

Legislative Analysis



REVISE STATE ASSESSMENT PROGRAMS

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Senate Bill 1153 (Substitute H-3)
Sponsor: Sen. Wayne Kuipers

Senate Bill 1154 (Substitute H-2)
Sponsor: Sen. Michael Switalski

Senate Bill 1156 (Substitute H-2)
Sponsor: Sen. Gerald VanWoerkom

Senate Bill 1155 (Substitute H-3)
Sponsor: Sen. Ron Jelinek

Senate Bill 1157 (Substitute H-2)
Sponsor: Sen. Buzz Thomas

Senate Committee: Education
House Committee: Education (Motion to Discharge)

Complete to 12-7-04

A SUMMARY OF SENATE BILLS 1153 – 1157 (PROPOSED FLOOR SUBSTITUTES)

The bills would revise the Michigan Education Assessment Program to create a new high school test for 11th graders known as the Michigan Merit Exam. The examination would assess students' knowledge of English language arts, mathematics, reading, and science. (The legislation would allow the state school superintendent to add social studies, if the Department of Education considered it to be beneficial.) Beginning in the 2006-2007 school year, a student would qualify for a Michigan merit scholarship by earning high marks on the new merit exam. The cost to take the exam, including one re-test, would be borne by the state.

In addition, the bills would create a new readiness assessment so high school students could better plan for careers after high school. A qualifying score on a readiness assessment would indicate a student's ability to understand and successfully apply mathematics and technical knowledge in the world of work. The cost to take the readiness assessment would be borne by the test-taker, not the state. The bills are tie-barred to each other so that none could become law unless the others also were enacted.

A detailed explanation of each bill follows.

Senate Bill 1153 (H-3) and Senate Bill 1155 (H-3) would amend the Revised School Code and the State School Aid Act, respectively (MCL 380.1278 et al and 388.1631a et al), to replace the 11th-grade MEAP test with a new Michigan Merit Examination if approved for use by the U.S. Department of Education (USDOE). The bills 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.

-- 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.

Michigan Merit Exam. Under the Revised School Code and the State School Aid Act, a school board or public school academy board must administer state assessments in the subject areas of communications skills, mathematics, science, and social studies to 11th-grade students during the last 90 days of school. (This test also is referred to as the 11th-grade MEAP, or Michigan Educational Assessment Program test.) The State Board of Education must ensure that the exams are based on the state-recommended model core academic content standards, and that they test for proficiency in basic academic skills and subject matter. Under the bills, the decision to test social studies would be left to the state superintendent, and tests would be based on grade-level content standards rather than the model core curriculum.

Under the bills, in the 2005-2006 school-year, the MEAP test would have to be administered to all 11th-grade students and the Michigan Merit Exam would have to be given to a sample of students in 11th grade statewide, as determined by the Michigan Department of Education (MDOE). The MDOE would have to include pupils in the sample as it determined necessary to seek the approval of the USDOE to use the Michigan Merit Exam to meet the objectives of the federal No Child Left Behind Act.

For pupils in grade 11 in the 2006-2007 school year and subsequent school years, the Michigan Merit Exam would have to be administered statewide. If the USDOE had not approved the Merit Exam, however, the following would apply:

-- Schools would have to continue administering the MEAP test to all 11th-grade students until the next calendar year beginning after the USDOE gave its approval.

-- The Merit Exam would have to be given to all 11th-graders beginning in the next calendar year after the exam was approved.

-- If necessary as part of the process of continuing to seek approval of the Merit Exam, the MDOE again could provide for the administration of both the MEAP test and the Merit Exam to a sample of 11th graders statewide.

The MDOE would have to take all steps necessary to obtain the USDOE's approval of the Michigan Merit Exam by December 31, 2005, or as soon after that date as possible.

Development of Merit Exam. The Department of Management and Budget would have to contract with one or more providers to develop, supply, and score the Michigan Merit Exam. The Merit Exam would have to consist of all of the following:

- Assessment instruments that would measure English language arts, mathematics, reading, and science and that were used by colleges and universities in Michigan for entrance or placement purposes.
- One or more tests from one or more test developers that would assess a pupil's ability to apply reading and math skills in a manner intended to allow employers to use the results in making employment decisions.
- If the department considered it beneficial for the program, a social studies component.
- Any other component that was necessary to obtain the USDOE's approval.

Scoring examinations. The Department of Management and Budget and the superintendent of public instruction would be required to ensure that all of the following applied to the assessment program.

- Scorers of assessments would be required to supply individual reports for each student that would identify for parents and teachers whether the student met expectations or failed to meet them for each standard, to allow the student's parents and teachers to assess and remedy problems before the student moved to the next grade.
- Those who develop or score assessments would be required to meet quality management standards commonly used in the assessment industry, including at least meeting level two of the capability maturity model developed by the software engineering institute of Carnegie Mellon University for the 2005-2006 school year assessments, and improving to at least level three of that model for subsequent assessments.
- Contracts with scorers or developers of assessment instruments would have to include specific deadlines for all steps of the assessment process (including deadlines for the correct testing materials to be supplied to schools, and for the correct results to be returned to schools), including penalties for noncompliance with the deadlines.
- All assessment instruments would be required to 1) be designed to test students on grade level content expectations, or course content expectations, as appropriate, in all subjects tested, for each grade level tested; 2) comply with

requirements of the federal No Child Left Behind Act of 2001; and 3) be consistent with the code of fair testing practices in education prepared by the joint committee on testing practices of the American Psychological Association.

The bills would require the superintendent of public instruction to work with the provider or providers of the Merit Exam to produce subject area scores for each pupil participating in the exam, including scaling and merging of test items for the different subject area components. The superintendent would have to design and distribute to school districts, public school academies, intermediate school districts, and nonpublic schools a simple and concise document describing the scoring for each subject area and indicating the scaled score ranges for each area.

Additional requirements. Various provisions that currently apply to the MEAP test would apply to the Michigan Merit Exam. These include the purpose of the test (although the bills would refer to assessing English language arts, rather than communication arts); the requirement that scores be returned to schools, students, and parents by the first semester of 12th grade; the inclusion of a student's scaled score on his or her diploma; accommodations for students with disabilities; testing irregularities; and test availability for students in private or home schools.

As required for the MEAP test, the superintendent of public instruction would have to ensure that the maximum length of time a school set aside for the Merit Exam would be the shortest possible that will still maintain the degree of reliability and validity necessary for the tests, but not to exceed eight hours.

Test retake. Under the bills, until the end of the 2006-2007 school year, a person who had previously taken the MEAP test could take a retest for the purpose of qualifying for a Michigan Merit Award scholarship. The person could take one retest, without charge, at the district where he or she was enrolled or resided or, if the test were not available there, at another location within the intermediate district where he or she lived, at a regular testing time scheduled for the test or during a scheduled retesting period. The cost of subsequent retests would be borne by the test-takers.

Michigan Virtual University. Senate Bill 1155 (H-3) specifies that no later than January 31, 2005, the Department of Education enter into a memorandum of understanding with Ferris State University to provide for the transfer of functions to Ferris. Under the bill, Ferris State would begin performing the functions of the virtual university on January 1, 2005.

At-risk definition. Senate Bill 1155 (H-3) would include in the definition of "at-risk pupil" one who did not achieve proficiency on the reading or math component of the most recent Michigan Merit Exam for which results for the pupil had been received, or who did not achieve basic competency on the science component of the most recent Merit Exam. (Under the State School Aid Act, schools with a certain percentage of students who meet the income eligibility criteria for free breakfast, lunch, or milk are eligible for

an additional state allowance to be used for services to at-risk pupils and other purposes specified in the act.)

Senate Bills 1154 (H-2) and 1157 (H-2) would amend the Postsecondary Enrollment Options Act (MCL 388.513 et al), and the Career and Technical Preparation Act (MCL 388.1909 et al), respectively, to require a high school student, beginning in the 2006-2007 school year, to achieve a qualifying score on a "readiness assessment", or the Michigan Merit Examination, in order to enroll in postsecondary or career and technical courses. The readiness assessment would have to be a nationally used assessment instrument aligned with state learning standards, and could contain a comprehensive career planning program.

The Postsecondary Enrollment Options Act and the Career and Technical Preparation Act permit eligible high school students to enroll in courses at community colleges or universities, or at career and technical preparation programs operated by colleges and universities, for the purpose of earning academic credit. To be eligible to participate under either act, a student must have achieved a state endorsement in all subject areas on the high school proficiency exam (the high school portion of the MEAP test). Alternatively, under the Postsecondary Enrollment Options Act, a student may participate by enrolling only in a course in a subject area for which he or she achieved state endorsement, a course in computer science or a foreign language not offered by the school district, or a fine arts course as permitted by the school district. Under the Career and Technical Preparation Act, a student is eligible to enroll in a career and technical program if he or she achieved state endorsement in mathematics and a qualifying score on a nationally or industry-recognized job skills assessment test, as determined by the MDOE.

Under the bills, beginning with the 2006-2007 school year, to be eligible to participate in either program, a student would have to achieve a qualifying score in all subject areas on a "readiness assessment," or a qualifying score in all subject areas on the Michigan Merit Exam. Under Senate Bill 1154 (H-2), a student not meeting these criteria could enroll in a course in a subject area for which he or she had achieved a qualifying score, or a course in computer science, a foreign language, or fine arts, as currently provided. Under Senate Bill 1157 (H-2), a student would be eligible if he or she achieved a qualifying score in mathematics, and also a qualifying score on a nationally or industry-recognized job skills assessment test (as determined by the superintendent of public instruction).

The bills would define "readiness assessment" as assessment instruments that were aligned with state learning standards; that were used nationally to provide high school students with an early indication of proficiency in English, mathematics, reading, and science and may contain a comprehensive career planning program; and that were approved by the superintendent.

Senate Bill 1154 (H-2) would define "qualifying score" as a score on the readiness assessment that had been determined by the superintendent to indicate readiness to enroll in a postsecondary course in that subject area. Under Senate Bill 1157 (H-2), the term

would mean a score on the readiness assessment or a score on a nationally or industry-recognized job skills assessment test that had been determined by the superintendent to indicate readiness to enroll in a course under the Career and Technical Preparation Act.

By July 1, 2005, the Superintendent would have to do the following: 1) approve one or more readiness assessments that could be used for the purpose of determining eligible students beginning with participation in the 2006-2007 school year; and 2) determine qualifying scores for each subject area component of a readiness assessment that determined readiness to enroll in a course under the acts. Under Senate Bill 1157 (H-1), the superintendent also would have to determine qualifying scores for each subject area component of the Michigan Merit Exam that indicate readiness to enroll in a course under the act.

Cost of the readiness assessment. Both Senate Bill 1154 (H-2) and Senate Bill 1157(H-2) specify that unless the school district in which the student is enrolled elects to pay the costs, a student who takes a readiness assessment or a job skills assessment test is responsible for paying all costs for taking and obtaining qualifying scores on the assessments. Under the bills, the state is not responsible for any of these costs.

Senate Bill 1156 (H-2) would amend the Michigan Merit Award Scholarship Act (MCL 390.1452 et al) to require an 11th-grade student, beginning in the 2006-2007 school year, to receive qualifying results in each subject area component of the proposed Michigan Merit Examination, in order to be eligible for a Michigan Merit Award Scholarship, unless the USDOE had not approved the Merit Exam.

Under the Michigan Merit Award Scholarship Act, an 11th-grade student is eligible for a \$2,500 scholarship to be used at a state college or university, or a \$1,000 scholarship to be used at an out-of-state postsecondary institution, if the student receives qualifying results on the high school MEAP test in the subject areas of reading, writing, mathematics, and science. Alternatively, a student is eligible for a Merit Award if he or she received qualifying results in one or two of these subject areas and received an overall score in the top 25 percent of a nationally recognized college admission exam, or received qualifying results in one or two subject areas and received a qualifying score on a nationally recognized job skills assessment test designated by the State Board of Education.

Under the bill, each student enrolled in grade 11 in or after the 2006-2007 school year would be eligible to receive a Merit Award if he or she a) received qualifying results in each subject-area component of the proposed Michigan Merit Exam; b) did not receive qualifying results in each of the subject-area components, but received an overall score in the top 25 percent of a nationally recognized college admission examination; c) did not receive qualifying results in each of the subject-area components, but received a qualifying score or scores, as determined by the board, on a nationally recognized job skills assessment test designated by the board. If the USDOE had not approved the use of the Merit Exam for the purposes of the No Child Left Behind Act, however, eligibility for a Merit Award would have to be determined as currently provided until the next calendar

year beginning after the Merit Exam was approved. Beginning in that calendar year, eligibility for a Merit Award would have to be determined by Merit Exam results.

The State Board of Education would have to obtain and make available to the public, preparatory materials for the Merit Exam that contained sample test questions and correct answers, unless the board would designate a question for use in a future high school or middle school assessment test. Further, the board also would have to make available to the public all the qualifying questions and answers, along with the corresponding answer key, to a high school assessment test, or a middle schools assessment test administered at least three and not more than five years earlier.

Under the act, a student who does not initially receive qualifying results must be given an opportunity to achieve the results by taking a subsequent test. Under the bill, if such a student were enrolled in 12th grade in the 2006-2007 school-year, or enrolled in 12th grade in the first calendar year after the Merit Exam was approved, the pupil could choose to take either the MEAP test or the Merit Exam for the purpose of qualifying for a Merit Award.

Current provisions that govern the Michigan Merit Award Scholarship, including award amounts and other eligibility criteria, would continue to apply under the bill.

FISCAL IMPACT:

The following information on Senate Bill 1153 is from the Senate Fiscal Agency Analysis dated 11-10-04 on the version of the bill that passed the Senate. Revisions to the bill could lead to a need to revise the cost estimates.

Senate Bill 1153 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 Michigan 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 test.) 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 percent 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 could 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.

Senate Bills 1154 and 1157. The ACT offers a "readiness assessment" exam that would satisfy the definitional requirements laid out in the bills. This exam is called PLAN and costs \$8.50 per scored test. If a student paid for such an exam in order to become eligible for enrollment under the Postsecondary Enrollment Options Act or the Career and

Technical Preparation Act, there would be no cost to the district. If, however, districts chose to offer the proposed "readiness assessment", the cost to the districts would be \$8.50 per 10th grader.

Senate Bill 1155. The bill would require districts to administer the Michigan Merit Examination if it were approved to replace the MEAP high school test, in order to receive any State aid payments appropriated in the State School Aid Act. If a district chose not to administer this test, it would not be awarded State aid under the Act.

Senate Bill 1156. The bill would have an indeterminate impact on state expenditures for Merit Award Scholarships beginning in FY 2008-09. The impact would depend on whether qualification for the scholarship were easier or more difficult under the new assessment test than under the MEAP. The bill includes language stating legislative intent that the level of performance required to qualify for the scholarship remain approximately the same. Assuming this intent is followed, any impact on expenditures should be relatively small.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.