

HOUSE BILL No. 4129

February 1, 2005, Introduced by Rep. Mortimer and referred to the Committee on Higher 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 "excellence in public education act".

3 Sec. 2. As used in this act:

4 (a) "At-risk school" means a public elementary or secondary
5 school that meets both of the following:

6 (i) At least 50% of students at the school meet the income
7 eligibility criteria for free breakfast, lunch, or milk in the

1 immediately preceding state fiscal year, as determined under the
2 national school lunch act, 42 USC 1751 to 1769h, and that is
3 operated by a school district.

4 (ii) At least 8% of the teachers at the school teach a subject
5 area or in a grade level for which they are not endorsed or
6 certified, as applicable.

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

9 (c) "Eligible debt" means the total principal amount of all
10 state loans obtained by an individual during his or her first 5
11 years of enrollment in a teacher education program at a public or
12 private college or university or community college and unpaid at
13 time the individual begins teaching at an at-risk school.

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

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

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

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

21 Sec. 3. The teachers loan forgiveness program is created, to
22 be administered by the authority. The authority shall do all of the
23 following:

24 (a) Award grants to eligible teachers under this act.

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

27 (c) Publicize the teachers loan forgiveness program.

1 (d) Promulgate rules necessary to implement this act pursuant
2 to the administrative procedures act of 1969, 1969 PA 306, MCL
3 24.201 to 24.328.

4 Sec. 4. The authority may award a grant under section 5 to an
5 individual determined by the authority to meet all of the following
6 eligibility criteria:

7 (a) Has graduated in the top 25% of his or her high school
8 class.

9 (b) Is a legal resident of this state.

10 (c) Has not previously defaulted and is not currently in
11 default on a student loan made by this state.

12 (d) Has obtained and continues employment as a full-time
13 teacher in an at-risk school after the effective date of this act.

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

18 (f) Has met any other requirements established by the
19 authority.

20 Sec. 5. (1) The authority shall award an individual eligible
21 under section 4 a grant under this subsection. Subject to
22 subsection (2), the maximum amount of the grant is an amount equal
23 to the individual's eligible debt. In each consecutive year
24 teaching in an at-risk school, for up to 10 consecutive years, the
25 authority shall award a portion of the grant in an amount equal to
26 10% of the amount of the individual's eligible debt. The authority
27 shall apply the award to the individual's eligible debt.

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

5 (3) In any year where an individual is eligible for a grant
6 under this act, the authority shall not charge interest on the
7 individual's eligible debt and the individual is not required to
8 make any payments of principal and interest on the eligible debt.

9 Sec. 6. (1) There is created the teachers loan forgiveness
10 fund as a separate fund in the state treasury, to be administered
11 by the department of treasury. The department of treasury may
12 accept money for the fund from any source. The state treasurer
13 shall deposit that money and credit the amount to the fund. The
14 department of treasury shall use the fund only to provide money to
15 the authority for grants awarded under this act.

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

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