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MICHIGAN MERIT AWARD SCHOLARSHIP PROGRAM

House Bill 4666 (Substitute H-3) First Analysis (5-20-99)

Sponsor: Rep. Charles Perricone
Committee: Education

THE APPARENT PROBLEM:

Over the next twenty-five years, the State of Michigan expects to receive \$13.08 billion from its share of the reward won in the litigation filed by the states' attorneys general against major U.S. tobacco companies. There is a proposal to set aside \$9.55 billion of the tobacco settlement money in a Merit Award Trust Fund, in order to give scholarships to high achieving high school students whose postsecondary education will help them secure good jobs.

It has become the custom to survey national and international corporations, to ask what kinds of workers they likely will need in the future. Increasingly, these skill estimates--often called employability skills--drive the decisions of educational policy makers. Indeed, in some states the employability surveys shape the teaching, learning, curriculum, and evaluation standards set by university schools of education, school boards, and state education agencies. Over the past two decades, these workforce surveys have indicated that higher paying jobs will require specialized knowledge and information, and the pollsters who have tallied the survey results recommend education and training beyond high school.

Although the kinds of education and training programs recommended by the employability skills advocates vary, many of the programs are offered in the state's network of community colleges. Designed as an extended curriculum beyond high school, the programs are aligned with the high school curriculum, in order to provide a student with a coherent school-to-work experience. In this postsecondary education scenario, the core curriculum course work and the standardized tests that students take in high school undergird their future training or education in a way that is intended to prepare them for the workforce and to ensure them jobs.

As training and education beyond high school becomes necessary and the norm, the costs of education borne by students and their families increases. In addition to the education available in public K-12 education programs and funded by tax collections, parents and students are now responsible for the tuition, fees, and living expenses associated with post secondary education programs that are offered by universities, colleges, community colleges, or trade schools. These new education expenses, now incurred by virtually all families, rise in cost each year, and have increased substantially during the past decade. Some have pointed out that the expenses have become onerous for nearly all Michigan families. Even middle income families feel the financial strain on family budgets when their children are ready to enter college. If they are eligible, they apply for financial aid.

Most state-sponsored financial aid programs (both scholarships and most especially grants), are based on extreme financial need, although sometimes scholarships are awarded based on financial need in conjunction with academic achievement or merit (See *BACKGROUND INFORMATION*, below). In this way, public scholarship programs historically have been designed for students whose family income is very low, and who would need financial assistance in order to attend a trade school, community college, or university after high school graduation, despite the fact that they might have been high achieving students.

Evaluating the school-based competency of students in order to sort and select the highest achievers in the learning disciplines, is usually accomplished by evaluating the student's knowledge as measured on standardized tests. The most common college admission tests nationally, the SAT I, the SAT II, and the ACT, are now a mandatory part of the application process at nearly all American colleges and universities. Some have argued that the Michigan

House Bill 4666 (5-20-99)

Education Assessment Program test (MEAP), a standardized test designed to evaluate the core curriculum recommended for Michigan public schools, also provides a snapshot of student understanding. (See *BACKGROUND INFORMATION*, below.)

In order to increase access to postsecondary education, and to reward Michigan high school graduates who have demonstrated academic excellence, some in the legislature have proposed that a portion of the state's tobacco settlement money be set aside to fund a new scholarship for all high achievers that is based on test results, without regard to financial need. Further, they have proposed that students' high achievement be measured exclusively through the MEAP subject matter high school tests (those offered in reading, writing, mathematics, and science, but not social studies); or in the alternative, by passing portions of the MEAP in combination with a college admission test such as the SAT or ACT; or in yet another alternative, by passing portions of the MEAP in combination with a nationally recognized trade school test such as ACT Work Keys.

THE CONTENT OF THE BILL:

House Bill 4666 would create the Michigan Merit Award Scholarship Trust Fund Act. The bill would establish the Michigan merit award scholarship program; set eligibility requirements and qualifying results for students; create a merit award trust fund and a commission within the Department of Treasury to administer it; and provide definitions for, among other terms, "qualifying results", "approved post secondary educational institution," "eligible costs," and "tobacco settlement revenue."

Scholarship qualifying results. The bill specifies that each student enrolled in grade 11 in or after the 1998-99 school year would be eligible for a \$2,500 Michigan merit award scholarship if the student is enrolled in an in-state postsecondary institution, or a \$1,000 scholarship when enrolled out-of-state, if the student had taken the Michigan education assessment program (MEAP) test in the subject areas of reading, writing, mathematics, and science, and had met one of the following requirements:

--received qualifying results in each of the subject areas of reading, writing, mathematics, and science;

--did not receive qualifying results in one or two of the subject areas of reading, writing, mathematics, and science but received an overall score in the top 25 percent of a nationally recognized college admission examination; or

--did not receive qualifying results in one or two of the subject areas of reading, writing, mathematics and science, but received a qualifying score or scores as determined on a nationally recognized job skills assessment test designated by the commission.

The bill also specifies that a student enrolled in grade 7 in or after the 1999-2000 school year would be eligible for up to an additional \$500 Michigan merit award scholarship, if the student while in grades 7 and 8 had taken the Michigan education assessment program (MEAP) assessment test and received qualifying results in the subject areas of reading, writing, mathematics, and science. If the commission found that the student received qualifying results in three of these four subject areas, a \$375 scholarship would be awarded. If the student qualified in two of the four subject areas, then a \$250 scholarship would be awarded.

Scholarship eligibility requirements. In addition to the qualifying results, to be eligible for one or both of the awards, a student would be required to meet all of the following standards:

--graduate from high school or pass the general educational development (GED) test or an equivalent examination approved by the State Board of Education;

--graduate from high school or pass the GED or other equivalent exam within the seven-year period preceding the student's application to receive the scholarship money;

--enroll in an approved postsecondary educational institution, or a vocation or technical education program at an approved postsecondary educational institution;

--never have been convicted of a felony;

--apply for a Pell grant by submitting a free financial reporting form for federal financial assistance, if the student's family adjusted gross income is less than \$50,000; and

--satisfy additional requirements set by the commission that would administer the program.

Merit Award Trust Fund. House Bill 4666 would establish the Michigan merit award trust fund in the Department of Treasury. The trust fund would consist of interest and earnings from trust fund investments, donations from any source, and the following percentages of the tobacco settlement revenue: 30 percent of the tobacco settlement revenue received in the 1999-2000 fiscal year; 50 percent in the 2000-2001 fiscal year; and, 75 percent in the 2001-2002 and subsequent fiscal years.

Trust Fund Disbursements. Subject to appropriation by the legislature, the commission could authorize disbursements of funds from the trust fund for the following purposes:

- Michigan merit award scholarships;
- Expenses incurred by the commission in carrying out its powers and duties;
- Costs associated with the development, preparation, distribution, scoring, and dissemination of results of the assessment test;
- Funding of the tuition incentive program or its successor.

Merit Award Trust Fund Commission. The bill would create the Michigan merit trust fund commission within the Department of Treasury, whose goal it would be to increase access to postsecondary education, and to reward Michigan high school graduates who have demonstrated academic achievement.

The seven-member commission would undertake its duties under the direction of the state treasurer who would serve as its chairperson. In addition, its members would include the superintendent of public instruction, the director of the Department of Career Development, and four members appointed by the governor with the advice and consent of the Senate. Generally, a term would last four years, and a vacancy would be filled for the balance of any unexpired term in the same manner as the original appointment. Under the bill, the commission could incur expenses, and would be required to compensate its members for reasonable expenses incurred in carrying out their official duties.

The commission would be required to establish a state-wide toll-free telephone line and internet access to receive questions, comments, and complaints concerning the assessment test, including but not limited to complaints of students cheating, comments about specific assessment test questions or testing conditions, or other questions relating to the development, preparation, distribution, scoring, or dissemination of test results.

Under the bill, the commission could adjust the amount of the scholarship based on its determination of available resources and amounts appropriated, but the commission would be prohibited from increasing the scholarship by more than five percent in any fiscal year. The commission would be required to provide each student with written notice of eligibility for one or both of the merit award scholarships, and if eligible, the scholarship amount, how the student applies for payment of the scholarship, and other necessary information regarding qualification requirements or conditions.

House Bill 4666 also specifies that it is the intent of the legislature that the level of student performance required to achieve qualifying results in a subject area of an assessment test remains approximately the same from year to year, and that the commission not reduce the required level of student performance as a means of increasing the number of scholarships awarded.

In addition, the commission would be allowed to promulgate rules to establish its administrative procedures; the qualification requirements; an appeals process from a determination of ineligibility; information or reports that a student or postsecondary educational institution must provide to establish eligibility; and, reports to be made by a student awarded one or both scholarships, and by a postsecondary educational institution to which the merit award scholarship is paid.

The bill also would require the commission to obtain and make available to the public, not later than September 1, the questions, and all answers, along with the corresponding answer key, to all assessment tests administered during the preceding school year. However, questions which would be used in the next school year's assessment test could be held back from release, although no question could be held back from release for more than one year.

Finally, under the bill, money in the trust fund at the close of a fiscal year would remain in the fund and not revert to the general fund, and the state treasurer would direct the investment of the trust fund.

Payment Procedure to Student or Approved Postsecondary Educational Institution. The bill would require that a Michigan merit award scholarship be used only for eligible costs. It would require the commission to determine the manner and form of application for payment of a scholarship by an eligible student, and the procedure for payment to the student or to the approved postsecondary education institution on the student's behalf. As determined by the commission, upon the request of a student or parent (or legal guardian) of a minor student, the commission could pay a scholarship in two consecutive annual installments rather than one lump sum.

The bill would prohibit an approved postsecondary educational institution from considering the scholarship when it determines a student's eligibility for a financial aid program administered either by the postsecondary institution or by the state.

Before payment of a merit award scholarship, the student would be required to certify or affirm in writing to the commission each of the following:

- enrollment at an approved postsecondary educational institution;
- the name of the institution;
- use of the scholarship only for eligible costs;
- never having been convicted of a felony; and,
- graduation from high school or a GED within the seven-years before application to receive the scholarship.

Report to Governor and Legislature. The bill would require that by December 1 of each year, the commission submit a report about its activities to the governor and legislature. The report would contain a) a list of approved postsecondary educational institutions for the current and preceding fiscal years; b) the number of Michigan merit award scholarships awarded and the total amount of money paid in the preceding year; c) a 10-year projection of revenues and expenditures; d) the dollar amount of the Michigan merit award scholarships in the current fiscal year, the amount of any adjustments to the

dollar amount from the beginning of the preceding fiscal year, and any adjustments to the dollar amount projected for the remainder of the current fiscal year or for the next fiscal year; e) all the results, scores, or ranges of scores used as qualifying results (in the preceding fiscal year, in the current fiscal year, and projected for the next fiscal year); f) for the preceding year, the number of students who took the assessment tests, the number of students by subject area who received qualifying results, and the number who met the requirements for a scholarship; and finally, g) the number of people participating and the amount awarded in the preceding fiscal year under the tuition incentive program.

Under the bill, at least 60 days before changing the results, scores, or ranges of scores used as qualifying result, the commission would be required to provide written notice of its intent to change the scores, and a rationale explaining its decision, to the standing committees of the Senate and the House of Representatives that have primary jurisdiction over legislation pertaining to education. The standing committees would be required to review the findings and could hold hearings on the commission's decision.

Definitions. House Bill 4666 would define "qualifying results" to mean assessment test results, scores, or ranges of scores determined by the commission that qualify a student for a Michigan merit award scholarship.

The bill would define "approved postsecondary educational institution" to mean a degree or certificate granting public or private college or university, junior college, or community college located, or other educational institution granting degrees, certificates, or other recognized credentials and designated by the commission as an approved postsecondary educational institution.

House Bill 4666 would define "eligible costs" to mean tuition and fees charged by an approved postsecondary education institution; related costs for room, board, books, supplies, transportation, or day care; and other costs determined by the commission.

Finally, the bill would define "tobacco settlement revenue" to mean money received by this state that is attributable to the master settlement agreement incorporated into a consent decree and final judgment entered on December 7, 1998 in Kelly Ex Rel. Michigan v. Philip Morris Incorporated, et al., Ingham county circuit court, docket no. 96-84281cz.

BACKGROUND INFORMATION:

Financial Aid. Generally, college financial aid offices distinguish between grants and scholarships. Neither a grant nor a scholarship needs to be paid back; however, the grant is usually awarded based on need, and the scholarship is usually awarded for academic achievement or talent that may or may not be based on need. In Michigan, there are currently two state-sponsored grants, and one state-sponsored scholarship. All are need-based, although the scholarship is based on both merit and need. There are, of course, private scholarships, campus-based aid programs including work study, as well as student and parent loans. However, according to testimony offered by the Department of Treasury, today's typical financial aid package is made up of a majority of "self help" aid--work study and loans. When they can, students use a combination of grants, scholarships, loans, and work study to finance their higher education.

The Michigan Tuition Incentive Program (TIP) is based on need only. It is available to former and current Medicaid-eligible recipients to help cover the cost of tuition and fees for associates degrees or certificate program courses for students from low-income families who attend community colleges and some four-year universities, including Michigan State University and Michigan Technological University. If a student earns an associates degree through the TIP program, TIP may provide up to \$2,000 toward a bachelor's degree at a Michigan school. The 1999 fiscal year TIP appropriation is approximately \$1.7 million.

The Michigan Tuition Grant Program is based on need only. Grants may be applied to tuition and fees at private schools only. The maximum award amount is \$2,500. The 1999 fiscal year Tuition Grant Program appropriation is approximately \$59 million. Students must be enrolled at least half-time and be meeting standards of satisfactory progress.

The Michigan Competitive Scholarship is based on need and merit as demonstrated by scores on the ACT test. The award can be renewed each year, based on a minimum academic performance of a 2.0 grade point. Scholarships may be applied to tuition and fees only. The maximum award amount is \$1,200. The 1999 fiscal year Michigan Competitive Scholarship appropriation is approximately \$31 million.

Federal Need-Based Grant Programs. According to the Department of Treasury, the federal Pell Grant is the base of all financial aid packages. For the 2000 fiscal year, if a student's Expected Family Contribution (or EFC) is below \$2,925, and other eligibility requirements are met, the student is eligible for a federal Pell Grant. The amount of a Pell Grant depends on the student's EFC, the cost of attendance, and enrollment status. The maximum award for the 1999-2000 award year is \$3,000. The federal Pell Grant is awarded only to students who demonstrate exceptional financial need, and who have not earned a bachelor's degree.

Postsecondary Education Admission Tests. Although the bill does not specify the college admission tests that would be considered when determining eligibility for a Merit Award Scholarship, the admission tests scores that are most often reported during the college admission process are the SAT I (SAT once stood for Scholastic Aptitude Test, but is no longer considered to be an aptitude test by its developers), and the ACT (which stands for American College Testing program). A test developed by ACT called the ACT Work Keys test is one that tests job readiness skills.

SAT. The College Board was founded in 1900, and it oversees the Educational Testing Service (or ETS) located in Princeton, New Jersey. ETS has over 2,500 employees and is the nation's largest educational research organization. ETS designs, develops, sells, and scores hundreds of evaluations that are taken by millions of people throughout the world. Two of the many ETS-designed tests are the SAT I (the basic test) and the SAT II (the subject tests). The SAT I has two parts: three sections of verbal questions (78 in all) and three sections of math questions (60 in all); the sections are alternated, each having two 30-minute and one 15-minute "speeded" segments. (In a "speeded" test, few people are able to complete all the questions, by design.) The SAT II subject tests include writing, mathematics level 1 or level 2, history, foreign languages, and sciences other than the mathematical sciences, such as physics, chemistry, and biology. Often a college application will require that the applicant take three SAT subject tests: writing, math, and a third test in a subject area of the applicant's choice.

ACT. The American College Testing Program is located in Iowa City, Iowa. The ACT (American College Testing Program Assessment) consists of four parts: a 45 minute English segment (75 questions about grammar, punctuation, sentence structure, style, organization); a 60-minute mathematics segment (60 questions about pre-algebra, algebra, intermediate algebra and coordinate geometry, plane geometry, and trigonometry); a 35-minute reading comprehension segment (40 questions about history, political science, fine arts, biology, and fiction); and a 35-minute science reasoning segment (40 questions about analysis, evaluation, reasoning, interpretations, and problem solving).

ACT Work Keys. The Merit Award Scholarship would be available for high achieving vocational education students who plan to enroll in a technical program after high school, in order to enter the skilled trades. Under the proposed Merit Award Scholarship program, a vocational student headed for trade school would not have to take either the SAT or the ACT to be eligible for a scholarship. Instead, a vocational student could qualify for the scholarship by passing most but not all portions of the MEAP test, and also scoring high on an employability skills test, such as the ACT Work Keys test. The ACT Work Keys test assesses the skills a student has that are required by more than 2,500 jobs which have been categorized by the assessment designers into 23 job families, all of which have been profiled. The students' scores are reported in quartiles or quintiles (ranges having either four or five levels). The test has eight segments: applied mathematics, applied technology, listening, writing, locating information, observation, reading for information, and teamwork.

For further information and a different perspective about standardized tests, the reader can visit the website of Fair Test, Inc. located in Cambridge, Massachusetts. The address is <http://www.fairtest.org>.

Michigan Education Assessment Program (MEAP). When merit scholarship advocates assert that student achievement can be measured by standardized tests, they include among the evaluation instruments the Michigan Educational Assessment Program, more customarily called MEAP. MEAP tests are offered in four subject matter areas: math (grades 4, 7, 11); reading (also grades 4, 7, 11), science (grades 5, 8, 11) and writing (also grades 5, 8, 11). Beginning this

year, a social studies MEAP is being offered in grades 5, 8, and 11. The five MEAP tests--math, reading, science, writing, and social studies--administered in the 11th grade constitute the Michigan High School Test.

Transcript endorsements (but not diploma endorsements) can be earned by scoring in any of the top three levels of the High School Test (despite the fact that those scoring at the third or basic skills level do not meet Michigan standards). The proposed Merit Award Scholarships would not count scores a student earned on the social studies MEAP tests.

Although the MEAP program began in the late 1960s, the tests have changed over the nearly 30 years the program has been in existence. Today, MEAP tests are aligned with curricular goals and objectives--that is to say, what students should know and be able to do--in their respective subject-matter. The new tests, aligned to the curricular goals and objectives, have been developed by content area experts from professional organizations and published as Frameworks. The work to align the tests and a core curriculum developed over the past decade, beginning with reading in 1989, mathematics in 1991, science and writing in 1996, and social studies in 1999.

FISCAL IMPLICATIONS:

The House Fiscal Agency notes that state costs would increase in order to operate the program and disburse the scholarship awards; however, state revenues also would increase due to receipt of the tobacco settlement money. As proposed, the trust fund would receive a portion of tobacco settlement revenue annually, to equal about \$9.55 billion over 25 years. (The total tobacco settlement during the same period is estimated at \$13.08 billion.) The cost of the scholarships is estimated at between \$5.4 billion and \$10.3 billion, depending upon assumptions used to calculate two scenarios. (The higher cost estimate includes a five percent annual increase in the award, beginning in calendar year 2001.) During this period, about 100,000 students would annually be eligible for awards, beginning with an estimated 35,000 students in calendar year 2000.

The House Fiscal Agency has prepared two tables to project the estimated costs of the program, entitled "Estimate of Michigan Merit Award Trust Fund Balance after Payment of Michigan Merit Awards and Other Costs," and dated 5-11-99. (5-12-99)

ARGUMENTS:

For:

The Michigan Merit Award Scholarship is a very creative and innovative proposal that already has received national attention and likely will serve as a model program as states look for productive ways to use their tobacco settlement awards. As postsecondary education becomes increasingly necessary and increasingly expensive, there can be little doubt that a scholarship based on merit will be welcomed by thousands of Michigan families. As the Department of Treasury notes, "the proposed Michigan Merit Award Scholarship Program will likely reduce loan burdens or help reduce unmet need for financial aid."

There are few ways that public policy makers can provide incentives for high quality scholarship; few ways to reward the hard work and sustained academic effort that makes for success in higher education. This scholarship is one such way. It makes an appropriate investment in Michigan's future in precisely the right way--by rewarding its ablest young workers at the beginning of their productive careers in the world of work.

For:

A scholarship based on MEAP results transforms the MEAP test into a true high stakes test. There have been reports that some students do not take the MEAP test seriously. And there also have been reports that some students do not take it at all. If the five scholarships--the \$250, \$375, and \$500 awards for high achievers on the seventh and eighth grade tests, and the \$2,500 and \$1,000 awards for high achievers on the eleventh grade tests--are dependent on high MEAP scores, more students are more apt to attend seriously to the test and to the curricular studies that prepare them for it.

Response:

Using the MEAP as a high stakes test will likely have the effect of making the high school curriculum narrow, rigid, and shallow, when the aim of policymakers should be a curriculum that is deeper and that thoughtfully crosses disciplines. In order to ensure scholarship eligibility, school administrators, prompted by parents, may well encourage teachers to teach what the MEAP evaluation tests, rather than to develop a richer curriculum and then to evaluate their students' understanding of it. Such a result would be a teaching and learning travesty.

For:

The Merit Award Scholarship is available for high achieving vocational education students who do not

want to go to college, but who plan instead to enter the skilled trades. Among the ways a voc ed student could qualify for the scholarship is by passing most but not all portions of the MEAP test, and also scoring high on a test such as the ACT Work Keys test. The ACT Work Keys test assesses the skills a student has that are required by more than 2,500 jobs which have been categorized by the assessment designers into 23 job families, all of which have been profiled. The students' scores are reported in quartiles or quintiles (ranges having either four or five levels) and they are earned in eight content areas: applied mathematics, applied technology, listening, writing, locating information, observation, reading for information, and teamwork.

Against:

This scholarship will not reward all of Michigan's high achievers because it is available only to Michigan high schoolers who take the MEAP. Students who are high achievers as measured on their nationally recognized college admission tests would not be eligible, unless they had also taken the MEAP. According to committee testimony, many students in Michigan's private high schools do not take the MEAP, since to do so would require the schools also to adopt the model core curriculum that the MEAP was designed to evaluate.

Against:

The MEAP test is neither nationally normed or criterion referenced--that is to say, it is not a standardized achievement test. The MEAP should not be used as the only basis of the Merit Award Scholarship program.

The standardized tests used as a part of the college admissions process--tests such as the SAT and ACT--are developed by test designers in an effort to predict college success, and more specifically, to predict the grades of new students during their freshmen year. Their proponents argue that the tests are needed in order to standardize or make more uniform the differences in the grading policies among high schools. Although the tests do help to make sense of the grading variation among high schools, some research indicates their predictive value as to college grades is

over-stated, and some research indicates that the predictive value is uncertain altogether: that is to say, there are studies whose findings show that high school grades predict first-year college grades just as well as the SAT, in up to 85 percent of all cases; and, there are research findings that show low scorers can be high achievers in college, and the reverse. Nonetheless and despite their fallibility, the nationally recognized college admissions tests are designed with college course work in mind. If they are achievement tests (as opposed to aptitude tests), their purpose is to gain a snapshot of a potential college student's knowledge in a discipline that she or he is likely to study in more depth while a university undergraduate.

The MEAP was not designed for the purpose of predicting a student's academic achievement while enrolled as a university undergraduate. Instead, it was designed to evaluate the curriculum offered by a school district in the subject matter disciplines. A student's MEAP scores should not be the basis on which to award a merit scholarships.

Against:

If MEAP test results are to be used as the basis for the Merit Award Scholarship, then all of the MEAP tests should be recognized. Instead, this legislation would recognize results from four of the five MEAP tests: reading, writing, mathematics, and science. Use of the social studies results would be prohibited, following a committee amendment.

Response:

Members of the House Education Committee reviewed the high school social studies MEAP. A majority of the committee's members determined that the questions were value-laden in unacceptable ways. For example, one portion of the MEAP social studies test asked students to analyze information presented in charts and graphs about political action committees, and to take a stand either in support or opposition, using evidence presented from poll results. Another segment presented information about women in combat. Committee members expressed the opinion that these and other segments of the test, as well as the explicit list of Core Democratic Values of American Constitutional Democracy, were value-laden, and that the test asked students "leading questions." (The MEAP social studies Core Democratic Values of American Constitutional Democracy have two components: the Fundamental Beliefs--life, liberty, the

pursuit of happiness, public or common good, justice, equality, diversity, truth, popular sovereignty, and patriotism; and, the Constitutional Principles--the rule of law, separation of powers, representative

government, checks and balances, individual rights, freedom of religion, federalism, and civilian control of the military.)

Against:

The tobacco settlement funds are the result of litigation filed by the states' attorneys general, on behalf of tobacco victims. The suits were filed in order to recover state-paid Medicaid costs due to tobacco abuse. Now that the tobacco companies have settled, a significant portion of the money that Michigan receives--at least 20 percent--should be used for health education and tobacco prevention programs. Michigan has among the highest rates of chronic cardio-vascular disease in the country. There is also evidence that cigarette smoking among young people in the state is on the rise. Tobacco products are killing thousands of Michigan citizens each year, and it is imperative that health education programs be funded so that citizens better informed about the health risks will stop smoking, or never start. An estimated \$7.2 million is spent on tobacco prevention education programs in Michigan, while the tobacco industry spends \$190 million to promote its products each year. More money and better health education programs are needed to counter the promotional advertising campaigns of the tobacco industry. There is enough money from this settlement to fund the Michigan Merit Award Scholarship, and also to dedicate a portion of the settlement to health care prevention programs.

POSITIONS:

There are no positions on the bill at this time.

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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.