

LAW ENFORCEMENT TRAINING ACADEMY LOANS

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House Bill 5130 as introduced

Sponsor: Rep. Mike Mueller

Committee: Government Operations

Complete to 9-29-21

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

SUMMARY:

House Bill 5130 would amend 1978 PA 390, which governs the payment of wages and fringe benefits, 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 the law enforcement agency within the first five years.

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 continuation of employment. An exception is made for fees collected by a licensed employment agency.¹

The bill would amend section 8(1) to create an additional exemption 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 less than five years after the date the training academy ended. The maximum percentage of those repaid costs allowable under the act would be based on the length of the employee's employment, as described below.²

Law enforcement training academy would mean any of the following:³

- 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, college, community college, university, or state agency

¹ Note that section 351 of the Michigan Penal Code contains the same prohibition and exception and designates a violation as a misdemeanor.

² Note that the Michigan Supreme Court has held that programs under which "employers offer to fund employees' educations with the understanding that the employees will repay, unless they remain with the employer for a specific period... do not violate section 8(1)" because these programs are optional and not a condition of employment or continued employment. See *Sands Appliance Services, Inc v Wilson*, 463 Mich 231, 248 n 13 (2000).

³ 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>

that is approved by MCOLES to offer a basic law enforcement training program to preservice and employed recruits).

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 Michigan Commission on Law Enforcement Standards Act. It would include the Detroit Transportation Corporation.

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

- An agreement that the employer will pay the cost of a law enforcement training academy required for that 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.

The repayments allowed under the bill would be in the following amounts:

- 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.
- 75% of those costs if the employee voluntarily leaves employment more than one year but less than two years after that date.
- 50% of those costs if the employee voluntarily leaves employment more than two but less than three years after that date.
- 25% of those costs if the employee voluntarily leaves employment more than three but less than four years after that date.
- 10% of those costs if the employee voluntarily leaves employment more than four but less than five years after that date.

The bill would apply to repayments made to a law enforcement agency under a signed loan forgiveness agreement 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 department, the bill would likely allow departments to reduce training expenses. The exact magnitude of the cost reduction would depend on the number of employees separating with 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.