

HOUSE BILL No. 4142

February 1, 2017, Introduced by Rep. Kosowski and referred to the Committee on Education Reform.

A bill to establish a teacher shortage prevention program for certain teachers in certain areas; to establish a teacher shortage prevention grant 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 "teacher shortage prevention act".

3 Sec. 3. As used in this act:

4 (a) "Authority" means the Michigan finance authority created
5 by Executive Reorganization Order No. 2010-2, MCL 12.194.

6 (b) "Department" means the department of treasury.

7 (c) "Fund" means the teacher shortage prevention grant fund
8 created in section 11.

1 (d) "Grant" means money awarded to an individual under this
2 act in an amount determined under section 9.

3 (e) "Qualified educational loan" means the total unpaid amount
4 of all of an individual's unpaid government, commercial, or
5 foundation student loans for actual costs paid for tuition and
6 reasonable education and living expenses related to a teacher's
7 preparation or further education, calculated at the time the
8 individual first applies for a grant under this act.

9 (f) "School district" means a school district, local act
10 school district, or intermediate school district as those terms are
11 defined in the revised school code, 1976 PA 451, MCL 380.1 to
12 380.1852, or a public school academy established under the revised
13 school code, 1976 PA 451, MCL 380.1 to 380.1852.

14 (g) "Superintendent" means the superintendent of public
15 instruction described in section 3 of article VIII of the state
16 constitution of 1963.

17 (h) "Teacher" means an individual who holds a valid teaching
18 certificate issued by the superintendent under section 1531 of the
19 revised school code, 1976 PA 451, MCL 380.1531.

20 (i) "Teacher shortage area" means those school districts
21 reported by the superintendent as experiencing a teacher shortage.

22 Sec. 5. (1) The teachers shortage prevention program is
23 created within the department, to be administered by the authority.
24 Subject to appropriation, the authority shall do all of the
25 following:

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

27 (b) Develop an application form and application process for

1 teachers applying for grants under this act.

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

5 (2) The superintendent shall survey the state's school
6 districts and teacher preparation programs and report to the
7 authority and the senate and house committees that have the
8 responsibility for education legislation on or before February 1 of
9 each odd-numbered year on the status of teacher early retirement
10 patterns, the teacher shortage, and the substitute teacher
11 shortage, including patterns and shortages in subject areas and
12 regions of the state. The report must also include how districts
13 are making progress in hiring teachers and substitutes in the areas
14 of shortage and a 5-year projection of teacher demand for each
15 district. The report must also identify those school districts that
16 fall within a teacher shortage area.

17 Sec. 7. The authority may award a grant under section 9 to an
18 individual determined by the authority to meet all of the following
19 eligibility criteria:

20 (a) At the time of application, the individual has a qualified
21 educational loan.

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

23 (c) Has not previously defaulted and is not currently in
24 default on a qualified educational loan.

25 (d) Has accepted an offer of employment or will continue to
26 teach in a teacher shortage area in the school's academic year that
27 begins on or after the first July 1 following the date of the

1 application.

2 (e) Has submitted a grant application to the authority on or
3 before July 1. The grant application shall include a certification
4 that the applicant meets the eligibility criteria described in this
5 section and has applied for all state or federal loan forgiveness
6 programs applicable to his or her qualified educational loan.

7 (f) Has met any other requirements established by the
8 authority.

9 Sec. 9. (1) The authority shall award an individual eligible
10 under section 7 a grant under this subsection. Subject to
11 subsection (2) and to adjustment under subsection (3), the maximum
12 amount of the grant is \$1,000.00 for not more than 5 consecutive
13 years or an amount equal to the individual's qualified educational
14 loan, whichever is less.

15 (2) A grant under subsection (1) shall be reduced by an amount
16 equal to the amount the individual is entitled to receive from any
17 state or federal loan forgiveness program applicable to a qualified
18 educational loan.

19 (3) In any state fiscal year, the authority may adjust the
20 amount of each partial grant under subsection (1) on a pro rata
21 basis, based upon its determination of money available from the
22 fund and from appropriations in that fiscal year. If it makes an
23 adjustment under this subsection, the authority shall notify each
24 grant recipient of his or her obligation to continue to make
25 payments of principal and interest on his or her qualified
26 educational loan in the manner described in his or her state
27 student loan documents.

1 Sec. 11. (1) There is created the teacher prevention grant
2 fund as a separate fund in the state treasury, to be administered
3 by the department. The department may accept money for the fund
4 from any source. The state treasurer shall deposit that money and
5 credit the amount to the fund. The department shall use the fund
6 only to provide money to the authority for grants awarded under
7 this act.

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

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

13 Sec. 13. Before February 1 of each year, the authority shall
14 report to the senate and house committees that have the
15 responsibility for education legislation on the number of
16 individuals who received a grant under this act, the list of those
17 school districts within a teacher shortage area, the average amount
18 paid to a teacher participating in the program, and any other data
19 to support the operation and effectiveness of the program.

20 Sec. 15. A teacher who submits a false or misleading
21 application or other false or misleading information to the
22 authority may be required to repay the total amount of the grant
23 that he or she received under this program, plus interest in
24 accordance with section 23 of 1941 PA 122, MCL 205.23.