

Legislative Analysis



FREE ENTERPRISE AND ENTREPRENEURSHIP COURSE OF INSTRUCTION

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

House Bill 4074 as reported from committee
Sponsor: Rep. Tommy Brann
Committee: Education
Complete to 5-18-21

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

BRIEF SUMMARY: House Bill 4074 would amend the Revised School Code to encourage school districts and public school academies (PSAs, or charter schools) to include a program of instruction in free enterprise and entrepreneurship in their social studies curriculum for grades 9 through 12 beginning in the 2021-2022 school year. A district or PSA would not be precluded from including that instruction in other subject areas or grade levels.

FISCAL IMPACT: The bill would have no fiscal impact on the state or on local units of government.

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 4074 would encourage school districts and PSAs to include a program of instruction in free enterprise and entrepreneurship in their social studies curriculum for grades 9 through 12.

A program of instruction described above would have to be project-based and could 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 bill would take effect 90 days after its enactment.

Proposed MCL 380.1166b

BACKGROUND INFORMATION:

House Bill 4074 is a reintroduction of House Bill 4826 of the 2019-20 legislative session. That bill was referred from the House Education committee and reported from the House Ways and Means committee with an H-2 substitute, which is identical to HB 4074 as introduced and reported.

ARGUMENTS:

For:

Proponents advanced the bill as a way of making it more likely 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:

Opponents expressed concern not about the subject matter but about the method of teaching and how it would fit into a curriculum that is already compressed. With limited instructional time, incorporating entrepreneurship and free enterprise into a course would mean that other subject matter would be removed.

POSITIONS:

The following entities indicated support for the bill:

Small Business Association (4-27-21)

Grand Rapids Chamber (4-27-21)

NFIB (5-4-21)

The Michigan Council on Economic Education indicated opposition to the bill. (4-27-21)

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