



House Office Building, 9 South  
Lansing, Michigan 48909  
Phone: 517/373-6466

## PROFESSIONAL CERTIFICATE LOAN PROGRAM FOR TEACHERS

House Bill 5970  
Sponsor: Rep. Andy Neumann  
Committee: Education

Complete to 5-2-02

### A SUMMARY OF HOUSE BILL 5970 AS INTRODUCED 4-30-02

House Bill 5970 would amend the Revised School Code to create the Professional Certificate Loan Program to be administered by the Department of Education.

Under the bill, the department would be required to do all of the following: a) make low interest loans to people who held provisional teaching certificates, to be used solely for tuition and related fees for classes required to complete the 18-semester-hour education requirement for issuance of a professional teaching certificate [under Rule 390.1132(1) of the Michigan Administrative Code]; b) establish the interest rate and repayment terms; c) develop a loan agreement that contained the rights and obligations of the loan recipient and the department; d) collect repayment of loans; e) conduct periodic audits to ensure compliance; f) administer the Professional Certificate Loan Program Fund; and g) promulgate necessary rules.

The bill specifies that the department could award a loan if a person met all of the following eligibility criteria: a) held a provisional teaching certificate; b) was not in default on an educational loan guaranteed by the department; c) had signed a written loan agreement; and, d) was in compliance with and met all other standards established in rules.

The bill also specifies that the department would pay the amount of the loan directly to the college or university in which the loan recipient was enrolled, to be applied to the recipient's account.

Under the bill, a separate Professional Certificate Loan Program Fund would be created in the state treasury, to be administered by the department. The department could accept money for the loan fund from any source, and the state treasurer would be required to deposit that money and amounts repaid on loans, and credit them to the fund. The department could use the fund only to provide loans. The state treasurer would direct the investment of the fund's money, and would credit earnings to the loan program fund. Finally, the money in the loan program fund at the end of a fiscal year would not revert to the general fund, but instead be carried over in the fund to the next fiscal year.

MCL 380.1531d

Analyst: J. Hunault

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.