

DEADLINE FOR MERIT AWARD

**Senate Bill 701 as passed by the Senate
First Analysis (9-26-03)**

**Sponsor: Sen. Gerald Van Woerkom
House Committee: Higher Education
Senate Committee: Education**

THE APPARENT PROBLEM:

Elementary and middle school students who took Michigan Educational Assessment Program (MEAP) tests in the winter of 2003 are not expected to receive their scores until the end of September 2003, about four months later than expected. According to the Senate Fiscal Agency, Senate hearings into the delay have revealed glitches in test development, scoring, and processing as a result of new requirements for data collection and tracking under the federal No Child Left Behind Act. Some people are concerned that the delay in winter scores could affect high school students eligible to receive a \$2,500 Michigan Merit Award, as the awards are based on MEAP scores. Students who qualify for the award must request the award by applying to the Merit Award Office by September 15 of the academic year in which they wish to use the money. Because of the unusual delay with the winter 2003 scores, it has been suggested that the September 15 deadline for requesting a merit award be postponed for the 2003-2004 school year for students whose notification of eligibility arrives late.

THE CONTENT OF THE BILL:

The bill would amend the Michigan Merit Award Scholarship Act to allow for a delay in the deadline for students to apply for a merit award scholarship in the 2003-2004 academic year. Under the Act, the deadline was January 15 for the 2002-2003 academic year and is September 15 for a subsequent academic year, for disbursement in that year. The bill would move the deadline to November 15 for the 2003-2004 academic year if the student did not receive notification of the award until on or after August 1. If the student received notification before August 1, the deadline would remain September 15. The deadline would continue to be September 15 in subsequent academic years.

Under the Act, the Michigan Merit Award Board may not begin disbursing funds for a merit award scholarship to a student or an approved

postsecondary educational institution on behalf of a student unless the Board receives a request or application for payment from the student by the deadline.

MCL 390.1458

HOUSE COMMITTEE ACTION:

The House Committee on Higher Education made no changes to the bill; it reported the bill in the form passed by the Senate.

BACKGROUND INFORMATION:

The Michigan Merit Award is a \$2,500 scholarship given to high school students who take the math, science, English language arts, and social studies MEAP tests, and receive a 1 (exceeded standards) or 2 (met standards) on all four tests. Alternatively, students can earn a merit award if they take all four tests, pass two of them, and receive a score in the 75th percentile or above on the ACT or SAT test, or achieve qualifying scores on the ACT WorkKeys job skills assessment test. To receive the full amount, students must use the scholarship at an in-state university or college for eligible costs of their education. Recipients who attend an out-of-state institution receive a \$1,000 scholarship. All students claiming an award must have graduated from high school or passed the General Educational Development (GED) test, be enrolled in an approved postsecondary educational institution, and not have been convicted of a felony involving an assault, physical injury, or death. Beginning with the class of 2003, the Department of Treasury will disburse the scholarship to a student or a student's college or university over a two-year period, rather than paying the \$2,500 in one lump sum. (Background information based on Senate Fiscal Agency analysis dated 9-22-03 of an earlier version of the bill. Other information in this analysis is also derived from that analysis.)

FISCAL IMPLICATIONS:

The House Fiscal Agency notes that the extension of the deadline would grant merit award recipients from the high school graduating class of 2003 who did not submit their applications for payment by September 15 an additional 60 days to do so. The number of students who will submit an application is indeterminate. The HFA reports that the impact of the bill would be to shift an indeterminate amount of state expenditures from the 2004-05 fiscal year into the 2003-2004 fiscal year. This is based on the assumption that the students who will apply during the extension period otherwise would eventually have applied (in years 2004 and 2005) for the full award. (HFA committee analysis dated 9-24-03)

Regardless of the reason for the late scores, students counting on a merit award to offset the cost of their higher education should not be financially burdened because of errors on the part of the state and its contractors.

POSITIONS:

The Department of Treasury supports the bill. (9-26-03)

ARGUMENTS:**For:**

The bill would give students who could not certify their Merit Award by the September 15 deadline an additional two months to apply their scholarship to the 2003-2004 academic year's expenses. Additional time is needed in order to accommodate students affected by the delays in the return of MEAP scores for the winter 2003 testing cycle. The delay appears to be due to a number of factors. First, Measurement Inc., the main contractor charged with developing test questions, scoring the answer documents, and shipping the scores to the MEAP Office, testified that it was given a tight timeline to complete its work, from late September until the end of December 2002. This timeline was made even tighter because the contractor needed additional time to establish the cut scores (also known as "range finding" or "standard setting") on the new English language arts test. Also, all contractors testified to further delays when ECS, the company in charge of building a computer application to allow students' scores to be tracked from year to year, mistakenly printed duplicate barcodes (which should be unique for each student) for 10 days before realizing its error. According to ECS, the barcode system was brand new and perhaps rushed into completion in order to meet a new requirement under the federal No Child Left Behind Act. (That act requires, in part, that student data be tracked "longitudinally", from grade to grade, in order to help establish a school's Adequate Yearly Progress status. The act also requires that student scores be analyzed by race and gender; ECS agreed to build for the state a software application that enables schools to view and analyze test data electronically.)

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