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BILL ANALYSIS

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Senate Bill 12 (as introduced 1-12-23)
Sponsor: Senator Dayna Polehanki
Committee: Education

Date Completed: 1-30-23

INTRODUCTION

The bill would delete provisions prohibiting the promotion of a pupil to grade 4 unless the pupil demonstrates a satisfactory reading score or a grade 3 reading level; provisions prohibiting a school district superintendent or a public school academy (PSA) chief administrator from allowing a child under 10 years old to enroll in grade 4 unless he or she demonstrates a satisfactory reading score or a grade 3 reading level; and provisions prescribing reasons and procedures for granting a good cause exemption from the grade 3 promotion and retention requirements.

FISCAL IMPACT

The bill would result in decreased costs to the School Aid Fund, compared to current law. If schools held fewer students back in third grade, that would result in (at least) one fewer year of per-pupil funding for each student not held back, although the fiscal impact on the State would not occur until the first cohort of unretained students reached the 12th grade. (This would occur in fiscal year (FY) 2033-34 because, initially, students would be counted in a different grade than they otherwise would have been if they had been retained.)

For the 2022-23 school year, districts reported retaining 545 students under the Code, which represented 0.6% of all third-grade students. The target foundation allowance for FY 2022-23 is \$9,150 per pupil. If we assume the number of students who would be retained in the 2023-24 school year remained constant, absent this bill, the savings from not retaining those students would be \$5.0 million, as students presumably would graduate one year sooner and would require one fewer year of foundation allowance funding. However, this is based on current-year foundation allowances; the fiscal impact would change based on the foundation allowance in place for FY 2033-34, when the reduced year of instruction would begin to decrease School Aid Fund expenditures. The lower cost would continue for each school year beginning in FY 2033-34 because statewide enrollment would decrease by the average number of students no longer retained.

PREVIOUS LEGISLATION

(Please note: The information in this summary provides a cursory overview of previous legislation and its progress. It does not provide a comprehensive account of all previous legislative efforts on the relevant subject matter.)

The bill is similar to Senate Bills 199 and 265 from the 2021-2022 Legislative Session. Senate Bill 265 was reported from the Senate Committee on Education and Career Readiness but received no further action.

MCL 380.1280f

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CONTENT

The bill would amend the Revised School Code to do the following:

- Delete provisions prohibiting the promotion of a pupil to grade 4 unless the pupil demonstrated a satisfactory reading score, or otherwise demonstrated a grade 3 reading level.**
- Delete provisions prohibiting a school district superintendent or PSA chief administrator from allowing a child under 10 years old to enroll in grade 4 unless he or she demonstrated a satisfactory reading score, or otherwise demonstrated a grade 3 reading level.**
- Modify a requirement that a school district or PSA provide a reading intervention program that was intended to correct a pupil's specific reading deficiency to certain specified pupils.**
- Delete provisions specifying reasons and procedures for granting a good cause exemption from the grade 3 promotion and retention requirements.**
- Delete a provision requiring a school district or PSA to submit a retention report to the Center for Educational Performance and Information (CEPI).**

Promotion & Retention of Third Grade Pupils

Under Section 1280f of the Code, all of the following provisions apply beginning with pupils enrolled in grade 3 during the 2019-2020 school year.

The superintendent of the school district or chief administrator of the PSA in which the pupil is enrolled must ensure that a pupil whose parent or legal guardian has been notified by CEPI is not enrolled in grade 4 until one of the following occurs:

- The pupil achieves a reading score that is less than one grade level behind as determined by the Department of Education based on the grade 3 State English language arts assessment.
- The pupil demonstrates a grade 3 reading level through performance on an alternative standardized reading assessment approved by the Superintendent of Public Instruction.
- The pupil demonstrates a grade 3 reading level through a pupil portfolio, as evidenced by demonstrating competency in all grade 3 State English language arts standards through multiple work samples.

If a child younger than 10 years of age seeks to enroll for the first time in a school district or PSA in grade 4, the superintendent or chief administrator, as applicable, may not allow the child to enroll in grade 4 unless one of the following occurs:

- The child achieves a grade 3 reading score as determined by the Department based on the reading portion of the grade 3 State English language arts assessment.
- The child demonstrates a grade 3 reading level through performance on an alternative standardized reading assessment approved by the Superintendent of Public Instruction.
- The child demonstrates a grade 3 reading level through a pupil portfolio, as evidenced by demonstrating competency in all grade 3 State English language arts standards through multiple work samples.

By May 23 of each year or within 14 days after the Department finalizes the scoring for the grade 3 State assessments, whichever is earlier, the Department must provide CEPI with the grade 3 State assessment scores for every grade 3 pupil enrolled in a public school in the State who was administered one or more of those assessments. By June 1 of each year or within 14 days after CEPI receives the grade 3 State assessment results from the Department,

whichever is earlier, using those, CEPI must identify each pupil completing grade 3 that year who is subject to not being advanced to grade 4 and who is not eligible to enroll in grade 4, and must notify the parent or legal guardian and the school district or PSA of each of these pupils that the pupil is subject to being retained in grade 3. A school district or PSA also may notify a parent or guardian in addition to the notification by CEPI.

The notification by CEPI to a parent or legal guardian must be by certified mail. In addition, the notification must state the information specified in the Code, including that, based on standardized testing, the State has determined that the pupil may be required to be retained in grade 3 with a reference to Section 1280f along with an explanation that even if the pupil is not eligible to enroll in grade 4 based on State assessments, the pupil may still be allowed to enroll in grade 4 if he or she demonstrates a grade 3 reading level through performance on an alternative standardized reading assessment or through a pupil portfolio.

If a parent or legal guardian receives a notification from CEPI, he or she may request a meeting with school officials to discuss the retention requirement and the standards and processes for a good cause exemption from that requirement; if a parent or legal guardian requests a meeting, the school official to whom the request is made must ensure that an appropriate school official is made available to the parent or legal guardian for such a meeting.

If a pupil is not enrolled in grade 4 at the beginning of a school year because of these provisions, then before placing the child in grade 4 during the school year, an appropriate school official of the pupil's school district or PSA must provide written notification to the pupil's parent or legal guardian of the proposed placement.

If a pupil or child demonstrates that he or she is proficient in all subject areas assessed on the grade 3 state assessment other than English language arts, as evidenced by his or her scores on those assessments and that he or she is proficient in science and social studies as shown through a pupil portfolio and as determined by the teacher who provided the grade 3 instruction to the pupil in science or social studies, as applicable, then the requirements described above do not apply and he or she may be enrolled in grade 4.

For a pupil who is not promoted to grade 4 or a child who is not enrolled in grade 4 because of Section 1280f's requirements, and for a pupil or child who was enrolled in grade 4 because of demonstrated proficiency in all assessed subject areas except English language arts or a pupil or child granted a good faith exemption, the school district or PSA must provide a reading intervention program that is intended to correct the pupil's specific reading deficiency, as identified by a valid and reliable assessment.

The bill would delete all of the provisions described above. Instead, under the bill, for a pupil who achieved a reading score that was one grade level or more behind as determined by the Department based on the grade 3 State English language arts assessment, or, for a pupil who was a child younger than 10 years of age seeking to enroll for the first time in a school district or PSA in grade 4 and who achieved a reading score that was less than grade 3 level as determined by the Department based on the reading portion of the grade 3 State English language arts assessment, the school district or PSA would have to provide a reading intervention program that was intended to correct the pupil's specific reading deficiency, as identified by a valid and reliable assessment.

Good Cause Exemption

Under Section 1280f, if the superintendent of the pupil's school district or chief administrator of the pupil's PSA, or his or her designee, grants a good cause exemption from the retention

requirements for a pupil, then a pupil may be promoted to grade 4 without meeting the requirements. A good cause exemption may be granted only for one of the following:

- The pupil is a student with an individualized education program (IEP) or with a Section 504 plan and the pupil's IEP team or Section 504 coordinator, as applicable, makes the decision to exempt the pupil from the requirements based on the team's or coordinator's knowledge of the pupil.
- The pupil is a limited English proficient student who has had less than three years of instruction in an English language learner program.
- The pupil has received intensive reading intervention for two or more years but still demonstrates a reading deficiency and was previously retained in kindergarten, grade 1, grade 2, or grade 3.
- The pupil has been continuously enrolled in his or her current school district or PSA for less than two years and there is evidence that the pupil was not provided with an appropriate individual reading improvement plan by the school district or PSA in which the pupil was previously enrolled.
- The pupil's parent or legal guardian has requested a good cause exemption within the prescribed time period and the superintendent or chief administrator, or his or her designee, determines that the good cause exemption is in the best interests of the pupil.

("Individualized education program" means that term as described in Administrative Rule 340.1721e, which requires an IEP to be developed according to specific Federal regulations and to contain specific statements and describes the responsibilities of an IEP team. "Section 504 plan" would mean a plan under Section 504 of Title 5 of the Rehabilitation Act, which specifies that no otherwise qualified person with a disability may be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program receiving Federal financial assistance.)

If a pupil is promoted to grade 4 due to a good cause exemption, the pupil remains eligible for reading intervention services designed to enable the pupil to achieve proficiency in reading. The services for a pupil must be similar to those provided to pupils in grade 3.

The superintendent of a school district or chief administrator of a PSA, or his or her designee, must grant a good cause exemption only through the procedure described below.

At the request of the pupil's parent or legal guardian or upon the teacher's own initiative, the pupil's grade 3 teacher submits to the superintendent or chief administrator, or his or her designee, a recommendation for a good cause exemption along with documentation that indicates that a good cause exemption applies to the pupil.

For a pupil enrolled in a school operated by a school district, the superintendent or his or her designee must review and discuss the recommendation with the pupil's grade 3 teacher and, if the pupil has an IEP, with the pupil's IEP team. After this discussion, the superintendent or his or her designee must determine whether to grant the good cause exemption for the pupil. This decision is final.

For a pupil enrolled in a PSA, the chief administrator of the PSA, or his or her designee, must review and discuss the recommendation with the pupil's grade 3 teacher and, if the pupil has an IEP, with the pupil's IEP team. After this discussion, the chief administrator or his or her designee must determine whether to grant the good cause exemption for the pupil. This decision is final.

For a pupil for whom a request has been received from the pupil's parent or legal guardian, if the request is received within 30 days after the notification by CEPI, the superintendent of

the school district or chief administrator of the PSA, as applicable, or his or her designee, must review the request and any supporting information and must consider whether or not the good cause exemption is in the best interests of the pupil. After this consideration, he or she must determine whether to grant the good cause exemption. This determination must be made and communicated to the parent or legal guardian at least 30 days before the first day of school for the school year. This decision is final. The superintendent of the pupil's school district or chief administrator of the pupil's PSA, or his or her designee, must notify the pupil's parent or legal guardian of the determination and decision.

The bill would delete all of the provisions described above.

Retention Report

By September 1 of each year, a school district or PSA must submit a retention report to the CEPI in the form and manner prescribed by the center. The retention report must contain at least all of the following information for the most recent school year:

- The number of pupils retained in grade 3 due to the operation of Section 1280f.
- The number of pupils promoted to grade 4 due to a good cause exemption, disaggregated by each of the specific exemptions.

The bill would delete these provisions.

BACKGROUND

The Michigan Education Assessment Program (MEAP) results for the 2013-2014 academic year indicated that nearly 39% of third-grade students did not meet proficiency standards in reading. The National Assessment of Education Progress (NAEP) test from the same year found that only 30% of Michigan third-grade students scored at the "proficient" level, which ranked Michigan 40th in the nation in third-grade reading.

In March 2015, Governor Rick Snyder created the Third-Grade Reading Workgroup to examine Michigan's reading proficiency at the third-grade level and to recommend policy. The Workgroup included the following recommendations in its report:

- Provide diagnostic and screening instruments in every K-3 classroom to measure each student's strengths and weaknesses, accompanied by targeted literacy instruction and interventions by a qualified teacher.
- Provide a reading period of at least 90 minutes a day for all students and additional instructional time for students who are struggling.
- Provide a certified reading specialist and literacy coach to support every student and teacher.
- Provide teacher candidates with the skills and training to effectively teach reading and use diagnostic-driven instruction and interventions.
- Provide school building leaders with leadership skills and early literacy training.
- Promote best-practices research and resources.
- Give every parent the information and supported needed to develop early literacy skills, to parent effectively, and to provide adequate home-support for every student.
- Implement a K-3 "smart promotion" policy to provide targeted interventions in literacy to students who are one or more years behind grade level, while allowing them to continue at grade level in other subjects in which they are proficient.
- Provide a kindergarten initial diagnostic instrument.
- Provide a currently existing, research-based, interim measure of academic progress for K-3.
- Establish an independent oversight commission.

Public Act (PA) 306 of 2016 prescribes requirements the Department must meet to help ensure that more pupils achieve a score of at least proficient in English language arts on the grade 3 State assessment, which include approving at least three screening and diagnostic reading assessment systems. A school district or PSA must use an approved assessment system to assess a pupil's progress in reading skills at least three times per school year in grades K-3; school districts and PSAs also must provide reading intervention programs for pupils in grades K-3. Public Act 306 also generally requires the retention of grade 3 pupil if the pupil is one or more years behind grade levels in reading proficiency unless a good cause exemption is granted.

According to a 2022 report from the Education Policy Innovation Collaborative at Michigan State University, roughly 5,650 Michigan students achieved reading scores low enough that could require retention based on results from the 2022 Michigan Student Test of Educational Progress (M-STEP), which replaced the MEAP in 2015. Overall, 5.8% of grade 3 pupils who took the English language arts M-STEP assessment received scores that made them eligible to be retained under PA 306, up from 4.8% in 2021.

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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.