

# Legislative Analysis



## EXCLUDE APPRENTICESHIPS FROM PROPRIETARY SCHOOL DEFINITION

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4040 (H-1) as reported from committee**  
**Sponsor: Rep. Ben Frederick**  
**Committee: Workforce, Trades, and Talent**  
**Complete to 3-7-21**

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

*(Enacted as Public Act 32 of 2021)*

### SUMMARY:

House Bill 4040 would amend the Proprietary Schools Act to add language stating that a school that exclusively offers a registered and approved apprenticeship program, or that exclusively offers an approved pre-apprenticeship or apprenticeship readiness program administered by a registered apprenticeship program, is not a *proprietary school* for the purposes of the act.

*Proprietary school*, as currently defined in the act, means a school that uses a certain plan or method to teach a trade, occupation, or vocation for consideration, reward, or promise of any kind. The term includes a private business, trade, or home study school. (Essentially, proprietary schools are private trade schools.<sup>1</sup>)

The following are already not considered proprietary schools under the act:

- A school or college with authority to grant degrees.
- A school licensed by law through another board or department of this state.
- A school maintained or program conducted, without profit, by a person for that person's employees.
- A school or program that exclusively provides yoga instruction, yoga teacher training, or both.

The Proprietary Schools Act requires a proprietary school to obtain a temporary permit or license from the Department of Labor and Economic Opportunity (LEO). Upon completion, students do not receive a degree, but may earn a certificate of completion.

MCL 395.101a

### FISCAL IMPACT:

House Bill 4040 would not have a significant fiscal impact on LEO or on any other unit of state or local government. The department estimates that the bill would impact around ten institutions, which would no longer be subject to regulation under the act.

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<sup>1</sup> [https://www.michigan.gov/documents/mistudentaid/proprietary\\_schools\\_386532\\_7.pdf](https://www.michigan.gov/documents/mistudentaid/proprietary_schools_386532_7.pdf)

## **BRIEF DISCUSSION:**

Supporters of the bill described it as a way to get more pre-apprenticeship programs into high schools. In recent years, trade organizations have been partnering with Michigan Works! and other workforce development organizations to provide students early access to skilled trades. It is hoped that exempting qualifying programs from the definition for proprietary schools would remove a barrier to more of these partnerships. No one testified or voted against the bill in committee.

## **POSITIONS:**

The following entities indicated support for the bill:

Michigan Bricklayers (2-18-21)

Operating Engineers 324 (2-18-21)

Michigan Laborers Union (2-18-21)

Michigan Manufacturers Association. (2-25-21)

The Department of Labor and Economic Opportunity is neutral on the bill. (2-18-21)

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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.