



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

In Support of L.D. 210

An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027

**Joint Standing Committee on Appropriations and Financial Affairs
Joint Standing Committee on Housing & Economic Development**

February 5, 2025

Senators Rotundo and Curry, Representatives Gattine and Gere, and Distinguished Members of the Joint Standing Committees on Appropriations and Financial Affairs and Housing & Economic Development:

My name is Bill Norbert. I am the Governmental Affairs and Communications Manager at the Finance Authority of Maine (FAME). I am here to testify in support of the Governor's proposed initiatives found on pages A-288 – A-291 of your printed materials.

FAME is a quasi-independent state agency whose mission is to enrich business and educational outcomes through relevant, timely financial support to Maine's people. Our vision is a Maine where all people have access to improved economic outcomes through business growth and education attainment.

To begin with, I would like to point out that all of the items discussed here today are flat-funded lines of the biennial budget. There are no new initiatives associated with these programs.

The first FAME program may be found on Page A-288 of your materials. It concerns marketing pass-through funds for the formerly known Educational Opportunity Tax Credit, now known as the **Student Loan Repayment Tax Credit**. \$75,000 is provided in both years of the biennium. As you will recall, a few years ago the Administration and Legislature simplified and renamed the program. It is the most generous student loan repayment program of its kind in the nation, providing for up to \$25,000 in lifetime refundable tax credits (or \$2,500 per year) for eligible Maine residents who live and work here and make student loan payments. Eligible loans include those obtained to help a student earn an associate, bachelor's, or a graduate degree from an accredited Maine or non-Maine community college, college, or university after 2007.

Maine Revenue Services administers the tax credit, but FAME helps to market it. FAME has been directed by the Legislature to contract with a private, nonprofit entity to help market the tax credit. FAME contracts with Live and Work in Maine, LLC, to help publicize the program. Live and Work in Maine, LLC has been doing a good job at increasing awareness of this credit, both in Maine and across the nation. Among other things, they have been targeting graduating Maine students and former Maine residents to retain and attract them to Maine. They also have made efforts to raise awareness amongst Maine employers of the credit as a tool for employee attraction and retention. We are grateful for the Administration's support of continued funding for these marketing funds. It helps Maine businesses and taxpayers with loan debt to become better aware of this important tool for workforce attraction and retention.

The second program is found on Page A-289 of the budget document and concerns the **Maine Area Health Education Centers (AHECs)**. The budget proposes continued funding of \$110,000 in FY 25-26 and \$110,000 in FY 26-27. This is "pass-through" money which FAME transfers to the Maine AHEC Network at the University of New England and helps to fund the rural health workforce development programs in the Area Health Education Centers located in Bangor, Ellsworth, and Farmington. These funds are matched 1:1 by the Health Resources and Services Administration (HRSA) within the U.S. Department of Health and Human Services.

The Maine AHEC Network's mission is to enhance health equity and reduce health disparities among rural and urban underserved populations in Maine through healthcare workforce development initiatives. They fulfill this mission by:

- 1) Providing didactic and community-based education to health professions students to prepare them to provide care for underserved communities Maine;
- 2) Encouraging and supporting Maine youth to pursue careers in the health professions; and
- 3) Offering continuing education programs to practicing health professionals.

Zoe Hull, Director of the Maine AHEC Network at the Center for Excellence in Public Health, University of New England in Portland, will be speaking in favor of this line later today and can offer more details should you wish.

The third matter relates to the **Foreign Credentialing and Skills Recognition Grant Program**. It may be found on page A-290 of your materials and proposes continued funding of \$75,000 in each year of the biennium for the program. This program, which previously provided loans, was amended by the Legislature and now provides grants to assist eligible immigrants living in Maine who are not yet eligible to work in the United States prepare for entry into the workforce. Grants up to \$1,000 are available to help pay for the costs associated with the process of becoming work-ready while waiting for issuance of a work permit by federal immigration authorities. A total of ninety-eight grants have been awarded since the revised program was launched in February 2024.

The fourth item concerns the **Maine Health Care Provider Loan Repayment Pilot Program** and is found on Page A-290 of your materials. As you can see from the

\$500 funding in each year of the biennium, this is placeholder money to keep the program viable and ongoing if and when it receives additional funding. The program 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. The program was initially funded with \$1 million in federal ARPA/MJRP monies and 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. During the first round of program awards in October of 2022, FAME selected eighteen recipients from a pool of 1,021 applications. Additional funding was approved by the 131st Legislature (\$2.65 million in additional federal funds and \$2 million in additional state funds). A second application cycle opened February of 2024. FAME selected seventy-eight recipients from a pool of 454 applications in September of 2024. A third application cycle opened on February 1, 2025. Funds remaining in the program total approximately \$750,000.

The final item pertains to the **Small Enterprise Growth Fund**, which does business as the **Maine Venture Fund**. The budget proposes to continue the \$500,000 in ongoing funding for the Maine Venture Fund. FAME administers the money for this separate and independent entity. It is a professionally managed fund that invests exclusively in Maine-based companies that demonstrate a potential for substantial growth and success that will contribute to Maine's prosperity. Joe Powers is the managing director of the Fund and he is submitting testimony in support of this line. Since inception, the Fund has invested over \$49 million into 238 Maine companies, helping to create and retain 14,883 Maine jobs and has had several profitable "exits." This activity has spurred an additional \$380 million in co-investments. Companies in the Maine Venture Fund portfolio include Sea Bags, a manufacturer located on the working waterfront in Portland, which now has over 100 employees working across a variety of skilled, well-paying jobs and a strong Maine brand that is known beyond the borders of our state. Other notable companies include Tanbark in Saco, Coursestorm in Orono, and BlueTrace in Castine, providing innovative solutions in forestry, software and aquaculture, respectively. There are currently fifty-five companies in the MVF portfolio; this total includes nineteen Roux Institute Healthcare Founder Residency companies into which MVF has invested indirectly through that program since its inception.

We are grateful for the Governor's continued funding proposals for these important programs and would appreciate your continued support, as well. We know you face numerous competing priorities in a challenging budget environment, and we wish you all the best in your work and deliberations.

Thank you for this opportunity and I would be happy to answer any questions.