

# SENATE BILL NO. 673

October 05, 2021, Introduced by Senators BAYER, POLEHANKI, CHANG, BULLOCK, WOJNO, HOLLIER and GEISS and referred to the Committee on Appropriations.

A bill to establish a teachers loan forgiveness program for certain teachers in public and nonpublic elementary and secondary schools in this state; 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:

1 (a) "At-risk school" means a public or nonpublic elementary or  
 2 secondary school in this state where at least 50% of students at  
 3 the school meet the income eligibility criteria for the free or  
 4 reduced-priced lunch program in the immediately preceding state  
 5 fiscal year, as determined under the national school lunch act, 42  
 6 USC 1751 to 1769j.

7 (b) "Department" means the department of education.

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

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

14 (ii) \$20,000.00 of an individual's student loan balance, as  
 15 described in subparagraph (i), if that balance exceeds \$20,000.00.

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

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

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

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

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

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

29 Sec. 4. The department may award a grant under section 5 to an

1 individual determined by the department to meet all of the  
2 following eligibility criteria:

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

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

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

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

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

13 (f) Has accepted an offer of employment or will continue to  
14 teach in a public or nonpublic elementary or secondary school in  
15 this state in the school's academic year that begins on or after  
16 the first July 1 following the date of the application.

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

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

24 Sec. 5. (1) The department shall award an individual a grant  
25 under this subsection for each consecutive year that the individual  
26 is eligible under section 4, for up to 10 consecutive years.  
27 Subject to subsections (2) and (3), the department shall apply an  
28 annual grant awarded under this subsection to the individual's  
29 eligible debt as a partial prepayment in an amount equal to 1 of

1 the following, as applicable:

2 (a) 10% of the individual's eligible debt balance as of the  
3 date the individual first applied for a grant under this act if the  
4 individual has accepted an offer of employment or will continue to  
5 teach in an at-risk school.

6 (b) 5% of the individual's eligible debt balance as of the  
7 date the individual first applied for a grant under this act if the  
8 individual has accepted an offer of employment or will continue to  
9 teach in a public or nonpublic elementary or secondary school in  
10 this state that is not an at-risk school.

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

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

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

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

3           (3) Money in the fund at the end of a fiscal year must be  
4 carried over in the fund to the next fiscal year and not revert to  
5 the general fund.