

REVISE MEAP; ACCREDITATION; ANNUAL EDUCATION REPORT;
CREATE ASSESSMENT GOVERNING BOARD



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FISCAL ANALYSIS

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HOUSE BILL 5879 SUBSTITUTE (H-3)

Sponsor: Rep. Wayne Kuipers
House Committee: Education

HOUSE BILL 5880 SUBSTITUTE (H-3)

Sponsor: Rep. Brian Palmer
House Committee: Education

HOUSE BILL 5881 SUBSTITUTE (H-2)

Sponsor: Rep. Charles T. LaSata
House Committee: Education

FLOOR ANALYSIS - 5/21/02

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SUMMARY

HB 5881 would revise 3 sections of the School Aid Act: as follows:

- 1) **Sec. 22b (Discretionary Payment).** Current law requires schools to give a standardized basic educational skills test in each grade from grade 1 to grade 5 in order to receive state aid under this section. HB 5881 would change this to require schools to comply with Sec. 1280B of the Revised School Code, which requires tests in grades 1 to 5, but (in HB 5879) further specifies that by the 2005-06 school year, schools must administer annual assessments that meet specific criteria in reading and mathematics to all pupils in grades 3 to 8. (This new requirement parallels one recently enacted by the federal government.)

This provision should have no state cost other than any costs incurred in amending the test. (See fiscal impact of HB 5879.) However, HB 5881 could have a local fiscal impact, because districts would lose part of their State Aid if the new assessment requirements were not properly met.

- 2) **Sec. 96 (Golden Apple Awards).** Current law appropriates \$1.32 million to give eligible elementary schools monetary awards for high or improving MEAP test scores as determined by the Department of Treasury. HB 5881 removes the \$1.32 appropriation from Section 96 and states that elementary schools may receive only non-monetary awards for high or improving MEAP scores, as determined by the Michigan Assessment Governing Board. The bill creates a new \$1.32 million appropriation under Section 94 of the School Aid Act to provide accreditation assistance to school districts.

This bill's revisions to Secs. 94 and 96 would have no state fiscal impact over current law, since they simply shift funds from one section to another.

- 3) **Sec. 104a (High School Assessments).** In order to receive State Aid, districts must comply with this section by administering certain assessments. HB 5881 would make the Michigan Assessment Governing Board responsible for the assessment rather than the Department of Education. This part of HB 5881 should have no state or local fiscal impact.

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.