



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

## BILL ANALYSIS



Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 1153 (Substitute S-2 as passed by the Senate)  
Senate Bill 1154 (Substitute S-1 as passed by the Senate)  
Senate Bill 1155 (Substitute S-2 as passed by the Senate)  
Senate Bill 1156 (Substitute S-2 as passed by the Senate)  
Senate Bill 1157 (Substitute S-1 as passed by the Senate)

Sponsor: Senator Wayne Kuipers (S.B. 1153)  
Senator Michael Switalski (S.B. 1154)  
Senator Ron Jelinek (S.B. 1155)  
Senator Gerald Van Woerkom (S.B. 1156)  
Senator Buzz Thomas (S.B. 1157)

Committee: Education

Date Completed: 11-22-04

### **CONTENT**

**Senate Bill 1153 (S-2)** would amend the Revised School Code, and **Senate Bill 1155 (S-2)** would amend the State School Aid Act, to replace the 11<sup>th</sup>-grade MEAP test with a new Michigan Merit Examination if it were approved for use by the U.S. Department of Education (USDOE). The bills would do the following:

- Provide that, in the 2005-2006 school year, school districts statewide would have to administer the MEAP test to all 11<sup>th</sup> grade pupils, and the Michigan Merit Exam would have to be given to a sample of 11<sup>th</sup> grade pupils.
- Require the Michigan Merit Exam to be given to all 11<sup>th</sup> graders beginning in the 2006-2007 school year unless the USDOE had not approved its use for purposes of the Federal No Child Left Behind Act.
- Require school districts to continue administering the MEAP test to 11<sup>th</sup> grade pupils until the USDOE approved the Michigan Merit Exam.
- Require the Department of Management and Budget (DMB) to contract with one or more providers to develop, supply, and score the Michigan Merit Exam.

**Senate Bill 1154 (S-1)** would amend the Postsecondary Enrollment Options Act, and **Senate Bill 1157 (S-1)** would amend the Career and Technical Preparation Act, to require a high school student, beginning in the 2006-2007 school year, to achieve a qualifying score on a "readiness assessment", instead of earning State endorsements on the high school proficiency exam, in order to enroll in postsecondary or career and technical courses. The readiness assessment would have to be a national used assessment instrument aligned with State learning standards, that contained a comprehensive career planning program.

**Senate Bill 1156 (S-2)** would amend the Michigan Merit Award Scholarship Act to require an 11<sup>th</sup>-grade student, beginning in the 2006-2007 school year, to receive qualifying results in each subject area component of the proposed Michigan Merit Examination, in order to be eligible for a Michigan Merit Award Scholarship, unless the USDOE had not approved the Merit Exam.

The bills are tie-barred to each other.

A more detailed description of each bill follows.

### **Senate Bills 1153 (S-2) and 1155 (S-2)**

#### Michigan Merit Exam

Under the Revised School Code and the State School Aid Act, a school board or public school academy board must administer State assessments in the subject areas of communications skills, mathematics, science, and social studies to 11<sup>th</sup>-grade students during the last 90 days of school. (This test also is referred to as the 11<sup>th</sup>-grade MEAP, or Michigan Educational Assessment Program test.) The State Board of Education must ensure that the exams are based on the State-recommended model core academic content standards, and that they test for proficiency in basic academic skills and subject matter.

Under the bills, in the 2005-2006 school year, the MEAP test would have to be administered to all 11<sup>th</sup>-grade pupils and the Michigan Merit Exam would have to be given to a sample of pupils in 11<sup>th</sup> grade statewide, as determined by the Michigan Department of Education (MDOE). The MDOE would have to include pupils in the sample as it determined necessary to seek the approval of the USDOE to use the Michigan Merit Exam for the purposes of the No Child Left Behind Act.

For pupils in grade 11 in the 2006-2007 school year and subsequent school years, the Michigan Merit Exam would have to be administered statewide. If the USDOE had not approved the Merit Exam, however, the following would apply:

- Schools would have to continue administering the MEAP test to all 11<sup>th</sup>-grade pupils until the next calendar year beginning after the USDOE gave its approval.
- The Merit Exam would have to be given to all 11<sup>th</sup>-graders beginning in the next calendar year beginning after the exam was approved.
- If necessary as part of the process of continuing to seek approval of the Merit Exam, the MDOE again could provide for the administration of both the MEAP test and the Merit Exam to a sample of 11<sup>th</sup> graders statewide.

The MDOE would have to take all steps necessary to obtain the USDOE's approval of the Michigan Merit Exam by December 31, 2005, or as soon after that date as possible.

#### Development of Merit Exam

The Department of Management and Budget would have to contract with one or more providers to develop, supply, and score the Michigan Merit Exam. The Merit Exam would have to consist of all of the following:

- Assessment instruments that would measure English language arts, mathematics, reading, and science and were used by colleges and universities in Michigan for entrance or placement purposes.
- One or more tests from one or more test developers that would assess a pupil's ability to apply reading and math skills in a manner intended to allow employers to use the results in making employment decisions.
- A social studies component.
- Any other component that was necessary to obtain the USDOE's approval.

The Department would have to consider a contractor that provided electronically scored essays with the ability to score constructed response feedback in multiple languages and provide ongoing instruction and feedback.

As required for the MEAP test, the Merit Exam would have to be based on the State core academic content standards, but could test for advanced (in addition to basic) academic skills and subject matter.

#### Scoring

The bills would require the Superintendent of Public Instruction to work with the provider or providers of the Merit Exam to produce subject area scores for each pupil participating in the exam, including scaling and merging of test items for the different subject area components. The Superintendent would have to design and distribute to school districts, public school academies, intermediate school districts, and nonpublic schools a simple and concise document describing the scoring for each subject area and indicating the scaled score ranges for each area.

### Additional Requirements

Various provisions that currently apply to the MEAP test would apply to the Michigan Merit Exam. These include the purpose of the test (although the bills would refer to assessing English language arts, rather than communication arts); the requirement that scores to be returned to schools, students, and parents by the first semester of 12th grade; the inclusion of a student's scaled score on his or her diploma; accommodations for students with disabilities; testing irregularities; and test availability for students in private or home schools.

As required for the MEAP test, the Superintendent of Public Instruction would have to ensure that the maximum length of time a school set aside for the Merit Exam would be eight hours.

### Test Retake

Under the bills, until the end of the 2006-2007 school year, a person who had previously taken the MEAP test could take a retest for the purpose of qualifying for a Michigan Merit Award scholarship. The person could take the retest, without charge, at the district where he or she was enrolled or resided or, if the test were not available there, at another location within the intermediate district where he or she lived, at a regular testing time scheduled for the test or during a scheduled retesting period.

### State Endorsed Diplomas

Currently, when a student achieves a proficient score (as determined by the MDOE) on the high school MEAP test in a subject, the student receives a State endorsement on his or her diploma and high school transcript for that subject. The bills would eliminate the State endorsement on diplomas and on transcripts, and delete other requirements associated with State endorsements.

### At Risk Definition

Senate Bill 1155 (S-2) would include in the definition of "at risk pupil" one who did not achieve proficiency on the reading or math component of the most recent Michigan Merit Exam for which results for the pupil

had been received, or who did not achieve basic competency on the science component of the most recent Merit Exam. (Under the State School Aid Act, schools with a certain percentage of students who meet the income eligibility criteria for free breakfast, lunch, or milk are eligible for an additional State allowance to be used for services to at-risk pupils and other purposes specified in the Act.)

### **Senate Bills 1154 (S-1) and 1157 (S-1)**

The Postsecondary Enrollment Options Act and the Career and Technical Preparation Act permit eligible high school students to enroll in courses at community colleges or universities, or at career and technical preparation programs operated by colleges and universities, for the purpose of earning academic credit. To be eligible to participate under either Act, a student must have achieved a State endorsement in all subject areas on the high school proficiency exam (the high school portion of the MEAP test). Alternatively, under the Postsecondary Enrollment Options Act, a student may participate by enrolling only in a course in a subject area for which he or she achieved State endorsement, a course in computer science or a foreign language not offered by the school district, or a fine arts course as permitted by the school district. Under the Career and Technical Preparation Act, a student is eligible to enroll in a career and technical program if he or she achieved State endorsement in mathematics and a qualifying score on a nationally or industry-recognized job skills assessment test, as determined by the MDOE.

Under the bills, beginning with the 2006-2007 school year, to be eligible to participate in either program, a student would have to achieve a qualifying score in all subject areas on a "readiness assessment". Under Senate Bill 1154 (S-1), a student not meeting this criterion could enroll in a course in a subject area for which he or she had achieved a qualifying score, or a course in computer science, a foreign language, or fine arts, as currently provided. Under Senate Bill 1157 (S-1), a student would be eligible if he or she achieved a qualifying score in mathematics and a qualifying score on a nationally or industry-recognized job skills assessment test, as determined by the Superintendent of Public Instruction.

The bills would define "readiness assessment" as assessment instruments that were aligned with State learning standards; that were used nationally to provide high school students with an early indication of proficiency in English, mathematics, reading, and science and contained a comprehensive career planning program; and that were approved by the Superintendent.

Senate Bill 1154 (S-1) would define "qualifying score" as a score on the readiness assessment that had been determined by the Superintendent to indicate readiness to enroll in a postsecondary course in that subject area. Under Senate Bill 1157 (S-1), the term would mean a score on the readiness assessment or a score on a nationally or industry-recognized job skills assessment test that had been determined by the Superintendent to indicate readiness to enroll in a course under the Career and Technical Preparation Act.

By July 1, 2005, the Superintendent would have to do the following: 1) approve one or more readiness assessments that could be used for the purpose of determining eligible students beginning with participation in the 2006-2007 school year; and 2) determine qualifying scores for each subject area component of a readiness assessment that determined readiness to enroll in a course under the Acts. Under Senate Bill 1157 (S-1), the Superintendent also would have to determine qualifying scores for a nationally or industry-recognized job skills assessment test that indicated readiness to enroll in a career and technical preparation course.

### **Senate Bill 1156 (S-2)**

Under the Michigan Merit Award Scholarship Act, an 11<sup>th</sup>-grade student is eligible for a \$2,500 scholarship to be used at a State college or university, or a \$1,000 scholarship to be used at an out-of-State postsecondary institution, if the student receives qualifying results on the high school MEAP test in the subject areas of reading, writing, mathematics, and science. Alternatively, a student is eligible for a Merit Award if he or she received qualifying results in one or two of these subject areas and received an overall score in the top 25% of a nationally recognized college admission exam, or received qualifying results in one

or two subject areas and received a qualifying score on a nationally recognized job skills assessment test designated by the State Board of Education.

Under the bill, each student enrolled in grade 11 in or after the 2006-2007 school year would be eligible to receive a Merit Award if he or she received qualifying results in each subject area component of the proposed Michigan Merit Exam. If the USDOE had not approved the use of the Merit Exam for the purposes of the No Child Left Behind Act, however, eligibility for a Merit Award would have to be determined as currently provided until the next calendar year beginning after the Merit Exam was approved. Beginning in that calendar year, eligibility for a Merit Award would have to be determined by Merit Exam results.

The State Board of Education would have to obtain and make available to the public, preparatory materials for the Merit Exam that contained sample test questions and correct answers, unless the Board would designate a question for use in a future high school or middle school assessment test.

Under the Act, a pupil who does not initially receive qualifying results must be given an opportunity to achieve the results by taking a subsequent test. Under the bill, if such a pupil were enrolled in 12<sup>th</sup> grade in the 2006-2007 school year, or enrolled in 12<sup>th</sup> grade in the first calendar year after the Merit Exam was approved, the pupil could choose to take either the MEAP test or the Merit Exam for the purpose of qualifying for a Merit Award.

Current provisions that govern the Michigan Merit Award Scholarship, including award amounts and other eligibility criteria, would continue to apply under the bill.

MCL 380.1278 et. al. (S.B. 1153)  
MCL 388.513 & 388.519 (S.B. 1154)  
MCL 388.1631 et al. (S.B. 1155)  
MCL 390.1452 et al. (S.B. 1156)  
MCL 388.1903 et al. (S.B. 1157)

Legislative Analyst: Suzanne Lowe

## **FISCAL IMPACT**

### **Senate Bill 1153 (S-2)**

This bill would phase out the existing MEAP high school test and replace it with the Michigan Merit Examination, as defined in the bill, beginning in school year 2006-2007. According to the Michigan Department of Education, the FY 2003-04 MEAP high school test cost a total of \$8.5 million, and included questions in the subject areas of math, science, reading, writing, and social studies. Of this, \$7.1 million was the cost for the contract to Measurement, Inc., the test developer and scorer. (Nearly half of this cost is to read, grade, and respond to open-ended questions.) The contract for the high school test expires in September 2005, which means that the last high school test to be covered under the existing contract will be administered in the spring of 2005. (The fall exam occurs in late October or early November.) Of the remaining cost, \$950,000 is for MEAP staff and State oversight, and \$460,000 covers Department of Information Technology costs.

Students presently take the MEAP high school test in the spring of their 11<sup>th</sup> grade, with retesting possible in the fall of their senior year and again in the spring of their senior year before graduation. Approximately 119,000 students in 11<sup>th</sup> grade take the test yearly, with another 38,000 retesting over the next two cycles, for a total of 154,000 tests administered for any given graduating class.

Two of the three components of the proposed Michigan Merit Examination correlate closely to the national ACT exam and the ACT WorkKeys exam. The cost of the basic ACT exam is \$28 per student. The cost of the soon-to-be-released writing exam will be \$14 per student. The cost of the ACT WorkKeys exams for reading and math is \$3.20 for each subject area per student.

The bill, in addition to proposing the new examination, would restrict the number of retakes to one. (Currently, there are two opportunities to retake the MEAP test.) Assuming the same 119,000 first-time test takers and only 38,000 retakes, and using the costs of the ACT and ACT WorkKeys listed above, the estimated cost for administering and scoring two of the three

components of the proposed Michigan Merit Examination would be \$7.6 million.

A study released by the Michigan Association of Secondary School Principals found that the science portion of the ACT aligns with about 50% of the State standards because it only uses science reasoning, while State standards also include science achievement. Therefore, an additional science achievement exam would need to be purchased as well. The cost per science achievement test was estimated to be \$3.66 by the Department. Using this estimate, the total cost for this additional science test is estimated at \$0.6 million. (Under the No Child Left Behind Act, if an assessment instrument is replaced, then the new assessment must demonstrate alignment with state standards to satisfy the requirements under Federal legislation. Depending upon the result of an independent review of the ACT with Michigan's standards, other tests could be needed to augment the ACT and ACT WorkKeys.)

The additional cost of a social studies component is estimated at \$0.4 million. This brings the testing cost to an estimated \$8.6 million, without any State oversight. If the current \$1.4 million cost for administering the program is added to the testing cost, the total estimated cost under the new program would be \$10.0 million, or \$1.5 million more than what is currently spent.

This estimate assumes two independent test systems. Because of the phase-out period required by the legislation, when both exams would need to be made available, there likely would be additional costs to the State for contracting with at least two vendors to provide the two tests at the same time.

One additional item that could have fiscal implications is the degree to which the new test contractor would be able to deliver data (test scores) to the State using the State's Single Record Student Database (SRSD) system, and the Unique Identifier Code component of the SRSD. Data would need to be sent to the State for the purpose of determining Merit Award eligibility.

### **Senate Bills 1154 (S-1) and 1157 (S-1)**

The ACT offers a "readiness assessment" exam that would satisfy the definitional requirements laid out in the bills. This exam is called PLAN and costs \$8.50 per scored test. If a student paid for such an exam in order to become eligible for enrollment under the Postsecondary Enrollment Options Act or the Career and Technical Preparation Act, there would be no cost to the district. If, however, districts chose to offer the proposed "readiness assessment", the cost to the districts would be \$8.50 per 10th grader.

### **Senate Bill 1155 (S-1)**

The bill would require districts to administer the Michigan Merit Examination if it were approved to replace the MEAP high school test, in order to receive any State aid payments appropriated in the State School Aid Act. If a district chose not to administer this test, it would not be awarded State aid under the Act.

### **Senate Bill 1156 (S-2)**

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

Fiscal Analyst: Kathryn Summers-Coty

S0304\S1153sa

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.