



**Testimony by William Norbert
Governmental Affairs Manager**

In Support of L.D. 2212

An Act Making Supplemental 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, 2026 and June 30, 2027

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

February 19, 2026

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

My name is Bill Norbert. I am the Governmental Affairs Manager at the Finance Authority of Maine (FAME). I am testifying today in support of the Governor's initiatives related to the Maine Health Care Provider Loan Repayment Program, which is found in Part A on page A - 44 of your materials, and the General Fund Bill Language Part TT concerning energy projects financing, which is found on page 65 of the Language section of your materials.

The first initiative eliminates a \$500 placeholder allocation for the Maine Health Care Provider Loan Repayment Program previously listed in the budget in the event the program was to receive additional funding.

The Maine Health Care Provider Loan Repayment Program was established by the Legislature during the COVID pandemic 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 pays to a participant's student loan servicer 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 as a pilot 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. The 131st Maine Legislature subsequently appropriated \$2.65

million in federal funds and \$2 million in state funds to the program. During the first round of program awards in October of 2022, FAME selected eighteen recipients from a pool of 1,021 applications. A second application cycle opened in 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. Eighteen recipients were selected from a pool of 222 applications in May of 2025.

Program participants receive three annual payouts mailed to their student loan servicer as partial repayment for their loans. The last payouts will be sent in late June of 2026. No new application cycles are planned at this time because the program has no remaining funds. The program has been enshrined in statute, however, so it can be used again should additional funding be obtained. During the First Session of the 132nd Maine Legislature, the program was eliminated and replaced in statute (it had been in unallocated budget language previously via Public Law 2021, chapter 346) by LD 651, *An Act to Codify the Maine Health Care Provider Loan Repayment Pilot Program*.

The second initiative we support concerns Language Part TT related to the extension of certain energy financing dates in statute. It is found in the General Fund Bill Language section on page 65 of your materials.

This initiative extends the date to allow FAME to issue revenue obligation securities (bonds) for energy distribution system projects or energy generating projects that have been issued a certificate of approval by FAME from January 1, 2020 to January 1, 2040. Additionally, this part also extends the allowable date by which the Public Utilities Commission may issue a certificate of approval under the Electric Rate Stabilization Project Taxable Bond Program from July 31, 1998 to July 31, 2040.

This moral obligation bonding authority for energy distribution system or energy generating projects has never been used by FAME and has lapsed in statute. We think it is a good idea to keep this option open and available in the coming years as a source of potential financing for Maine's electric system.

The portion related to the Electric Rate Stabilization Project Taxable Bond Program pertains to an older program, now sunsetted and used only once, whereby FAME and the Maine Public Utilities Commission (PUC) collaborated to help reduce electric rates. This program has lapsed in law but could provide mechanisms for financing, specifically authorized by the PUC, to lower costs associated with electric utility power purchase contracts. It was designed to support restructuring contracts with non-utility generators to stabilize rates through taxable bonds backed by a capital reserve fund.

We look forward to working with the Department of Energy Resources, the PUC, and the Legislature to explore possible public financing support to energy projects to help the state meet its energy and economic development goals and help reduce ratepayer costs.

Thank you for your time and consideration. I would be happy to answer any questions you have.