



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

Neither for Nor Against L.D. 1797

***An Act to Expand Maine's Health Care Workforce by Expanding
Educational Opportunities and Providing Tax Credits***

May 2, 2023

**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 testifying today Neither For Nor Against L.D. 1797, *An Act to Expand Maine's Health Care Workforce by Expanding Educational Opportunities and Providing Tax Credits*

This bill would do seven things:

1. Make part-time faculty eligible for the **Nursing Education Loan Repayment Program**, which is administered by FAME, with loans of up to \$10,000 for a master's degree and up to \$20,000 for a doctoral degree;
2. Provide for \$1 million in ongoing annual appropriations to the **Nursing Education Loan Repayment Program**;
3. Establish the Maine Health Care Education Training and Medical Residency Fund within the Department of Health and Human Services and appropriate \$4,885,000 annually to the fund to establish clinical training opportunities for third-year and fourth-year medical students in rural parts of the state;
4. Provide for \$4 million in ongoing annual appropriations to the **Maine Health Care Provider Loan Repayment Program Fund**, which is administered by FAME;
5. Provide for \$1 million in ongoing annual appropriations to the **Doctors for Maine's Future Scholarship Program**, which is also administered by FAME;
6. Establish a new income tax credit of up to \$500 a year for new nurses, for three years per eligible nurse, for employment in a licensed health care facility in the state. It further directs the State Board of Nursing to certify eligible nurses for the tax credit and limits the tax credit to 1,000 nurses per year; and

7. Provide for \$300,000 in ongoing annual appropriations to support incentives for 40 clinical preceptorships.

My testimony focuses on those parts of the bill affecting FAME-administered programs (Items #1, #2, #4, and #5 in the above list): the Nursing Education Loan Repayment Program; the Maine Health Care Provider Loan Repayment Program; and the Doctors for Maine's Future Scholarship Program.

We very much appreciate President Jackson's and the various cosponsors support for continued funding of these important health care workforce programs administered by FAME. As the committee heard during the hearing and work session on the Governor's proposed biennial budget, LD 258, these programs have been successful and important in supporting Maine's healthcare workforce needs. As you will recall, a majority of this committee voted to support continued funding for these programs in your report-back to the Appropriations and Financial Affairs Committee, but in a modified version of from the Governor's original proposal. The Governor proposed and FAME supported \$4 million in ongoing funding for the Maine Healthcare Professionals Loan Repayment Pilot Program, but a majority of this committee voted to recommend \$2 million for the Maine Health Care Professionals Loan Repayment Pilot Program; \$1 million for the Nursing Education Loan Repayment Program; and \$1 million for the Doctors for Maine's Future Scholarship Program. This funding was not included in LD 424, however, the majority, current services budget eventually enacted by the Legislature.

As you may recall, the Nursing Education Loan Repayment Program repays over time the student loans (currently up to \$20,000 for participants with a master's degree and up to \$40,000 for participants with a doctoral degree) of selected participants to support rebuilding Maine's nursing workforce as an industry negatively affected by retirements and the pandemic. It had been on the books but never funded for some years, but finally was funded during the 130th Maine Legislature with \$1 million in one-time funds made available through ARPA-MJRP funds related to the pandemic. Last fall, during the first round of applications, FAME made awards to twenty-four individuals, which totaled \$641,771. We recently conducted a second round of applications for the program, which closed on April 1. We made awards to nine individuals totaling \$174,790. We have no objection to the proposed language change to the program making part-time faculty eligible for participation.

The Doctors for Maine's Future Scholarship Program, an older and ongoing FAME program, provides a tuition subsidy of fifty percent of the cost of attendance annually, up to a maximum of \$25,000 per student annually, for eligible students who enter qualifying Maine-based medical school programs. For each student funded with a Doctors for Maine's Future Scholarship, the participating medical schools fund an additional scholarship on similar terms. Thus, the program in effect has a 1:1 match ratio. The goal of the program is to increase the number of physicians in the state who practice in primary care, underserved specialties, or underserved areas of Maine. The Maine Medical Center-Tufts University Medical School and the University of New England College of Osteopathic Medicine participate in the program. During the 130th Maine

Legislature, the Doctors for Maine's Future Scholarship Program benefitted from a one-time appropriation of \$2 million in MJRP funds to sustain the program at current levels (five awards each to Tufts/MMC and UNECOM). The proposed on-going funding of \$1 million per year would enable us to maintain awards at their current level of five per school to be matched in turn by the schools. We use \$400,000 of our overall Student Financial Assistance appropriations to help fund this program; however, without additional funding as proposed here, we likely will need to reduce the number of awards to two per school in the next biennium.

Finally, the Maine Health Care Provider Loan Repayment Pilot Program, initially funded with ARPA-MJRP funds during the 130th Maine Legislature, is designed to attract and retain health care professionals in Maine by repaying outstanding student loans of selected participants who commit to living and working in Maine for at least three years. FAME will pay up to \$25,000 per year or, in aggregate, the lesser of \$75,000 or 50% of the recipient's outstanding loan balance. During the first round of this pilot program last fall, FAME received 1,023 applications from interested health care professionals. We were only able to fund eighteen individuals with the limited \$1 million we were provided by the state, however. Additional funding could help the other qualified individuals who applied previously, as well as perhaps consider new applications if funds permit. We believe there is great interest and need for this program's continuation.

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