

## ENTREPRENEURSHIP COURSE

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<http://www.house.mi.gov/hfa>

**House Bill 4826 (H-1) as referred to second committee**

**Sponsor: Rep. Tommy Brann**

**1st Committee: Education**

**2nd Committee: Ways and Means**

**Complete to 1-31-20**

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

**BRIEF SUMMARY:** House Bill 4826 would amend the Revised School Code to require that school districts and public school academies (PSAs, or charter schools) include a program of instruction in free enterprise and entrepreneurship in their 8th grade curriculum beginning in the 2021-2022 school year.

**FISCAL IMPACT:** House Bill 4826 would increase costs for the Michigan Department of Education (MDE) and could increase costs for school districts and PSAs. MDE would incur a cost increase to develop or adopt and make available one or more model programs of instruction in free enterprise and entrepreneurship, and additionally to include the model of instruction chosen in the core academic curriculum content standards. Districts and PSAs could incur costs to the extent that they would need to revise their curriculum to meet the requirements of the bill.

### **THE APPARENT PROBLEM:**

As higher education becomes more encouraged for a greater number of students, some feel that other skills—such as hard work, taking initiative, and creative problem solving—are being emphasized and rewarded less. The bill is understood as an attempt to impart those skills to students at a time when they begin to think about their future goals.

### **THE CONTENT OF THE BILL:**

House Bill 4826 would require districts and PSAs to include a program of instruction in free enterprise and entrepreneurship in their 8th grade curriculum beginning in the 2021-2022 school year.

Under the bill, by June 1, 2021, MDE would have to develop or adopt one or more model programs in those subject areas. The program(s) would have to be project-based and include instruction in at least all of the following:

- Business vocabulary, including entrepreneurship, free enterprise, business finance, goods and services, and innovation.
- Entrepreneurs from this state and around the world.
- Action activities, including setting short- and long-term goals.
- Business basics, including taxes for businesses and corporations, essential skills for business owners, and product- and service-based business ideas.
- Creating a student project-based business plan.

The program known as “Michigan’s Entrepreneurial Spirit” would have to be included among the model programs offered by MDE.

Additionally, the bill would require the State Board of Education to ensure that the recommended core academic curriculum content standards for 8th grade social studies include a program of instruction in free enterprise and entrepreneurship.

The bill would take effect 90 days after its enactment.

MCL 380.1278 and proposed MCL 380.1166b

### ***BACKGROUND INFORMATION:***

House Bill 4826 is a reintroduction of House Bill 5777 from the 2017-18 legislative session.<sup>1</sup> That bill was considered by the House Education Reform committee.

### ***ARGUMENTS:***

#### ***For:***

Proponents advanced the bill as a way of ensuring that students are exposed to career options they would not normally encounter. While schools often promote skills that prepare the students for college, they may be less likely to teach and encourage attributes like initiative, self-confidence, empathy, and teamwork. Students who do not excel in the skills prized in school should be provided with instruction that recognizes and promotes their non-traditional talents. The bill sponsor emphasized a desire to show students that even if they do not go to college, they can still be successful and run their own businesses.

In a pilot of the curriculum conducted at the Godfrey Lee Middle School T.E.A.M. 21 after-school program, supporters reported that the students made significant gains in areas ranging from their understanding of entrepreneurship to business planning.

#### ***Against:***

In response to questions concerning why this was set as a requirement for 8th grade, the bill sponsor responded that there was not room for it in the Michigan Merit curriculum (completion of which is required for high school graduation). However, skeptics asked whether there is room for it in 8th grade either. A 2016 act<sup>2</sup> amending the social studies curriculum required instruction on genocide, the Holocaust, and the Armenian genocide during grades 8 to 12; while that act required only six hours of instruction over the course of those five years, the model course of instruction for the entrepreneurship class is six weeks long during a single school year.

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<sup>1</sup> House Fiscal Agency summary of HB 5777 of 2017-2018. <http://www.legislature.mi.gov/documents/2017-2018/billanalysis/House/pdf/2017-HLA-5777-1198C753.pdf>

<sup>2</sup> House Fiscal Agency analysis of HB 4493/2016 PA 170. <http://www.legislature.mi.gov/documents/2015-2016/billanalysis/House/pdf/2015-HLA-4493-CBB5A3D1.pdf>

Teachers struggling to teach students the subjects that will be measured on the M-STEP examination would have to set them aside for six weeks to address a topic that would not be on the test. Descriptions of the subjects measured on the 2015 M-STEP include: the market economy, creating new government and a new Constitution, the U.S. and world affairs, and regional and economic growth.<sup>3</sup> With a 180-day school calendar, and, for the sake of simplicity assuming one hour a day of social studies instruction for a total of 180 hours over the course of the year, should 30 of those hours be devoted to entrepreneurship rather than those other topics?

***POSITIONS:***

The following entities indicated support for the bill:

Grand Rapids Chamber (10-8-19)  
Junior Achievement of the Michigan Great Lakes (12-10-19)  
Detroit Chassis, LLC (12-10-19)  
The Henry Ford (12-10-19)  
PVS Chemicals (12-10-19)

The following entities indicated opposition to the bill (12-10-19):

Michigan Department of Education  
Michigan Association of School Boards  
Michigan Association of Secondary School Principals

Legislative Analyst: Jenny McInerney  
Fiscal Analysts: Samuel Christensen  
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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.

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<sup>3</sup> [https://www.michigan.gov/documents/mde/15\\_M-Step\\_SocStud\\_Gr8\\_Samples\\_final\\_485052\\_7.pdf](https://www.michigan.gov/documents/mde/15_M-Step_SocStud_Gr8_Samples_final_485052_7.pdf)