

Commission to Study College Affordability and College Completion
Resolves 2013, Chapter 109

Chairs:

Senator Rebecca J. Millett
Representative Matthea Elizabeth Daughtry

Staff:

Lock Kiermaier

Website: <http://www.maine.gov/legis/opla/collegeaffordability.htm>

Proposed Agenda

October 22, 2014

9:30 AM; Room 202, Cross Office Building
Augusta, ME

1. Welcome, Introductions and review of Proposed Agenda
2. Review draft survey instrument
3. Review Affordability Options template
4. Review Affordability Analysis using the Washington State Model
5. Opportunity for public comment
6. Evaluation of options and possible recommendations
7. Adjournment

Parents

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
I (we) had adequate information about the cost of higher education					
I (we) had adequate information on the types of aid available to pay for higher education					
I (we) understood that there was an annual limit on the amount of federal student loans that could be borrowed					
I (we) understood that private loans were credit based					
I (we) planned on helping my student pay for college					

When did you first become aware of the estimated cost of your child attending college?

When my student was in:

- Elementary school or earlier
- Middle school
- Freshman or Sophomore Year in High School
- Junior Year in High School
- Senior Year in High School
- Not currently aware of the estimated cost of attending

What were your sources of information on paying for higher education?

Select all that apply:

- High School Counselor
- High School Teacher
- College Admissions Office
- College Financial Aid Office
- Financial Advisory
- Family
- Friends
- No information
- Other: _____

Did your student apply to college? Yes (continue) or No (move to final question and end survey unless we feel like we want to ask the parents why – we do ask more in the student survey)

If yes,

How many colleges did your student apply to? _____

How many colleges was your student accepted to? _____ (somehow end survey if 0??)

Is your student currently attending college? Yes or No (move to No below – turquoise highlight)

If yes:

What school is your student attending: _____

Was this your student's first choice school? Yes or No

Did your student file a FAFSA (Free Application for Federal Student Aid)? Yes (continue) or No (ask why, move to final question, and end survey)

Was there a remaining balance on your bill (should we say unmet need?) after financial aid? Yes (continue) or No (move to final question and end survey)

If yes, have you been able to help your student for college? Yes (continue) or No (skip next question)

If yes, what resources have you used (check all that apply):

- Savings
- Current earnings/payment plans
- Loans

Did you contact the financial aid office to discuss options? Yes or No

If yes, what was the result?

Has trying to pay for college has created a financial burden for your family?

If yes, what sacrifices have you had to make to assist your student in attaining a degree?

After this question, move to the final question and end the survey.

If no:

Did your student start college but then withdraw? Yes or No

Was cost the primary reason your student did not attend or withdrew? Yes (continue) or No (move to final question and end survey)

If yes, did your student file a FAFSA (Free Application for Federal Student Aid)? Yes (continue) or No (ask why, move to final question and end survey)

Did you contact the financial aid office to discuss options?

If yes, what was the result?

Final question: Are there additional comments you would like to share?

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Students

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
I had adequate information about the cost of higher education					
I had adequate information on the types of aid available to pay for higher education					
I understood that there was an annual limit on the amount of federal student loans that could be borrowed					
I understood that private loans were credit based					
My family planned on helping me pay for college					

When did you first become aware of estimated cost of attending college?

When I was in:

- Middle school
- Freshman or Sophomore Year in High School
- Junior Year in High School
- Senior Year in High School
- No currently aware of the estimated cost of attending

What were your sources of information on paying for higher education?

Select all that apply:

- High School Counselor
- High School Teacher
- College Admissions Office
- College Financial Aid Office
- Financial Advisory
- Family
- Friends
- No information
- Other: _____

Did you apply to college? Yes (continue) or No (drop down to section highlighted in yellow)

If yes,

How many colleges did you apply to? _____

Are you currently attending college? Yes (continue) or No (drop down to section highlighted in yellow)

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If yes:

What school are you attending? _____

Was this your first choice school? Yes or No

Did you file a FAFSA (Free Application for Federal Student Aid)? Yes (continue) or No (ask why, then move to final question and then end survey)

Was there a remaining balance on your bill after financial aid? Yes (continue) or No (move to final question and end survey)

If yes, how was it covered (check all that apply)?

- My parents helped me by paying some/all of the bill
- My parents helped me by borrowing a loan
- My parents helped me by co-signing a loan
- I used money that I had saved
- I'm working to pay off the balance

Did you contact the financial aid office to discuss options?

If yes, what was the result?

Were you offered federal work-study as part of your financial aid award? Yes (continue) or No (move to next question).

If yes, did you use your work-study?

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
I feel like my current education is preparing well for employment.					
I believe I will be able to easily find a job in my area of interest after college.					

After this question, move to the final question and end the survey.

If no:

Did you start college but then withdraw? Yes or No

Was your primary reason for not enrolling or leaving college: Academic Financial Personal

Please indicate how much of a factor each of the following was in your decision to not go to/to leave college:

	Major factor	Minor factor	Not a factor
Didn't receive enough financial aid	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial burden was too difficult for self/family	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Didn't think college was worth the money	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Needed to work full-time for financial reasons	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Needed time off from academic work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Needed time off to sort out options for the future	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wanted to be closer to home/family	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My goals are/were unclear	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Health reasons	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Family reasons	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Trouble with classes/academic work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Displeased with my college	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Decided college was not for me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If financial factors contributed to your not enrolling or attending school, did you:

File a FAFSA (Free Application for Federal Student Aid)? Yes or No

Did you contact the financial aid office to discuss options? Yes or No

If yes, was the result?

What resources (financial or otherwise) might have helped you to start or stay in college?

Final question: Are there additional comments you would like to share?

College Graduates

Approximately how much did you borrow in students loans to attend college? \$ _____

Did you borrow federal student loans? Yes or No

Did you borrow private student loans? Yes or No

If you borrowed both federal and private student loans, did you understand the differences between the two? Yes or No

Did you typically work during the school year while you were in college? Yes or No

If yes, approximately how many hours per week?

Are you having difficulty repaying your student loans?

- Great difficulty
- Some difficulty
- No difficulty

Are you aware of the various repayment options that exist with federal student loans? Yes or No

Have you spoken with your loan servicer about your federal student loan repayment options? Yes or No

Are you aware of the Opportunity Maine tax credit? Yes or No

If yes, you are able to take advantage of it?

Has your level of student loan debt resulted in financial barriers in your adult life? Yes (continue) or No (move to final question and end survey)

- If yes, has your debt:
- Impacted where you live?
 - Resulted in you taking a job "just for the money"?
 - Prevented you from purchasing a home?
 - Prevented you from starting to save for retirement?
 - Prevented you from getting married?

Are there any additional comments you would like to share?

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Template to Facilitate Analysis of Affordability Options

Data as of October 4, 2014

impact on

Note: all data as submitted by organization

private

Option	incr \$ finl inv or finl savings	# student impacted	trad'l non-trad'l	Implementation Cost	Funding Source	Time Req'd for Impl	Organiz. Resp. for Implement.	Legis Req'd?	Degrees Attained	Public and/or private
hiring 30 College Navigators	\$2.0 M	1/3 of matriculated students	both	\$2.0 M	State	6 months	MCCS	No	50% of the 1/3	Public
Student Work Study	\$2.0 M	312	both	\$2.0 M	State	6 months	MCCS	No	70% or 218	Public
Summer Scholarships	\$1.6 M	2,000	both	\$1.6 M	State	6 months	MCCS	No	N/A	Public
Create 2 Early College for ME staff positions	\$130,000	65	Traditional	\$130,000	State	?	MCCS	No	?	Public
Increase Early College for ME scholarships from \$1K per year to \$1.5 K per year.	\$212,500	421	Traditional	\$212,500	State	?	MCCS	No	?	Public

Option	incr \$ finl inv or finl savings	# student impacted	trad'l non-trad'l	Implementation Cost	Funding Source	Time Req'd for Impl	Organiz. Resp. for implement.	Legis Req'd?	Degrees Attained	and/or public
Increase funding for Maine State Grant Program to reach 10,000 EFC and average award of \$1,500	11.6 million	20000	50/50	Absorb	General Fund	0	FAME	No	all undergrad	Both
Increase funding for Maine State Grant Program to reach 10,000 EFC and allow average award of \$2,500	29 million	20000	50/50	Absorb	General Fund	0	FAME	No	all undergrad	Both
Increase funding for Maine State Grant Program to allow EFC cutoff of 10,000	3.2 million	3600	75/25	Absorb	General Fund	0	FAME	No	all undergrad	Both
Tiered grants of \$250 increments beginning with \$1,000 and reaching 10,000 EFC	7 million	20000	50/50	Absorb	General Fund	0	FAME	No	all undergrad	Both

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Option	incr \$ finl inv or finl savings	# student impacted	trad'l non-trad'l	Implementation Cost	Funding Source	Time Req'd for Impl	Organiz. Resp. for implemt.	Legis Req'd?	Degrees Attained	and/or public
STEM Loan Repayment	1 million	20/yr	50	\$20,000	General Fund or g.o. bond	2 months	FAMIE	No	N/A	N/A
Hire a First Yr Experience Coordinator	195,000	870	75/25%	62,000		3 months	MMA/Div. Student Affairs	no	n/a	public
Expand College Student Inventory administration	4700	870	75/25	2000		>1 month	MMA/Div. Student Affairs	no	n/a	public
Academic Coach	195,000	870	75/25	62,000		3 months	MMA/Div. Student Affairs	no	n/a	public

Option	incr \$ finl inv or finl savings	# student impacted	trad'l non-trad'l	Implementation Cost	Funding Source	Time Req'd for Impl	Organiz. Resp. for implement.	Legis Req'd?	Degrees Attained	and/or public
Fully fund Higher Education budget requests for FY16-17, allowing UMS to freeze tuition for two additional years.	FY16 request for new funding is a 3.4% increase over FY15 baseline, or \$5,989,604. FY17 request	In State residents. For AY 2014, UMS in-state headcount was approximately 30,000.	Both	No implementation costs.	State General Fund	Immediate	UMS Board of Trustees	Yes - budget language		Public

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Option incr \$ finl inv or # student trad'l non-trad'l Implementation Funding Time Req'd Organiz. Resp. Legis Degrees and/or
 finl savngs impacted Cost Source for Impl for implment. Req'd? Attained public

Game Changers:

University of Maine System

Corequisite Remediation	n/a - Current policies around corequisite remediation are being reviewed on all our campuses. In recent years, courses with English, for example, have been reformatted such that students who need assistance enroll directly in a credit granting, 100 level course with an added credit component to help them progress.	Currently available at UMPI and USM campuses within the University of Maine System	Both						Individual campuses	No			Public	

Option	incr \$ finl inv or finl savings	# student impacted	trad'l non-trad'l	Implementation Cost	Funding Source	Time Req'd for Impl	Organiz. Resp. for implement.	Legis Req'd?	Degrees Attained	and/or public
Full-time is 15	n/a - the impact of 15 credit course loads is strongly emphasized during advising process. In addition, UMS has specific programs like block tuition at UMFk and "Farmington in 4" at UMF that encourage specific strategies to promote completion.	Opportunities for 15 credit course loads are obviously available on all of our campuses, but always subject to the individual circumstances of the student.	15 credit courses loads will only be an option for the full time student	No implementation costs.			Individual campuses	No		Public

Option	incr \$ finl inv or finl savings	# student impacted	trad'l non-trad'l	Implementation Cost	Funding Source	Time Req'd for Impl	Organiz. Resp. for implement.	Legis Req'd?	Degrees Attained	and/or public
Performance Funding	n/a - UMS has already implemen ted an outcomes based funding model for state appropria tion.	all	all	No implemen tation costs.			UMS Board of Trustees	No		Public

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Option	incr \$ finl inv or finl savings	# student impacted	trad'l non-trad'l	Implementation Cost	Funding Source	Time Req'd for Impl	Organiz. Resp. for implement.	Legis Req'd?	Degrees Attained	and/or public
Structured Scheduling	\$400,000 to fund next phase - UMS is piloting a new course scheduling software program which both spreads the course schedule, and matches up all of the majors, courses required for majors and eh enables campuses to schedule in ways to minimize conflict and create more certainty for the student.	all UMS students. More than 1000 students now take classes on multiple campuses	all	Funding available for the pilot from grant funding.	Funding not yet identified for expansion to other campuses. UMS working to identify final costs / funding source. Approximately \$400,000 per year to expand to other campuses.		Individual campuses			Public

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Option	incr \$ finl inv or finl savings	# student Impacted	trad'l non-trad'l	Implementation Cost	Funding Source	Time Req'd for Impl	Organiz. Resp. for implmt.	Legis Req'd?	Degrees Attained	and/or public
Guided Pathways to Success	\$200,000 to fund 2nd phase - A number of initiatives are currently underway across UMS campuses, including a technology based retention system and direct work with advisors.	all	all	\$160k for mapwork s - funded by UMS. \$200k for the more intrusive technical tool (not currently funded).	UMS has funded mapworks - additional resources for technical tool not yet identified.		Individual campuses			Public 16

Option incr \$ finl inv or finl savings # student impacted trad'l non-trad'l Implementation Cost Funding Source Time Req'd for Impl Organiz. Resp. for implment. Legis Req'd? Degrees Attained and/or public

Maine Maritime Academy

Additional Work Study Funding	72,000	20	75/25	n/a		next academic semester	MIMA Financial Aid						
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Additional Faculty positions funded	300,000	975				Fall 2015	MIMA Academic Affairs						
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Pay It Forward

Pay It Forward	\$4.6 M	750	Both	\$4.6 M	NOTE: constant annual appropriation	1-2 yr (2015-2016 or 2016-		Yes	CC and 4 year	public
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Draft Template to Facilitate Analysis of Affordability Options

Option	incr \$ finl inv or finl savings	# student impacted	trad'l non-trad'l	Implementation Cost	Funding Source	Time Req'd for Impl	Organiz. Resp. for implement.	Legis Req'd?	Degrees Attained	Impact on private and/or public	result of federal incentive?	based on other state model?
MAINE COMMUNITY COLLEGE SYSTEM												
GAME CHANGERS - Performance Funding												
Enrollment in Remedial Initiatives	0	500	Both	800,000	MCCS	Ongoing	MCCS	No	NA	Public	No	No
Attraction and Retention Initiatives	0	300	Both	600,000	MCCS	Ongoing	MCCS	No	NA	Public	No	No
GAME CHANGERS - Corequisite Remediation												
	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
GAME CHANGERS - Full-time is 15												
	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
GAME CHANGERS - Structured Schedules												
Occupational Programs (Matriculated Students)	0	9,930	Both	0	MCCS	Ongoing	MCCS	No	NA	Public	No	No
GAME CHANGERS - Guided Pathways to Success												
Matriculated Students	0	14,598	Both	0	MCCS	1 year	MCCS	No	NA	Public	No	No



Memorandum

To: Commission to Study College Affordability and College Completion
From: John R. Burbank, Executive Director, Economic Opportunity Institute
Regarding: Pay It Forward Study, S.P. 748
Date: October 20, 2014

Maine public higher education institutions present great opportunities for launching Pay It Forward. University of Maine and Maine Maritime Academy tuition levels, while having increased over 50% in the past decade, remain well below the tuition levels in Vermont and New Hampshire. As a result, a Pay It Forward pilot project funded for the identical number of students in Maine as, say, Vermont, would require a much less significant investment for transitional costs. Similarly, Maine has continued its investment in its community college system, with tuition remaining stable in constant dollars for the past decade. This enables Maine to offer Pay It Forward for community college students through a strategic and targeted investment with significantly lower costs than in neighboring states.

How does Pay It Forward work? Students go to college tuition-free, with tuition and mandatory fees being assumed by the state. After graduation (or after a certain interval of non-participation in college), Pay It Forward participants contribute a certain percent of their income into a public higher education trust fund. This trust fund finances the next generational cohort of Pay It Forward participants. Indeed, this trust fund would provide access to higher education for even more students in this next generation.

We have designed this model for Pay It Forward such that

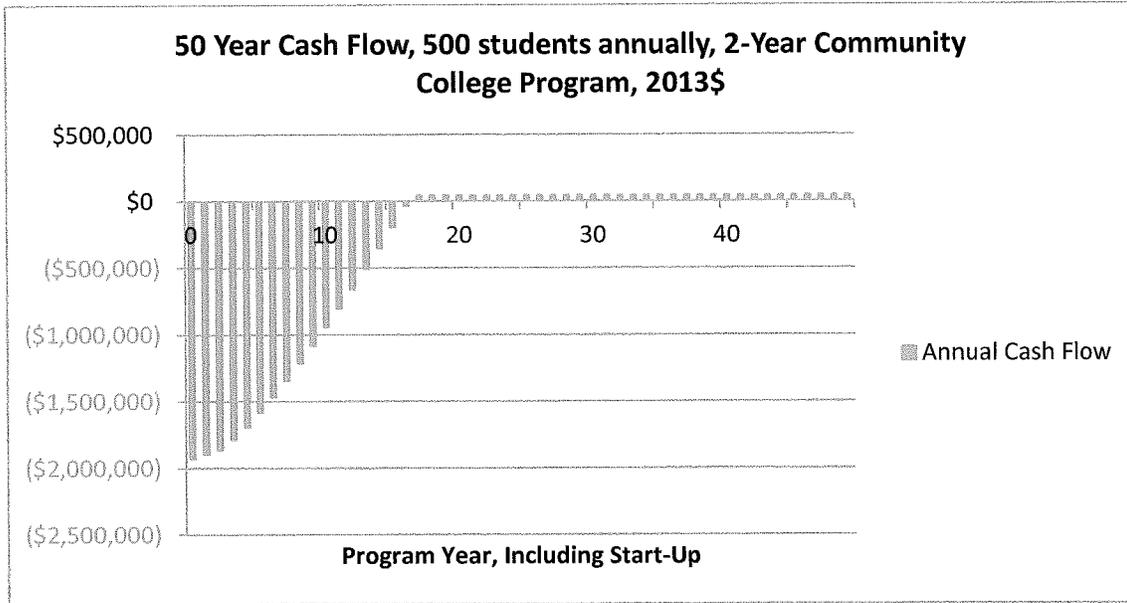
- It can be implemented in a fiscally feasible and responsible manner.
- Most importantly, this pilot creates access to higher education for lower income and middle class students, as well as workers who seek higher education, all of whom may be shut out of traditional avenues for access and financial aid.

It is important to note that Pay It Forward's transition costs will result in up-front costs. How these are recovered or not recovered over time depends on many factors outside the Pay It Forward model, such as cost of tuition, income growth or stagnation, overall state funding of higher education, and the level of general taxation through which Pay It Forward graduates contribute to public services in Maine.

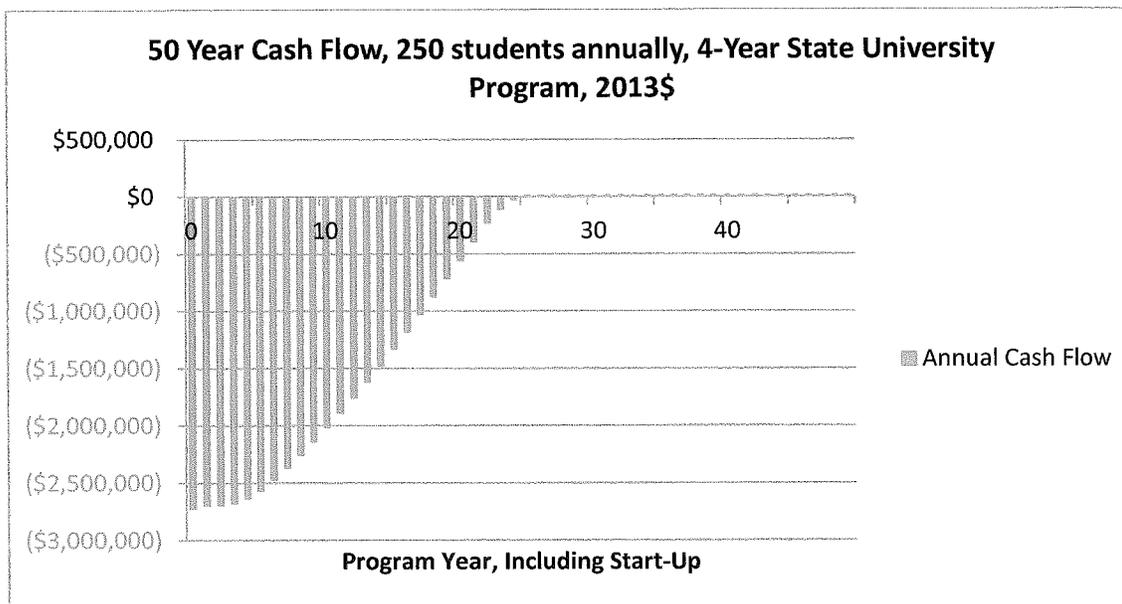
When considering the transition costs, we note that Pay It Forward, unlike other higher education financing mechanisms, will eventually become self-sustaining.

Incorporating 250 four-year students and 500 community college students will require an initial state investment of \$4.6 million. Of this, \$2.7 million would fund the 250 university students in Pay It Forward and \$1.9 million would fund the 500 students in community colleges.

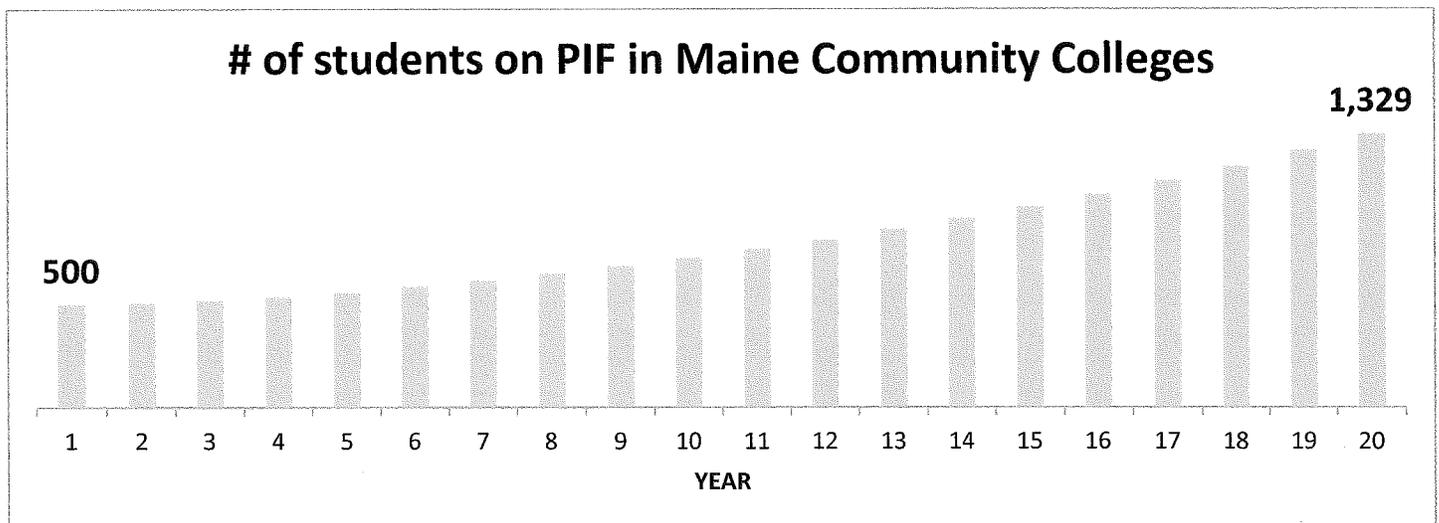
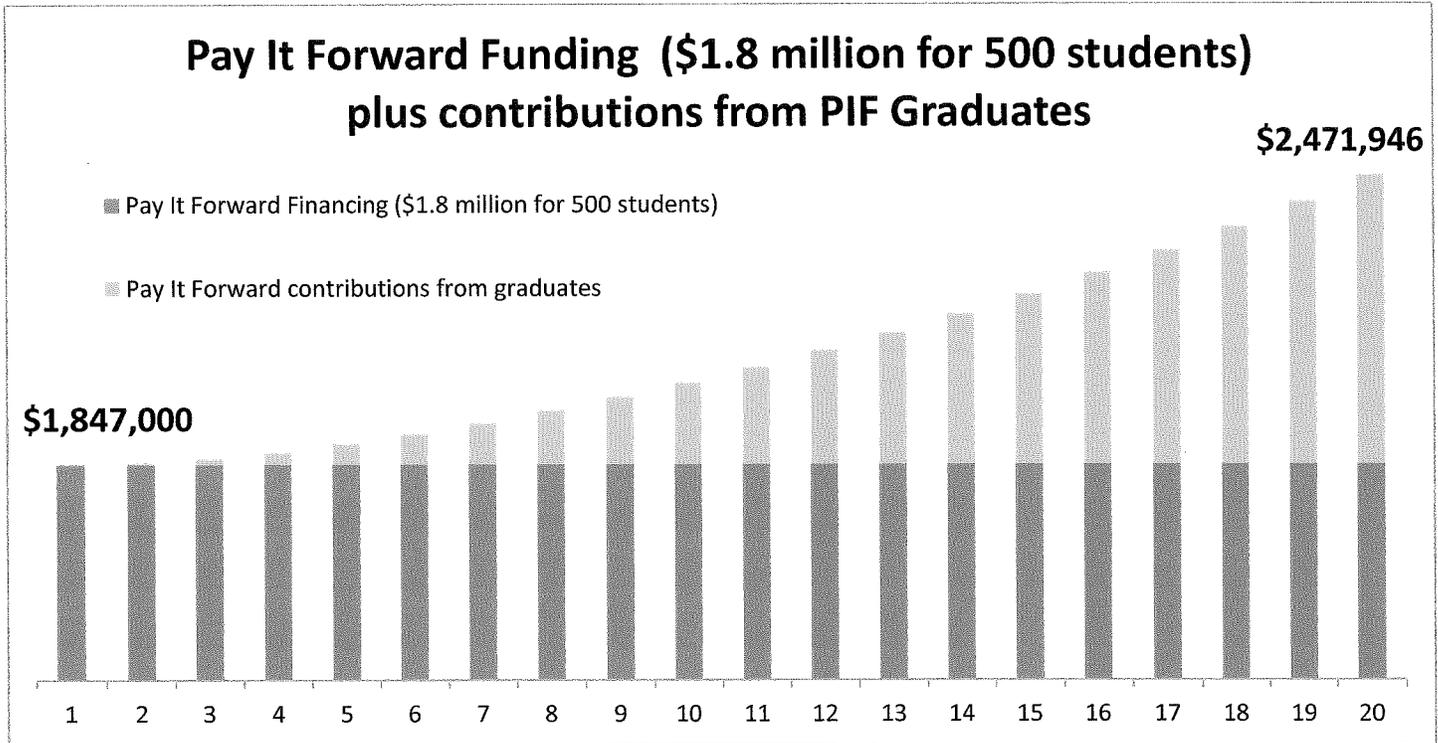
Each year, contributions from Pay It Forward graduates will reduce the necessary state investment, so that by Year 17, Pay It Forward for community college students would be completely self-financed, given a contribution rate of 1.5% of income for 15 years, post-graduation.



Similarly, contributions from Pay It Forward university graduates would reduce the necessary state investment, so that by Year 25, Pay It Forward could be completely self-financed, given a contribution rate of 4.25% of income for 20 years. (Administrative costs are included in these calculations.)

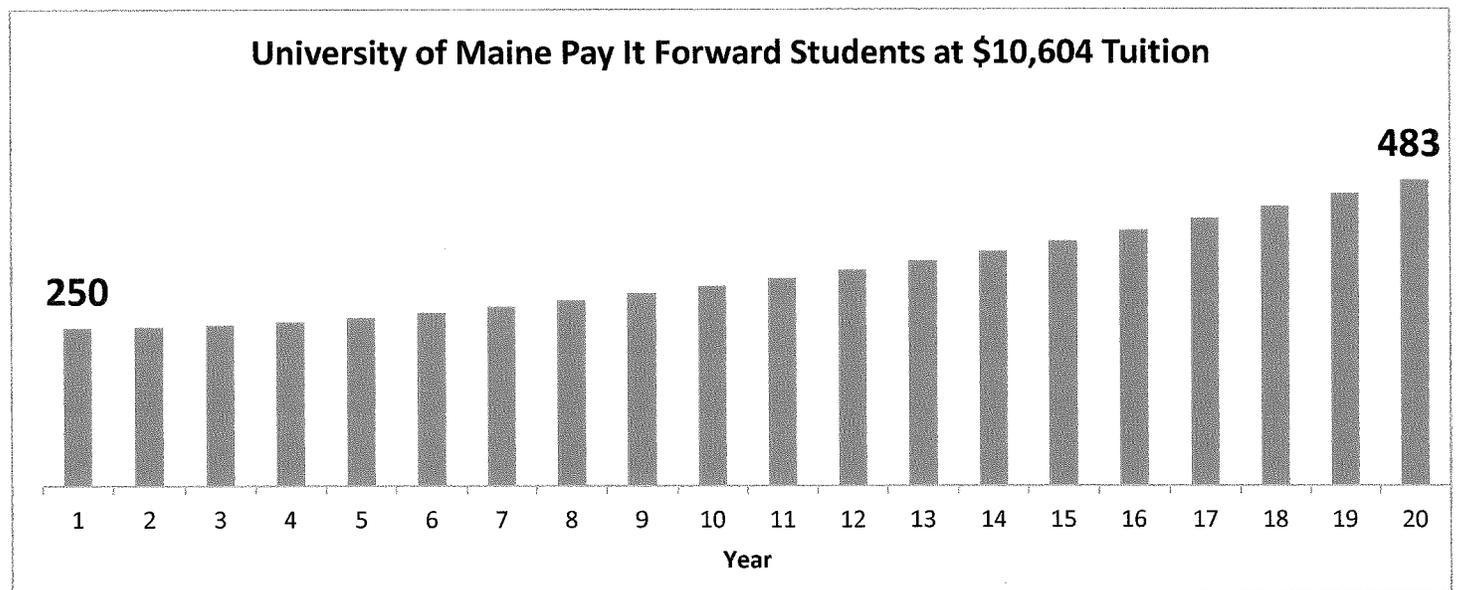
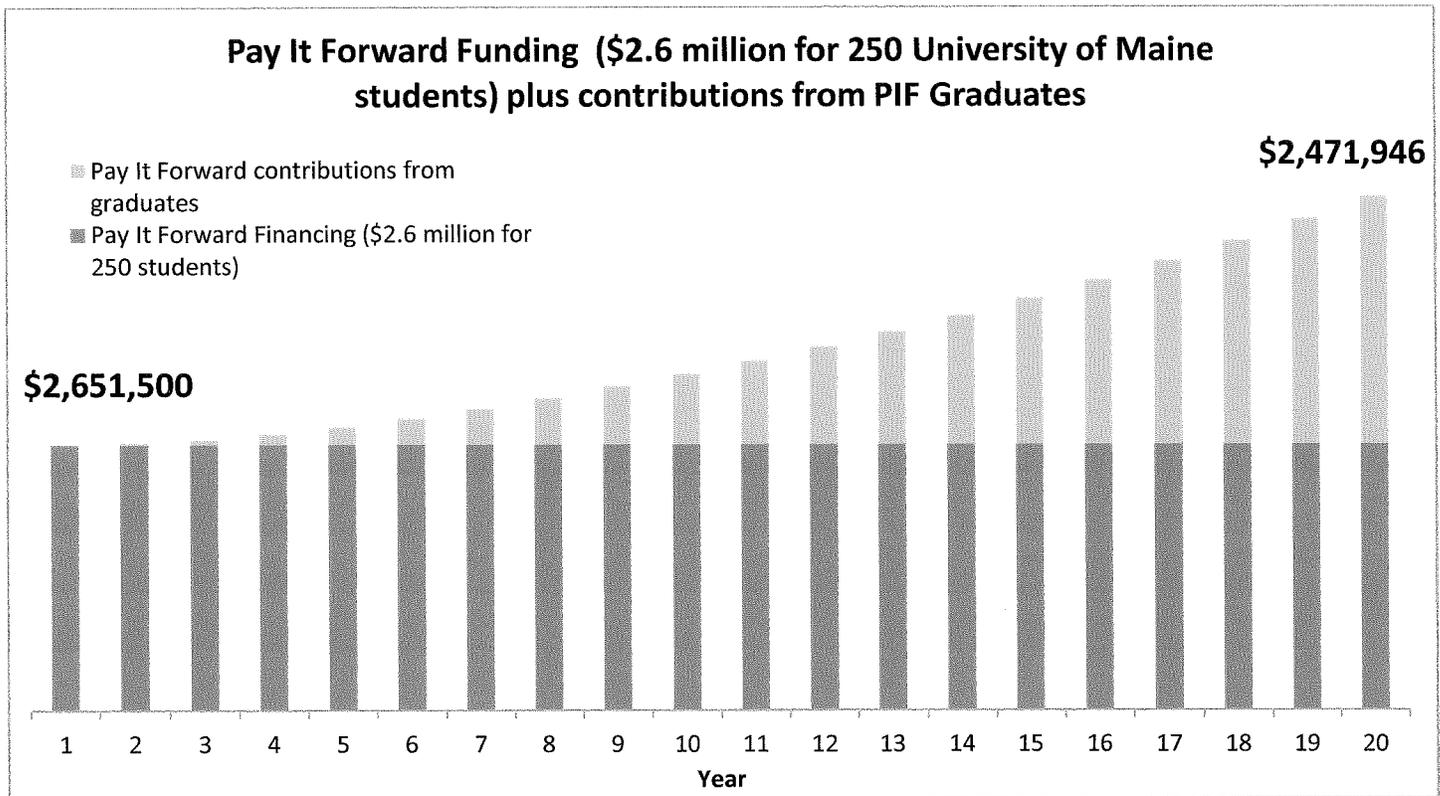


Another approach is to consider a Pay It Forward program with a steady constant dollar appropriation each year. With this approach, we do not worry about recouping transition costs. Instead, we begin with a constant annual investment for a certain number of students. Each year, on top of that investment, Pay It Forward contributions are added and these contributions grow over time. As a result, the number of community college students covered under Pay It Forward also grows over time, such that within 16 years, for the same annual investment, twice as many students are benefitting from Pay It Forward.



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Similarly, the number of university students covered under Pay It Forward also grows over time, such that within 22 years, for the same annual investment, twice as many students are benefitting from Pay It Forward.



The Finance Authority of Maine is particularly well-suited for administering Pay It Forward and insuring that both the University of Maine and the community college system are held harmless and guaranteed the tuition and mandatory fees that Pay It Forward would finance through state appropriations.

We are available for further detailed modeling and consultation for the development and implementation of Pay It Forward in Maine.

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College Affordability Gap Analysis for Maine

Lisa Plimpton,
Research Director, Mitchell Institute

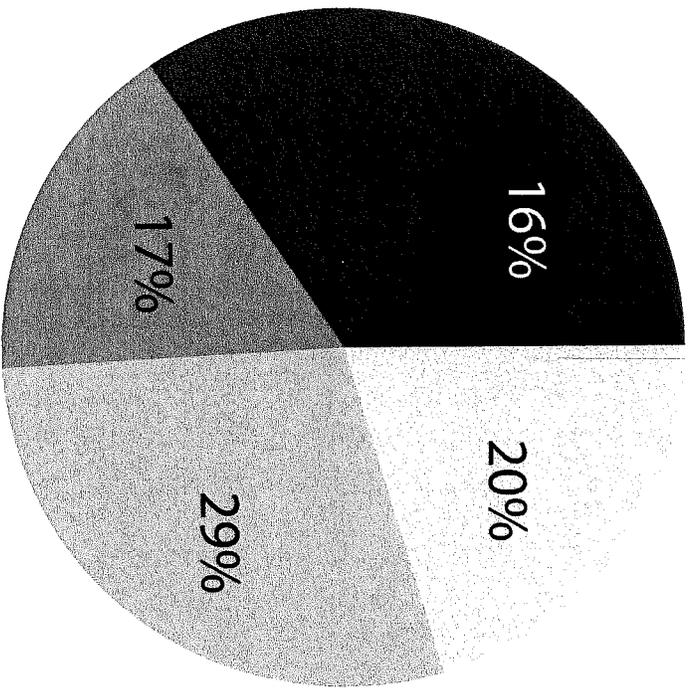
Template courtesy of HCM Strategists

Questions Addressed

- Is there a viable pathway to a bachelor's degree (including significant part-time work and student loans) for all state residents?
- How can state grant policies (amount, eligibility, etc.) increase affordability for students?
- Should any policies be modified to support student success?

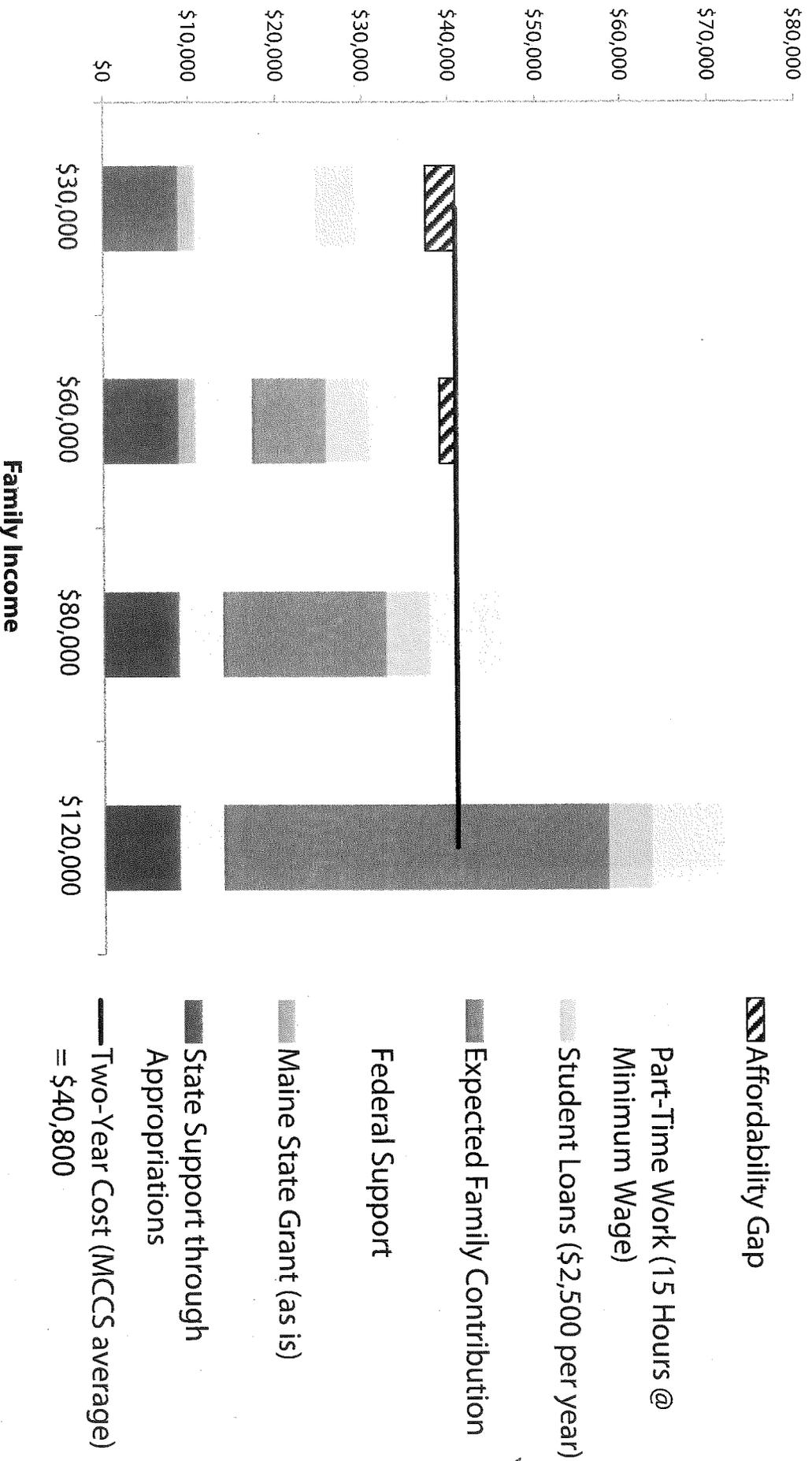
Income Distribution of Maine Families

- There are 550,000 households in Maine— Median household income is \$48,219.
- Maine has 350,000 families, with median family income of \$60,408.



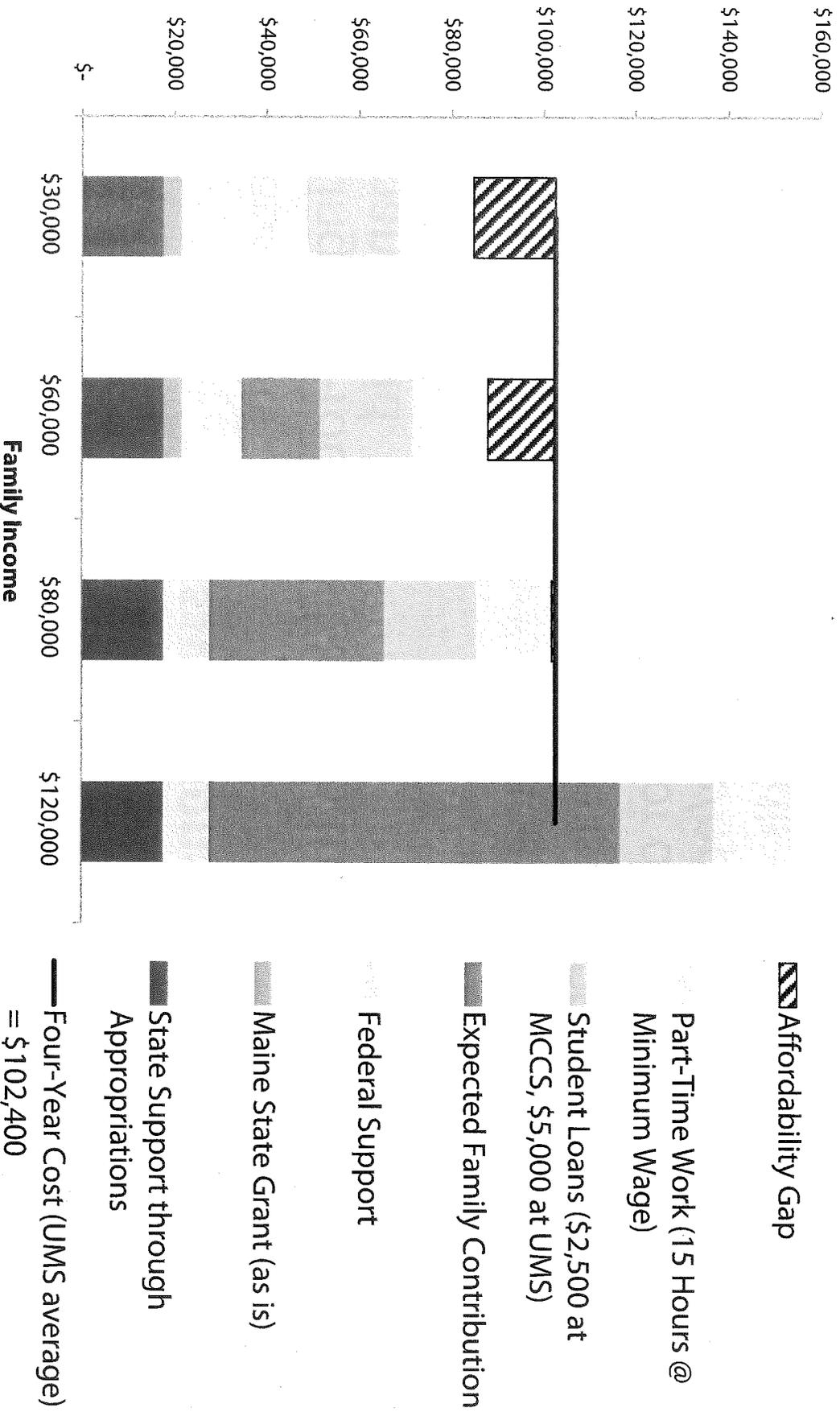
- \$0-\$30,000
- \$30,001-\$60,000
- \$60,001-\$80,000
- \$80,001-\$120,000
- Above \$120,000

College Affordability Gap Analysis: Dependent Students, Two Years at MCCS



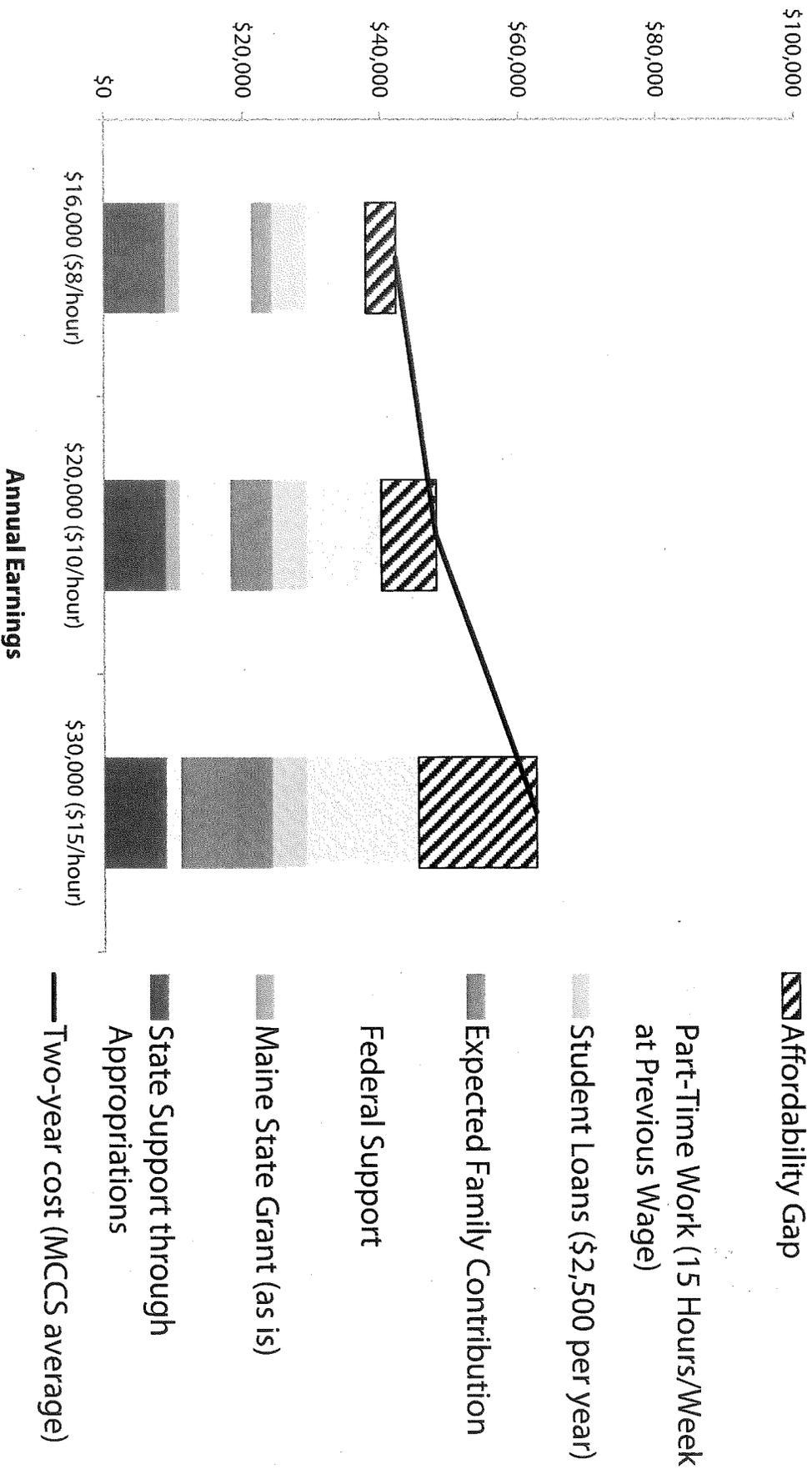
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College Affordability Gap Analysis: Dependent Students, Four Years at UMS



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College Affordability Gap Analysis: Independent Students, Two Years at MCCC

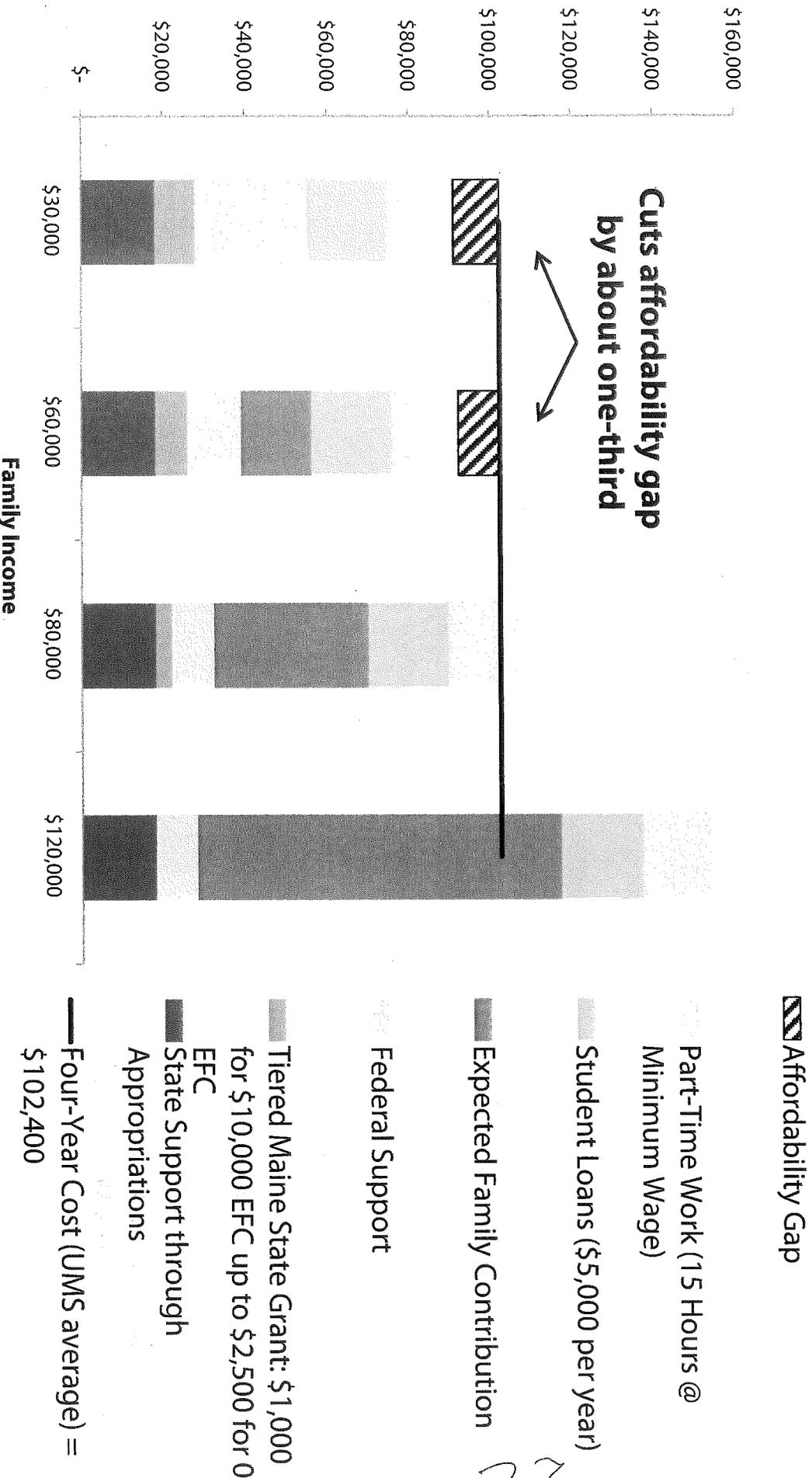


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Estimated Expected Family Contributions and Pell Grants

Income in Prior Year	Expected Family Contribution	Pell Grant
<u>Independent Student, No Dependents</u>		
\$16,000 (\$8.00/hour full-time)	\$1,528	\$4,180
\$20,000 (\$10.00/hour full-time)	\$3,033	\$2,680
\$30,000 (\$15.00/hour full-time)	\$6,631	\$0
<u>Dependent Student: Family of four, One in college, Average assets</u>		
\$30,000	\$0	\$5,730
\$60,000	\$4,251	\$1,480
\$80,000	\$9,445	\$0
\$120,000	\$22,247	\$0

**College Affordability Commission Policy Option:
 Dependent Students, Four-Years at UMS
 UMS Appropriation Increase (3%) AND
 Tiered Maine State Grant up to \$2,500 and EFCs of \$10,000**



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