

# Legislative Analysis



## **ELIMINATE ACT WORKKEYS OR SIMILAR ASSESSMENT REQUIREMENT; ALTERNATIVE FUNDING MODEL**

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

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

**House Bill 4037 (H-1) as reported from committee**  
**Sponsor: Rep. Pamela Hornberger**

**House Bill 4038 (H-1) as reported**  
**Sponsor: Rep. John Reilly**

**House Bill 4538 as reported**  
**Sponsor: Rep. Darrin Camilleri**

**Committee: Education**  
**Complete to 4-2-21**

**BRIEF SUMMARY:** House Bills 4038 and 4037 would amend the Revised School Code and State School Aid Act, respectively, to remove the requirement that the Michigan Merit Examination (MME) include an assessment that can be used in evaluating the student's workforce readiness.

House Bill 4538 would amend the State School Aid Act to create the Student Postsecondary Preparedness (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.

**FISCAL IMPACT:** The bills would result in costs to the state, as described in **Fiscal Information**, below.

### ***THE APPARENT PROBLEM:***

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 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.

Some have suggested that workforce readiness examinations are unnecessary for many of the students tested and that the information obtained is not useful for students' college or career goals. Accordingly, House Bills 4037 and 4038 propose to make the assessment optional, by removing the second requirement above and retaining the other three. House Bill 4538 would create a separate fund to reimburse districts and ISDs that choose to administer such an assessment.

***THE CONTENT OF THE BILLS:***

**House Bill 4038** would amend the Revised School Code to explicitly prohibit the Michigan Department of Education (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 the student was provided with that opportunity. If a district or PSA offered the assessment, 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.

MCL 380.1279g and proposed MCL 380.1279i

**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.

MCL 388.1704b

**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, 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

**Tie-bars**

House Bill 4037 is tie-barred to HB 4038, and HB 4538 is tie-barred to HB 4037. A bill cannot take effect unless each bill to which it is tie-barred is also enacted.

***FISCAL INFORMATION:***

**House Bills 4037 and 4038** would create an indeterminate cost impact for the state by eliminating the requirement that the MME include a workforce readiness assessment, and instead requiring that the legislature appropriate funds to MDE to reimburse local school districts or PSAs that offer pupils the opportunity to take a workforce readiness assessment. Currently, MDE has a contract through the spring of 2023 with ACT WorkKeys for the assessment, with an annual cost of about \$4.4. million. This cost could decrease depending on the number of districts and PSAs that opt in to the assessment. Student assessment contract costs are appropriated in section 104 of the State School Aid Act. MDE could incur an administrative cost to report to the legislature on the number of districts and PSAs that opted in to the assessment and the number of pupils who took the assessment; this cost would likely be absorbed using existing staff time.

**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.

***ARGUMENTS:***

***For:***

The bills' supporters described a test that assesses workforce readiness as unnecessary to many of the test-takers, as a majority plan to continue their education or continue in a career other than specialties measured by the test. Why, then, should the entire population be forced to take it and school funding be withheld if it is not administered? Instead, they advanced the bills as a way to target it to the people it would benefit—either by allowing a school to opt into testing or allowing a student the chance to request to take the test—and cutting down on the excessive time spent on assessments in schools.

In response to questions as to how many states use WorkKeys, the test's developers stated that Michigan is the only state that requires administration of the test for all students, though some states require it for all career and technical education students. Perhaps there is a reason that Michigan is an outlier in requiring the test?

***Against:***

Proponents of the WorkKeys assessment promote it as one of the few measures of aptitude for manufacturing careers. Students who are suited for and choose those careers are undervalued generally, they say, with most testing and credentials targeted to those looking to continue their education. Proficiency on the WorkKeys assessment is recognized with a National Career Readiness Certificate (NCRC certification) issued at the platinum, gold, silver, and bronze levels. According to committee testimony, 22% of Michigan's students enter community colleges that use NCRC certification for apprenticeship placements.

Since it adopted the test in 2007, Michigan has established itself as a leader in preparing students for career as well as college readiness. According to committee testimony, 40% of Michigan's students enter the workplace right after high school. A high score on the WorkKeys assessment represents one of the few credentials those students can use to set themselves apart. Without the requirement to take the assessment, an already aging trades and manufacturing workforce would lose another tool to recruit kids with aptitude in those areas to good jobs with high wages.

***POSITIONS:***

The following entities indicated support for the bills:

- Michigan Regional Council of Carpenters and Millwrights (3-16-21 and 3-23-21)
- Michigan Association of Secondary School Principals (3-2-21 and 3-23-21)
- Michigan Association of Superintendents and Administrators (3-2-21 and 3-23-21)
- AFT-Michigan (3-16-21 and 3-23-21)

The following entities indicated support for HBs 4037 and 4038:

Michigan Department of Education (3-2-21)

Michigan Talent Triangle (3-2-21)

Michigan Association of School Boards (3-2-21)

Barry, Branch, Calhoun, Jackson, Lenawee and Monroe ISDs (3-2-21)

Wayne RESA (3-2-21)

Representatives of ACT testified in opposition to HBs 4037 and 4038. (3-2-21)

A representative of the Michigan Chamber of Commerce testified in opposition to HB 4038. (3-2-21)

The following entities indicated opposition to HBs 4037 and 4038 (3-2-21):

Home Builders of Michigan

Michigan Manufacturers Association

Bricklayers & Allied Craftworkers Training Center

Operating Engineers 324

Michigan Infrastructure and Transportation Association

The Grand Rapids Chamber indicated opposition to HB 4037. (3-2-21)

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

---

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