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House Bill 5995 (Substitute S-2 as reported)
Sponsor: Representative Paul Condino
House Committee: Regulatory Reform
Senate Committee: Economic development and Regulatory Reform

CONTENT

The bill would amend Public Act 148 of 1943, which provides for the regulation and licensure of proprietary schools, to transfer regulatory responsibility for the schools from the State Board of Education to the Department of Labor and Economic Growth (DLEG) and allow proprietary schools to sell goods produced or services provided by students, if certain criteria were met. The bill also would name the Act the "Proprietary Schools Act".

"Proprietary school" means a school that uses a certain plan or method to teach a trade, occupation, or vocation for a consideration, reward, or promise, and includes a private business, trade, or home study school. The Act requires a proprietary school to secure a license from the State Board. The bill provides instead that a person could not operate a proprietary school in Michigan without a temporary permit or license from DLEG.

Under the bill, a proprietary school could sell goods produced or services provided by a student enrolled in an educational program operated by a proprietary school, if all of the following were met:

- The program included classroom study and practical training.
- A faculty member supervised any practical training included in the program.
- It was an integral part of the program that the student engaged in producing the goods or providing the services as part of his or her practical training.
- Any customer purchasing goods produced or services provided by a student was notified that the individual producing the goods or providing the services was a student.
- The customer was charged only a nominal amount to purchase goods produced or services provided by a student in the program.

The Department could not refuse to grant a temporary permit or license to a proprietary school solely because it operated an educational program described above.

MCL 395.101-395.102b

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

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