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House Bill 4037 (Substitute H-1 as reported without amendment)
House Bill 4038 (Substitute S-1 as reported)
House Bill 4538 (Substitute S-2 as reported)
Sponsor: Representative Pamela Hornberger
House Committee: Education
Senate Committee: Education and Career Readiness

CONTENT

House Bill 4038 (S-1) would amend the Revised School Code to do the following:

- Specify that the Michigan Merit Examination (MME) would consist of a college entrance test and the Michigan Student Test of Educational Progress (M-STEP).
- Delete a requirement that the MME include a workforce readiness assessment and a writing component in which the pupil produces an extended writing sample.
- Require the Michigan Department of Education (MDE), to the extent it determined that additional test items beyond those included on the college entrance component of the MME were required in a subject area, to ensure that all test items in that subject area were scaled and merged to produce an MME subject area score.
- Require the MDE, after each test administration, to provide a report of the questions per standard so teachers would know the content that would be covered in the MME.
- Require the MME to be administered to certain pupils enrolled in a middle college program.
- Require the MDE to include the statewide assessment and the graduation rates for consortium pupils with the scores for the school building in the participating district in which the consortium pupil was enrolled or otherwise would attend.

The bill also would add Section 1279i to the Code to do the following:

- Prohibit a school district or public school academy (PSA) from requiring the administration of a workforce readiness assessment.
- Allow a school district or PSA to provide pupils with the opportunity to take an assessment described above.
- Modify the dates the MME would have to be administered.
- Require the MDE to submit to the Legislature, by June 1 each year, a report regarding the number of pupils who took and the number of school districts that administered the MME.

House Bill 4037 (H-1) would amend the State School Aid Act to do the following:

- Delete a requirement that the MME include a work skills test and a workforce readiness assessment.
- Prohibit the MDE from requiring, as a condition of receiving State aid under the Act, the administration by a district of an assessment described in Section 1279i of the Revised School Code, which House Bill 4038 (S-1) would add.

House Bill 4538 (S-2) would amend the State School Aid Act to do the following:

- Create the Student Postsecondary Preparedness (SPP) Fund as separate account within the State School Aid Fund.
- Require the MDE to make payments from the Fund to eligible districts and eligible intermediate districts.
- Require the MDE to issue, by September 30, 2022, a list of qualifying assessments.
- Require a district or intermediate district to apply to the MDE in order to receive payments.
- Require certain State school aid funds not spent as the result of changes proposed under House Bill 4037 (H-1) to be deposited into the Fund.
- Prohibit the MDE from requiring as a condition of receiving State aid under the Act the administration by a district of an assessment described in Section 1279i of the Revised School Code.

House Bills 4037 (H-1) and House Bill 4538 (S-2) are tie-barred to House Bill 4038. House Bill 4037 (H-1) would take effect 90 days after its enactment.

MCL 388.1704b (H.B. 4037)
 380.1279g et al. (H.B. 4038)
 388.1704 et al. (H.B. 4538)

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

House Bills 4037 (H-1) and 4038 (S-1) would have a minimal fiscal impact on State and local government. The MDE would experience minimal costs to remove the workforce readiness assessment from the MME and to track the number of school districts and PSAs that offered the assessment each year and the number of students who took it. These one-time and ongoing costs likely would be supported with current appropriations. The State would experience costs to reimburse school districts and PSAs that chose to administer the assessment or if a student requested to take it. However, the costs likely would be less than the current annual costs to pay for the assessment statewide, which is approximately \$4.4 million for the ACT WorkKeys assessment. The reduction would depend on the number of school districts and PSAs that chose not to administer, and students who did not request to take, the assessment.

School districts and PSAs would experience a minimal change in assessment costs. Schools that chose to continue the workforce readiness assessment would be reimbursed for the assessment costs while those that did not would experience a minimal change in scheduling for the MME since the assessment component of the MME is only one-hour exam time.

The bills would have no fiscal impact on the Department of Technology, Management, and Budget.

House Bill 4538 (S-2) would have a minimal fiscal impact on the State and no fiscal impact on local units of government. The Department of Treasury would experience a minimal administrative cost to create and administer the Student Postsecondary Preparedness Fund. These costs would be supported with current appropriations. The MDE would experience administrative costs to designate qualifying assessments and to reimburse schools that administered a qualifying assessment. These costs could be greater than current appropriation but likely would be minimal.

The Fund would receive the difference between the \$4.4 million annually appropriated to administer the ACT WorkKeys assessment, which is the current appropriation for the workforce readiness assessment component of the MME, and the number of school districts and PSAs that received reimbursements for administering the workforce assessment exam. The Fund would disburse payments to schools based on the number of students who took a qualifying assessment, capped at \$100 per pupil. If the reimbursement to school remained at

the current cost of \$45 per student, then the Fund would be able to support students who took a qualifying exam. However, if the reimbursement costs were greater than \$45 per pupil, then the Fund could be insufficient to support those examination costs.

Date Completed: 5-19-22

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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.