



Telephone: (517) 373-8080

Facsimile: (517) 373-5874

www.house.state.mi.us/hfa

FISCAL ANALYSIS

Mitchell Bean, Director

124 N. Capitol Avenue

4-N HOB Lansing, MI

HOUSE BILL 5879 SUBSTITUTE (H-3)

Sponsor: Rep. Wayne Kuipers

House Committee: Education

REVISED FLOOR ANALYSIS - 7/8/02

Analyst(s): Steve Stauff

Hank Prince

Mary Ann Cleary

Laurie Cummings

HOUSE BILL 5880 SUBSTITUTE (H-3)

Sponsor: Rep. Brian Palmer

House Committee: Education

HOUSE BILL 5881 SUBSTITUTE (H-5)

Sponsor: Rep. Charles LaSata

House Committee: Education

SUMMARY

HB 5881 (H-5) would revise the School Aid Act by appropriating FY 2004 funding at the same level as FY 2003. It also makes changes to the Act as found in the following sections:

- 1) **Sec. 22b. (Discretionary Payment).** HB 5881 (H-5) would require that if the Revised School Code is amended to require assessments at grade levels in addition to those required under current law, districts must comply with those requirements in order to receive state aid under Sec. 22b. This provision should have no state cost. However, it could have a local cost, because districts would lose part of their State Aid if any new assessment requirements were not properly met.
- 2) **Sec. 94a (Center for Education Performance and Information).** Requires CEPI to submit a proposal to the Senate and House appropriations subcommittees before implementing or changing any data collection processes. This provision would have no state or local fiscal impact.
- 3) **Sec. 96 (Golden Apple Awards).** States that if the Michigan Assessment Governing Board is enacted into law, it shall administer the Golden Apple program. This provision would have no state or local fiscal impact.
- 4) **Sec. 104a (High School Assessments).** Allows the Department of Education or Michigan Assessment Governing Board to require the 11th grade MEAP test as to be given to meet the requirements under this section. States that if the Michigan Assessment Governing Board is enacted into law, it shall administer this section. This provision should have no state cost. However, it could have a local fiscal impact, because districts would lose their State Aid if they do not comply with any new requirements.
- 5) **Sec. 107 (Adult Education).** Allows certain expelled students to be eligible for adult education courses. This provision would have no state or local fiscal impact.

HB 5881 (H-5) is contingent upon passage of a cigarette tax increase of at least 50 cents per pack.

House Bill 5879 (H-3) would amend the Revised School Code creating the Michigan Assessment Governing Board within Treasury, and as well detailing the duties, reporting requirements and membership of the board. The bill specifies how the board will administer the Michigan Education Assessment Program. Under the bill, an assessment administration advisory committee is created to evaluate the MEAP test and assessments and make recommendations to the state board and department. The bill also modifies data required and benchmarks related to the annual education report card prepared by the school districts and it requires schools to follow a specific process upon becoming unaccredited.

The Department of Treasury reports that current appropriations are sufficient to administer the proposed governing board and advisory committee. Travel reimbursement would be the only compensation given to board and committee members and could certainly be covered with existing fund sources. Test modification and assessment costs could be covered using current Michigan Merit Award Trust Fund appropriations and recently awarded No Child Left Behind Act federal funding.

There may be additional costs to a school districts for disaggregating data required for completing the annual educational report card, and meeting the process requirements if the school becomes unaccredited. These costs however are currently indeterminate.

House Bill 5880 (H-3) amends sections 2, 6, and 7 of the Michigan merit award scholarship act to have the statute conform to changes proposed for the Michigan Education Assessment Program (MEAP) in HB 5879. It also repeals section 4 of the scholarship act; that section establishes and describes the composition and duties of the Michigan merit award board. The H-3 substitute adds passage of a social studies assessment test taken by students after the 2003-04 school year as a criterion for receipt of a Merit Award scholarship. HB 5880 (H-3) also modifies the value of the additional Merit Award scholarship earned for passage of at least two of the five MEAP subject tests beginning with assessment tests taken after the 2003-04 school year.

HB 5880 (H-3) has no fiscal impact for the 2001-02 fiscal year but would have an indeterminate impact in fiscal years 2004-05 and beyond. The enactment of HB 5880 is tie-barred to the enactment of HB 5879.