

HOUSE BILL No. 4464

March 26, 2003, Introduced by Reps. Robertson, Pastor, Gaffney and Tobocman and referred to the Committee on Education.

A bill to establish a teachers loan forgiveness program for eligible new teachers in at-risk schools and shortage areas; to establish a teachers loan forgiveness 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 "teachers loan forgiveness act".

3 Sec. 2. As used in this act:

4 (a) "At-risk school" means a public elementary or secondary
5 school in which at least 30% of students meet the income
6 eligibility criteria for free breakfast, lunch, or milk in the
7 immediately preceding state fiscal year, as determined under the
8 national school lunch act, chapter 281, 60 Stat. 230, 42
9 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766a, 1769,

1 1769b to 1769c, and 1769f to 1769h, and that is operated by a
2 school district.

3 (b) "Authority" means the Michigan higher education
4 assistance authority created by 1960 PA 77, MCL 390.951 to
5 390.961.

6 (c) "Eligible debt" means the total remaining principal
7 balance of all state and federal loans obtained by an individual
8 during his or her first 4 years of enrollment in a teacher
9 education program at a public or private college or university or
10 community college.

11 (d) "Fund" means the teachers loan forgiveness fund created
12 in section 6.

13 (e) "School district" means either of the following:

14 (i) A school district as that term is defined in section 6 of
15 the revised school code, 1976 PA 451, MCL 380.6.

16 (ii) A local act school district as that term is defined in
17 section 5 of the revised school code, 1976 PA 451, MCL 380.5.

18 (f) "Shortage area" means 1 of the following as determined by
19 the department of education:

20 (i) A school district in which there is a shortage of
21 elementary and secondary school teachers.

22 (ii) A school district in which there is a shortage of
23 elementary and secondary school teachers in specific grade levels
24 and in specific academic, instructional, subject matter, and
25 discipline classifications.

26 Sec. 3. The teachers loan forgiveness program is created,
27 to be administered by the authority. The authority shall do all

1 of the following:

2 (a) Award grants to eligible teachers pursuant to this act.

3 (b) Develop an application form and application process for
4 teachers applying for grants under this act.

5 (c) Publicize the teachers loan forgiveness program.

6 (d) Promulgate rules necessary to implement this act pursuant
7 to the administrative procedures act of 1969, 1969 PA 306,
8 MCL 24.201 to 24.328.

9 Sec. 4. The authority may award a grant under this act to
10 an individual determined by the authority to meet all of the
11 following eligibility criteria:

12 (a) Has obtained employment as a full-time teacher in an
13 at-risk school or shortage area after the effective date of this
14 act.

15 (b) Has submitted a grant application to the authority. The
16 grant application shall include a certification that the
17 applicant has applied for all state and federal loan repayment
18 programs for which he or she is eligible at the time of the
19 application.

20 (c) Has met any other requirements established by the
21 authority.

22 Sec. 5. (1) An individual eligible under section 4 shall be
23 awarded all of the following grants for which he or she
24 qualifies:

25 (a) An individual who completes 2 years of employment as a
26 full-time teacher in an at-risk school or shortage area and has
27 eligible debt at the time he or she submits a grant application

1 shall receive a grant in an amount equal to the remaining
2 principal balance of the grant applicant's eligible debt at the
3 time of the grant application or \$3,000.00, whichever is less.

4 (b) An individual who completes 4 years of employment as a
5 full-time teacher in an at-risk school or shortage area and has
6 eligible debt at the time he or she submits a grant application
7 shall receive a grant in an amount equal to the remaining
8 principal balance of the grant applicant's eligible debt at the
9 time of the grant application or \$3,000.00, whichever is less.

10 (c) An individual who completes 6 years of employment as a
11 full-time teacher in an at-risk school or shortage area and has
12 eligible debt at the time he or she submits a grant application
13 shall receive a grant in an amount equal to the remaining
14 principal balance of the grant applicant's eligible debt at the
15 time of the grant application or \$3,000.00, whichever is less.

16 (d) An individual who completes 8 years of employment as a
17 full-time teacher in an at-risk school or shortage area and has
18 eligible debt at the time he or she submits a grant application
19 shall receive a grant in an amount equal to the remaining
20 principal balance of the grant applicant's eligible debt at the
21 time of the grant application or \$3,000.00, whichever is less.

22 (2) A grant under subsection (1) shall be reduced by an
23 amount equal to the amount the individual is entitled to receive
24 from any state or federal loan repayment program for which he or
25 she is qualified at the time of the grant application.

26 (3) A grant under subsection (1) shall be paid by the
27 authority to the lender or its assignee, to be applied to the

1 individual's eligible debt.

2 Sec. 6. (1) There is created the teachers loan forgiveness
3 fund as a separate fund in the state treasury, to be administered
4 by the department of treasury. The department of treasury may
5 accept money for the fund from any source. The state treasurer
6 shall deposit that money and credit the amount to the fund. The
7 department of treasury shall use the fund only to provide money
8 to the authority for grants awarded under this act.

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

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