

MAINE MARITIME ACADEMY

Statement of

Dr. William J. Brennan

President

Committee on Appropriations and Financial Affairs
Committee on Education and Cultural Affairs

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Senators Breen and Daughtry, Representatives Pierce and Brennan, and Members of both Committees, Maine Maritime Academy is a small coeducational college located in Downeast Maine. The school was established by act of the Maine Legislature in 1941 and I'm proud to tell you that my Dad graduated in its first class in 1943, followed by two of my uncles. I'm also pleased to acknowledge Richard Rosen, who is the Academy's Vice President for Financial and Institutional Services.

In the history of MMA, the past year has been the most disruptive and the threats to the institution are existential. On March 18, 2020, we held an impromptu, socially-distanced celebration of the Class of 2020 on the main campus lawn and that same day we brought a halt to on-campus instruction and sent all students home. Five days later, we sent home all non-essential employees, and at the end of that month, we commenced on-line instruction for all of our students. After considerable planning and preparation Maine Maritime Academy students returned to campus last August, joining the freshman and transfer students to successfully complete the fall 2020 term.

In my past appearances before you, I have told you we are a focused STEM institution offering a very specialized program of study in engineering, management, science and transportation, prescribed by the U.S. Maritime Administration and the U.S. Coast Guard. And Maine Maritime Academy is unique because we are one of only six such state-supported colleges in the country that offer this specialized program of study. We have an enrollment of about 1000 students, more than 70 percent of whom are residents of the state of Maine and approximately 60 percent of whom are in a regimental program of study.

The very nature of our federally-required program of study for the majority of our students is referred to as competency-based demonstration of knowledge, which means that our students must demonstrate their ability in-person to perform elements of their training in order to receive the US Coast Guard licenses they pursue – this cannot be done on-line and, for this reason, MMA is at a significant disadvantage in meeting the challenges presented by COVID-19.

To date, the impacts of COVID-19 upon our FY21 budget is 15 percent. MMA experienced a 6% decline in enrollment. Operating revenue from core-mission services including tuition, fees and auxiliary categories like room, board and conferences declined 13%. This year revenue losses and COVID-19 expenses result in a \$6M negative impact on our \$41M budget. The

Academy has received emergency one-time federal funding assistance through the CARES Act and from the Coronavirus Relief Fund administered by the State of Maine. While we are grateful for State and federal assistance, the best form of achieving financial recovery for this public institution is to make sure every Mainer possessing the capabilities and harboring the desire to enroll as a student at Maine Maritime Academy finds the means to make it so. Renewal of your commitment to support our mission will bear much fruit.

We are developing and revising plans for the balance of this semester as we go along, including plans for required training cruises aboard our 500-foot training ship, but we know that the cost of operation will be greater as we've had new expenses for acquisition of sufficient Personal Protective Equipment for all students, faculty and staff, and this includes COVID-19 testing of personnel and students. We have realized enrollment declines resulting in revenue losses and, given the elimination of license preparatory instruction this summer, we will require additional faculty instructional service through the 2022/2023 academic year.

To some, the impacts of the COVID-19 pandemic to Maine Maritime Academy pale in comparison to the dollar amounts impacting our much larger colleagues in the public higher education partnership in Maine. But we operate on a much narrower margin and the impacts upon us are profound and threaten aspects of our existence. As I mentioned at the outset, Maine Maritime Academy is one of only six such colleges in the country. All of my competitors, however, offer lower tuition than I can because they receive significant support from their respective states. California Maritime receives 66% of its operating revenue from the state, Massachusetts Maritime Academy receives 43 percent of its budget from the state and SUNY Maritime College receives 54 percent of its operations budget in the form of state appropriations.

The State of Maine's contribution to our operating expenses has declined over time from as much as 50 percent of the total 20 years ago, to 22.4 percent of the total or \$9.2 million now and the measure you are considering today, if approved, would bring us back to FY 2017 levels of state assistance. Should a strategic commitment be made to increase and maintain state support of Maine Maritime Academy, I suggest a biennial goal of funding a minimum level of 25 percent of total revenue from the state baseline appropriation. If resources become available, I also request the restoration of funding associated with the cost of living adjustment for Academy personnel, a restoration of regular funding for repairs, upgrades and capital improvement to facilities, including the infrastructure bond funding for critical repairs to our aging central dormitory that was left hanging when the last legislature had to abandon its session due to the threat of the pandemic.

We at the Academy – the faculty, staff and certainly our students – are appreciative of your efforts to help us address some of the obstacles we've confronted in the past, but we now face a much different landscape. I'm a realist and I know that there are serious needs that will press upon you and I simply ask that you give this very unique and iconic institution fair and equitable consideration as you address spending priorities. Thank you for your time and consideration regarding the recommended biennial funding for the Academy. Richard and I would be happy to attempt to answer any questions you may have at this time – or, later during Committee work sessions if that is your preference.