

# HOUSE BILL No. 4832

June 17, 1999, Introduced by Reps. Neumann, Pestka, Frank, Brewer, Basham, Schauer and Bogardus and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
(MCL 380.1 to 380.1852) by adding section 1531d.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1        SEC. 1531D. (1) THE PROFESSIONAL CERTIFICATE LOAN PROGRAM  
2 IS CREATED, TO BE ADMINISTERED BY THE DEPARTMENT. THE DEPARTMENT  
3 SHALL DO ALL OF THE FOLLOWING:  
4        (A) MAKE LOW INTEREST LOANS PURSUANT TO THIS SECTION TO  
5 INDIVIDUALS HOLDING PROVISIONAL TEACHING CERTIFICATES, TO BE USED  
6 BY THE INDIVIDUALS SOLELY FOR TUITION, AND RELATED FEES APPROVED  
7 BY THE DEPARTMENT, FOR CLASSES REQUIRED TO COMPLETE THE  
8 18-SEMESTER-HOUR EDUCATION REQUIREMENT FOR ISSUANCE OF A PROFES-  
9 SIONAL TEACHING CERTIFICATE PURSUANT TO R 390.1132(1) OF THE  
10 MICHIGAN ADMINISTRATIVE CODE.

1 (B) ESTABLISH THE INTEREST RATE AND REPAYMENT TERMS FOR  
2 LOANS MADE PURSUANT TO THIS SECTION.

3 (C) DEVELOP A LOAN AGREEMENT TO BE ENTERED INTO BY A LOAN  
4 RECIPIENT AND THE DEPARTMENT THAT CONTAINS THE TERMS OF A LOAN  
5 MADE UNDER THIS SECTION AND THE RIGHTS AND OBLIGATIONS OF THE  
6 LOAN RECIPIENT AND THE DEPARTMENT.

7 (D) COLLECT REPAYMENT OF LOANS PURSUANT TO THIS SECTION.

8 (E) CONDUCT PERIODIC AUDITS OF LOAN RECIPIENTS TO ENSURE  
9 COMPLIANCE WITH THE TERMS OF THE LOAN AGREEMENT AND TAKE NECES-  
10 SARY STEPS TO ENFORCE THE TERMS OF THE LOAN AGREEMENT.

11 (F) ADMINISTER THE PROFESSIONAL CERTIFICATE LOAN PROGRAM  
12 FUND CREATED PURSUANT TO SUBSECTION (4).

13 (G) PROMULGATE RULES, AS NECESSARY TO IMPLEMENT THIS SEC-  
14 TION, PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969  
15 PA 306, MCL 24.201 TO 24.328.

16 (2) THE DEPARTMENT MAY AWARD A LOAN UNDER THIS SECTION TO AN  
17 INDIVIDUAL DETERMINED BY THE DEPARTMENT TO MEET ALL OF THE FOL-  
18 LOWING ELIGIBILITY CRITERIA:

19 (A) HOLDS A PROVISIONAL TEACHING CERTIFICATE.

20 (B) IS NOT IN DEFAULT ON AN EDUCATIONAL LOAN GUARANTEED BY  
21 THE DEPARTMENT.

22 (C) HAS SIGNED A WRITTEN LOAN AGREEMENT WITH THE  
23 DEPARTMENT.

24 (D) IS IN COMPLIANCE WITH AND MEETS ALL OTHER STANDARDS  
25 ESTABLISHED IN RULES PROMULGATED BY THE DEPARTMENT UNDER SUBSEC-  
26 TION (1).

1       (3) THE DEPARTMENT SHALL PAY THE AMOUNT OF A LOAN MADE UNDER  
2 THIS SECTION DIRECTLY TO THE COLLEGE OR UNIVERSITY IN WHICH THE  
3 LOAN RECIPIENT IS ENROLLED, TO BE APPLIED TO THE LOAN RECIPIENT'S  
4 ACCOUNT WITH THE COLLEGE OR UNIVERSITY.

5       (4) THERE IS CREATED THE PROFESSIONAL CERTIFICATE LOAN PRO-  
6 GRAM FUND AS A SEPARATE FUND IN THE STATE TREASURY, TO BE ADMIN-  
7 ISTERED BY THE DEPARTMENT. THE DEPARTMENT MAY ACCEPT MONEY FOR  
8 THE PROFESSIONAL CERTIFICATE LOAN PROGRAM FUND FROM ANY SOURCE.  
9 THE STATE TREASURER SHALL DEPOSIT THAT MONEY AND AMOUNTS REPAYED  
10 ON LOANS MADE UNDER THIS SECTION, AND SHALL CREDIT THE AMOUNTS TO  
11 THE PROFESSIONAL CERTIFICATE LOAN PROGRAM FUND. THE DEPARTMENT  
12 SHALL USE THE PROFESSIONAL CERTIFICATE LOAN PROGRAM FUND ONLY TO  
13 PROVIDE MONEY FOR LOANS MADE UNDER THIS SECTION.

14       (5) THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE  
15 PROFESSIONAL CERTIFICATE LOAN PROGRAM FUND MONEY AND SHALL CREDIT  
16 EARNINGS TO THE PROFESSIONAL CERTIFICATE LOAN PROGRAM FUND.

17       (6) MONEY IN THE PROFESSIONAL CERTIFICATE LOAN PROGRAM FUND  
18 AT THE END OF A FISCAL YEAR SHALL NOT REVERT TO THE GENERAL FUND  
19 BUT SHALL BE CARRIED OVER IN THE PROFESSIONAL CERTIFICATE LOAN  
20 PROGRAM FUND TO THE NEXT FISCAL YEAR.