

HOUSE BILL No. 5807

September 7, 2016, Introduced by Rep. Kosowski and referred to the Committee on Appropriations.

A bill to establish a teacher shortage prevention program for certain teachers in certain areas; to establish a teacher shortage prevention grant 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 "teacher shortage prevention act".

3 Sec. 3. As used in this act:

4 (a) "Authority" means the Michigan higher education student
5 loan authority created by the higher education loan authority act,
6 1975 PA 222, MCL 390.1151 to 390.1165.

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

8 (c) "Fund" means the teacher shortage prevention grant fund

1 created in section 11.

2 (d) "Grant" means money awarded to an individual under this
3 act in an amount determined under section 7.

4 (e) "Qualified educational loan" means the total unpaid amount
5 of all of an individual's unpaid government, commercial, or
6 foundation student loans for actual costs paid for tuition and
7 reasonable education and living expenses related to a teacher's
8 preparation or further education, calculated at the time the
9 individual first applies for a grant under this act.

10 (f) "School district" means a school district, local act
11 school district, or intermediate school district as those terms are
12 defined in the revised school code, 1976 PA 451, MCL 380.1 to
13 380.1852, or a public school academy established under the revised
14 school code, 1976 PA 451, MCL 380.1 to 380.1852.

15 (g) "Superintendent" means the superintendent of public
16 instruction described in section 3 of article VIII of the state
17 constitution of 1963.

18 (h) "Teacher" means an individual who holds a valid teaching
19 certificate issued by the superintendent under section 1531 of the
20 revised school code, 1976 PA 451, MCL 380.1531.

21 (i) "Teacher shortage area" means those school districts
22 reported by the superintendent as experiencing a teacher shortage.

23 Sec. 5. (1) The teachers shortage prevention program is
24 created within the department, to be administered by the authority.
25 Subject to appropriation, the authority shall do all of the
26 following:

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

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

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

6 (2) The superintendent shall survey the state's school
7 districts and teacher preparation programs and report to the
8 authority and the senate and house committees that have the
9 responsibility for education legislation on or before February 1 of
10 each odd-numbered year on the status of teacher early retirement
11 patterns, the teacher shortage, and the substitute teacher
12 shortage, including patterns and shortages in subject areas and
13 regions of the state. The report must also include how districts
14 are making progress in hiring teachers and substitutes in the areas
15 of shortage and a 5-year projection of teacher demand for each
16 district. The report must also identify those school districts that
17 fall within a teacher shortage area.

18 Sec. 7. The authority may award a grant under section 9 to an
19 individual determined by the authority to meet all of the following
20 eligibility criteria:

21 (a) At the time of application, the individual has a qualified
22 educational loan.

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

24 (c) Has not previously defaulted and is not currently in
25 default on a qualified educational loan.

26 (d) Has accepted an offer of employment or will continue to
27 teach in a teacher shortage area in the school's academic year that

1 begins on or after the first July 1 following the date of the
2 application.

3 (e) Has submitted a grant application to the authority on or
4 before July 1. The grant application shall include a certification
5 that the applicant meets the eligibility criteria described in this
6 section and has applied for all state or federal loan forgiveness
7 programs applicable to his or her qualified educational loan.

8 (f) Has met any other requirements established by the
9 authority.

10 Sec. 9. (1) The authority shall award an individual eligible
11 under section 7 a grant under this subsection. Subject to
12 subsection (2) and to adjustment under subsection (3), the maximum
13 amount of the grant is \$1,000.00 for not more than 5 consecutive
14 years or an amount equal to the individual's qualified educational
15 loan, whichever is less.

16 (2) A grant under subsection (1) shall be reduced by an amount
17 equal to the amount the individual is entitled to receive from any
18 state or federal loan forgiveness program applicable to a qualified
19 educational loan.

20 (3) In any state fiscal year, the authority may adjust the
21 amount of each partial grant under subsection (1) on a pro rata
22 basis, based upon its determination of money available from the
23 fund and from appropriations in that fiscal year. If it makes an
24 adjustment under this subsection, the authority shall notify each
25 grant recipient of his or her obligation to continue to make
26 payments of principal and interest on his or her qualified
27 educational loan in the manner described in his or her state

1 student loan documents.

2 Sec. 11. (1) There is created the teacher prevention grant
3 fund as a separate fund in the state treasury, to be administered
4 by the department of treasury. The department of treasury may
5 accept money for the fund from any source. The state treasurer
6 shall deposit that money and credit the amount to the fund. The
7 department of treasury shall use the fund only to provide money to
8 the authority for grants awarded under this act.

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

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

14 Sec. 13. Before February 1 of each year, the authority shall
15 report to the senate and house committees that have the
16 responsibility for education legislation on the number of
17 individuals who received a grant under this act, the list of those
18 school districts within a teacher shortage area, the average amount
19 paid to a teacher participating in the program, and any other data
20 to support the operation and effectiveness of the program.

21 Sec. 15. A teacher who submits a false or misleading
22 application or other false or misleading information to the
23 authority may be required to repay the total amount of the grant
24 that he or she received under this program, plus interest in
25 accordance with section 23 of 1941 PA 122, MCL 205.23.