

HOUSE BILL No. 5326

November 19, 1991, Introduced by Reps. Bodem, Keith, Dalman, DeMars, Strand, Kosteva, Byrum, Joe Young, Jr., Stallworth, Wallace, Dobronski, Barns and Goss and referred to the Committee on Education.

A bill to establish an educational loan program for eligible resident students enrolled in certain teacher education programs; to prescribe conditions for repayment and forgiveness of the loans; to establish a Michigan future teachers corps fund and to provide for its administration; and to prescribe certain powers and duties of certain state officers, agencies, and departments.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan future teachers corps act".

3 Sec. 3. As used in this act:

4 (a) "Authority" means the Michigan higher education assist-
5 ance authority created in Act No. 77 of the Public Acts of 1960,
6 being sections 390.951 to 390.961 of the Michigan Compiled Laws.

7 (b) "Department" means the department of education.

1 (c) "Fund" means the Michigan future teachers corps fund
2 created in section 13.

3 (d) "Geographic shortage area" means a geographic area in
4 this state determined by the department under section 7 to have a
5 shortage of teachers.

6 (e) "School district" means that term as defined in section
7 6 of the school code of 1976, Act No. 451 of the Public Acts of
8 1976, being section 380.6 of the Michigan Compiled Laws.

9 (f) "State board" means the state board of education.

10 (g) "Subject shortage area" means an academic subject deter-
11 mined by the department under section 7 to have a shortage of
12 teachers.

13 Sec. 5. To recognize the critical importance of recruiting
14 the best and brightest Michigan students for teaching careers in
15 this state, the Michigan future teachers corps program is creat-
16 ed, to be administered by the department. The department shall
17 do all of the following:

18 (a) Make loans to students according to this act.

19 (b) Develop a loan agreement to be entered into by a loan
20 recipient and the department that contains the terms of a loan
21 made under this act and the rights and obligations of the loan
22 recipient and the department.

23 (c) Collect repayment of loans according to this act.

24 (d) Conduct periodic audits of loan recipients to ensure
25 compliance with the terms of the loan agreement and take neces-
26 sary steps to enforce the terms of the loan agreement.

1 (e) Publicize the Michigan future teachers corps program and
2 recruit qualifying students to participate in the program.

3 (f) Administer the fund.

4 (g) Promulgate rules, as necessary to implement this act,
5 pursuant to the administrative procedures act of 1969, Act
6 No. 306 of the Public Acts of 1969, being sections 24.201 to
7 24.328 of the Michigan Compiled Laws. The rules shall include,
8 but are not limited to, standards for eligibility of students to
9 receive loans under this act. The standards shall be designed to
10 ensure that a loan recipient has demonstrated superior scholar-
11 ship in high school and potential for superior academic per-
12 formance in a teacher education program and shall include, but
13 are not limited to, criteria relating to an applicant's grade
14 point average, standardized college admission test scores, and
15 extracurricular activities.

16 Sec. 7. (1) The department shall periodically survey the
17 employment market for teachers in this state to determine the
18 subject matter areas and geographic areas that are experiencing
19 or are expected to experience a shortage of teachers.

20 (2) Based on the survey findings under subsection (1), the
21 department shall annually designate subject matter areas as
22 subject shortage areas or geographic areas as geographic shortage
23 areas, or both. Information on those designated areas shall be
24 compiled and made available to the public not later than March 1
25 of each year.

1 Sec. 9. (1) The department may award a student loan under
2 this act to an individual who the department determines meets all
3 of the following eligibility criteria:

4 (a) The individual is a United States citizen or permanent
5 resident of the United States.

6 (b) The individual has resided continuously in this state
7 for the immediately preceding 12 months and is not considered a
8 resident of any other state.

9 (c) The individual is not in default on a loan guaranteed by
10 the authority.

11 (d) The individual is enrolled or has been accepted into a
12 teacher education program approved by the state board at a col-
13 lege or university located in this state.

14 (e) The individual has demonstrated superior scholarship as
15 determined according to standards set by department rule.

16 (f) The individual has signed a written loan agreement with
17 the department stating the individual's intention to pursue
18 teaching as a career and to teach in a geographic shortage area
19 or subject shortage area.

20 (g) The individual has complied with this act and the rules
21 promulgated under this act.

22 (h) The individual meets other criteria established by
23 department rule.

24 (2) Students awarded loans under this act shall be known as
25 "John D. Pierce scholars".

1 Sec. 11. (1) The maximum amount of a loan made under this
2 act shall be \$2,000.00 per academic year for not more than 5
3 years in a teacher education program.

4 (2) The department shall pay the amount of a loan made under
5 this act directly to the college or university in which the loan
6 recipient is enrolled, to be applied to the loan recipient's
7 account.

8 (3) A loan made under this act is subject to the following
9 conditions:

10 (a) Except as provided in subdivision (b), the loan shall
11 bear interest and be repayable according to the same terms as are
12 imposed on newly awarded student loans guaranteed by the author-
13 ity at the time the loan is awarded.

14 (b) If a loan recipient earns a teaching certificate under
15 part 22 of the school code of 1976, Act No. 451 of the Public
16 Acts of 1976, being sections 380.1531 to 380.1539a of the
17 Michigan Compiled Laws, and is employed by a school district as a
18 teacher in a subject shortage area or geographic shortage area,
19 the department shall forgive the obligation under subdivision (a)
20 to repay the loan. The amount of loan forgiveness shall be
21 determined according to subsection (4).

22 (4) The department shall develop a method for calculating
23 the amount of a loan repayment obligation to be forgiven that
24 will result in forgiveness of an amount equal to the principal
25 and interest on a loan for 1 year of teacher education for each
26 school year that the loan recipient is employed by a school
27 district as a teacher in a subject shortage area or geographic

1 shortage area, and shall forgive a loan repayment obligation for
2 a loan recipient qualifying under subsection (3)(b) using that
3 calculation. For purposes of this subsection, a loan recipient
4 shall be considered to be employed during a period that he or she
5 is on a parental, educational, or disability leave of absence
6 approved by his or her employing school district.

7 Sec. 13. (1) There is created the Michigan future teachers
8 corps fund as a separate fund in the state treasury, to be admin-
9 istered by the department. The authority may accept money from
10 any source and shall deposit that money and amounts repaid on
11 loans made under this act with the state treasurer, who shall
12 credit the amounts to the fund. The fund shall be used to fund
13 loans made under this act.

14 (2) The state treasurer shall direct the investment of the
15 fund money and shall credit earnings to the fund.

16 (3) Money in the fund at the end of a fiscal year shall not
17 revert to the general fund but shall be carried over in the fund
18 to the next fiscal year.