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**TO:** Senator Rotundo, Representative Gattine  
Members of the Joint Standing Committee on Appropriations and Financial Affairs

**FROM:** David Daigler, President, Maine Community College System

**RE:** Response to Letter dated July 18, 2025

**DATE:** December 15, 2025

First, thank you for the opportunity to address questions raised during last year's budget process. Although we were disappointed that the original proposal to fully fund scholarships for Maine high school students attending Maine's community colleges and to continue the program beyond the high school students in the class of 2025 was not accepted, we are grateful for the funding provided and for the opportunity to further conversations that may lead to the continuation of the program to this year's high school seniors and beyond.

State investments for our students, our programs, and our people have led to increased enrollment and record-breaking investments by Maine philanthropy and business. However, to continue our progress, further investments are needed.

The Maine Free College (MFC) scholarship, offered to the high school graduates (or equivalent) from the classes of 2020-2025<sup>1</sup>, opened doors for thousands of Mainers who did not believe they should or could attend college. The program has been even more successful than originally envisioned — with 7,976 MFC-eligible students currently enrolled at our colleges. More Mainers are gaining economic opportunities they did not think possible. More Maine employers are finding the nurses, plumbers, cybersecurity experts, and the qualified childcare workers they need and Maine's four-year colleges and universities are seeing an increase in transfer students from Maine's community colleges. In fact, transfers from our system to the University of Maine System reached 811 students this fall, up 13.6% from 2024 and up 29.8% over five years.

As we have shared before, the Maine Free College program has been successful by multiple measures. Between fall 2022 and fall 2025, 22,325 Free College-eligible students have enrolled — far exceeding expectations. Free College is attracting more young men to enroll in college. The retention rate for Free College students is the same as for non-Free College students. The Free College students are enrolling in

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<sup>1</sup> The high school classes of 2020, 2021, and 2022 are no longer eligible as of this fall.

higher numbers in career and technical programs. Ninety-six percent of the Free College students are from Maine and hail from all 16 counties at a rate that matches the demographics of each county.

We are very proud of the education and training we have been able to offer to these students.

Your committee asked six specific questions in your letter. We are able to answer most of these questions, with the information immediately available to us.

- 1. Estimated program costs over current and following biennia if the parameters of the program do not change.*

The program costs have not changed since last session. Last year, Governor Mills proposed funding the Maine Free College scholarship at a level of \$12,500,000 in FY 2026 and \$12,500,000 in FY2027 and to continue this funding as part of the MCCS baseline budget so we could assure Maine's parents that their children will have access to tuition-free community college — a total value of \$4,156 for a one-year certificate and \$8,312 for a two-year degree. We worked closely with former commissioner Figueroa and the Governor to ensure the numbers were based on true need. Your committee recommended, and the full legislature funded, 80% of this need. Therefore, the supplemental need is \$5 million over the biennium to continue the commitment made to the high school graduates in the class of 2025. Also, last year's budget did not provide any language to continue the program. It is important to note that the language that funded the classes of 2020-2025 was unallocated language and was therefore linked to previous investments, not for any future graduating classes. Now that the COVID "bubble" that offered Maine Free College scholarships to three graduating high school classes in one year is over, we estimate that the annual cost of the program, if structured as an ongoing program, will continue to be \$12.5 million each year.

- 2. As a subset of the total costs requested above, the estimated costs of providing the benefits to students who did not graduate from a Maine High School or who were not a resident of Maine at the time they received their GED.*

The cost of providing the free college scholarship to students who did not graduate from a Maine high school or who were not a resident of Maine at the time they received their GED but moved to Maine to enroll in college would be approximately \$500,000 a year.

We were asked this question during the biennial budget hearing and responded with a memo to AFA and EDU dated 1/24/2025.

Of the 17,151 MFC college students that had participated at that time, 96% or 16,487 were from Maine. Only 664 Maine Free College-eligible students moved to Maine at time of enrollment. As a point of reference, Lewiston High School alone sent 524 students. You may recall that in order to participate in the Maine Free College program, a student must live in the state at the time of enrollment. Some of these students moved to Maine not only to take advantage of our Maine Free College scholarship but to participate in one of our excellent and unique trade programs.

If out-of-state students or those who move to Maine after getting their GED/HiSet are eliminated from the eligibility pool, the state would likely save \$500,000 a year but would also lose young, motivated workers who make strong connections to local employers throughout their education or transfer to one of our universities.

As I mentioned during the work session on last year's budget, whether to include out-of-state students is a policy decision and one that should rightfully be made by our state's policymakers.

*3. Any data you may have on graduation rates or progress toward graduation among program participants.*

Free College students are as academically successful as other community college students. Fall-to-spring retention rates were higher for recent high school graduates — the MFC cohort (75%) than for our degree-seeking population as a whole (73%). Although lower for all students, the same holds true for our year-over-year population. The recent high school graduate population's retention rate is 56% compared to 54% overall. These numbers are in line with national averages for community colleges.

*4. Any data you may have on the number of program participants who remain in Maine upon completion of their studies.*

We know that community college students tend to remain in the communities where they went to school at a higher rate than those who go to their four-year counterparts.<sup>2</sup> We would welcome an opportunity to partner with the Maine Department of Labor to track outcomes. Also, we are in the midst of a student information system conversion that should allow better tracking of that information in the future. One goal of that conversion is to improve ongoing connections and data collection regarding our students and graduates, whether in short-term programs or our academic programs to better serve their future educational needs.

*5. Does the Free Community College Program result in an economy of scale that helps address operational expenses for the overall community college system in a way that could achieve savings and that could reduce the state's allocation?*

The Maine Free College program is a direct subsidy to high school students, not to the Maine Community College System. As a public institution, we rely on state appropriation, tuition and fees, grant aid, and income from room and board to operate. The average cost of delivering the education we provide is \$13,000 per year per student, far exceeding the tuition we charge. The Maine Free College Scholarship covers the tuition and fees that would otherwise be charged to the student.

That being said, we have tried to maximize the economies of scale from these enrollment gains.

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<sup>2</sup> [What colleges do for local economies: A direct measure based on consumption | Brookings](#)

Using our audited financial statements as a guide, in 2022, when the program started, the cost of instruction, academic support, student services, institutional support, and maintenance per full-time equivalent student was \$13,925. This was down from the pandemic high of approximately \$15,000 per student due to decreased enrollment and our commitment to maintain all faculty and staff positions. Throughout the pandemic, positions were maintained (using emergency federal COVID relief funds) even if underutilized. As enrollment grew, efficiency increased to the amount of \$13,925 in 2022. Now, in 2025<sup>1</sup> inflation alone would have pushed that cost to \$16,489. Yet the cost per full-time equivalent student for the students enrolling in fall 2025 is \$13,034.

As you well know, the majority of our faculty and staff are represented by either MEA or MSEA and their wages, benefits and work conditions are determined through collective bargaining. Fully 68% of the cost of delivering education to Maine citizens directly to faculty and staff wages and benefits.

The only way to truly see savings would be to reduce student support and increase class sizes – which will have a negative impact on student success and add workload to our employees. Importantly, class size and faculty-to-student ratios for many of our health care and trade programs are set by licensing boards or our accreditor — not by us — or are constrained by the space of our labs, classrooms or clinical sites.

*6. Any other information you have that you believe may help us determine the costs and benefits of the program.*

You have heard from me over the past few years about what I see on campuses. I see lives changed. I see Maine's young adults on the pathway to economic success. I see parents inspired by their kids and joining them in class. I see hard work from students, faculty and staff pulling together to ensure our students are well prepared for their next steps. This is why I am not surprised by the overwhelming public support — from Mainers of all political persuasions.

Consider beneficial outcomes coming from the increased enrollments Maine Free College scholarship. What is the value of an educated, skilled, trained workforce? Who is building and renovating Maine's affordable housing? Who provides quality childcare? Who are the LPNs in our nursing homes and the RNs in our pediatric practices? Who supports our Pre-K teachers? Is it worth the investment to ensure we don't fall further behind our peers in New England and that our younger generation see opportunities here in Maine that allows them to live and work in the state they love?

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<sup>1</sup> "Free College students" refers to all degree-seeking students who graduated in a qualifying year, whether or not they ultimately received any last-dollar Free College funds.