

Legislative Analysis



FUNDING FOR DISTRICTS OPTING IN TO WORKKEYS OR SIMILAR ASSESSMENT

Phone: (517) 373-8080
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House Bill 4538 as introduced
Sponsor: Rep. Darren Camilleri
Committee: Education
Complete to 3-22-21

Analysis available at
<http://www.legislature.mi.gov>

BRIEF SUMMARY:

House Bill 4538 would amend the State School Aid Act to create the Student Postsecondary Preparedness Fund (SPP Fund) as a separate account within the School Aid Fund. Money from the fund would be used to reimburse districts (including public school academies (PSAs)) and intermediate school districts (ISDs) that administer the WorkKeys assessment or a similar assessment.

The bill could only take effect if House Bill 4037 were also enacted. That bill would amend the State School Aid Act to remove the requirement that the Michigan Merit Examination (MME) include a workforce readiness assessment. HB 4037, along with HB 4038, which proposes complementary changes to the Revised School Code, was reported from the House Education committee on March 16, 2021. Both bills are described in **Background**, below.

DETAILED SUMMARY:

House Bill 4538 would create the SPP Fund and allow the state treasurer to credit money to the fund that was allocated for assessments but not used because of the removal by HB 4037 of the requirement that districts administer a workforce readiness assessment described in HB 4038 (currently, the ACT WorkKeys assessment). The treasurer would have to direct investment of the SPP Fund and credit interest and earnings from investments to the fund. Money in the fund at the close of the fiscal year would remain there and not lapse to the School Aid Fund or the general fund. The Department of Treasury would serve as the fund's administrator for auditing purposes.

For the fiscal year ending September 30, 2021, the Michigan Department of Education (MDE) would have to make payments from the SPP Fund to eligible districts and ISDs. Districts and ISDs would have to apply for the payments as specified by MDE. These payments would be in an amount equal to either of the following, whichever was less:

- Total actual cost submitted in the district's or ISD's application, up to \$100 per student.
- \$100 per student for whom the actual costs are associated.

If funds in the SPP Fund were insufficient to fully fund the amounts listed above, MDE would have to prorate the payments proportionally.

By September 30, 2021, MDE would have to issue a list of *qualifying assessments*, after consulting with organizations representing trade unions, educational staff and administrators, and other relevant groups, as determined by MDE.

Qualifying assessments would mean assessments that are included on MDE's list and that are capable of generating postsecondary credentials or credits, including any of the following:

- Assessments required by Michigan as a prerequisite for obtaining a professional certification or license necessary for employment in the field of certification or licensure.
- Career and technical education technical skills assessments necessary to achieve completer status in a career and technical education program.
- Assessments that enable students to earn credit for introductory level courses that count toward completion of a postsecondary credential by achieving satisfactory scores.
- Any other assessments determined by MDE to be capable of generating postsecondary credentials for high school students.

To be an eligible district or eligible ISD, a district or ISD would have to do both of the following in its application:

- Pledge to use payments solely to provide to its 9th to 12th grade students opportunities to participate in qualifying assessments by covering a part or all of the cost of those assessments.
- Include the actual costs per student of providing them with opportunities to participate in those qualifying assessments. (Actual costs may include a student's participation in more than one qualifying assessment.)

MCL 388.1704 and proposed MCL 388.1611b

BACKGROUND:

Currently, the MME must be administered to students in 11th grade (or 12th grade, if the student did not complete the MME in 11th grade) and must include the following:

- Assessments that measure English language arts, math, reading, and science, as well as writing skills, and that are used by colleges and universities for entrance or placement purposes.
- At least one test that assesses a student's reading and math skills in a way that employers can use in making employment decisions. The Department of Technology, Management, and Budget and superintendent of public instruction must ensure that the test can be used to secure the results of a nationally recognized evaluation of workforce readiness. (Currently fulfilled by the ACT WorkKeys assessment.)
- A social studies component.
- Any other component necessary to ensure that the MME complies with the requirements of the federal No Child Left Behind Act and Every Student Succeeds Act.

House Bills 4037 and 4038 would both remove the second requirement above and retain the other three.

House Bill 4038 would also amend the Revised School Code to explicitly prohibit MDE from requiring the administration of a workforce readiness assessment by a district or PSA that assesses a student's ability to apply reading and mathematics skills.

However, HB 4038 provides that the board of a school district or board of directors of a PSA could provide students with the opportunity to take such an assessment and also that, if a student requested to take the assessment, the district would have to ensure that the student was provided with that opportunity. If a district or PSA offered the assessment, the bill says that the legislature would have to appropriate funds for reimbursement of that cost. Finally, MDE would have to submit a report by June 1, 2021, and yearly thereafter on the number of districts and PSAs that offered the assessment and the number of students that took the assessment.

House Bill 4037 would make complementary changes to the State School Aid Act. It would also provide that MDE could not require, as a condition of the receipt of school aid, the administration by a district of a workforce readiness assessment. HB 4037 is tie-barred to HB 4038, which means that it could not take effect unless HB 4038 were also enacted.

FISCAL IMPACT:

House Bill 4538 could create costs for the state and would have no impact on districts, ISDs, or PSAs.

The bill could create administrative costs for MDE to issue a list of qualifying assessments, receive applications, and administer payments to districts.

The bill could also create administrative costs for the Department of Treasury to oversee the SPP Fund. Costs would likely be minimal and absorbed using existing staff time.

The bill would eliminate any potential cost savings under HB 4037, which would remove the requirement that the MME include a workforce readiness assessment. Under HB 4538, any assessment savings under section 104 of the State School Aid Act related to HB 4037 would be deposited into the SPP Fund.

Legislative Analyst: Jenny McInerney
Fiscal Analysts: Samuel Christensen
Jacqueline Mullen
Emily Hatch

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