

# SENATE BILL NO. 380

June 19, 2019, Introduced by Senators BAYER, POLEHANKI, WOJNO, IRWIN, MOSS, BULLOCK, HERTEL, ANANICH, GEISS, MCMORROW, BRINKS, ALEXANDER and SANTANA and referred to the Committee on Appropriations.

A bill to establish a teachers loan forgiveness program for eligible teachers in certain at-risk schools; to establish a teachers 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 "excellence in education act".
- 3           Sec. 2. As used in this act:
- 4           (a) "At-risk school" means a public or nonpublic elementary or

1 secondary school where at least 50% of students at the school meet  
2 the income eligibility criteria for the free or reduced-priced  
3 lunch program in the immediately preceding state fiscal year, as  
4 determined under the national school lunch act, 42 USC 1751 to  
5 1769j.

6 (b) "Department" means the department of education created  
7 under sections 300 to 305 of the executive organization act of  
8 1965, 1965 PA 380, MCL 16.400 to 16.405.

9 (c) "Eligible debt" means 1 of the following:

10 (i) The total remaining principal balance of all state and  
11 federal loans obtained by an individual during his or her first 4  
12 years of enrollment in a teacher education program at a public or  
13 private college or university or community college at the time the  
14 individual first applies for a grant under this act.

15 (ii) \$20,000.00, if the total remaining principal balance  
16 described in subparagraph (i) exceeds \$20,000.00.

17 (d) "Fund" means the teachers loan forgiveness fund created in  
18 section 6.

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

21 Sec. 3. The teachers loan forgiveness program is created, to  
22 be administered by the department. Subject to appropriation, the  
23 department shall do all of the following:

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

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

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

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

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

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

6           (c) Was issued his or her initial teaching certificate under  
7 section 1531 of the revised school code, 1976 PA 451, MCL 380.1531,  
8 not more than 3 years before first applying for a grant under this  
9 act.

10           (d) Is not eligible for any other loan forgiveness program  
11 applicable to his or her eligible debt.

12           (e) Has not previously defaulted and is not currently in  
13 default on his or her eligible debt.

14           (f) Has accepted an offer of employment or will continue to  
15 teach in an at-risk school in the school's academic year that  
16 begins on or after the first July 1 following the date of the  
17 application.

18           (g) Has submitted a grant application to the department by  
19 July 1. The grant application must include a certification that the  
20 applicant meets the eligibility criteria described in this section  
21 and has applied for all state or federal loan repayment programs  
22 applicable to his or her eligible debt.

23           (h) Has met any other requirements established by the  
24 department.

25           Sec. 5. (1) The department shall award an individual eligible  
26 under section 4 a grant under this subsection. Subject to  
27 subsection (2) and to adjustment under subsection (3), the maximum  
28 aggregate amount of the grant is an amount equal to the  
29 individual's eligible debt. Before each consecutive year of

1 continuous teaching in any at-risk school, for up to 10 consecutive  
2 years, the department shall, subject to adjustment under subsection  
3 (3), award a partial grant and shall apply that partial grant to  
4 the individual's eligible debt as a prepayment in an amount equal  
5 to 10% of the individual's eligible debt.

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

10 (3) In any state fiscal year, the department may adjust the  
11 amount of each partial grant under subsection (1) on a pro rata  
12 basis, based upon its determination of money available from the  
13 fund and from appropriations in that fiscal year. If it makes an  
14 adjustment under this subsection, the department shall notify each  
15 grant recipient of his or her obligation to continue to make  
16 payments of principal and interest on his or her eligible debt in  
17 the manner described in his or her student loan documents.

18 Sec. 6. (1) There is created the teachers loan forgiveness  
19 fund as a separate fund in the state treasury, to be administered  
20 by the department of treasury. The department of treasury may  
21 accept money for the fund from any source. The state treasurer  
22 shall deposit that money and credit the amount to the fund. The  
23 department of treasury shall use the fund only to provide money to  
24 the department for grants awarded under this act.

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

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