

Legislative Analysis



ENTREPRENEURSHIP EDUCATION

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

House Bill 4559

Sponsor: Rep. Andy Meisner

Committee: Commerce

Complete to 4-16-07

A SUMMARY OF HOUSE BILL 4559 AS INTRODUCED 3-29-07

The bill would create a new act, the Entrepreneurship Education Act, under which eligible students could receive a one-time reimbursement for tuition paid for courses in "entrepreneurship." The maximum amount of reimbursement would be \$300, and students would apply to the Department of Labor and Economic Growth for reimbursement.

To be eligible, students would need to be United States' citizens or permanent residents; have resided in the state for the 12 months immediately preceding the academic year and not be a resident of another state; and not have been convicted of a felony involving an assault, physical injury, or death. DLEG could impose other standards through the promulgation of rules. Reimbursements would be paid out of an Entrepreneurship Education Grant Fund created by the bill.

Courses in Entrepreneurship. These courses would include courses or classes providing a student with the fundamental aspects of starting a small business or venture, including the profile of an entrepreneur, opportunity recognition, business feasibility assessment, building a business model, industry and market competition, market analysis, pricing, financial analysis of start-up costs, operational expenses, cash flow, raising capital, and developing a business plan. The course could be (but need not be) part of a broader curriculum or degree or certificate program in entrepreneurial or small business management or administration.

Eligible Institutions. Courses could be offered by colleges, universities, junior colleges, or community colleges; schools licensed or regulated by DLEG; state or federal agencies or commissions; or nonprofits approved by DLEG. The department's rules could regulate course offerings, types of instruction, instructor qualifications, attendance monitoring, and course advertising.

Reimbursement Process. An eligible student who completes one or more eligible courses at an approved school could submit an application for reimbursement to DLEG on a department-approved form, along with a certificate of completion or other verification and proof of payment. The maximum amount of reimbursement a student could receive is the amount of tuition paid or \$300, whichever is less.

FISCAL IMPACT:

The bill would increase state costs by requiring a payment of up to \$300 for each student enrolling in entrepreneurship courses. As the number of students choosing to enroll in such courses cannot be accurately estimated or predicted, the amount of this cost increase is indeterminate.

The following hypothetical scenario provides a rough sense of the potential increase in the state costs under the bill: If every resident undergraduate student majoring in a business-related field at a public or independent college or university in the state enrolled in an entrepreneurship course and received the maximum payment of \$300, the cost increase would be approximately \$5.0 million to \$7.5 million per year.

Legislative Analyst: Chris Couch
Fiscal Analyst: Kyle Jen

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