



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 818 (as enacted)
Sponsor: Senator Tonya Schuitmaker
Senate Committee: Regulatory Reform
House Committee: Regulatory Reform

PUBLIC ACT 146 of 2016

Date Completed: 3-2-17

RATIONALE

The Proprietary Schools Act requires a person to obtain a license or temporary permit from the Department of Licensing and Regulatory Affairs in order to operate a proprietary school, which is a school that "uses a certain plan or method to teach a trade, occupation, or vocation", subject to exceptions for schools that are otherwise licensed by the State, that grant degrees, or that are maintained for a person's employees. To be licensed, a person must pay an annual fee, and meet reporting, inspection, and surety requirements. As of March 2016, it was reported that 35 yoga teacher training programs were regulated under the Act. Apparently, the licensure requirements were burdensome to the yoga community and believed to be unnecessary because many participants in the training programs did not attend them to become an instructor; rather, they attended the programs for personal experience. In addition, the regulations reportedly had created a business environment that deterred many yoga instructors from offering or expanding instruction programs. For these reasons, it was suggested that yoga instruction and yoga teacher training programs be exempt from the Act.

CONTENT

The bill amended the Proprietary Schools Act to exclude from the term "proprietary school" a school or program within a school that exclusively provides yoga instruction, yoga teacher training, or both.

The Act provides for the regulation of proprietary schools and prohibits a person from operating a proprietary school without a license or a temporary permit issued by the Department of Licensing and Regulatory Affairs. A violation of the licensure requirement is a misdemeanor punishable by a maximum fine of \$10,000 or up to one year's imprisonment, or both.

The Act defines "proprietary school" as "a school that uses a certain plan or method to teach a trade, occupation, or vocation for a consideration, reward, or promise of any kind", including a private business, trade, or home study school. The term does not include any of the following:

- A school or college possessing authority to grant degrees.
- A school licensed by law through another board or department of the State.
- A school maintained or program conducted, without profit, by a person for that person's employees.

As stated above, the bill also excludes a school that exclusively provides yoga instruction, yoga teacher training, or both.

The bill took effect on June 7, 2016.

MCL 395.101a

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The regulation of yoga teacher training programs under the Proprietary Schools Act was unnecessary for several reasons.

First, yoga teacher training programs are not organized in a way that corresponds to the definition of a proprietary school because most participants attend the programs to deepen their practice of yoga, not for reasons related to learning a trade, vocation, or occupation. Yoga is a meditative practice that may reduce stress and improve physical fitness, strength, and flexibility. According to a survey reported by the U.S. Department of Health and Human Services, 9.5% of U.S. adults participated in yoga in 2012, an increase of 6.1% from 2007, and 5.1% from 2002.

Second, yoga teacher training programs should not be required to meet licensing criteria because yoga instruction is not a licensed occupation in Michigan. The Yoga Alliance, which claims to be the largest nonprofit organization representing the yoga community, sets recommended standards for yoga instruction and provides yoga designations for schools and instructors that meet standards for inclusion in its registry. However, the registry is not a certification program. With no established certification or licensing standards, yoga teacher training programs cannot be considered, and should not be regulated as, certified education.

Finally, there is no reason for regulation of yoga teacher training programs because, according to Committee testimony, there had been no complaints regarding the programs that the yoga community was aware of. While yoga teacher training programs now are exempt from the Proprietary Schools Act, they remain subject to local, State, and Federal consumer protection, safety, and business regulations.

Supporting Argument

The regulation of yoga teacher training programs was harmful to the yoga community and the State because most programs are small businesses. Compliance with the Act's regulations required time and resources that may not have been available to the owners and operators of those small businesses. This discouraged the yoga providers from offering or expanding training programs.

In addition, the regulation put small studios that offered the programs at a competitive disadvantage when compared to larger and more established studios, which could afford the time and resources necessary to comply with the regulations.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill will have an indeterminate fiscal impact on the Department of Licensing and Regulatory Affairs, and no fiscal impact on local units of government. As of the effective date, the bill exempts approximately 30 instructional facilities that were regulated for providing yoga instruction or yoga teacher training. Proprietary schools are subject to annual fees ranging from \$435 to \$2,110 per year, depending on school size. Under the bill, any revenue associated with yoga instruction or teacher training schools will be lost; the exact amount of the revenue is unknown and depends on the size of the schools. The Department's costs to regulate these schools also will be eliminated. It is unknown which of these two effects will be greater, so the fiscal impact of the bill is indeterminate.

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.