



OFFICE OF THE PRESIDENT

323 State Street, Augusta, ME 04330-7131
(207) 629-4000 | Fax (207) 629-4048 | mccs.me.edu

To: Senator Breen, Representative Pierce and members of the Joint Standing Committee on Appropriations and Financial Affairs;
Senator Daughtry, Representative Brennan and members of the Joint Standing Committee on Education and Cultural Affairs

From: David Daigler, President, Maine Community College System

Re: Statement on Biennial Budget proposal for Fiscal Years 2022-2023 (A-93; A-94)

Date: February 23, 2021

Thank you for taking the time to allow me to present the Maine Community College portion of the Biennial Budget on behalf of the Trustees of the Maine Community College System.

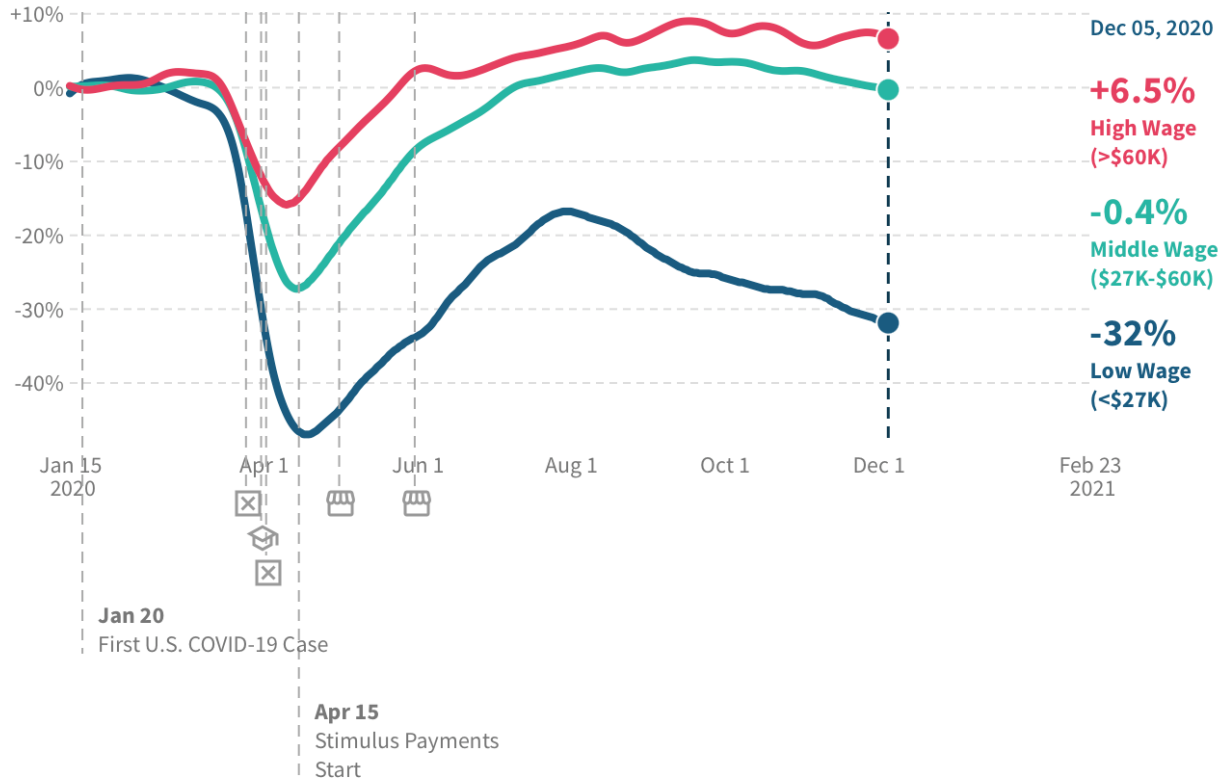
Maine's seven community colleges have long been the most direct, affordable and effective investment for meaningfully advancing Maine's economy. Our fall enrollment was 16,000 students and we serve a total of 29,000 individuals through degree programs, customized training and credit and non-credit offerings. We educate Maine people from all walks to life to provide them the skills and knowledge to excel in their chosen industry and create a fulfilling, stable and rewarding life. The state's financial support allows us to educate tomorrow's workforce in critical, innovative and high-demand fields that will sustain and strengthen the fabric of our entire society going forward.

The economist in me wants to present you with a thorough analysis of how this recession differs from those of the past, but the administrator in me knows that time is limited, so I will keep it brief. There are two major differences between this recession and those in the recent century:

- 1) This recession has had a bigger impact on those with the lowest earning potential compared to those at the upper end of the earning scale. People with baccalaureates, masters, medical and law degrees are, as a general rule, doing fine. That community kept their jobs. They can work remotely or have the resources to get help. Some even moved back to Maine, bringing their high skilled jobs with them. Those people are the lucky ones. However, the chart below from [Economic Tracker \(tracktherecovery.org\)](http://EconomicTracker(tracktherecovery.org)) shows what happened to the rest of Maine—those in the service industries, those who made minimum wage. They were hit extremely hard and for a lot of them, their old jobs are not coming back. They will need a fresh start.

In **Maine**, as of December 05 2020, employment rates among workers in the bottom wage quartile decreased by **32%** compared to January 2020 (not seasonally adjusted).

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2) In past recessions, community colleges saw increased enrollment. Not this time. Nationally, community college enrollment was down 10%. Maine’s community colleges are doing a bit better than that, but our enrollment is down as well. Our traditional students work, they care for kids, they worry about their aging parents. They are overwhelmed and facing financial, medical and emotional hurdles. Adding school on top of everything else seems too daunting.

The good news is that Maine did a pretty good job controlling COVID-19. Our vaccine numbers look good, our transmission rates were low and, I believe, we are poised for a “V” shaped recession that has Maine leading the pack as the country begins to recover. Maine’s community colleges will play an important role in that recovery.

Last October, we presented our budget request to the Administration. We requested a 3% increase in our baseline for each of FY 22 and FY23. As you know, most of our baseline budget goes to personnel and other costs that increase each year. We also asked for an additional \$7.5 million for our incredibly successful Maine Quality Center program. You will note that the budget before you does not recommend a 3% increase over baseline or additional money for the Maine Quality Center program.

We fully understand and appreciate why the Governor did not include these funds in her biennial budget proposal. It is her obligation to present a balanced budget based on the information available at the time. However, we believe that additional appropriations are crucial in order for all Mainers to benefit from any economic recovery. We respectfully ask that, as the picture of additional federal funds becomes clearer and as you receive more revenue forecast data, you consider MCCS and what we offer.

The biennial budget is about looking forward and I am excited about the future, but first I need to take you back just about a year. When it became clear that COVID would shut down our campuses last spring, the faculty and staff at MCCS worked around the clock to make sure the students in their spring courses could finish up in a safe online manner. Our colleges donated protective equipment and respirators to our medical partners and take-out containers to soup kitchens. Our faculty and students printed face shields and designed new ventilator splitters. Staff and faculty checked in on students and helped link them with resources. When it became clear that the fall and the spring would not be a “return to normal,” those same faculty and staff pivoted to robust and high-quality remote learning practices. They did not miss a beat.

Before COVID-19 a majority of our courses were taught in classrooms. With COVID, it has reversed. To protect the hands-on learning that can only occur on campus, whether it be baking a souffle, fixing a Ford 150, drawing blood or welding pipes, we shifted about 70 percent of classroom learning to remote learning. This was no simple effort, and it took time and money. Today our campuses are largely vacant, with small numbers of staff, faculty and students on campus at any given time. We reduced our residence hall capacity to 23% of normal so students have their own bedrooms and only two students share a bath. We needed to make these changes to keep our campuses and our communities as safe as possible and we did not hesitate.

You may wonder why we did not take an approach similar to our sister institutions of higher ed and stand up a robust testing regime and fill our residence halls. Under advice from public health professionals, we determined that since most of our students (92% in a normal year) move from home, to class, to work, to their families and back to campus, tests would be invalid within hours. It just did not make fiscal sense. Instead, we paired a screening app with staff follow up to find and assist anyone in our community who might have been in contact with, or contracted, COVID-19. To date, we have not had a single instance of on-campus spread, but we must remain vigilant.

From a financial perspective, the costs have been huge, but we have used federal funding wisely to mitigate many of those expenses. Federal COVID aid has met some, but not all, of our costs. Between the two aid packages, MCCS received a total of \$28.7 million, with \$8.7 million for student emergency aid and \$20 million for institutional costs related to COVID-19. Pie charts included in the packets show our outlay of CARES and CRRSA to date. We have also worked with our foundation partners to raise money and provide emergency aid to help those ineligible for CARES funds and to supplement where needed.

We are very proud of the work our faculty and staff have done to maintain our high level of excellence. A flat baseline budget paired with fiscal constraints caused by COVID-19 will not allow us to compensate our staff and may result in laying off some of those who worked so hard to keep our students going.

We are the state's training partner and we ask that you partner with us to assure we have the resources we need to continue to work with Maine's businesses to rebuild a better, safer and stronger economy. If there was ever a need for additional evidence that the community colleges responded – quickly, efficiently, effectively - to the needs of our communities, the MCCS response to the pandemic has demonstrated that we are nimble and quick.

We are in constant talks with Maine's health care industry about how we can support their hiring needs. The Allied Health professions represent our largest group of academic programs, and I hope many of you saw the news that three of the top five nursing programs in the state are at community colleges. In fact, our NCLEX exam pass rate at all of our colleges was over 90% and above the state average.

We also helped develop a needed pipeline of educators. When the Department of Education said they needed people trained to work in classrooms supporting certified K-12 teachers who had to be remote for health reasons, our innovative faculty at EMCC created the Learning Facilitator program. They designed the program, so it had lasting value. The people trained as Learning Facilitators will have the credentials needed to qualify as Ed Techs in post-pandemic classrooms.

We also worked with the Maine Indoor Air Quality Council to create the recently launched HVAC badge for municipal and school personal to make sure the air in our public buildings is as safe as possible.

The second largest portion of our budget is the Maine Quality Center program. MQC works closely with workforce development staff at each of the seven colleges and the greater business community to fill short-term training needs. The trainings are free to the trainee and prepare them for a job in a particular organization or industry. Graduates are guaranteed a job interview. By statute, MQC is required to have a three-year ROI. I am proud to tell you that the average ROI is well under that mark. Our trainees get good jobs with good wages.

I am sure you have all heard the story of Puritan Medical and I have included a [link](#) to a short video about our involvement. On May 1st Puritan called asking us to create a training program for hundreds of new employees needed so Puritan's new production facility could be up and running in late summer. In a few short months, 350 workers were fully trained and ready to make the swabs necessary for COVID-19 tests. When Hospitality Maine reached out and asked us to provide COVID-19 safety training for food service and lodging staff, we ramped up four online training programs. To date well over 3,500 people have completed the training—adding to Maine's brand as a safe place to live, work and visit.

Our Maine Quality Centers program trains people in weeks, not years.

As we look out to a new future for Maine, we are excited to be part of the solution. Maine has so much to offer, we just have to tap the right vein.

Lastly, but certainly not least, with the right investments, we can provide the workforce needed to install and maintain the equipment that is the backbone of the green economy. We need technicians that can work on electric cars, we need 450 Journey electricians to install solar panels, we need heat pumps installed by qualified personnel.

If we invest in Maine's workforce – a need articulated in the 10-Year Economic Plan and by the Economic Recovery Committee – we can move Maine forward.

As a system of independent, yet interdependent colleges and centralized programs we strive to offer the best opportunities for our students. Now, we need your help. As we look forward, Maine has an opportunity and a choice. Do we train some of our 33,000 unemployed and the 30,000 who have left the workforce for the 12,000 unfilled vacancies that demand a skilled workforce? Do we help our healthcare and manufacturing partners fill their vacancies and put Mainers on the path to a career and out of poverty? I think the choice is clear.