

HOUSE BILL No. 6538

September 20, 2006, Introduced by Reps. McDowell, Polidori, Bieda, Wojno, Alma Smith, Byrnes, Kolb, Leland, Donigan, Angerer, Miller, Tobocman, Lipsey, Espinoza, Anderson, Williams and Gleason and referred to the Committee on Higher Education and Career Preparation.

A bill to establish a grant program for the repayment of interest on state and federal student loans of eligible technology degree holders; to establish a fund for payment of grants awarded under this act; to provide for administration of the fund; 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 "jobs
2 of the future education act".

3 Sec. 2. As used in this act:

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

6 (b) "Eligible debt" means the interest paid by an individual

1 on any state and federal student loans obtained during his or her
2 first 5 years of enrollment in a bachelor or associate degree
3 program at a public university or at a community college or junior
4 college in this state. The term does not include any of the
5 following:

6 (i) Any penalties, charges, or additional interest charges
7 imposed on the individual because of his or her default of a state
8 or federal student loan.

9 (ii) Interest paid by the individual if the individual has
10 already received a grant under this act with respect to that
11 interest.

12 (c) "Eligible technology program" means a bachelor degree
13 program in any of the following academic fields:

14 (i) Computer and information sciences and support services.

15 (ii) Engineering.

16 (iii) Engineering technology or technicians.

17 (iv) Biological and biomedical sciences.

18 (v) Science technology or technicians.

19 (d) "Fund" means the jobs of the future education fund created
20 in section 6.

21 (e) "Grant" means money awarded to an individual under this
22 act in an amount determined under section 5.

23 (f) "Public university" means a university described in
24 section 4, 5, or 6 of article VIII of the state constitution of
25 1963.

26 Sec. 3. (1) The jobs of the future education program is
27 created, to be administered by the authority. Subject to

1 appropriation, the authority shall do all of the following:

2 (a) Award grants to eligible individuals under this act for
3 the repayment of eligible debt.

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

6 (c) Publicize the grant program established in this act.

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

10 (2) The department of education shall notify each public
11 university and each community college and junior college in this
12 state of the availability of the grant program established in this
13 act.

14 Sec. 4. The authority may award a grant under section 5 to an
15 individual determined by the authority to meet all of the following
16 eligibility criteria at the time of application:

17 (a) Has eligible debt.

18 (b) Obtained a bachelor's degree from a public university for
19 completion of an eligible technology program after the 2003-2004
20 academic year.

21 (c) Is a legal resident of this state and has been a legal
22 resident of this state since obtaining the bachelor degree
23 described in subdivision (b).

24 (d) Has not previously defaulted and is not currently in
25 default on a state or federal student loan.

26 (e) Has submitted a grant application to the authority. The
27 grant application shall include at least all of the following:

1 (i) A certification from the applicant that he or she meets the
2 eligibility criteria described in this section.

3 (ii) A description of the applicant's outstanding state and
4 federal student loans that includes for each loan the name,
5 address, and telephone number of the lender and loan originator,
6 the name of the loan program, and the interest payments made by the
7 individual on the loan.

8 (iii) A certification from the applicant that he or she has
9 applied for all state or federal loan repayment programs applicable
10 to his or her outstanding state and federal student loans.

11 (f) Has met any other requirements established by the
12 authority.

13 Sec. 5. (1) Subject to reduction under subsection (2) or
14 adjustment under subsection (3), the authority shall award an
15 individual eligible under section 4 a grant in an amount equal to
16 the individual's eligible debt.

17 (2) A grant under subsection (1) shall be reduced by an amount
18 equal to the amount the individual is entitled to receive from any
19 state or federal loan repayment program applicable to the
20 applicant's outstanding state or federal student loans.

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

1 or her student loan documents.

2 Sec. 6. (1) The jobs of the future education fund is created
3 as a separate fund in the state treasury, to be administered by the
4 department of treasury. The department of treasury may accept money
5 for the fund from any source. The state treasurer shall deposit
6 that money and credit the amount to the fund. The department of
7 treasury shall use the fund only to provide money to the authority
8 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 to
13 the next fiscal year.