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Senate Bill 1153 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Senator Wayne Kuipers
Committee: Education

CONTENT

The bill would amend the Revised School Code to replace the 11th grade MEAP test with a new Michigan Merit Examination if it were approved for use by the U.S. Department of Education (USDOE). The bill would do the following:

- Provide that, in the 2005-2006 school year, school districts statewide would have to administer the MEAP test to all 11th grade pupils, and the Michigan Merit Exam would have to be given to a sample of 11th grade pupils, as determined by the Michigan Department of Education.
- Require the Michigan Merit Exam to be given to all 11th 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 11th 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.
- Require a school district or public school academy operating a high school to include on a pupil's high school transcript the pupil's scaled score on each subject area component of the Merit Exam, as well as the number of days the pupil attended high school.
- Require the Superintendent of Public Instruction to ensure that the Merit Exam was scored and scores were returned to pupils, parents, and schools by the beginning of the pupils' first semester of 12th grade.
- Require the Superintendent to ensure that schools did not have to set aside more than eight hours for administering all components of the Merit Exam.

The Michigan Merit Exam would have to consist of 1) assessment instruments that measured English language arts, mathematics, reading, and science, and were used by colleges and universities in Michigan for entrance or placement purposes; 2) one or more tests that assessed a pupil's ability to apply reading and math skills in a way intended to allow employers to use the results in employment decisions; 3) a social studies component; and 4) any other component necessary to obtain the approval of the USDOE.

The bill is tie-barred to Senate Bills 1154-1157.

MCL 380.1278 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

State Costs. 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 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 11th 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 11th 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.) 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 may or may not 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.

Date Completed: 11-10-04

Fiscal Analyst: Kathryn Summers-Coty

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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.