program in light of current and future higher education trends and needs;
- C. Any recommendations on state funding for the program in light of trends in higher education costs and federal and private sector funding for student financial aid; and
- D. Current and future grant and financial aid needs of students and families in the State.

Further, FAME shall submit a written report of the findings of the decennial review, along with any proposed legislation, to the Joint Standing Committee on Education and Cultural Affairs.

It has been ten years since FAME and its higher education partners in Maine last engaged in such a review. During the First Session of the 125<sup>th</sup> Maine Legislature, FAME sought and obtained legislative approval to engage in a comprehensive stakeholder review of the program in the interim between the First and Second Sessions. The needs of Maine students and the state had changed, and we felt it important that the program keep pace with evolving needs. The Education and Cultural Affairs Committee eventually reported out successful legislation based on the group's recommendations. Additionally, there have been periodic task forces (both legislative and informal) established to research and discuss access to and the affordability of higher education more generally, and these have often involved the Maine State Grant Program.

The grant has experienced both increased as well as flat-funding appropriations in recent years, including recent new appropriations for adult learners. We are very grateful for that development, but still program funding has failed to keep pace with rising educational costs and inflation rates. There have been recent legislative efforts to increase award amounts, as well, but these have failed largely due to funding limitations.

***Methodology:***

In late October 2020, FAME staff surveyed financial aid officers throughout Maine's higher education landscape (public and private) and obtained meaningful input in response to our questions about the grant and how it might be improved. Additionally, we met with various stakeholders (listed at the end of this report) remotely via Zoom on various dates: November 6, November 24, December 7, December 8, and December 9, 2020. These individuals represented a

wide and helpful cross-section of professionals, ranging from financial aid officers, senior management, and legislative liaisons and a lobbyist from the University of Maine System, the Maine Community College System, Maine Maritime Academy, and the Maine Independent Colleges Association. The group communicated electronically, as well, in the interim, sharing feedback, draft reports, edits, and recommendations. FAME staff assisted the group by compiling information requested, facilitating meetings, and drafting the report. The group focused on its charge as set forth in the statute. Stakeholders engaged in thoughtful discussion of the program, including emerging student needs and other issues. It reached consensus on a number of recommendations, most of which do not require legislation, but some of which may be incorporated into a bill to be reported out by the Education and Cultural Affairs Committee if the Committee is so inclined. (See Appendix C for draft legislation incorporating Stakeholder Group recommendations). It is important to note, however, that some of these proposals will take some time and resources for FAME to vet and implement them. For example, we will have exploratory work to do to with our IT department for a possible dashboard technology build, and we will need to test projections for the likely flow of grant money regarding an eventual “pipeline guarantee” for students. Also, the draft bill reflects the goal of incorporating just one proposed change, the “pipeline guarantee,” and likely will need amending upon further reflection as to how the concept might best be implemented.

### ***Background:***

FAME has administered student financial assistance programs, including the Maine State Grant Program (formerly known as the Maine Student Incentive Scholarship Program), on behalf of Maine students since 1990. The grant is Maine’s only widely available need-based grant for undergraduate students funded with state appropriations. To be eligible, a student must be enrolled at least half-time in an eligible undergraduate program at an eligible institution. Students apply by filing their Free Application for Federal Student Assistance (FAFSA) by May 1, whereby they are automatically considered for the grant. No other form is necessary. Students must attend an eligible institution of higher education in Maine. Students enrolled in the New England Board of Higher Education’s (NEBHE) Tuition Break Program, the New England Regional Student Program, may also be eligible. Because this is a need-based grant, a student’s Expected Family Contribution (EFC) must not exceed the maximum EFC set in any given year. The EFC for the 2020-2021 academic year recently was increased to 10,000. The estimated EFC for the 2021-2022 academic year is 7,000. Full-time student awards are \$1,500 per year, while part-time students receive \$750 annually. The institution a student attends will review their enrollment status and EFC and determine whether they are eligible for the grant. The grant award is part of a student’s financial aid package. Grant funds are paid directly to the higher education institution for credit to the student’s account.

The predecessor to the Maine State Grant was the Maine Student Incentive Scholarship Program, which began in Fiscal Year (FY) 1972-73. Federal funds subsequently became available in FY 1974-75, and those funds were used to provide additional grants to Maine students. The program was administered by the Maine Department of Education until April 1990, when it was transferred by the Legislature to FAME in order to “provide and administer a comprehensive, consolidated system of student financial assistance programs.” FAME was



tasked with developing rules and procedures to carry out the program, including the adoption of reciprocal agreements with other states.

In 1991, the Legislature amended the program to include portability of the grant, i.e., to allow for use of funding provided to a student by the state at an institution, regardless of its geographic location. Also that year, the Legislature required FAME to allocate no more than five percent of grants to part-time students. Another change required that a student be eligible for a Pell Grant in order to be considered for a Student Incentive Scholarship. In 2001, the law was amended to prohibit the reduction of institutional or other grant aid in the event of a Maine State Grant award.

Ten years ago, at FAME's initiative and with the approval of the 125<sup>th</sup> Maine Legislature, a stakeholder group engaged in a comprehensive review of the program to ensure that the grant was keeping pace with evolving student needs. The recommended changes proposed to the Education and Cultural Affairs Committee and ultimately enacted into law by the full Legislature included:

- Removing the statutory cap of five percent on grant awards to part-time students to recognize the changing demographics and needs of students;
- Eliminating reciprocity of the grant with the remaining states that engage in the practice (Connecticut Massachusetts, Pennsylvania, Rhode Island, Vermont, and Washington, D.C.) in order to reprioritize financial resources;
- Removing grant award differentials between public and private institutions so as to keep the grant student-centered and not institution-centered;
- Limiting grant eligibility to ten full-time semesters to conserve resources and encourage earlier degree completion. Less than full-time students (half-time or three-quarters time) would receive grants at a pro-rated level for an equivalent amount of time (this has since been changed to twelve full-time semesters at FAME's initiative based on our experience of seeing students take time off due to work/family/financial/personal reasons);
- Allowing FAME discretion to establish tiered award amounts to encourage and reward persistence. An example of this would be: \$1,000 for Year 1; \$1,100 for Year 2; \$1,200 for Year 3; and \$1,300 for Year 4 (this has not occurred yet, largely due to limited funding); and
- Clarifying program definitions to appropriately allow Maine students to pursue online courses through Title IV-eligible institutions as certified by the U.S. Department of Education.

Regarding funding, in FY 11 through FY 15 FAME received approximately \$10 million annually from state appropriations in support of the grant. Beginning in FY 16, we have received closer to \$15 million annually for grant funding, a much appreciated boost that has allowed us to increase grant awards and reach higher EFC levels. In FY 17, FAME received an additional \$2 million from the Legislature through the Standard & Poor's settlement overseen by then-Attorney General (now Governor) Mills. In FY 20 and FY 21, at our request and pursuant to

legislative approval, we received \$3 million for Adult Learners, which is expected (hoped) to continue ongoing at a level of \$2 million per year.

As to where students take their grants, in FY 20 over 50% of grant dollars went to students attending Maine’s four-year public institutions; 29.91% went to students enrolled at Maine’s two-year public institutions; 19.81% went to students attending Maine’s private colleges; and .27% went to Maine residents attending certain out-of-state New England institutions as the student is majoring in studies only offered outside the state at NEBHE-approved institutions.

*“The Maine State Grant has been an incredible tool for allowing me to pursue higher education. As an alumna of the Upward Bound Trio Program, I know how immensely important each and every dollar is and how lucky I am to be able to attend university. This grant has allowed me and so many others who were born into poverty the chance to better our lives and the lives of those we love. I am so thankful to those that made the Maine State Grant possible and I know others who have received it are, too.”*

--**Aleksa P.**, student at University of Maine Farmington (Class of 2023)

### ***Stakeholder Group activity:***

FAME first conducted a survey of all higher education financial aid offices throughout the state, including Maine’s public and private institutions. We received seventeen responses from thirty-one offices. Although recited in greater Detail in Appendix A, some of the main highlights of the surveys included the following responses:

- Demand is increasing for need-based assistance
- Worried about decrease in appropriation and resulting decrease in institutional funds
- Concerned about increase in “professional judgments” due to pandemic – more financial need. (Note: In the financial aid world, professional judgments are a form of financial aid appeal. If a student has experienced a change in income or other circumstances that affect their ability to pay for college, they can appeal a denial of aid and the financial aid office may exercise their “professional judgement” to allow for aid).
- Costs outpacing aid
- Maine State Grant is extremely important with rising cost of education and COVID challenges
- Need to meet students where they’re at and not the reverse
- Need flexible course offerings so students can work while in school
- Expansion of hybrid learning (some classes with no hands-on requirement)
- Need flexible aid options that allow students to “continue school” – life gets in the way

- More part-time students anticipated with online offerings who only take one or two classes
- More aid for part-time students needed
- More aid options for a broader range of students (less than half-time, program-ineligible, graduate students)
- More families each year with no means and no plan – can we identify them and get to them earlier in the process?
- Seeing more previous students (enrolled, stopped, came back) with student loan debt – financial need growing

After compiling the data, FAME next met remotely with different groups of stakeholders representing different roles and perspectives on five occasions and reviewed the history and efficacy of the program, discussed current and future needs of Maine students, considered ways to increase funding for the program, and recommended a number of changes to enhance the program in light of current and future higher education trends. The group recommended allowing usage of grant awards during summer enrollment and funding of “stackable” credentials (less than ½ time). Stakeholders also discussed exploring statutory or rule changes to provide for more nimbleness regarding workforce needs and responsiveness to unexpected situations such as a pandemic. The group reached consensus on some basic principles:

- The review should result in some needed changes to the Maine State Grant Program, but not a major overhaul. The grant needs updating but is not broken;
- The grant should remain student-focused and not institution-focused;
- Certain programmatic changes are desirable assuming funding levels remain the same: summer study and funding guarantee for all years;
- Continued and increased advocacy for increased program funding at the state level is needed in order to increase minimum awards;
- Innovation is needed for workforce items not addressed by the program per se – such as “stackable” or “micro” credentials. This could entail advocating for a new pool of funds to support workforce development through stackable credentials, which don’t currently qualify under the program currently;
- More stakeholders from various sectors (students, institutions, non-profits) are needed to testify at the Legislature regarding the importance of the grant to improving access to higher education, reducing student debt, and improving Maine’s workforce;
- Other additional sources of funding for the program should be explored (e.g. sports wagering if it becomes legal);

- The current May 1 grant application deadline is problematic for many students, especially non-traditional ones. Recent state support for Maine’s adult learner population has been helpful in this regard, and additional state support could be targeted to other populations;
- Implementing tiered awards (currently permitted in statute) should be considered; e.g. offering a modest, increased award toward a student’s final semester to encourage degree completion;
- Graduate students are another population not being served in light of workforce development goals; perhaps new funds could be set aside to assist this population;
- Support for the grant and increased access to various forms of higher education is essential to supporting Maine’s economic development and recovery plans;
- No better time for increased program funding considering the need for an educated workforce for the state’s short-term recovery and long-term economic development considerations;
- We must increasingly view the need for increased grant funding through a diversity and inclusivity/equity lens: people of color and marginalized, less affluent populations are disproportionately affected negatively by the pandemic and recession; these same populations are in need of grants and other financial aid to access higher education. They need credentials of value in order to participate meaningfully in the workforce;
- If the Legislature cannot this biennium increase funds to reach our goal of increasing awards from \$1,500 (full-time students) per year to \$2,500 per year (estimated to cost an additional \$10 million per year ongoing on top of current \$15 million per year appropriation), perhaps they can support a more modest increase to allow for \$2,000 grants (estimated to cost an additional \$5 million per year ongoing).

There was much discussion about how essential the grant is to helping the state achieve its various educational, workforce, and economic development goals as outlined in the Governor’s *Maine Economic Development Strategy 2020-2029* and the recent recommendations made by the Governor’s *Economic Recovery Committee*. The state seeks to increase its labor force by 75,000 above the current projections for 2030, which show a 65,000 decline. The result would be a net gain of 10,000 workers in 2030. There was much discussion about how essential the grant is to helping the state achieve its various educational, workforce, and educational goals as outlined in the Governor’s *Ten-Year Economic Strategy* and the recent recommendations made by the Governor’s *Economic Recovery Committee*. The state seeks to increase its labor force by 75,000 above the current projections for 2030, which show a 65,000 decline. The result would be a net gain of 10,000 workers in 2030. There is some good news, however. The recently released *Measures of Growth 2020* report by the Maine Economic Growth Council notes that Maine’s postsecondary degree attainment improved from 34% in 2008 to 41% in 2018, which then was the national average. MaineSpark now estimates that figure to be closer to 51%, roughly equal to

both the national average (51.3% in 2018 per Lumina Foundation) and the New England average (49% in 2018, yet still short of the 60% goal set for 2025. In discussing the red flag it awarded Maine's workforce indicator, the *Measures of Growth 2020* report noted that, at least in the short-term, "a prolonged period of low employment in the state could create an unprecedented opportunity, as well as a need, for upskilling and reskilling the workforce. In weak labor markets, college enrollment often increases." (*Measures of Growth 2020*, page 6).

The Stakeholder Group realizes that increasing access to affordable higher education will contribute not only to individual well-being and employer needs, but also to the state's overall economic growth through increased workforce participation and earnings. Increased support for the grant can also help to improve the rate of college-going by people of color and recent immigrants. The *Measures of Growth 2020* report notes that Maine's average annual wage was \$47,234, well below the U.S. and New England averages of about \$59,000. The report awarded red flags for both workforce (from 2018 to 2019, Maine's workforce shrank by 2,900 people) and racial/ethnic income equity, finding that from 2014 to 2018, the average per-capita income in Maine was \$31,253. White, non-Hispanic Mainers averaged \$32,050 in per-capita income, 60% higher than the \$19,920 average among Maine residents of all other races and ethnicities. (*Measures of Growth 2020*, pages 8, 11, 14).

### ***Recommendations:***

The group reached consensus on a number of recommendations for the Joint Standing Committee on Education and Cultural Affairs to consider. The suggestions embrace not only the core values that have guided the program over the past decade, such as keeping the grant student-focused (as opposed to institution-focused); reflecting current and emerging student needs; placing emphasis on access to higher education rather than academic performance; and seeking to make the program sustainable, both financially and administratively, but also the changing needs of Maine students. The recommendations are as follows:

**#1) Continued funding advocacy:** Although mindful of the challenging state budget situation, stakeholders support the ongoing goal for increased appropriations to the program so that individual awards can be increased to \$2,500 for full-time enrollment without reducing the number of students annually served (approximately 12,000). This proposed award amount is consistent with a recommendation from the 2014 report by The Commission to Study College Affordability and College Completion, which was established by the 126th Maine Legislature. That report prompted the Legislature to increase FAME's appropriation in FY 16, which allowed FAME to increase the individual award from \$1,000 to \$1,500. The Legislature also appropriated new, ongoing money (\$2 million per year) for Adult Learners two years ago, as well. We estimate that it would take approximately \$10 million more annually (in addition to the current \$15 million annual appropriation) to increase grant awards by \$1,000 (from \$1,500 to \$2,500) for approximately 12,500 students. The group also supports exploration and identification of new, additional sources of funding separate from General Fund appropriations, especially during difficult budget cycles, for the program. For example, new and

emerging potential sources of revenue such as sports wagering (if it becomes legal) might be considered by lawmakers and advocates.

**#2) Implement programmatic changes** that will allow us to make an immediate and positive impact to students with a goal toward supporting completion, while being mindful not to dilute current funding (i.e. don't make changes that reduce the total number of students served by the grant). These changes include: allowing the grant to be used for *summer enrollment* (e.g., same individual award maximum, but with flexibility to use for summer enrollment or over a 12-month period); building into grant eligibility a *funding or "pipeline guarantee"* – for example, once a student qualifies for the grant they would be eligible for ten full-time semesters of grant funding, even if their annual EFC increases slightly above that year's award cut-off level. Overall this recommendation is intended to prevent a loss of funding for a student from one year to the next due to slight changes in a student's EFC. The stakeholders made it clear, however, that they would not want a student excluded from the program just because they were not eligible in a previous year.

**#3) Explore pilot programs:** identify groups of students not currently being served by the grant and advocate for new funding to support these students. This could include workforce credential programs ("stackable" or "micro" credentials) like professional certifications, licensures, digital badging, and service in the armed forces, which do not qualify for Title IV student financial aid and do not currently lead to degrees; assistance for students who miss the grant deadline in year one; and targeting the 38% of Mainers who graduate from high school but do not pursue any education beyond high school. Graduate students could be a possible recipient of additional funding, as could other populations such as New Mainers.

**#4) FAME** also expressed its willingness to explore creating an annual **data dashboard** combining Maine State Grant and student enrollment data to study the impact of the program and/or changes to the program. The cost of this could be shared with other interested agencies and/or partially funded from additional annual appropriations.

### ***Conclusion:***

The Maine State Grant Program is an essential piece of financial aid for Maine students. Its importance is critical but its "buying power" has waned over time. Attending some form of higher education, whether a four-year, two-year, or certificate programs, is one of the best things an individual can do, especially during a pandemic. Moreover, a skilled and educated workforce is an essential element of Maine's economic recovery. A properly-funded, meaningful Maine State Grant Program can help us all attain this goal. The group strongly supports by consensus the above recommendations as means to improving the grant and Maine people's access to a form of higher education and meaningful participation in the workforce. With respect to a deeper financial commitment on the part of the state, the group recognizes the challenging budget environment in which we live, but feels strongly that additional funding in the coming years will have a major, beneficial effect on Maine students and the state's workforce needs. The

conversation surrounding increased financial support for the program must continue. It also would help move the grant toward keeping pace with increased education costs and inflation, which is long overdue.

*“Without these grants, it would be impossible for me to attend college. Education has become a matter of access through monetary means nowadays and to have people back me as an adult student has brought empowerment to my life. The beneficiaries, the people who back the grants, and especially you all make this possible. I am endlessly thankful.”*

--**Nick P.**, student, York County Community College

### ***Acknowledgements:***

FAME would like to thank each of the dedicated members of the Stakeholder Group who volunteered their time and expertise to the mission of improving the Maine State Grant for the benefit of Maine’s higher education students, as well as the numerous financial aid officers at Maine’s public and private institutions of higher education, who submitted meaningful survey responses that assisted our review greatly:

- ❖ Jonathan Harvell, Director of Information Technology, FAME
- ❖ Kathy Heath, Director of Financial Aid, Maine Maritime Academy
- ❖ Taylor Hersom, Education Program Officer, FAME
- ❖ Martha Johnston, Director of Education, FAME
- ❖ Jennifer Lanphear, Education Program Manager, FAME
- ❖ Ronald Milliken, Director of Financial Aid, University of Maine Farmington
- ❖ William Norbert, Governmental Affairs and Communications Manager, FAME
- ❖ Rosa Redonnett, Associate Vice Chancellor for Student Success and Credential Attainment, University of Maine System
- ❖ Jamie Santiago, Director of Financial Aid, University of Maine Augusta
- ❖ Becky Smith, Director of Government & Community Relations, Maine Community College System and Maine Maritime Academy
- ❖ Janet Sortor, Chief Academic Officer, Maine Community College System
- ❖ Anne Tabor, Director of Financial Aid, Husson University
- ❖ Mila Tappan, College Access and Outreach Manager, FAME
- ❖ Daniel Walker, Esq., of Preti Flaherty, representing Maine Independent Colleges Association
- ❖ Samantha Warren, Director of Government & Community Relations, University of Maine System
- ❖ Rebecca Woods, Associate Director of Financial Aid, Southern Maine Community College

We also wish to extend our appreciation to Governor Mills, the Maine Legislature, and the Joint Standing Committee on Education and Cultural Affairs in particular, for their longstanding support of the Maine State Grant Program and Maine higher education generally.

***Appendices:***

Appendix A: Summary of FAME survey results from Maine financial aid officers

Appendix B: Student and financial aid officer testimonials

Appendix C: Draft legislation to implement certain decennial review recommendations



**Appendix A: Summary of FAME survey results from Maine financial aid officers**

On October 21, 2020, FAME electronically mailed a survey to thirty-one of Maine’s financial aid officers at the state’s public and private institutions of higher education. We received responses from seventeen of these officers. Below please find various comments about the Maine State Grant and the **trends and needs of students at their respective schools**:

- Need to meet students where they’re at and not the reverse
- Flexible course offerings so students can work while in school
- Expansion of hybrid learning (some classes with no hands-on requirement)
- Flexible aid options that allow students to “continue school” – life gets in the way
- More part-time students anticipated with online offerings for those who only take one or two classes
- More aid for part-time students needed
- More aid options for a broader range of students
- More families each year with no means and no plan – can we identify them and get to them earlier in the process?
- Previous students returning with student loan debt – financial need growing
- Inform us of Expected Family Contribution (EFC) cut-off by December 1 please
- Seeing more middle-income students with large financial gaps. Aid for those “just beyond Pell eligibility” needed
- Demand increasing for need-based assistance
- Worried about decrease in appropriation and resulting decrease in institutional funds
- Concerned about increase in professional judgments/exceptions by financial aid officers due to pandemic – more financial need
- Costs outpacing aid
- Maine State Grant (MSG) extremely important with rising cost of education and COVID challenges
- Digital divide completing FAFSA, online p-notes, entrance counseling – FAME’s outreach critical
- Decreased FAFSA completion and missed deadlines a concern

Below please find their responses to our question about **what Maine State Grant enhancements might be needed** to address the above trends in order to meet student needs:

- Increase EFC cut-off
- More flexible deadlines
- Larger awards for part-time students, tiered to include  $\frac{3}{4}$  time
- Target special populations – first-generation, DACA, homeless youth
- Less than  $\frac{1}{2}$  time grant option needed
- Increase funding for late applicants
- Increase award amount
- MSG for middle-income (non-Pell eligible) students needed
- Earlier EFC cut-off notification to schools needed
- Scale awards like Pell (grid by EFC, enrollment and COA)
- Pair MSG with Pell eligibility to help neediest students
- Give schools year-round awarding flexibility, e.g. use of grant for summer enrollment
- Spring/summer awards for students who don't attend in the fall
- Year-round MSG (\$2,250 FT)

And here are their recommendations with respect to **Maine State Grant funding**:

- Increase EFC cut-off
- More flexible deadlines
- Larger awards for part-time, tiered to include  $\frac{3}{4}$  time
- Target special populations – first gen, DACA, homeless youth
- Continue funding advocacy at state level
- Fund less than half-time students
- Make summer funding an option
- Keep May 1 (or move to Apr 1) deadline
- Torn between desirability of higher grants for fewer students or lower grants for more students – increased funding needed across the board

- Shift EFC cut-off (don't award 0-2000)
- Consistency between MSG and MSG-A (explain one-time for missed deadline)
- Increase individual award levels at least to \$2,000

Finally, here are the results when we asked for **additional thoughts/information**:

- Increase funding
- Earlier FAFSA completion
- FAME's outreach is of great benefit to Maine's students
- Maine State Grant is an important resource for access
- Maine State Grant for Adults is an important resource to encourage completion
- Support for in-state students appreciated
- Expand EFC cut-off to include more students (not necessarily higher awards)
- Not sure one-size-fits-all model should be in place
- Same EFC cut-off for MSG & MSG-A

**Appendix B: Testimonials by students and financial aid officers  
regarding the Maine State Grant**

“I was awarded the Maine State Grant two out of my four years attending the University of Maine at Farmington. Being awarded this grant my freshman year allowed me to be able to attend college. My final year of college I was awarded the grant again and it created the opportunity to not take as much money out in loans. It is great to be awarded a grant by the state of Maine after growing up in Maine and planning to teach elementary school here after I graduate. I hope this grant is able to help other students as much as it has helped me.”

**--Leanna F.**, student at University of Maine Farmington (Class of 2021)

“The Maine State Grant has been an incredible tool for allowing me to pursue higher education. As an alumna of the Upward Bound Trio Program, I know how immensely important each and every dollar is and how lucky I am to be able to attend university. This grant has allowed me and so many others who were born into poverty the chance to better our lives and the lives of those we love. I am so thankful to those that made the Maine State Grant possible and I know others who have received it are, too.”

**--Aleksa P.**, student at University of Maine Farmington (Class of 2023)

“I have been working in the UMF Financial Aid office since January 2004. I have seen over the years how all financial aid, especially the Maine State Grant, has helped our student population. It has meant for some students the difference of attending college versus not being able to afford the cost on their own. While not every student finishes on a typical 4-year path, a larger number will and the pursuit of their dreams will become a reality. As we all know, education is of the utmost importance for a successful outcome and life does not always turn out as planned. As I work with students on the front line, they express a deep sense of gratitude for the contribution in supporting their cost in their education. With the help and support of the Maine State Grant, it can make a difference in many student's lives for the positive as they continue on their educational journey.”

**--Chris D.**, Administrative Specialist CL2, University of Maine Farmington

“The Maine State Grant Program has been underrated for its multi-generational value to Maine in providing a core component of support for Maine's neediest undergraduates in pursuit of further educational and economic opportunity. Please do whatever you can to sustain and to develop this critical asset for both educational and workforce development. It's a real winner and should be recognized for being an on-going catalyst for the growth of individuals, the workforce, and the common good.”

**--Ron M.**, Director of Financial Aid, University of Maine Farmington

“As a private school that has a high percentage of Pell-eligible Maine students, the Maine State Grant has been and continues to be very beneficial to our student population here. This year we had 239 students benefit from the Maine State Grant; that is about 40% of our Maine FAFSA Filer population. Then, when the Maine State Grant EFC cut-off was increased to 10,000 on November 3, I was ecstatic. This allowed an additional 54 students to benefit from the Maine State Grant, increasing the percentage of our Maine FAFSA filer population assisted by this program to 48%! Maine State Grant has allowed our students to live on campus instead of off campus, when they thought they would never have that experience, get their balances in good standing with the College, allowing them to pre-register for the coming term and continue their valuable education, and yes, even at a private college, for some it has created a credit so they have assistance for books. Over my 16 years in financial aid, I have seen other states discontinue their state grants . . . and the impact it has had on our students and their families. Working at a college in a state that continues to offer this grant assistance and works hard to assist our youth in making education a reality makes me proud.”

--**Jeannine R.**, Senior Director of Student Financial Services, Thomas College

“The funding I received helped me tremendously! Being a single mother of two boys, money is tight especially with COVID in place! And finishing my degree is so important to me. The funding helped me be able to have a successful fall semester without any worries! It’s helped me so much to be able to provide for my boys without worry! And I’m so very thankful and grateful!!!”

--**Alana V.**, student, York County Community College

“This helped me a lot with paying for my classes and textbooks. Once I finish college, I probably won’t even be in loan debt.

--**Student**, York County Community College

“Without these grants, it would be impossible for me to attend college. Education has become a matter of access through monetary means nowadays and to have people back me as an adult student has brought empowerment to my life. The beneficiaries, the people who back the grants, and especially you all make this possible. I am endlessly thankful.”

--**Nick P.**, student, York County Community College

“Any money that I have been granted has helped tremendously in completing my degree and caring for my family. I am currently a stay at home mom and teaching my son at home and it has not been easy. The money is greatly appreciated! Thank you!”

--**Michaela G.**, student, York County Community College

“I am 28 years-old and a new mother to a 5-month old baby boy. I am also married and my husband is the sole provider for our household. I already have \$14,000 dollars in student debt from previous years. When I decided to go back to school to pursue my degree, my life looked much different than it did years ago. The FAME Maine State Grants have allowed me to pursue

my passion at 28 years-old, even being a full-time mom and has alleviated my stress of adding more debt to my student loans. Because of this, I am able to still stay home with my child and save money on childcare and still go to school! The grants have been extremely helpful to my situation and the state of Maine is so generous for granting this money to us students and it does not go unappreciated! Please don't let this funding go, it helps so many young Mainers, like me, to pursue their dreams and passions without putting us farther into debt. I'm sure when I say this I speak for all students who receive it. We appreciate it more than you can imagine!!”

--**Kaila C.**, student, York County Community College

“I would first like to just say how thankful I am to be graduating YCCC in the spring of 2021! I got my culinary arts degree in spring of 2020 and will continue with my baking and pastry! The scholarship that I received helped me with books and gas to attend school for these last three years! These benefits provided by the scholarships I received from YCCC have helped my future and my family's future helping me accomplish this huge task in my life. If it weren't for this extra help, I wouldn't have been able to return to school and start over again on the right path. This last semester has meant everything and more and to me (even though it was extremely tough), so I am extremely grateful. I can't say thank you enough.”

--**Student**, York County Community College

“This program has helped me be able to attend college at all. I'm a first-generation college student for my family. I'm 28 years-old and a stay-at-home mom of 2. I want my children to have a better life than I did. Once I get my degree I will be have a better chance of giving them an even better life. I am so great full to have this opportunity to be able to get my degree.”

--**Student**, York County Community College

“This grant has allowed me to be able to meet the financial obligation of my higher education easier. It has helped allow me to continue to further my education in order to gain a more stable career and better care for my family.”

--**Student**, York County Community College

“This grant program has really helped me stay on top of finances and bills while I continue my education here at YCCC. While I am in school, I do not have much time for work, as I am self-employed, and recently COVID has taken a huge impact on my acting career. This grant has been beneficial in helping me pay for my gas, get food, pay for bills, and even pay for my textbooks needed to take my courses. I am very grateful to have received this money when no income has been available to me yet. Thank you so much!”

--**Stiles**, student, York County Community College

**Appendix C: Draft FAME legislation to implement certain decennial review recommendations**

**An Act to Amend the Maine State Grant Program**

**Be it enacted by the People of the State of Maine as follows:**

**20-A MRSA §11614**, as amended by PL 2001, c. 70, is further amended to read:

Grants to eligible students must be determined as follows, subject to the limitations set forth in section 11613.

1. Priority for awards of grants. Students with the lowest expected family contributions must be given priority over all other eligible students for the awards of grants, except for those students still enrolled who previously qualified when initially applying for the grant.

**SUMMARY**

This bill seeks to implement the recommendation contained in the decennial program review of the Maine State Grant Program by allowing a student to continue receiving the grant despite changes to their EFC from one year to the next. It allows for the annual renewal of grants under the Maine State Grant Program for a student each academic year for no more than ten semesters for full-time students so long as they remain eligible.