



**Testimony by William Norbert
Governmental Affairs and Communications Manager**

Neither For Nor Against L.D. 632

An Act to Amend the Social Work Education Loan Repayment Program

February 28, 2022

**Joint Standing Committee on Innovation, Development,
Economic Advancement, and Business**

Senator Curry, Representative Roberts, and Distinguished Members of the Joint Standing Committee on Innovation, Development, Economic Advancement, and Business:

My name is Bill Norbert. I am the Governmental Affairs and Communications Manager at the Finance Authority of Maine (FAME). I live in Brunswick and am here to testify Neither for Nor Against L.D. 632, *An Act to Amend the Social Work Education Loan Repayment Program*.

This bill would amend the Social Work Education Loan Repayment Program, on the books since 2009-10 but never funded or operated, in various ways. Specifically, it would eliminate the requirement that participants in the program have completed a social work degree within three years of the date of application for the program; add to the list of practice areas available for participation in the program; replace the priority consideration in the program with one developed by FAME with stakeholder input; and require stakeholder input on changes to the application process. The bill further would require a participant to serve residents of this state; increase the number of loans repaid each year from up to three to up to 100; and increase the amount of repayment for each participant from \$5,000 to \$20,000 total.

No funding is provided in the bill and this obviously will be essential for FAME to operate the program. To give you a rough fiscal estimate, a \$2 million annual appropriation would fund over a three-year commitment period 100 social workers with loan repayment amounts of \$20,000 each. Of course, the final appropriation/budget will determine how many awards we can make annually and the "up to" language in the bill provides FAME with flexibility to scale down the number and amount of awards made annually. A \$1 million ongoing appropriation could fund fifty social workers annually.

We have no objection to the proposed statutory changes. FAME operates a variety of student grant, loan, forgivable loan, and loan repayment programs. There's also

a newly revamped tax credit, the Student Loan Repayment Program, administered by Maine Revenue Services. Formerly known as the Educational Opportunity Tax Credit (EOTC) or “Opportunity Maine,” this refundable tax credit provides up to \$2,500 per year or up to \$25,000 lifetime for eligible Maine residents who work and pay taxes in the state after they graduate from higher education.

As far as loan repayment programs similar to this in operation, we administer the Maine Dental Loan Repayment Program; the Nursing Education Loan Repayment Program; and the Maine Health Care Provider Loan Repayment Pilot Program. The latter program is open to social workers, as well as numerous other health care providers. Last year, we received 114 applications from social workers of the 1,024 total applications received. Two social workers were awarded funds out of the eighteen total awardees.

The Maine Health Care Professionals Loan Repayment Pilot Program, enacted with \$1 million in federal ARPA funds via L.D. 1733, *An Act to Provide Allocations for the Distribution of State Fiscal Recovery Funds*, during the First Session of the 130th Legislature, is geared toward certain health care professionals to address critical workforce shortages exacerbated by the COVID-19 pandemic, including, but not limited to, the behavioral health and oral care sectors. FAME will pay up to \$25,000 per year and, in aggregate, the lesser of \$75,000 and 50% of the recipient's outstanding loan balance. By statute, the program terminates when the funds allocated by Legislature (currently \$1 million) are fully expended or by December 31, 2024, whichever occurs first, unless other funding is made available to carry out the purpose of the program. Governor Mills has proposed in her biennial budget, LD 258, \$4 million in additional funding to continue the program. We support that proposal and hope you will, too.

Should the Legislature decide to enact and fund this bill, we would be happy to administer the program. We recognize the valuable role social workers play in Maine and appreciate the heavy burden their student debt places on their abilities to work in this critical field.

Thank you for your consideration of my comments. I will be happy to answer any questions you have.