

MAINE STATE LEGISLATURE

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A STUDY OF LEGISLATIVE DOCUMENT 1228

**An Act Appropriating Funds for Educational Costs
for Maine Students in Private Schools of Higher Education**

A Report Prepared for the 105th Maine Legislature

December 1, 1970

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by the
MAINE EDUCATION COUNCIL

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December 1, 1970

Dr. Lincoln T. Fish, Chairman
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Honorable members of the 105th Legislature:

The Maine Education Council is pleased to present this report to the 105th Legislature in response to S.P. 483 approved by the 104th Legislature.

S.P. 483 directed the Maine Education Council to conduct a comprehensive study of L.D. 1228, "An Act Appropriating Funds for Educational Costs for Maine Students in Private Schools of Higher Education."

The Council was fortunate to secure as the principal investigator and writer of this report one of its members, Professor Paul Hazelton of Bowdoin College.

Professor Hazelton's experience and interest in higher education in general and in financial assistance to students in particular make him an expert in the subject matter of L.D. 1228.

Early drafts were circulated to the other members of the Council and their responses woven into the final draft, which received the unanimous approval of the Council.

The Council believes that the time is right for this and the next Legislature to complete the task begun with the establishment of a statewide university system by creating the commission recommended in this report and enacting its findings to the end that the financial support of post-secondary education in Maine become orderly and adequate.

For the Maine Education Council,

A handwritten signature in cursive script, reading "Lincoln T. Fish".

Lincoln T. Fish, Chairman

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INTRODUCTION

On May 29, 1969, the Maine Senate with the House concurring ordered the Maine Education Council to conduct a study of the bill which had been submitted by Representative Floyd Haskell of Houlton entitled "An Act Appropriating Funds for Educational Costs for Maine Students in Private Schools of Higher Education," (H.P. 952, L.D. 1228).

The Senate further directed the Maine Education Council to submit a written report to the 105th Legislature together with any necessary recommendations and implementing legislation.

SUMMARY OF L.D. 1228 AND ITS ARGUMENT

L.D. 1228 was presented by Representative Floyd Haskell of Houlton in the regular session of the 104th Legislature. It asked that \$5,716,000 be appropriated to establish a fund from which grants could be made to Maine students to Maine private, four year, degree granting colleges. Any student who had lived in Maine twelve months immediately prior to application could qualify for a grant not to exceed 1/2 of the annual per student state subsidy at the University of Maine. The bill received a nearly unanimous "ought not to pass" recommendation of the Education Committee and the bill was defeated 55-42 on May 29, 1969.

A re-draft of the bill, L.D. 1565, reduced the amount of the fund to \$500,000. As in the first bill, it authorized grants to Maine students in private colleges; but in this version amounts up to the public per student subsidy at the University of Maine would be permitted for every additional Maine student above the number enrolled at the college in 1969. This bill was further amended in the Senate, limiting the fund to \$200,000 for the second year of the biennium only and limiting the recipients to students from families of \$5,000 or less income. On June 19, 1969, this bill passed the House, 80 voting for, 38 against. It passed the Senate but no money was finally appropriated for it.

By the Senate Order, the Maine Education Council's concern is with the first bill, L.D. 1228.

The primary intent of the bill, it is clear from legislative debate and a subsequent essay in the Maine Sunday Telegram by Mr. Haskell on the topic, was to divert Maine students into private higher education

in order to reduce the public investment in the University, especially in physical plant. Initially, Mr. Haskell set this figure at \$6,000 per student in the University of Maine.

The annual per student subsidy on which the grant would be based was set at about \$2,000 but the important economies, it was declared, would come from slowing the growth of the physical plant.

That it also had some aspects of a scholarship program was, as Mr. Haskell said, "incidental." Because L.D. 1228 sought to attract students away from the public university, Mr. Haskell described it, "in homely terms...as...a bounty on students just as you have a bounty on bears."¹

In the newspaper article which appeared last summer,² Mr. Haskell revised the construction costs per student in public institutions to \$7,000. He discussed "the tuition gap" between public and private institutions and illustrated the unequal growth of the two with data for the state of Connecticut. He showed further that the proportion of Maine students in Maine private colleges had declined from 40% in 1945 to 28% in 1967. During this period the capacity of private education in the state was increased by about 5,000 places. Mr. Haskell reported that all Maine private colleges are eager to increase their numbers of Maine students.

¹Legislative Record, 104th Legislature, Regular Session 1969, page 2783.

²The Maine Sunday Telegram, 5 July 1970, page 9-D.

According to his calculations, Mr. Haskell judged that savings of about one million dollars could be achieved for the state "if an important shift of students to the private sector could be achieved."³

Mr. Haskell, in legislative debate described his own commitment to private education. He has been a member of the Board of Trustees of one private college for over fifteen years and has been for some time the chairman of that Board. Such aid as he proposed would not only provide savings to the taxpayer, he concluded, but it would have an additional effect of preserving a highly valued characteristic: diversity.

¹Ibid.

THE DEFINITION OF THE PROBLEM

The Maine Education Council was directed by the Senate Order to conduct "a comprehensive study" of the Haskell Bill. This has been taken to mean a study of the general problem to which the bill is addressed, namely, the state's part in financing higher education and its relation to the public and private sectors. A narrower line of inquiry, which the Council chose not to follow, would have been a study of the methods by which the public subsidy per student in the university could be computed and an account of the capacity and enrollment plans of private colleges in the state. Both these alternative topics warrant a brief comment here.

Enrollment plans, space utilization, and related matters are the subject of continuous compilation by the Maine Higher Education Facilities Commission, a body created by federal legislation. The best current estimates in these matters would be available from its director. The degree to which the present capacity of private education is underused (and therefore possibly available for increased enrollment of Maine students) can be reasonably judged. However, the possibilities of substitution: that is the assignment to new Maine students places which would otherwise be filled by out-of-state students in a particular college, is a different matter. It requires individual decisions of institutional policy, and these are not likely to be reached by simple computation from the data of the Higher Education Facilities Commission.

The second topic that might have been the subject of a narrowly conceived inquiry concerns the question of an accurate calculation of

the public subsidy of students in the university. It is a more technical matter than the preceding one. Reports of the Carnegie Commission on Higher Education, which is currently studying expenditures, indicate some of the specialized economic considerations that enter the determination of costs.¹ Figures for per pupil subsidies can be stated, but the means for reaching them should be carefully described; and disagreements, where they exist, should be part of such a description. For example, substantial differences on a figure of per student costs of physical plant can be caused by different methods of amortization.

In any case, prudence, as well as the sense that its charge was a broader issue of public policy led the Council away from focussing its report on such narrowly defined technical points. It chose instead to consider L.D. 1228 in the broader context of the needs of post-secondary education in Maine and in the nation. It is to these needs that the Haskell Bill addressed itself. And in no sense are these needs technical matters.

¹A number of pamphlets and books have been issued by the Commission. The most recent and comprehensive is Earl F. Cheit's The New Depression in Higher Education.

THE CONTEXT OF THE PROBLEM

A. The Crisis in Financing Higher Education

L.D. 1228 was a response to a growing crisis in funding higher education. In the months since the 104th Legislature adjourned, the dimensions of that crisis have become even clearer. The need for sound public policy for Maine, envisioned by Representative Haskell in the presentation of the bill, has become more urgent.

"Urgent need" is a familiar phrase in every legislature. It is one of the primary and continuing obligations of a legislature to set those needs in some priority and to assess the burden of meeting them according to the strength of the state's economy. Consequently, it may be asked, "In what way has the crisis in higher education grown worse?" Or, "In what way may it not grow even more acute in the future?"

The present crisis has been foreseen as a possibility for several years. But the rapid development to its present stage has depended upon the convergence of several factors. These are directly related to inflation, the numbers seeking higher education, and the reduction of other forms of income which have substantially supported many of the costs of college and university operation in recent history.

Inflation, which is itself a symptom of other economic forces, has been particularly strong in budgets like those of higher education. Much of these are devoted to inflationary-sensitive costs, e.g. salaries --- professional and non-professional, buildings, scientific apparatus, and libraries. The pressure on admissions in the case of public colleges and universities has been intensified by a steady shift in enrollment

of the proportion, as well as the absolute numbers, to those institutions.

Most recently a growing awareness that public opportunities must be extended to all levels of family income. The tendency to raise student costs for higher education raises the economic selectivity of admissions. Families at the lower levels of income are already likely to be paying, because of regressive taxes, a disproportionate part of the costs of higher education. With rising costs they find their opportunities for it reduced even further. So a sense of fairness as well as sound policy demands new additional expenditures for student aid funds.

There are additional pressures embodied in the number of those seeking a college education either private or public. The number not only reflects the birth-rates, which in fact are now beginning to slow down, but also the growing proportion of youth completing high school. The number of college applicants also reflects the limited alternatives provided in society outside of education for young men and women, whether in the job market, military service, or in such organizations as VISTA, or the Peace Corps. The same economic forces which in the winter of 1970-71 shape the financial crisis of higher education also shape, and restrict the growth of, these other youth opportunities.

Many federal policies, for example, cut-backs in research funds or student aid grants affect public and private colleges alike. Some factors, for example, a backlash sentiment about student conduct, may be more immediately evident in public institutions. Others such as those affecting alumni gifts or foundation grants are usually reflected

first in private institutions. However these are matters of degree. To suggest that public and private higher education exist in separate contexts is misleading.

Equally misleading would be any view that Maine problems are distinctively different from problems in other states. The increased growth and costs of public higher education in Maine are reflected in similar data for other states. In 1970-71 appropriations for operating public higher education, Maine is 41st from the top on a list ranked per capita in the 50 states.¹ Its position on this is comparable to other such listings in education; the meaning of which is never precise; but it is sufficient to indicate that Maine's problems are not extraordinary in the national context.

The situation for Maine private colleges is not notably different and it is equally grave. Columbia University expects a fifteen million deficit this year; Princeton two million. Both institutions are among the strongest private institutions in the country, and both consider their present deficits the measure of a calamitous situation if it is not changed. Among Maine colleges, Bowdoin, the oldest and most heavily endowed, may be used as an example of one kind. It is currently operating with more than a \$300,000 deficit. It is a condition which if continued, for a relatively short time, its president estimates, will lead to financial disaster.

An even more complex set of needs are to be found in the new

¹The Chronicle of Higher Education, 12 October 1970.

generation of Maine private colleges, whose history begins essentially after the second World War. Measured by the usual standards of resources or status as accredited institutions, their position is weaker than the older private institutions. In the midst of their financial distress, they are encountering an emerging crisis in enrollment. The number of students for them is down; teachers have been laid off; plans for expansion have been shelved. They are menaced even more acutely than the other institutions by a downward spiral of finances, enrollment, accreditation, and quality. In all of these respects, they too are like many of their counterparts among new, private institutions throughout the nation.

B. Public and Private Higher Education: A Mixed System

This report is not the place for an extended discussion of the system of public and private higher education in this country, but some comments about it are warranted. Perhaps it is sufficient to say that it is a "mixed system" in which public and private exist together and which are characterized by varying degrees of public-ness and private-ness. As it has been indicated, ~~there~~ there has been a steady shift in enrollment in the past generation to public higher education. In the 1930's there was an approximately equal division of college enrollments between private and public institutions. Since then the expansion of higher education has grown at a greater rate in the public sector than in the private one. For reasons that are only partly financial, many of the established private institutions chose as a matter of policy to leave the burden of expanded demand for higher

education mainly on the public institutions. The present proportion is about 70% to 30% between public and private enrollments.

The system has a geographical dimension as well as a historical one. As one moves west and south beyond New England and the Northeast the dominant institutions are overwhelmingly the public ones. Concentrated in the Northeast and especially in New England are many of the strongest institutions in the country --- indeed, in the world. And they are private institutions. This fact more than any other retarded the growth of public higher education in this region. It continued long after the acceptance in the rest of the country of public institutions as the primary form and private as minority alternative.

The movement toward strong public institutions in the Northeast has not always had the full support of private institutions. There have been occasions of calculated indifference and at times shameful arrogance on the part of the private toward the public colleges. Looking at the state universities of New England, or New York; or at Rutgers, once a private college, now a state university, clearly this is no longer the situation. No private institution of any kind can condescend to them.

But the emergence of the strong public system in the Northeast has been hard won. Those legislators and friends of public universities in the Northeast who have worked hardest for them are understandably anxious for their future. And zealous in defending them against any policy which would seem to them a step backward toward a past in which they were subordinated to the private sector.

It has been a general conclusion of the most careful studies of the crisis in financing both public and private institutions that the problem of one cannot be solved at the expense of the other. The public interest in private colleges is well stated in a New York report:

..the value to society of strong private institutions of higher learning is clear and great...any deterioration in the established quality of these private institutions--whether in terms of faculty, curriculum, academic standards or physical plant--would be harmful not only to the institutions themselves but also to the public good.¹

But a similar report in Texas may serve as an example of the broader concern for the whole. Its affirmation is characteristic of all such studies:

We believe in the value, viability and necessity of a dual system of higher education so that there can be freedom of choice, diversity, pluralism and maintenance of quality for both the public and private sectors.²

Thus, the definition of the problem of financing higher education in the state of Maine must encompass the needs of public as well as private institutions. New initiatives for the state in a period of severe financial strain can be damaging to the whole if the problems of one part are treated in isolation from the other. In facing the problem, the legislative task is first to consider the widest possible range of responses to it.

¹New York State and Private Higher Education, Albany, State Department of Education, 1968, page 13. (This report and the following one are cited in Robert O. Berdahl, "Private Higher Education and State Governments," Educational Record, Summer 1970, V. 51, No. 3. The Berdahl essay is a comprehensive account of studies and legislation on this topic.

²Pluralism and Partnership, Austin, Coordinating Board, Texas College and University System, 1968. Cited in Berdahl.

RESPONSES TO THE PROBLEM

The responses to the present crisis in financing higher education are limited. Among individual institutions they may vary considerably according to the imagination and resolution of those who work for them and those who attend them. But for higher education at large, the sources of revenue and, broadly, the economies of their use, are definable. They are tuition and other charges to the students, restricted and un-restricted gifts and grants to the institutions, the endowed funds and the public subsidies. In these respects private and public institutions vary from each other only in the proportions with which these resources are put together.

The yield of these resources may be increased in several ways, and their use may be improved by economies. But so long as colleges and universities remain essentially non-profit institutions they will not have substantial surpluses which can be returned to their operating costs. Some changes in structure and in function may be made, but broadly the economies are to be located in those parts of the operation where with varying degrees of success they are already underway.

Only a few illustrations are needed to indicate the direction in which these propositions lead. The cost of tuition and living, for example, can be raised directly in the present payments of students or, through a loan system, payments can be shifted to the future. Operating efficiencies may be of two general kinds: administrative and academic--- though the distinction is not so neat as that suggests. Administrative efficiencies come from improved management in certain operations, and

in matters of personnel, budgeting, and the use of physical facilities.

Academic efficiencies are to be found in such matters as the organization of teaching and the commitments to research. Teaching methods, teaching loads, departmental organization, etc. may be changed. Libraries and laboratories are also proper objects of more efficient expenditures. They are all less certainly the subject of cost-benefit analysis, but they are not immune from it. And comparisons among different institutions can be based upon them. It must be said however, that these are the matters which are commonly judged to be central to the quality of education a college or university can offer. They are primary criteria for professional and regional accreditation.

There are some possible economies of quite a different kind. They might be considered "systematic" in the sense that they are not related to particular institutions but to the organization of higher education in general. These economies may be more notable in the public sector because, by its nature, it is less diversified than private. Systematic economies may be derived in a diversified system in which it is possible to shift to a significant degree the number of students to essentially lower unit cost institutions.

For Maine this may mean the development of an extensive public community college system. One of the features of such a system would be that many students who now live on campus of a public institution would spend some part of their time living at home attending college in their own community or one nearby. Similarly, an increased development of the Vocational Technical Institutes will not only widen choices

available in post secondary education it will lead ultimately to lower per student costs.

In private higher education there is already a degree of diversification which makes it difficult to talk for the purposes of economy about a system. The differences between Colby and Thomas, both degree granting colleges in Waterville, are considerable. They both share important characteristics as private institutions. Yet they are at different points on any scale which would measure organization and commitment, or range of extra-curricular opportunities for students or the required investment in laboratories and libraries.

In Maine public higher education the range is not so great. The integration of the state colleges with the old university at least in the early stages may tend to obscure the variety inherent in it. The tendency is especially evident when there is a focus on such visible and immediate concerns as uniform student fees and not on the less immediate kinds of differentiation among campuses with different "missions" envisioned by the Higher Education Planning Commission.

Throughout the country in this period of financial stress, comparisons have been made between public and private system costs. The greater variety of private institutions has resulted, in many instances, to a misleading impression of comparative costs. A study by an Illinois commission on public aid to private education gives testimony on this point. The commission, composed of nationally distinguished educators from outside of the state says,

..It is not easy to develop unit costs information which will permit precise comparisons among different types of

institutions...It is however, sufficient to suggest that the public sector's costs are no higher than, and may be somewhat below, the costs of the private sector.¹

The development of an extensive public community college system in Maine will mark a shift to lower unit costs for higher education and a long run economy. In the same way, the continued expansion of efforts to increase gift funds from alumni, foundations and other individuals will strengthen ultimately the financial base for public higher education. But such efforts are not immediately promising and often do, in fact represent some additional operating expense. They are furthermore subject to at least the same restrictions that are currently felt by private colleges for this source.

Private colleges and universities have for most of the past decade concerned themselves with the federal government as a source of financial aid. During this time Washington has consistently treated higher education as a whole, a mixed system of public and private. Until recent shifts in national policy the federal government has been responsive with aid for construction, for student financial aid, and a variety of supplemental and contractual programs which have aided research and fixed institutional costs. But as the reports cited here previously may suggest, private institutions have been turning increasingly to states for aid. Recently in the fall of 1970, nineteen of the private colleges in Connecticut have announced the formation of an association whose primary purpose will be to launch a campaign to obtain aid from

¹Cited in Berdahl, page 288.

the state legislature this year. Similar action has been taken in other states. A 1969 survey by the National Association of State Universities indicates that in nineteen out of thirty five states at that time efforts were being made for public aid to private institutions.¹

The most common form of state aid has been a scholarship system which permits a recipient to apply his grant at either public or private institutions. At least seventeen states now have such scholarship programs and an additional thirteen offer programs of loan assistance.² New York and Pennsylvania have passed legislation for public institutional grants for operating funds. Only New York has so far distributed such funds, but they are the goal of a number of proposals and organizations in state capitols across the country.

California has enacted legislation which gives state tax credits for gifts to public and private education. New Hampshire created in 1969 a higher education bonding corporation for construction at private institutions. It is somewhat similar to legislation which was before the 104th session in Maine.

At present all states through tax exemptions make grants to private colleges and universities. In every case this is a significant subsidy though a precise determination of it may be impossible. Some estimates put this aid at 15% of total current income of private institutions.³

¹The Chronicle of Higher Education, 11 August 1969.

²Compact, October, 1969 (published by the Education Commission of the States).

³Berdahl, op. cit.

It is, in any case, a figure that does suggest the chief historical argument for the private institutions: which is that they perform a public function.

What is new and what leads to proposals of public aid of greater variety than ever before is the sense of urgency about the financial situation in the present. Lt. Governor Paul Simon of Illinois has put the case in his own state, where a strong complex set of public institutions exists, together with a wide variety of private colleges and universities, some of which are internationally eminent:

Unless there is substantial aid.. one third of the present private colleges in the nation may no longer be in existence by the end of the decade...The result will be staggering increases in costs for the states and a poorer educational quality for the nation.¹

¹The Chronicle of Higher Education, August 31, 1970.

DISCUSSION AND RECOMMENDATION

L.D. 1228 represents an original response to the urgent problems of financing higher education. The general literature on the subject does not indicate a similar response elsewhere in the nation. Although similar efforts in other states may have been made, the primary purpose of L.D. 1228 does not appear to be embodied in any of the general statements of public policy in this matter.

Primarily, L.D. 1228 aims at arresting or retarding growth in the public university and thereby reducing the public investment. Financial aid to either private institutions or students is not seen as anything more than incidental to the purpose. There are many instances in policies being considered elsewhere with the opposite aim of L.D. 1228. In these either students or private institutions, or both, are considered primary beneficiaries; and any effect of diverting students from the public to the private sector is secondary or incidental.

There is no assurance in the argument for the bill that it would achieve its declared purpose or that it might not have the effect of subsidizing expansion of enrollments in certain private institutions but not in others. There is no definition of qualitative standards or any means of accountability for the investment of the public funds proposed in the bill.

In summary, L.D. 1228 would move into a complex area of public policy. The development of the bill reveals the lack of a general discussion among all the elements most directly affected by it. On a matter of such significance, there appears to have been no broad

consideration of alternatives to the bill by the colleges or the university. In the absence of such participation, L.D. 1228, and its subsequent revisions as well, seem to be the first of what might become many ad hoc responses to limited aspects of a developing financial crisis in Maine higher education, both public and private.

The uneven consideration given L.D. 1228 in hearings underscores the weak role played by the Maine Higher Education Council, which should have been especially active on such a matter. The Council, on which both public and private institutions are represented should provide a forum within higher education in this state for a deliberate assessment of policy proposals, without the restraints that may be imposed on institutions in public hearings. It is a reasonable expectation for the legislature that some discussions of major bills will have taken place in a body like the Higher Education Council.

Problems of financing higher education will confront the legislatures of the 1970's with unprecedented force. Sound public policy in solving them must embody certain primary considerations which are lacking in L.D. 1228. The first is that a coherent, unified response to the whole system, both public and private, is needed. Compared to similar institutions there is no evidence that the university's urgent needs for public funds are extraordinary. Nor that the university might not find more economical use, for example in community college development, for the funds than the method of spending them proposed in the bill. Nor is there any evidence that the proposed method of incidental aid to private institutions is the most effective aid to them in their present

situation.

The second consideration of sound policy is related to the question of quality and accountability. L.D. 1228 set no standards of eligibility for student or institution other than residence and four year degree programs. It may be that considerations of students' financial needs are irrelevant to the purpose of the proposed legislation. The broader policy question is, should they be? Should grants to students, given the critical stage of economic selectivity which we are reaching in the state, be made without consideration of financial need?

Similar questions may be raised about the institutions which the state-subsidized students attend. What assurances of quality of the state's investment in the work of these institutions can be asked? One of the most thoughtful studies of public policy in this area, the New York Report, argues that even regional accreditation, the conventional yardstick of educational quality, of private colleges is not a sufficient basis for entitling them to state aid. They must, says the report, be at least equal to the best public opportunities.

Ultimately, if state funds are to be used for private institutions as well as public, there is likely to be some coordinating agency of a kind which does not now exist. The Maine Higher Education Facilities Commission, established by federal legislation, coordinates the disbursement of some federal funds to public and private institutions in the state; but it operates with simple quantitative measures and formulas. Public expenditures for more general purposes in private institutions will require a more complex form of accountability, and quite

probably in the long run a stronger coordinating agency.

A great many states have found that the problems and the opportunities in this difficult area of educational expenditure require sustained analysis and reflection. There is a broad spectrum of post-secondary opportunities which must be considered. Some of which may not fall within the conventional definition of higher education. Commonly, states have chosen a strong public commission, such as the recent Coffin Commission on Higher Educational Planning Within the University System, to investigate the alternative public response that are possible.

The Maine Education Council is neither sufficiently representative of broad public interest nor was it designed for such an assignment. It has neither the staff nor the funds. But such a commission should be created to present its findings and recommendations for financing higher education in Maine.

Lacking such a commission, the government of the state will not be free of pressures for limited or highly particular responses, which may indeed create obstacles to good policy in the future. Easy solutions are seldom the result of such a commission. But the legislature can expect from it a depth of analysis and a coherent assessment of needs which will provide a foundation for future legislative leadership.

The Commission's purposes will be the economical use of public resources --- which was indeed the commendable intent of L.D. 1228. But it would present a wider consideration of the important elements of the cost to the people of the state of Maine and the returns likely from each of a number of alternatives in meeting those costs.

RECOMMENDATION

That the legislature establish a commission on the public financing of higher education composed of interested citizens and supported by a professional staff for the purpose of reporting to the legislature at the 106th session.

IMPLEMENTING LEGISLATION

RESOLVE, Creating an Advisory Commission for the Study of Public Support for Post-secondary Education in Maine.

Emergency preamble. Whereas, Acts and resolves do not become effective until 90 days after the Legislature adjourns unless passed as emergencies; and

Whereas, post-secondary education in Maine as in the nation is in a state of deepening financial crisis; and

Whereas, a comprehensive study should immediately be commenced to determine public policy in providing public support to a broad spectrum of qualified institutions offering post-secondary education to Maine students, without undermining the necessary level of public support of public post-secondary education; and

Whereas, public programs of student assistance affect the ability of Maine students to take advantage of post-secondary educational opportunities; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

There is created an Advisory Commission for the Study of Public Support for Post-secondary Education in Maine. The Commission shall consist of 15 members including the Chancellor of the University of Maine, the Commissioner of Education, a member of the Senate to be appointed by the President of the Senate, a member of the House of Representatives to be appointed by the Speaker of the House, and 11 members appointed by the Governor who shall designate one of the members as Chairman.

The Commission is directed to review and investigate the present and future economic needs of post-secondary educational institutions in Maine and their abilities to meet emerging needs of future Maine students, and to study present programs of publicly supported financial assistance to Maine students and develop recommendations, if necessary, for new or additional responses to increasing student needs.

The Commission shall have the power to employ a director and such other consultative, statistical, and clerical services as may be needed to carry out the study, and shall have the power to provide such office space, supplies and equipment as may be needed.

The Commission is directed to report its findings and recommendations to the 106th Legislature.

Emergency clause. In view of the emergency cited in the preamble, this resolve shall take effect when approved.

APPENDICIES

Appendix 1, Senate Paper 483

Appendix 2, Legislative Document No. 1228

Appendix 3, From: The Chronicle of Higher Education,
30 November, 1970, Vol. 10, Page 2

STATE OF MAINE

In Senate, May 29, 1969

Ordered, the House concurring, that the Maine Education Council, established under chapter 452 of the public laws of 1967, is authorized and directed to conduct a comprehensive study of the Bill, "AN ACT Appropriating Funds for Educational Costs for Maine Students in Private Schools of Higher Education," H. P. 952, L. D. 1228, as introduced at the regular session of the 104th Legislature; and be it further

ORDERED, that the Maine Education Council submit a written report of their findings, together with any necessary recommendations and implementing legislation, at the next regular session of the Legislature.

IN SENATE CHAMBER
Tabled by SEN. HREESSES
OF _____ OF KNOX

MAY 29 1969

PENDING Passage
SPEC. ASSIGNED FOR JUN 3 1969
JERROLD B. SPEERS, Secretary

IN SENATE CHAMBER Taken from the Table, PRESIDENT
Tabled by SEN. SEN. KATZ
OF _____ OF KENNEBEC

JUN 3 1969

PENDING Passage
SPEC. ASSIGNED FOR JUN 3 1969
JERROLD B. SPEERS, Secretary
Spec. Leg. Res. Table

SP 483

IN SENATE CHAMBER

Taken from the Table by SEN. KATZ on Motion of
OF KENNEBEC
JUN 4 1969

SENT DOWN FOR CONCURRENCE
JERROLD B. SPEERS, Secretary

HOUSE OF REPRESENTATIVES

READ AND PASSED

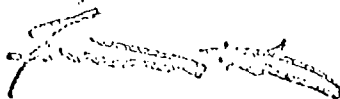
JUN 5 1969

IN CONCURRENCE

Bertha W. Johnson
CLERK

(Katz)

Name:



County: Kennebec

ONE HUNDRED AND FOURTH LEGISLATURE

Legislative Document

No. 1228

H. P. 952 House of Representatives, March 6, 1969
 Referred to Committee on Education. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Haskell of Houlton.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED SIXTY-NINE

AN ACT Appropriating Funds for Educational Costs for Maine Students in Private Schools of Higher Education.

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

Sec. 1. R. S., T. 20, c. 306, additional. Title 20 of the Revised Statutes is amended by adding a new chapter 306, to read as follows:

CHAPTER 306

EDUCATIONAL GRANT FUND

§ 2322. Purpose

There is established an Educational Grant Fund to be administered by the Department of Education, the proceeds of which shall be used to defray the cost of education of young men and women who are residents of the State and who are enrolled in a private, nonprofit, 4-year degree granting college or university located within the State of Maine or who have been accepted for admission to such an institution.

§ 2323. Educational Grant Fund

The Educational Grant Fund shall be used by the Department of Education as a nonlapsing revolving fund for carrying out this chapter. The fund shall initially be in the sum of \$2,850,000. To this sum shall be charged all educational grants and any necessary expenses incurred by the Department of Education in administering the terms of this chapter. To this sum shall be credited all amounts received by the Department of Education under this chapter.

§ 2324. Duties of the Department of Education

The Department of Education of the State of Maine, acting through its commissioner and the duly qualified personnel in said department, shall distribute funds and carry out the necessary administrative duties.

§ 2325. Eligibility for grant

Any student who has been a resident of this State for at least 12 months immediately prior to application and who has been accepted for study on a full-time basis at any post-secondary, private, 4-year degree granting college or university located in this State, shall be eligible for a grant under this chapter.

§ 2326. Award and amount of grants

Any eligible student may receive a grant not to exceed 1/2 of the annual amount of state subsidy per student at the University of Maine. The annual amount of state subsidy per student at the University of Maine shall be computed by the Department of Education annually.

Sums so awarded shall be disbursed by the accepting institution on behalf of the student for tuition, fees, books, board or any legitimate educational expense. The awarding of grants under this section shall be made for study beginning in the fall of 1970 and succeeding years.

1. Religious study. No grant shall be made under this chapter to any student who is enrolled in a course of study leading to a degree in theology, divinity or religious education or who is a religious aspirant.

2. Civil Rights Act. No student shall be eligible for financial aid under the terms of this chapter who seeks enrollment, or is currently enrolled, in an institution of higher education, located within this State which has failed to file with the State Board of Education, a certificate of assurance of compliance with Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and amendments thereto.

§ 2327. Rules and regulations

The Commissioner of Education shall prescribe rules and regulations to carry out this chapter.

Sec. 2. Appropriation. There is appropriated from the General Fund to the Department of Education to carry out the purposes of this Act the sum of \$5,716,200. The breakdown shall be as follows:

EDUCATION, DEPARTMENT OF	1969-70	1970-71
Personal Services	(2) \$ 6,700	(2) \$ 8,500
All Other	2,850,000	2,850,000
Capital Expenditures	1,000	
	\$2,857,700	\$2,858,500

34 States Provide Assistance To Private Higher Education

By ROBERT L. JACOBSON

WASHINGTON

Despite constitutional prohibitions in most states against direct appropriations of tax funds to private or sectarian institutions, at least 34 states have programs supporting private higher education, according to a recent survey.

All 34 states provide some form of financial aid to students at private colleges and universities, and 17 of them also provide institutional support.

The survey was conducted this past summer by researchers at the Academy for Educational Development, Inc., a private, nonprofit firm here. (See the table below for a summary of the kinds of support provided.)

Aid to Students

The survey found the following programs of aid to students, excluding state administration of the federal government's guaranteed loan program:

- ▶ Competitive scholarships based on ability and need (24 states).
- ▶ "Special-status" scholarships to such groups as Indians, veterans, and

handicapped students (nine states).

▶ Service scholarships for students who enroll and agree to work in "critical-area fields in the state after graduation" (11 states).

▶ "Tuition-equalization grants" to reduce the difference between student charges at private institutions and those at public institutions (7 states).

▶ Incentive grants and opportunity grants (12 states).

▶ Cancelable scholarship loans (6 states).

▶ Direct loans to needy students (3 states).

The programs supporting private institutions included:

▶ Aid for construction through tax-exempt bond issues or matching grants (12 states).

▶ Direct grants without restriction (4 states), grants to subsidize specified programs (4 states), and grants tied to earned degrees (2 states).

▶ Contractual arrangements with institutions in the state for educational services and student places (5 states), excluding contracts through regional agencies.

AID TO PRIVATE HIGHER EDUCATION

	Support of Institutions			Support of Students		
	Construction	Direct Grants	Contracts	Scholarships	Grants	Loans
Alabama		✓	✓	✓		
Alaska			✓	✓		✓
California				✓	✓	
Connecticut	✓		✓	✓	✓	
Delaware				✓ ^a		
Florida		✓		✓		✓
Georgia				✓		✓
Illinois	✓			✓	✓	
Indiana				✓		
Iowa				✓	✓	✓
Kansas				✓		
Kentucky				✓ ^b		
Louisiana				✓		
Maryland	✓			✓	✓	
Massachusetts	✓			✓		
Michigan	✓	✓		✓	✓	
Minnesota				✓	✓	
New Hampshire	✓			✓ ^b		
New Jersey	✓	✓		✓	✓	
New York	✓	✓	✓	✓	✓	
North Carolina		✓		✓		✓
Ohio	✓	✓			✓	
Oregon				✓	✓	
Pennsylvania	✓	✓		✓	✓	
Rhode Island				✓		
South Carolina	✓		✓		✓	
South Dakota				✓		
Tennessee						✓
Texas						✓
Vermont	✓			✓	✓	✓
Virginia				✓		
Washington					✓	
West Virginia				✓		
Wisconsin		✓		✓	✓	

a—Out-of-state programs only; b—Programs legislated but not funded.

SOURCE: ACADEMY FOR EDUCATIONAL DEVELOPMENT

Table shows kinds of programs used by 34 states to support institutions and students in private higher education. (See story above.)