

## EXCLUDE APPRENTICESHIPS FROM PROPRIETARY SCHOOL DEFINITION

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

**House Bill 4040 as introduced**  
**Sponsor: Rep. Ben Frederick**  
**Committee: Workforce, Trades, and Talent**  
**Complete to 2-17-21**

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

### SUMMARY:

House Bill 4040 would amend the Proprietary Schools Act to add language stating that a registered and approved apprenticeship program, or 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).<sup>2</sup> Upon completion, students do not receive a degree, but may earn a certificate of completion.

MCL 395.101a

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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)

<sup>2</sup> The bill currently describes the Department of Licensing and Regulatory Affairs (LARA) as the governing state department. Responsibility for the act was transferred to LEO by Executive Reorganization Order 2019-3.  
<http://legislature.mi.gov/doc.aspx?mcl-125-1998>

## **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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■ 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.