



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

**In Support of L.D. 1653**

***An Act to Develop Maine's Credentialed Workforce***

**May 5, 2025**

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

Senator Rafferty, Representative Murphy, and Distinguished Members of the Joint Standing Committee on Education and Cultural Affairs:

My name is Bill Norbert. I am the Governmental Affairs and Communications Manager at the Finance Authority of Maine (FAME). I am presenting this testimony in support of L.D. 1653, *An Act to Develop Maine's Credentialed Workforce*.

We first wish to thank Representative Sargent for sponsoring this bill, as well as the various cosponsors.

FAME's 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

This bill would establish within FAME the Maine Credentialed Workforce Program to support the credentialing needs of current and future participants in the state's workforce through student loan repayments to eligible persons who are employed in occupations identified by FAME (with input from experts such as DECD, MDOL, higher education institutions, and others) as needing skilled workers. We are seeking no funding at this time but instead ask that you help establish this program in statute so that we may return in the future with proposals for existing FAME programs or new workforce occupations and legislative proposals to consider including in the program.

FAME has administered a variety of loan and loan repayment programs since assuming oversight of the state's higher education loan and loan repayment program from the Maine Department of Education in 1990. It is an honor we take seriously, and we appreciate the trust you have placed in us. Our aim with this proposal is to get a better handle on the various current and future proposals for loan and loan repayment programs,

as well as our existing programs, in a way that is more efficient, cost-effective, and responsive to our state's current workforce needs.

This session alone, there are at least six separate proposals to create new grant, loan, or loan repayment programs for FAME to administer. These cover occupations ranging from lawyers to dentists to loggers and fishermen to recent college graduates employed in the trades (tool loans) to foreign trained physicians and state and federal workers (shutdown loans). If enacted and funded, these concepts would be added to the six existing grant, loan and loan repayment programs we currently administer: Educators for Maine; Maine Health Professions Loan Program; Maine Health Care Provider Loan Repayment Pilot Program; Maine Veterinary Medicine Loan Program; Maine Dental Education Loan and Loan Repayment Program; the Nursing Education Loan Repayment Program; and the Foreign Credentialing and Skills Recognition Grant Program. Other programs listed in statute but never funded by the Legislature or operated by FAME include: the Social Work Education Loan Repayment Program; Maine Engineers Recruitment and Retention Program; Future for Youth in Maine Loan Repayment Program (aimed at recent college grads starting technology-based businesses); and the Maine Science, Technology, Engineering and Mathematics (STEM) Loan Program.

At a time of reduced state funding and rapidly changing workforce needs, we need a thoughtful and concerted approach to targeting Maine's workforce needs with the limited state appropriations and limited loan and loan repayment funds we have available. The current arrangement is fragmented and inconsistent, with separate programs, eligibility criteria, applications, and constituencies. With your help we can design an overarching and responsive approach that offers more benefit to Maine's workforce and employers and allows our customers to focus on one program with a common application. The solution can be simpler, nimbler, and efficient. If we examine Maine's evolving workforce needs holistically, we will have a better approach. A concerted effort will be better than a collection of programs. Plus, the various funding can be pooled together to have more impact.

Each of these separate, existing and new programs can be time-consuming and administratively burdensome to administer as separate, unique entities. When a new program is added, we must engage in rulemaking, design applications and loan documents, market, administer, and report on it. This proposal would permit us to harness our time and resources into one overarching umbrella program. We are proposing a new, overarching loan repayment program to support the credentialing needs of current and future participants in the state's workforce. FAME would consult the latest available data and with experts regarding business, education, labor and workforce needs in prioritizing targeted professions on a regular basis. FAME would establish by rule eligibility requirements for the program, which would include, at a minimum:

--That the applicant has received an appropriate certificate, credential of value, or bachelor's degree or graduate degree within 2 years of the date of application  
*[amendment to current bill language needed to extend 2 years to something]*

*longer, like 5-10 years and include debt and credentials in addition to two-year, four-year degrees and graduate ones];*

- That the applicant has outstanding eligible student loans; and
- That the applicant is willing to accept and maintain employment in a priority occupation position in the state for a minimum of four years in return for repayment by FAME of a portion of that applicant's student loan debt.

We recommend maximum loan repayment amounts available to a participant in the program be \$25,000 per year for a maximum of four years, so long as participants remain employed in their selected professions and work and live in Maine.

In this challenging budget environment, we are not requesting any state funding this session for the program. The language in the bill regarding the fund allows FAME to use internal resources, receive outside funding of various kinds, or eventually receive appropriations for the program. After the language is on the books, we could present in future years separate proposals/bills to bring existing FAME programs and new legislative proposals into this new comprehensive program. That way stakeholders can be heard and their views and recommendations incorporated.

Additionally, this proposal comports well with FAME's current IT modernization efforts. When finished, our IT modernization will allow us to make these loan repayments in an easier, more efficient way, and permit us to better monitor and report on them.

We hope you will enact this new program and support our efforts to be more efficient and responsive to Maine's workforce needs. Thank you for your consideration and I would be happy to answer any questions you might have.

## **FAME Higher Education Loan and Loan Repayment Programs**

FAME's Education Division helps to support education attainment and workforce development. We enable education and workforce skills attainment after high school by removing the most significant cost barriers and by delivering postsecondary education affordability information and counseling through Maine's education stakeholder ecosystem. Since we began administering the state's higher education programs in 1990, **FAME has awarded over \$500 million in state-funded grants and loans to over 300,000 Maine students.** Below please find information about our education loan and loan repayment programs.

### ***State Funded/Supported Programs:***

#### **Educators for Maine**

- Merit-based forgivable loans for Maine students pursuing initial certification as a teacher, including speech pathology or a career in child development.
- Award amounts are based on available funding and are subject to change annually, but not less than \$3,000 for undergraduate students and not less than \$2,000 for graduate students. For academic year 23-24, awards were \$5,000/year for undergraduates and \$4,000/year for graduate studies.
- Loans are forgiven if the recipient is an educator or speech pathologist in an eligible elementary or secondary school or a quality childcare program in the state of Maine. Loan recipients who are Jobs for Maine's Graduates Specialists may also be eligible for forgiveness in this program.
- Could be consolidated into larger workforce credentialing loan/loan repayment program.

#### **Maine Health Professions Loan Program**

- The Maine Health Professions Loan Program is a need-based loan of up to \$25,000/year for Maine residents pursuing post-graduate medical, dental, or veterinary education. The program offers tiered interest rate loans depending on the type of return service rendered.
- Could be consolidated into larger workforce credentialing loan/loan repayment program.

#### **Maine Health Care Provider Loan Repayment Pilot Program**

- 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 beginning in November 2023.
- Could be consolidated into larger workforce credentialing loan/loan repayment program.

#### **Maine Veterinary Medicine Loan Program**

- This is a need-based forgivable loan for students enrolled in a program leading to a Doctor of Veterinary Medicine degree.
- Loans in the amount of \$25,000 annually are available to students.

- Beginning in academic year 2023-24, the program was expanded (funds permitting) as follows: increased number of loans that may be awarded from two per year to eight per year, with overall aggregate program loans increased from eight to thirty-two; at least half of these (and no fewer than two) must be awarded to livestock veterinary students, unless we do not receive enough applications, in which case we may award remaining loans to other eligible applicants; increased maximum loan amounts from \$25,000 per year to \$35,000 per year; expanded program eligibility to veterinarians who practice emergency and critical care, but to include non-livestock animals like cats and dogs; and expanded program eligibility to include veterinarians of any kind who practice in underserved geographic regions (priority must be given to Aroostook, Oxford, Penobscot, Piscataquis, Somerset, and Washington Counties).
- Could be consolidated into larger workforce credentialing loan/loan repayment program.

### **Maine Dental Education Loan and Loan Repayment Program**

- The Maine Dental Education Loan provides a forgivable loan to Maine residents who are pursuing a postgraduate degree in dentistry. The Maine Dental Loan Repayment Program provides practicing dentists loan repayment. Under both programs, the dentist must provide dental services to Mainers living in underserved population areas without regard to their ability to pay.
- An education loan and/or loan repayment recipient with a new agreement signed January 1, 2020 and later can receive up to \$25,000. An education loan and/or loan repayment recipient with an agreement signed before January 1, 2020 can receive up to \$20,000.
- Effective academic year 2024-2025, the Legislature amended the program to include dental hygienists, dental therapists, expanded function dental assistants, and dental assistants.
- Could be consolidated into larger workforce credentialing loan/loan repayment program.

### **Nursing Education Loan Repayment Program**

- Loan repayment program for nursing educators who must: be a nurse; be currently enrolled in a master's or doctoral degree program in nursing or have completed a master's or doctoral degree in nursing; possess an outstanding education loan relating to the master's or doctoral nursing degree; and agree to work as full-time nursing faculty in a nursing education program in the state for a minimum of three years after acceptance to the program.
- FAME will repay the loan of eligible nurse educators in the amount of up to \$20,000 over three years for a master's degree and up to \$40,000 over three years for a doctoral degree.
- The 131<sup>st</sup> Legislature expanded eligibility to include part-time nurse educators (repayment amount up to \$10,000 for master's degree and up to \$20,000 for doctoral degree).
- Could be consolidated into larger workforce credentialing loan/loan repayment program.