

LAW ENFORCEMENT TRAINING ACADEMY LOANS

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House Bill 5130 (proposed substitute H-1)

Sponsor: Rep. Mike Mueller

Committee: Government Operations

Complete to 11-3-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5130 would amend 1978 PA 390, known as the wage and fringe benefits act, to facilitate loan forgiveness arrangements under which a law enforcement agency agrees to pay training academy costs for a new employee and the employee agrees to pay back all or a portion of those costs if he or she voluntarily leaves employment with the law enforcement agency within five years. An employee who remains with the law enforcement agency for five years or more would not have to repay the costs.

Section 8(1) of the act prohibits an employer or its agent or representative from demanding or receiving any remuneration or consideration from an employee as a condition of employment or continued employment. An exception is made for fees collected by a licensed employment agency.

The bill would amend section 8(1) to create an additional exception for a loan forgiveness agreement under which an employee must repay *law enforcement training academy* costs to the *law enforcement agency* employing him or her if the employee voluntarily leaves that employment within five years after the end of the training academy. The maximum allowable percentage of costs required to be repaid under such an agreement would be based on the length of the employee's employment, as described below.

Law enforcement training academy would mean any of the following:¹

- An agency basic law enforcement training academy (a law enforcement agency that is approved by the Michigan Commission on Law Enforcement Standards (MCOLES) to provide a course of study for qualified recruits employed by that law enforcement agency).
- A preservice college basic law enforcement training academy (an MCOLES-approved training and education program offered by an accredited community college, college, or university that incorporates the MCOLES-mandated curriculum in the academic course of study).
- A regional basic law enforcement training academy (a city, county, township, village, corporation, community college, college, university, or state agency that is approved by MCOLES to offer a basic law enforcement training program to preservice and employed recruits).

¹ The definitions of *law enforcement training academy* and *law enforcement agency* are those found in the MCOLES Act. The descriptions of the different training academies are from R 28.14301 of the Michigan Administrative Code, promulgated by MCOLES under authority of that act. For a list of specific training academies and programs, see <https://www.michigan.gov/mcoles/0,1607,7-229-41624-148096--,00.html>

Law enforcement agency would mean an entity that is established and maintained in accordance with Michigan law and is authorized by Michigan law to appoint or employ law enforcement officers as defined in the MCOLES Act.

A loan forgiveness agreement described in the bill would have to contain the following terms:

- A provision that the employer will pay the cost of a law enforcement training academy required for the employee to obtain a license under the MCOLES Act.
- The conditions under which that payment will be made.
- The conditions under which repayment to the employer by the employee or another person may be required.
- A provision that the employer is not entitled to repayment of any percentage of the cost if either of the following applies:
 - The employer terminates the employee's employment on nondisciplinary grounds at any time.
 - Because of budget cuts, the employee is laid off within five years after the end of the training academy.
- A provision allowing the employer to waive repayment if the employee voluntarily leaves employment and both of the following apply:
 - The employee suffers a **critical incident** in the course of his or her employment as a law enforcement officer with the employer.
 - The employee provides documentation from a mental health professional that he or she is undergoing treatment from the professional for the critical incident.

Critical incident would mean an event that is sudden, emotionally powerful, and outside the range of normal human experience and sufficiently impacts or overwhelms the usual coping skills of an individual.

The repayments allowed under an agreement would be in the following amounts:

- Up to 100% of the cost of the law enforcement training academy if the employee voluntarily leaves employment with the law enforcement agency one year or less after the date the employee's law enforcement training academy ended.
- Up to 75% of that cost if the employee voluntarily leaves employment more than one year but less than two years after that date.
- Up to 50% of that cost if the employee voluntarily leaves employment at least two but less than three years after that date.
- Up to 25% of that cost if the employee voluntarily leaves employment at least three but less than four years after that date.
- Up to 10% of that cost if the employee voluntarily leaves employment at least four but less than five years after that date.

The bill would apply to a signed loan forgiveness agreement described above that is entered into on or after the bill's effective date.

MCL 408.478

FISCAL IMPACT:

House Bill 5130 would have an indeterminate fiscal impact on law enforcement agencies at the local, county, and potentially state levels. By allowing law enforcement agencies to receive repayments for training academy costs from employees separating from the agency, the bill would likely allow agencies to reduce training expenses. The exact magnitude of the cost reduction would depend on the number of employees separating from a law enforcement agency and the behavioral changes that the bill incentivizes. Therefore, the magnitude of the impact is presently indeterminate.

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