



# HOUSE OF REPRESENTATIVES

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March 31, 2025

*Testimony of Rep. Kelly Noonan Murphy introducing*

## **LD 651, An Act to Fund the Maine Health Care Provider Loan Repayment Program**

*Before the Joint Standing Committee on Education and Cultural Affairs*

Senator Rafferty and distinguished colleagues of the Joint Standing Committee on Education and Cultural Affairs, my name is Kelly Murphy, and I represent part of Scarborough. I am pleased to sponsor **LD 651, An Act to Fund the Maine Health Care Provider Loan Repayment Program**.

This bill would provide ongoing funding of \$1 million annually for the program, which is administered by the Finance Authority of Maine (FAME).

The 130th Maine Legislature created the Maine Health Care Provider Loan Repayment Pilot Program with \$1 million in federal pandemic relief funding (ARPA and MJRP) and subsequently has received state funding through state appropriations. The program 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. Under the program, FAME pays up to \$25,000 per year and, in aggregate, the lesser of \$75,000 or 50% of the recipient's outstanding loan balance.

The program is popular and competitive. There have been two award cycles resulting in the selection of 96 participants in the program. The third and most recent awards cycle opened on Feb. 1 and will close on March 31. It is expected that another 15 recipients will be chosen during this round. This third cycle will absorb the remaining program funds.

Maine is facing acute workforce shortages across health care fields. For example, the Organization of Maine Nurse Leaders estimates that Maine lacked 2,115 registered nurses in 2024, and that number is expected to grow to 2,817 by 2030. The Maine Hospital Association estimates that its member hospitals need an additional 250 respiratory therapists to meet current needs. A recent survey of behavioral health providers in Maine showed a 21% vacancy rate for mental health clinician positions. And demographics will exacerbate these shortages in the coming years. A recent Maine Department of Labor health care occupations report noted that approximately 30% of Maine's current health care workforce is over the age of 55.

The Health Care Provider Loan Repayment Pilot Program helps to address our critical health care workforce shortages and should continue. The \$1 million in proposed ongoing funding would translate into approximately 15-18 awards annually. Program awards are based on the following factors: (1) access to health care for the population where the applicant practices or intends to practice, such as number of vacancies within a local provider system, timeliness of appointments and whether they or their employer accepts Medicaid; (2) monthly student debt obligation payment as a percentage of gross monthly income; (3) the need for specific health care practitioners in a given employment region; and (4) the workforce needs of Maine health care providers.

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

132nd Maine Legislature  
An Act to Fund the Maine Health Care Provider Loan Repayment Program  
L.D.

**An Act to Fund the Maine Health Care Provider Loan Repayment Program**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. Appropriations and allocations.** The following appropriations and allocations are made.

**FINANCE AUTHORITY OF MAINE**

**Maine Health Care Provider Loan Repayment Pilot Program Fund Z33001**

Initiative: Provides ongoing funds to support the Maine Health Care Provider Loan Repayment Pilot Program.

<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
All Other	\$1,000,000	\$1,000,000
<b>GENERAL FUND TOTAL</b>	<u>\$1,000,000</u>	<u>\$1,000,000</u>

**SUMMARY**

This bill provides ongoing funds to support the Maine Health Care Provider Loan Repayment Pilot Program.