

SENATE BILL NO. 1098

June 23, 2022, Introduced by Senators BAYER, POLEHANKI, GEISS, WOJNO, BRINKS, SANTANA, MCMORROW, MOSS, MCCANN, CHANG, HERTEL, MCBROOM and IRWIN and referred to the Committee on Education and Career Readiness.

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 may be cited as the "excellence in education
2 act".

3 Sec. 2. As used in this act:

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

2 (b) "Eligible debt" means 1 of the following:

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

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

10 (c) "Fund" means the teachers loan forgiveness fund created in
11 section 6.

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

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

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

18 (b) Develop an application form and application process for
19 individuals 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) Was issued his or her initial teaching certificate under
29 section 1531 of the revised school code, 1976 PA 451, MCL 380.1531,

1 not more than 3 years before first applying for a grant under this
2 act.

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

5 (e) Has accepted an offer of employment or will continue to
6 teach in a public or nonpublic elementary or secondary school in
7 this state in the school's academic year that begins on or after
8 the first July 1 following the date of the application.

9 (f) Has submitted a grant application to the department by
10 July 1. The grant application must include a certification that the
11 applicant meets the eligibility criteria described in this section
12 and has applied for all state or federal loan repayment programs
13 applicable to his or her eligible debt.

14 (g) Has met any other requirements established by the
15 department.

16 Sec. 5. (1) The department shall award an individual a grant
17 under this subsection for each consecutive year that the individual
18 is eligible under section 4, for up to 10 consecutive years.
19 Subject to subsections (2) and (3), the department shall apply an
20 annual grant awarded under this subsection to the individual's
21 eligible debt as a partial prepayment in an amount equal to 10% of
22 the individual's eligible debt balance as of the date the
23 individual first applied for a grant under this act if the
24 individual has accepted an offer of employment or will continue to
25 teach in a public or nonpublic elementary or secondary school in
26 this state.

27 (2) The department shall reduce a grant awarded under
28 subsection (1) by an amount equal to the amount the individual is
29 entitled to receive from any state or federal loan repayment

1 program applicable to his or her eligible debt.

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

10 Sec. 6. (1) There is created the teachers loan forgiveness
11 fund as a separate fund in the state treasury, to be administered
12 by the department of treasury. The department of treasury may
13 accept money for the fund from any source. The state treasurer
14 shall deposit that money and credit the amount to the fund. The
15 department of treasury shall use the fund only to provide money to
16 the department for grants awarded under this act.

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

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