



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 701 (as passed by the Senate)
Sponsor: Senator Gerald Van Woerkom
Committee: Education

Date Completed: 9-25-03

RATIONALE

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. Senate hearings into the delay have revealed that the State was late to finalize a contract for test development and scoring; that new requirements for data collection and tracking under the Federal No Child Left Behind Act further slowed the process; and that errors on the part of at least two contractors caused additional hold-ups. 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.

CONTENT

The bill would amend the Michigan Merit Award Scholarship Act to delay the deadline for some 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. Under the bill, if a student received notification of eligibility on or after August 1 during the 2003-2004 academic year, the deadline to apply would be November 15. If a student received notification before August 1, the deadline would remain September 15 for the 2003-2004 academic year. The deadline for

subsequent academic years would continue to be September 15.

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

BACKGROUND**Merit Award**

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. Students must use the scholarship at a 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.

MEAP Testing Schedule

Table 1 illustrates the MEAP testing schedule for the 2002-2003 academic year, as reported on the Merit Award web page. English language arts replaced the reading and

writing tests beginning with the winter 2003 test. According to the MEAP office, the testing window for winter 2003 was extended one week beyond the original closing date of February 14.

Table 1

Window	Dates	Grade of Students Tested	Subjects	Results Due to Schools
Fall 2002	10/28/02-11/08/02	10 (dual enrollees only) ^{a)} 11 (dual enrollees only) 12 (all as needed)	Mathematics, Reading, Social Studies, Science, Writing	2/14/03
Winter 2003	1/27/03-2/21/03	Grade 4	English Language Arts, Mathematics	5/30/03
		Grade 5	Social Studies, Science	5/30/03
		Grade 7	English Language Arts	5/30/03
		Grade 8	Mathematics, Social Studies, Science	5/30/03
Spring 2003	Cycle 1: ^{b)} 4/21/03-5/02/03 Cycle 2: 4/28/03-5/09/03	10 (dual enrollees only) 11 (all as needed) 12 (all as needed)	English Language Arts, Mathematics, Social Studies, Science	9/01/03
^{a)} "Dual enrollees" refers to students who are currently taking a class at a university or college while in high school.				
^{b)} Schools could choose either Cycle 1 or Cycle 2 to administer the tests during the spring session.				

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 bill would give students who received late notice of their eligibility for a Merit Award an additional two months to apply for a scholarship for the 2003-2004 academic year. 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. Measurement Inc. further testified that it is unable to account for about 1,000 answer sheets belonging to Grand Rapids students. Finally, all contractors testified to additional 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 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 this test data electronically.)

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.

Response: High school students who took the MEAP test in spring 2003 had their scores returned to them on time, in August 2003, because the problems from the elementary and middle school winter scoring were fixed. Most of these students were juniors when they took the test, so they have almost a year to request their Merit Award. Some of these students were seniors who retook or made up one or more MEAP tests in the spring. According to the Merit Award Office, 4,627 seniors in the class of 2003 passed their final MEAP test during the spring testing session, and all of these seniors were sent letters of eligibility by August 21, a typical date of notification. About the usual amount--86%--of this group requested the award by the September 15 deadline. Extending the application deadline for the remainder of these students to November 15 would be unnecessary, since they too could have applied by September 15. Extending the deadline also would be burdensome to the Merit Award Office, as it would have to reprogram the web page, notify colleges and universities of the extended deadline, and send out extra mailings to the students who have not applied for their awards-- students who had time to do so the first time around. The Merit Award Office has suggested that, instead of moving the deadline to November 15 for one year, it be allowed to extend the deadline in any year for particular students facing unusual circumstances.

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill would change the deadline for students to apply for a Michigan Merit Award from September 15, 2003, to November 15, 2003 for some students. This change would allow the Department of Treasury to pay these awards out of the fiscal year (FY) 2003-04 appropriation instead of the FY 2002-03 appropriation, because the deadline for application would have been moved into the 2003-04 fiscal year and the State auditors most likely would not require an accrual back to FY 2002-03. This means that FY 2002-03 expenditures for Merit Awards would be about \$60 million less than the appropriation but the FY 2003-04 appropriation would need to increase by \$60 million, resulting in no net change in Michigan Merit Award Trust Fund expenditures over the two fiscal years.

Fiscal Analyst: Ellen Jeffries

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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.