

HOUSE BILL NO. 5099

June 23, 2021, Introduced by Reps. Camilleri, Kuppa, Clemente, Brabec, Witwer, Aiyash, Stone, Weiss, Scott, Breen, Hope, Young, Sabo, Hood, Haadsma, Liberati, Morse, Shannon, Sowerby, Hertel, Tyrone Carter, Rogers, Puri, Cavanagh, Cynthia Johnson, Anthony, Hammoud, Brixie and Yancey and referred to the Committee on Appropriations.

A bill to establish a student loan forgiveness program for certain teachers in public schools; to establish a teachers student 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 student loan forgiveness act".

3 Sec. 2. As used in this act:

1 (a) "Department" means the department of education.

2 (b) "Eligible debt" means the total remaining principal
3 balance of all state and federal loans obtained by an individual
4 during his or her first 4 years of enrollment in a teacher
5 education program at a public or private college or university or
6 community college at the time the individual applies for a grant
7 under this act.

8 (c) "Fund" means the teachers student loan forgiveness fund
9 created in section 6.

10 (d) "Grant" means money awarded to an individual under this
11 act in an amount determined under section 5.

12 (e) "Public school" means that term as defined in section 5 of
13 the revised school code, 1976 PA 451, MCL 380.5.

14 Sec. 3. The teachers student loan forgiveness program is
15 created, to be administered by the department. Subject to
16 appropriation, the department shall do all of the following:

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

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

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

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

26 (a) Has eligible debt at the time of application.

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

28 (c) Has a teaching certification issued under section 1531 of
29 the revised school code, 1976 PA 451, MCL 380.1531.

1 (d) Has accepted an offer of employment or will continue to
2 teach at a public school in the school's academic year that begins
3 on or after the first July 1 following the date of the application.

4 (e) Has submitted a grant application to the department by
5 July 1. The grant application must include a certification that the
6 applicant meets the eligibility criteria described in this section
7 and has applied for all state or federal loan repayment programs
8 applicable to his or her eligible debt.

9 (f) Has met any other requirements established by the
10 department.

11 Sec. 5. (1) Subject to subsections (2) to (5), the department
12 shall award an individual eligible under section 4 a grant in an
13 amount sufficient to make the individual's minimum monthly required
14 payment for his or her eligible debt, not to exceed \$300.00 in any
15 month.

16 (2) The department shall reduce a grant awarded under
17 subsection (1) by an amount equal to the amount the individual is
18 entitled to receive from any state or federal loan repayment
19 program applicable to his or her eligible debt.

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

28 (4) The department of treasury shall make the monthly payments
29 subscribed in subsection (1) directly to the grant recipient's

1 lender for credit to the recipient's account.

2 (5) Payments under subsection (4) may continue only for so
3 long as the grant recipient has eligible debt and maintains
4 continuous employment in a classroom-teaching position that
5 requires the teaching certificate described in section 4(c).

6 Sec. 6. (1) The teachers student loan forgiveness fund is
7 created in the state treasury.

8 (2) The state treasurer shall deposit money and other assets
9 received from any source into the fund. The state treasurer shall
10 direct the investment of money in the fund and credit interest and
11 earnings from the investments to the fund.

12 (3) The department of treasury is the administrator of the
13 fund for audits of the fund.

14 (4) The department of treasury shall expend money from the
15 fund, on appropriation, only for payment of grants under this act.

16 (5) Money in the fund at the close of the fiscal year does not
17 lapse to the general fund and must be carried over in the fund to
18 the next fiscal year.