



Read by Grade Three Law Initial Retention Decisions

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Overview and Purpose

The Education Policy Innovation Collaborative (EPIC) is the strategic research partner to the Michigan Department of Education (MDE). Since 2019, EPIC has been working closely with MDE and the Center for Educational Performance and Information (CEPI) to study the impact of the Read by Grade Three Law as the policy takes effect. The Read by Grade Three Law aims to improve early literacy outcomes for students across the state through improved instruction, implementation of early monitoring and identification systems, required interventions for students identified as having a "reading deficiency" under the Law, and required retention for students who do not meet a state standard for reading proficiency by the end of third grade.

The retention component of the Law was set to take effect at the end of the 2019-20 school year. However, because state testing was suspended due to the COVID-19 pandemic, the state waived the retention piece of the Law. When state testing resumed for the 2020-21 school year, students who scored below a state-determined cut-off on the third-grade ELA M-STEP assessment were for the first time eligible for retention under the Read by Grade Three Law. Districts were responsible for determining whether each eligible student would be retained in the third grade or promoted to the fourth grade through a good cause exemption.

EPIC's [Preliminary Read by Grade Three Retention Estimates](#) report provided the first look at retention eligibility for students who took the third-grade ELA M-STEP in 2021. Districts were required to determine which students would be retained and which would be promoted, and to provide this information to CEPI by September 1st, 2021.ⁱ This follow-up report analyzes districts' reported retention and exemption decisions.

Data and Methods

Third-grade students are subject to different outcomes under the Read by Grade Three Law based on their ELA M-STEP scores: ⁱⁱ

- **1272 or above:** Students who score a 1272 or above are promoted to fourth grade;
- **1253 to 1271:** Students who score between a 1253 and a 1271 are promoted to fourth grade, but with recommended extra reading support;
- **1252 or below:** Students who score a 1252 or below are retained in third grade or promoted to fourth grade with a good cause exemption;
- **Not tested:** The federal government waived the 95% participation requirement for the M-STEP in the 2020-21 school year, resulting in only a 71.2% participation rate for the spring 2021 M-STEP. Students who did not take the third-grade ELA M-STEP cannot be retained based on their test score and are therefore not subject to the Read by Grade Three retention policy.

Districts decide whether to retain or grant a good cause exemption to each student who scored 1252 or below. Students may be promoted to the fourth grade through a good cause exemption if they fall within one or more of the following categories:

- English learners with fewer than three years of English language instruction;
- Students with disabilities (i.e., those with an Individualized Education Program [IEP] or Section 504 Plan);
- Students who were previously retained and received intensive reading interventions for two or more years;
- Students who have been enrolled in their current district for less than two years and were not provided with an appropriate individual reading improvement plan (IRIP);
- Students who demonstrated proficiency in other subject areas and/or through an alternative assessment or portfolio of work; and
- Students whose parents requested an exemption, provided that their superintendent agrees that retention is not in the best interest of the student.

The Read by Grade Three Law established time limits within which families of retention-eligible students can request good cause exemptions and by which districts must report their retention and exemption decisions. To meet the deadlines specified in the law and give families and districts sufficient time to decide which options are best for their students, CEPI began sending notification letters as soon as preliminary M-STEP scores were available from MDE. CEPI sent retention notification letters to 3,661 students.

However, preliminary scores are based on multiple-choice questions only. These questions are scored automatically by a computer, while constructed response (e.g., short-answer or essay) questions must be read and evaluated by human scorers. It is very uncommon for a student's eligibility status to differ based on their preliminary and final scores; 99.7% of students had the same retention eligibility status before and after the constructed response questions were factored into their final scores. However, this small disparity means that some students were sent an eligibility notification when, based on their final scores, they were not eligible for retention under the Read by Grade Three Law. Similarly, a small subset of students who were not initially sent letters based on their preliminary scores were, in the end, eligible for retention.

Of the 3,661 students who were sent letters, 3,648 had preliminary scores below the cut-score for retention, and the remaining 13 fell below the cut-off after the constructed response questions were factored into their final scores. There were also 192 students with preliminary scores below the cut-off but final scores above the cut-off. Although CEPI sent notification letters to these students, they were not in fact eligible for retention based on their final scores. Districts were required to report retention and exemption decisions for the remaining 3,469 students whose final scores were below the cut-off.

This report provides an overview of district-reported end-of-year retention and exemption decisions for Michigan third-grade students under the Read by Grade Three retention policy. We focus primarily on the students who were eligible for retention based on their final scores on the ELA M-STEP. Of the 3,469 retention-eligible students, 16 attend specialized schools that are operated by an intermediate school district (ISD) rather than a traditional public school (TPS) or public school academy (PSA, or charter) district, and 21 did not have demographic information available in the Michigan Student Data System (MSDS) because they were not yet enrolled at the time of the spring 2021 data collection. The remaining 3,432 (99% of the 3,469) retention-eligible students are represented in our analysis.ⁱⁱⁱ

We compare characteristics of students who, according to their districts, will be retained with those who were granted good cause exemptions and those who were not eligible for retention under the Law. We also examine differences in retention decisions across subgroups of students and districts. We consider the following characteristics for subgroup comparisons:

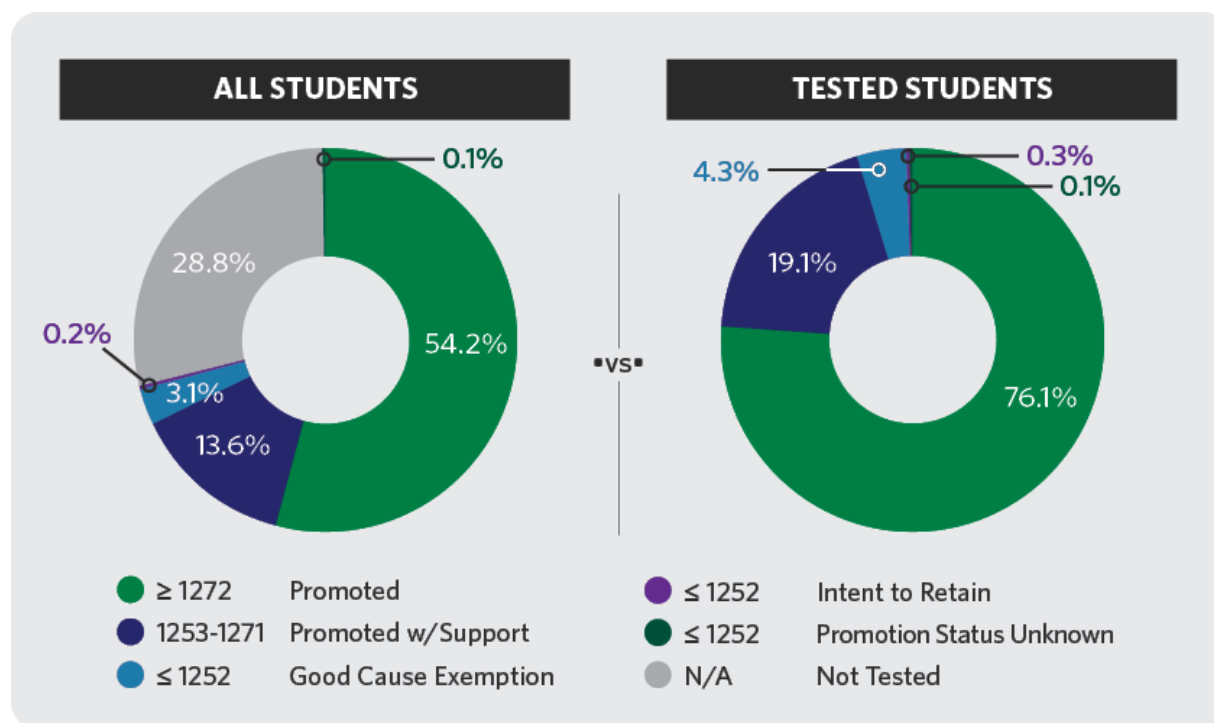
- **Student demographics:** race/ethnicity,^{iv} gender, economically disadvantaged status;
- **Characteristics likely to qualify students for a good cause exemption:** identification as a student with a disability (SWD) or English learner (EL), participation in a two-year developmental kindergarten program^v, having previously repeated a grade level, having enrolled in their current district within the past two years;
- **District type:** sector (TPS or PSA); district size, as measured by districts that fell at or below the 25th, between the 25th and 75th, or at or above the 75th percentile in overall student enrollment; district performance, as measured by districts that fell in the top or bottom quartile of ELA performance in 2019; and districts in different types of locales (urban, suburb, town, or rural)
- **Mode of instruction:** districts' planned instructional modalities for the month of May, 2021 (fully in-person, hybrid, or fully remote). The fully in-person modality consists of districts that were either planning to require fully in-person attendance in May of 2021 or that offered students the choice between fully in-person and either hybrid or remote instruction. The hybrid modality consists of districts that only planned to offer hybrid instruction in May of 2021 or offered students the choice between hybrid and remote. The remote modality includes only districts that planned to offer solely remote instruction in May of 2021.

Results

THIRD GRADE RETENTION OUTCOMES

Figure 1 summarizes end-of-year outcomes for Michigan third-grade students based on their performance on the 2021 third-grade ELA M-STEP assessment. We examine the end-of-year retention outcomes of all third-grade students (including those who did not participate in the ELA M-STEP) in the left panel, and the retention outcomes for all tested students in the right panel. The bright green area represents the proportion of students who were promoted with a score of 1272 or above. The dark blue region represents students who scored between 1253 and 1271 and were therefore promoted with recommended reading support. The lighter blue area represents students who scored at or below 1252, who were eligible for retention under the Law but were promoted through a good cause exemption. The purple region represents students who scored at or below 1252 and who school districts intend to retain. The small dark green area represents students who scored at or below 1252 whose retention status is unknown. Combined, the bright blue, purple, and dark green areas represent all retention-eligible students. Finally, the grey area in the left panel represents the proportion of students who did not participate in the third-grade ELA M-STEP.

FIGURE 1. END-OF-YEAR RETENTION OUTCOMES FOR THIRD-GRADE STUDENTS IN 2021



Note: End-of-Year retention outcomes are based on participation and scores on the 2020-21 third-grade ELA M-STEP. All students who score at or below 1252 were eligible for retention under the Read by Grade Three Law. The left panel includes all third-grade students and the right panel includes only tested students. Students who scored between 1253 and 1271, inclusive, were not eligible for retention under the Law but were recommended additional literacy support. Students who scored at or above 1272 were not eligible for retention under the law. The percentages shown may not sum to exactly 100% due to rounding.

As discussed in our preliminary retention report and mentioned above, the federal Department of Education relaxed standardized achievement test participation requirements in the 2020-21 school year, resulting in unusually low test participation rates in Michigan; only 71.2% of third-grade students took the ELA M-STEP in 2021, compared to 96.5% of third-grade students in 2019. The 28.8% who did not participate in the assessment were not subject to the Read by Grade Three Law's retention policy.

Of the students who participated, 76.1% (or 54.2% of all third-grade students) were eligible for promotion with no additional literacy support, while 19.1% (or 13.6% of all third-grade students) were eligible for promotion with additional, intensive literacy support recommended, and 4.8% (or 3.4% of all third-grade students) were eligible for retention.

School districts intend to promote most retention-eligible students to the fourth grade through good cause exemptions. Although 4.8% of all tested third-grade students were eligible for retention, school districts intend to retain only 0.3%. In other words, districts intend to promote 93.3% of retention-eligible students to the fourth grade (3,203 of the 3,432 eligible students). Districts did not report decisions for 0.1% of all third-grade students, which also is equivalent to 0.1% of retention-eligible students. Thus, we do not know the intended retention for this small subset of students.

As Figure 1 makes clear, a significant fraction of Michigan's third-graders did not participate in the ELA M-STEP. Furthermore, as we showed in our previous report, the subset of students who were tested in spring of 2021 differs substantially from the overall population of third-grade students in Michigan. Specifically, Black and economically disadvantaged students and students in districts in the bottom quartile of ELA achievement in 2018-19 were less likely to participate than were their peers. As a result, it is difficult to compare the retention outcomes of students across subgroups with different participation rates when non-tested students are included in the calculations. In the remainder of the report, we describe the retention outcomes of *tested* third-grade students only.

Table 1 shows differences in end-of-year retention outcomes across subgroups of tested students. The top panel highlights disparities across racial and ethnic groups. Black students, in particular, fare differently on the third-grade ELA M-STEP than do students of other races and ethnicities. They were approximately four times as likely as White students to score a 1252 or below, making them eligible for retention, and more than twice as likely to score between a 1253 and a 1271, which does not qualify them for retention but does imply the need for extra literacy supports and services. It follows that they were less likely to score at or above the 1272 cut-off. School districts were more than six times as likely to intend to retain tested Black students than tested White students.

Latino/a/x students were also more likely to be eligible for retention and promoted with support than were White students, and less likely to be automatically promoted based on their ELA M-STEP. Districts also were more likely to intend to retain them than they were White students, although these differences are far smaller than the Black-White disparities noted above. In both cases, differences in retention eligibility account for some of the gaps in districts' intentions to retain Black and Latino/a/x students. We will examine racial differences in intent to retain rates conditional on retention eligibility below

There were also notable disparities in end-of-year ELA M-STEP performance across characteristics that affect students' eligibility for good cause exemptions. As we outline in the Data and Methods section above, students with certain characteristics qualify for retention waivers through good cause

exemptions. In our preliminary retention report, we estimated statewide retention outcomes based on the assumption that all English learners, students with disabilities, students who are new to their districts, and students who were previously retained or participated in a two-year developmental kindergarten program would be promoted to the fourth grade through a good cause exemption. However, these exemptions are not guaranteed, and as Table 1 shows, districts intend to retain some students in these groups.

TABLE 1. END-OF-YEAR RETENTION OUTCOMES BY STUDENT SUBGROUP

	Not Eligible for Retention ≥1253			Eligible for Retention ≤1252			
	All	Promote	Promote w/ Support	All	Promote w/ Exemption	Intent to Retain	Unknown
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Overall	95.3%	76.1%	19.1%	4.8%	4.3%	0.3%	0.1%
Black	87.0%	47.4%	39.6%	13.0%	11.5%	1.3%	0.2%
American Indian	94.9%	69.2%	25.7%	5.1%	4.6%	0.2%	0.2%
Asian	97.3%	86.2%	11.1%	2.7%	2.5%	0.1%	0.1%
Latino/a/x	93.4%	67.5%	25.8%	6.6%	6.0%	0.4%	0.2%
Multiple races	94.4%	73.3%	21.0%	5.6%	5.2%	0.4%	0.1%
White	96.7%	81.4%	15.3%	3.3%	3.1%	0.2%	0.1%
Male	94.7%	74.1%	20.5%	5.3%	4.9%	0.3%	0.1%
Female	95.9%	78.2%	17.6%	4.1%	3.7%	0.3%	0.1%
Not English Learner	95.5%	77.3%	18.2%	4.5%	4.1%	0.3%	0.1%
English Learner	92.8%	63.6%	29.2%	7.2%	6.7%	0.3%	0.2%
Not Student w/ Disability	96.0%	79.2%	16.8%	4.0%	3.6%	0.3%	0.1%
Student w/ Disability	90.0%	54.6%	35.4%	10.0%	9.5%	0.3%	0.2%
Never Retained	95.6%	77.7%	17.9%	4.4%	4.0%	0.3%	0.1%
Previously Retained	92.1%	62.8%	29.3%	7.9%	7.5%	0.3%	0.1%
Never Dev. Kindergarten	95.1%	75.6%	19.5%	4.9%	4.5%	0.3%	0.1%
Ever Dev. Kindergarten	97.1%	82.5%	14.6%	2.9%	2.7%	0.1%	0.1%
Enrolled ≥ 2 Years	95.4%	76.6%	18.7%	4.6%	4.3%	0.3%	0.1%
Enrolled < 2 Years	93.8%	70.1%	23.8%	6.2%	5.5%	0.6%	0.1%

Note: These are end-of-year retention outcomes for third-grade students who participated in the third-grade ELA M-STEP assessment. Students who score at or below 1252 were eligible for retention under the Law. Students who scored at or above 1253 were not eligible for retention under the Law. The percentages shown may not sum to exactly 100% due to rounding.

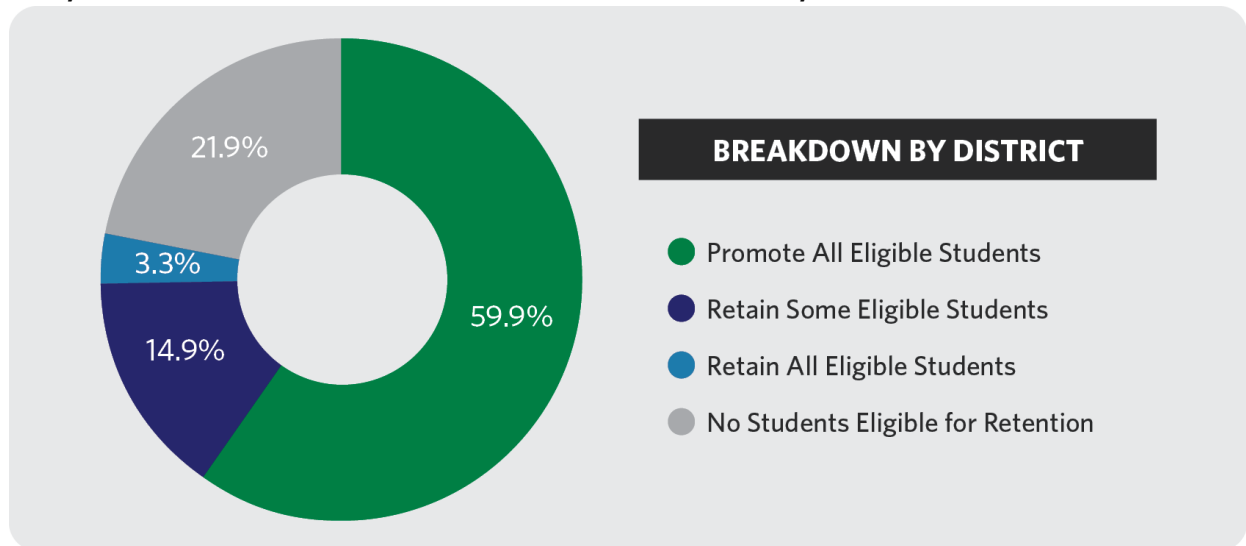
DISTRICTS' RETENTION AND PROMOTION DECISIONS

In light of the discretion in retention decisions provided to school district superintendents, during the spring of 2021 some school districts announced that they would offer waivers to any student whose parent or guardian requested one. Both small (e.g., Coloma County School District, Corunna Public Schools, and Holland Public Schools) and large (e.g., Detroit Public Schools and Grand Rapids Public Schools) districts announced that they would grant all or most family waiver requests^{.vi} Consistent with this sentiment, we find that many districts intend to promote all students eligible for retention under the Law to the fourth grade.

Figures 2 through 5 place school districts into categories based on their promotion and retention decisions. In each of these figures, districts intending to promote all retention-eligible students are depicted in bright green, districts intending to promote some and retain some of their retention-eligible students are depicted in dark blue, and districts intending to retain all their retention-eligible students are depicted in bright blue.

Figure 2 provides an overall breakdown of the 766 TPS and PSA districts in Michigan that enroll third-grade students. The grey portion of this figure represents the 21.9% of districts (168 of the 766) that did not have any students who were eligible for retention based on spring 2021 ELA M-STEP scores. This group likely includes some districts that had no eligible students due to low test participation rates as well as districts that had no eligible students because their students all scored above the cut-off for retention. A majority of districts (59.9%) had at least one retention-eligible student but do not intend to retain any students, while 14.9% indicated that they would retain some but not all of their eligible students. The remaining 3.3% intend to retain all students who scored a 1252 or below on the ELA M-STEP. However, more than two-thirds of these districts only had one retention-eligible student, and none of them had more than five retention-eligible students.

FIGURE 2. BREAKDOWN OF DISTRICTS BY INTENT TO PROMOTE ALL, RETAIN ALL, PROMOTE /RETAIN SOME ELIGIBLE STUDENTS, OVERALL

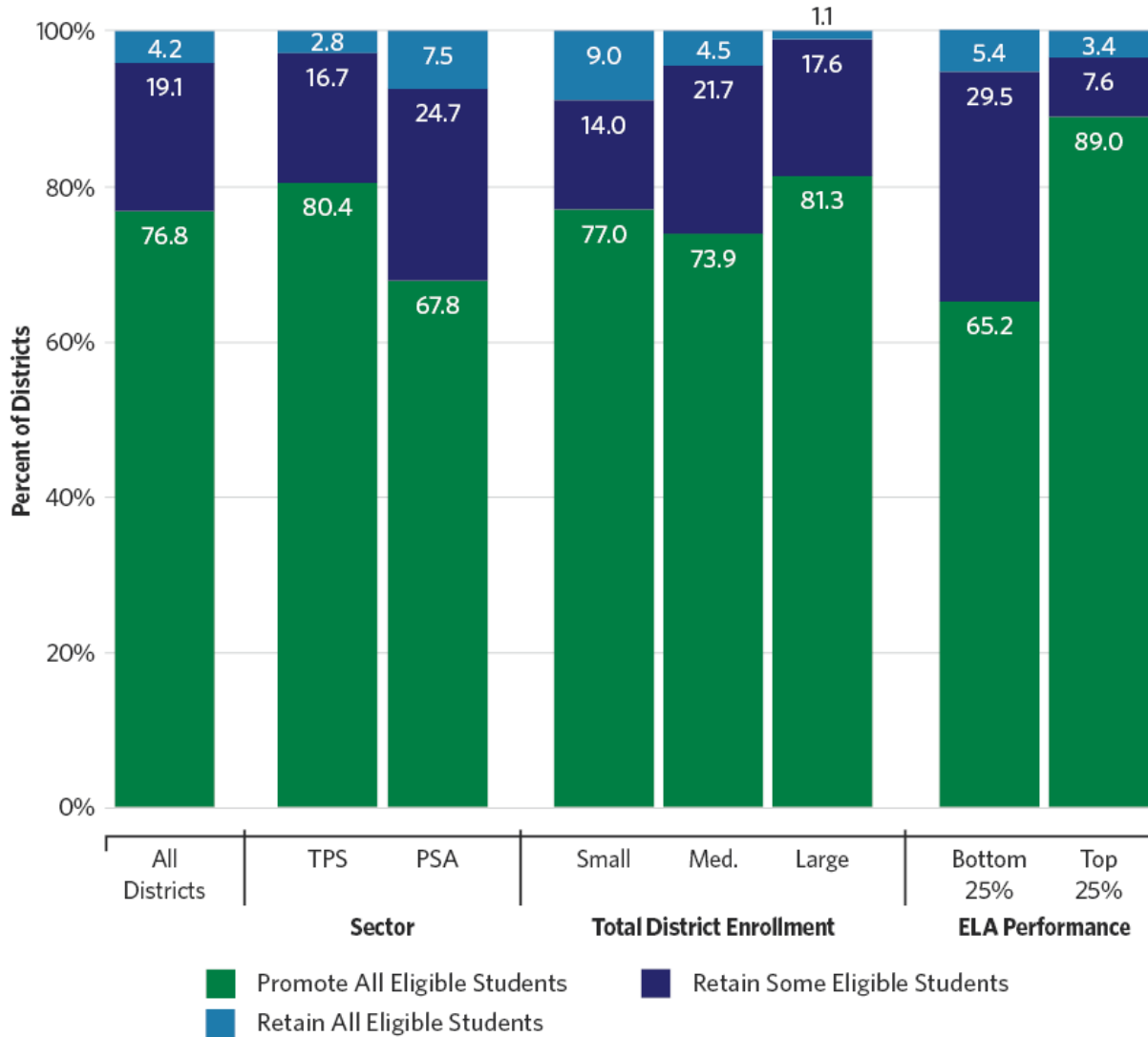


Note: These are percentages of all 766 school districts with third-grade students enrolled during the spring of 2021. The percentages shown may not sum to exactly 100% due to rounding.

Figures 3 through 5 provide similar breakdowns of districts' retention and promotion decisions, focusing only on the 598 districts that had at least one student eligible for retention (i.e., excluding the districts represented in grey in Figure 1). The first panel of each of these figures shows the overall breakdown for districts with at least one retention-eligible student. The far majority – more than three quarters (76.8%) – intend to promote all retention-eligible students, while 19.1% intend to retain some eligible students. Just 4.2% of districts with at least one retention-eligible student intend to retain them all.

The remaining panels of Figure 3 show retention and promotion decisions for subgroups of districts based on sector, size, and 2019 ELA achievement.^{vii} TPS districts and districts with the highest ELA achievement were more likely than PSAs and districts with the lowest ELA achievement to promote all retention-eligible students. We also see that small districts were about twice as likely as medium-sized districts and more than 8 times as likely as large districts to retain all retention-eligible students. This suggests that districts in the “retain all” category tend to be small. Indeed, districts in this category had about 72 third-grade students enrolled on average, compared to 153 and 181 third-grade students in districts intending to promote all or retain some eligible students, respectively.

FIGURE 3. BREAKDOWN OF DISTRICTS BY INTENT TO PROMOTE ALL, RETAIN ALL, PROMOTE /RETAIN SOME ELIGIBLE STUDENTS, BY DISTRICT CHARACTERISTICS

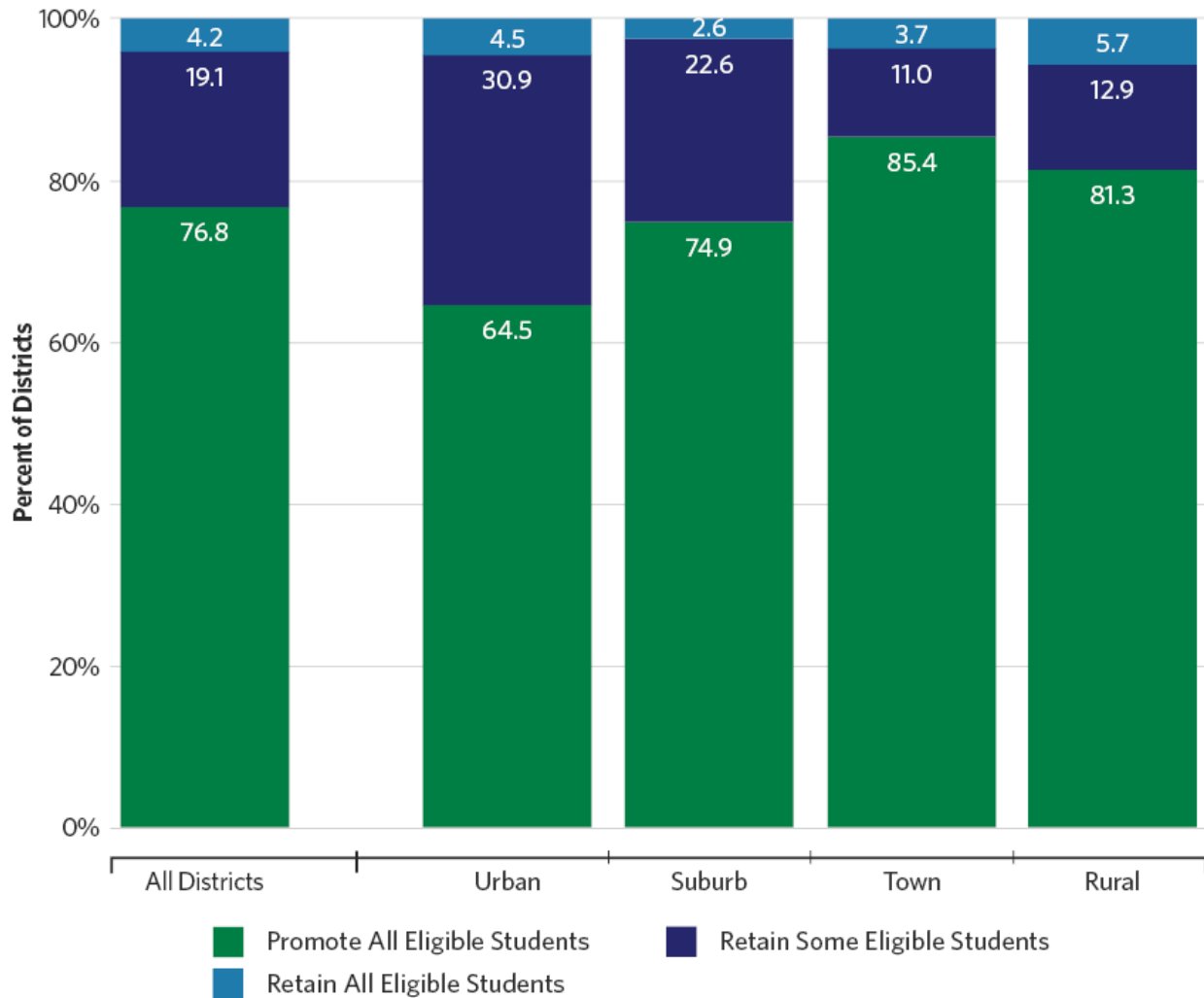


Note: These are percentages of school districts with at least one retention-eligible third-grade student enrolled during the spring of 2021. TPS stands for traditional public schools. PSA stands for public school academies, also known as charter schools. Small districts are at or below the 25th percentile of overall district enrollment. Medium districts are between the 25th and 75th percentiles of overall district enrollment. Large districts are at or above the 75th percentile of overall district enrollment. The percentages shown may not sum to exactly 100% due to rounding.

Figures 4 and 5 show differences in districts’ retention decisions by urbanicity and instructional modality, respectively. Urban districts were the least likely to promote all retention-eligible students, whereas town districts were far more likely to promote all students eligible for retention. In contrast, urban and rural districts were more likely than their town and suburban counterparts to retain all eligible students. This is likely related to the earlier finding that small districts were the most likely to

retain all eligible students, as rural districts and PSAs (which tend to be in urban areas) generally have smaller enrollments.

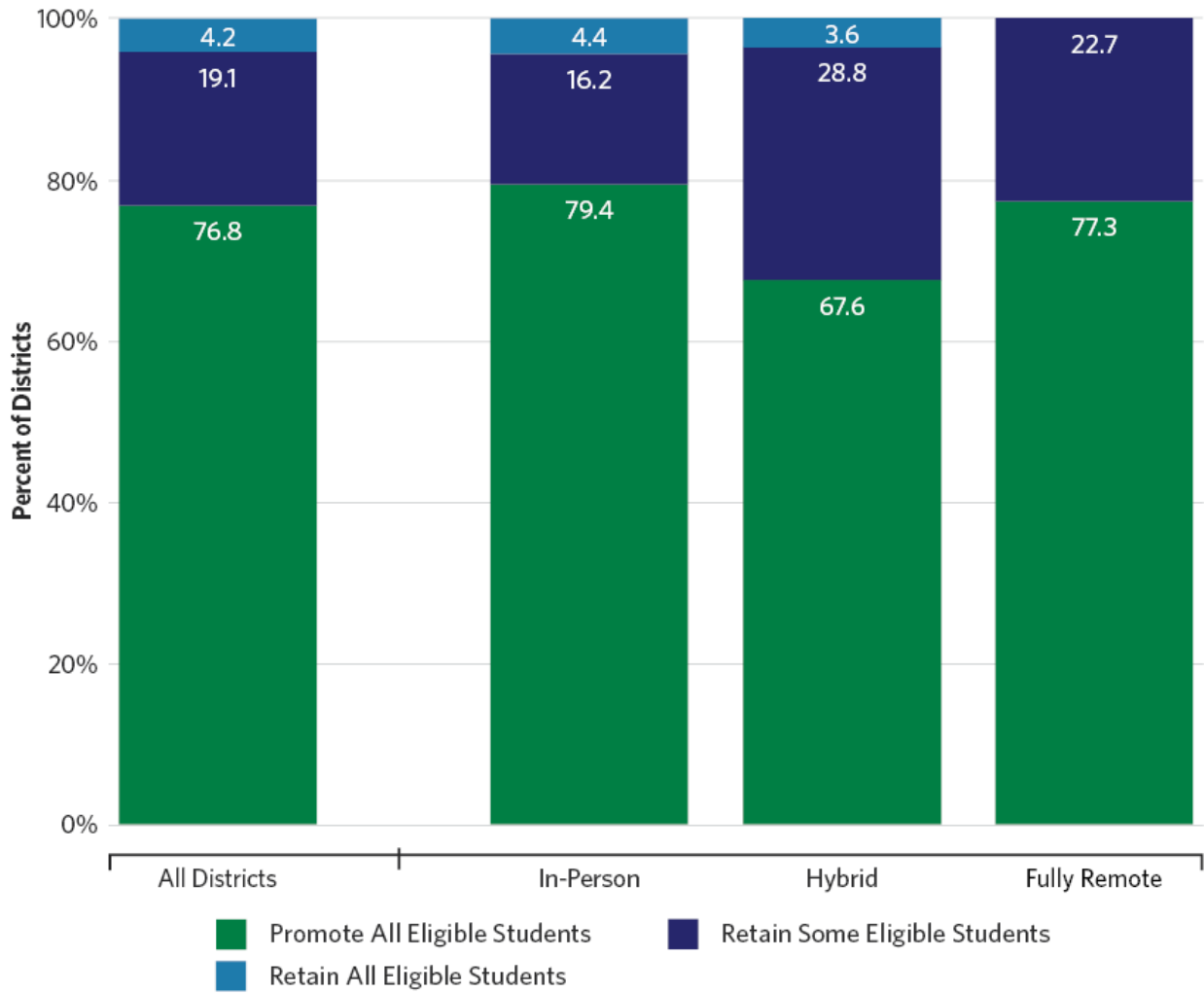
FIGURE 4. BREAKDOWN OF DISTRICTS BY INTENT TO PROMOTE ALL, RETAIN ALL, PROMOTE/RETAIN SOME ELIGIBLE STUDENTS, BY DISTRICT URBANICITY



Note: These are percentages of school districts with at least one retention-eligible third-grade student enrolled during the spring of 2021. The percentages shown may not sum to exactly 100% due to rounding.

Figure 5 shows that districts planning to offer in-person instruction were the most likely to promote all eligible students, while districts planning for hybrid instruction were the most likely to retain at least some retention-eligible students. No districts that were operating fully remotely by May of 2021 intend to retain all eligible students.

FIGURE 5. BREAKDOWN OF DISTRICTS BY INTENT TO PROMOTE ALL, RETAIN ALL, PROMOTE/RETAIN SOME ELIGIBLE STUDENTS, BY DISTRICT INSTRUCTIONAL INSTRUCTION MODALITY



Note: These are percentages of school districts with at least one retention-eligible third-grade student enrolled during the spring of 2021. The percentages shown may not sum to exactly 100% due to rounding.

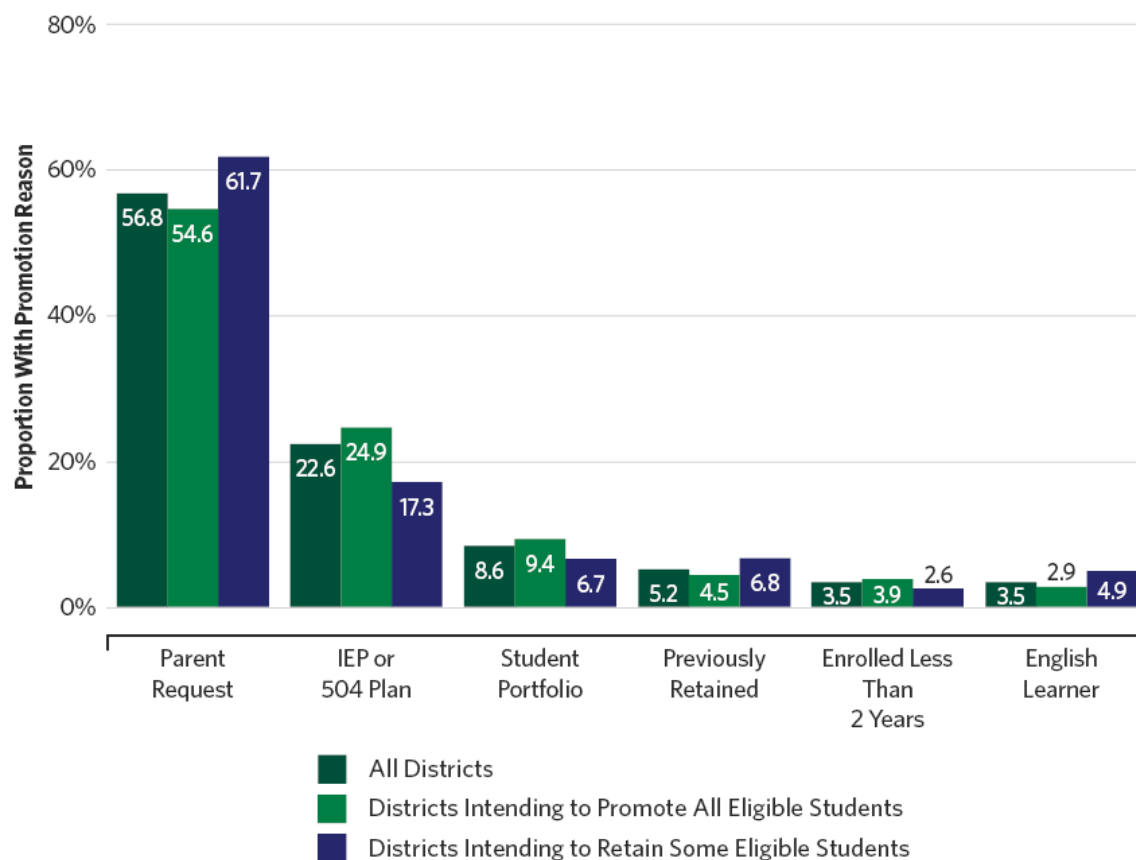
These results suggest significant correlations between the characteristics of school districts and their retention decisions. However, these are only correlations. For instance, districts that promoted a higher proportion of students are not necessarily more generous in granting waivers. Rather, these districts could have had more students eligible for good cause exemptions, a larger proportion of retention-eligible students scoring just below the cut-off (as opposed to students who scored far below the cut-off), or both.

GOOD CAUSE EXEMPTIONS

As noted above, districts could employ several different “good cause exemptions” to promote retention-eligible students. Figure 6 shows the reasons retention-eligible students were granted good cause exemptions in 2021.

The majority of waivers granted by districts were due to parent requests. This is consistent across districts that intend to promote some or all eligible students. The next most frequent rationale for a good cause exemption was for students who qualified as a result of having an IEP or Section 504 Plan. Fewer than 10% of students were exempted through the use of a portfolio of work, and portfolios were used more frequently in districts promoting all students than in districts promoting only some of their eligible students. Approximately 5% of retention-eligible students received good cause exemptions because they had been previously retained. Relatively few students were granted exemptions because they only recently moved into the district or because they were English learners.

FIGURE 6. TYPES OF GOOD CAUSE EXEMPTIONS GRANTED IN 2021



Note: These are percentages of retention-eligible third-grade students who districts intend to promote. Summing all bars of the same color together will equal 100%. However, the percentages shown may not sum to exactly 100% due to rounding.

Compared to districts that intend to promote all retention-eligible students, districts that intend to promote only some retention-eligible students were more likely to indicate that exemptions were due to parent requests and less likely to indicate that they granted exemptions due to a student having an IEP.

CHARACTERISTICS OF STUDENTS WHO WERE PROMOTED OR RETAINED

Figures 7 through 11 show the proportions of retention-eligible students that will be retained (purple), promoted through a parent request (bright green), promoted due to a student's IEP or Section 504 Plan (dark blue), and promoted through a different type of good cause exemption (bright blue), both overall and by subgroup. We combine the good cause exemption categories for portfolios, previous retention, enrolled for less than two years, and English learners because there are too few students in those categories to protect anonymity in some of the subgroup analyses. We provide the number of retention-eligible students in each subcategory on the x-axis. There are some subgroups in which very few students scored a 1252 or below. For instance, only 66 Asian and 22 American Indian third-grade students in Michigan were retention-eligible based on their ELA M-STEP scores. Comparisons of these groups with others should be made with caution.

According to their districts, 6.7% of all eligible students will be retained while 51.8% received exemptions through a parent request, 20.6% received a good cause exemption because they had an IEP or 504 plan, and 20.9% were granted good cause exemptions for other reasons.

Figure 7 shows that retention-eligible Black students were more likely than students of any other race or ethnicity to be retained or to receive an exemption through a parent request. They were less likely to be promoted as a result of having an IEP or 504 Plan. Retention-eligible Asian students were the most likely to be granted a waiver for a reason other than a parent request, IEP, or Section 504 Plan. The vast majority of "other" exemptions received by Asian students were for English learners with fewer than three years of English instruction. We are careful in interpreting results for Asian students, as well as for American Indian students, as there are very few students of these groups eligible for retention.

Figure 8 shows that retention-eligible students who are economically disadvantaged were more than twice as likely to be retained than their wealthier peers. School districts were significantly less likely to indicate that they will retain students with a disability or English learners relative to students who are not in these groups. While the majority of exemptions for other students were granted through parent requests, students with disabilities and English learners were more likely to receive exemptions specifically for these special populations.

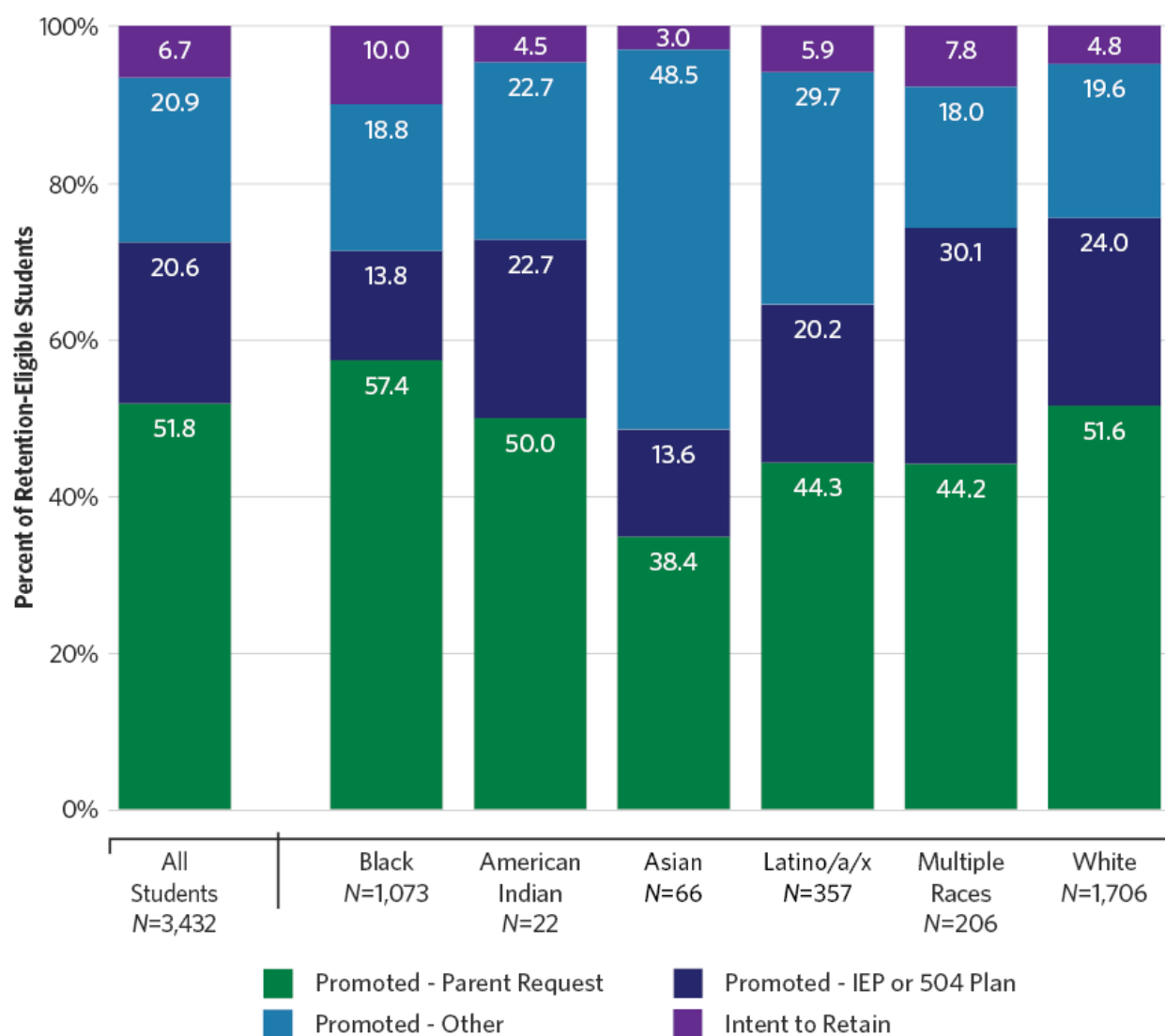
There are broad disparities between lower- and higher-performing districts in their intentions to retain students and reasons for promotion, as is shown in Figure 9. Districts in the bottom quartile of previous ELA performance are over three times as likely to retain eligible students than are high-performing districts, whereas districts in the top quartile of ELA performance are twice as likely to intend to promote students due to IEPs or 504 plans as are districts in the bottom quartile of ELA performance.

Figure 10 shows retention and good cause exemption decisions by urbanicity. Urban and rural districts are more likely to intend to retain students than are districts in suburbs or towns. Students in rural schools were less likely to be promoted through a parent request than those in urban

schools. Urban districts were substantially less likely to promote students due to having an IEP or 504 plan.

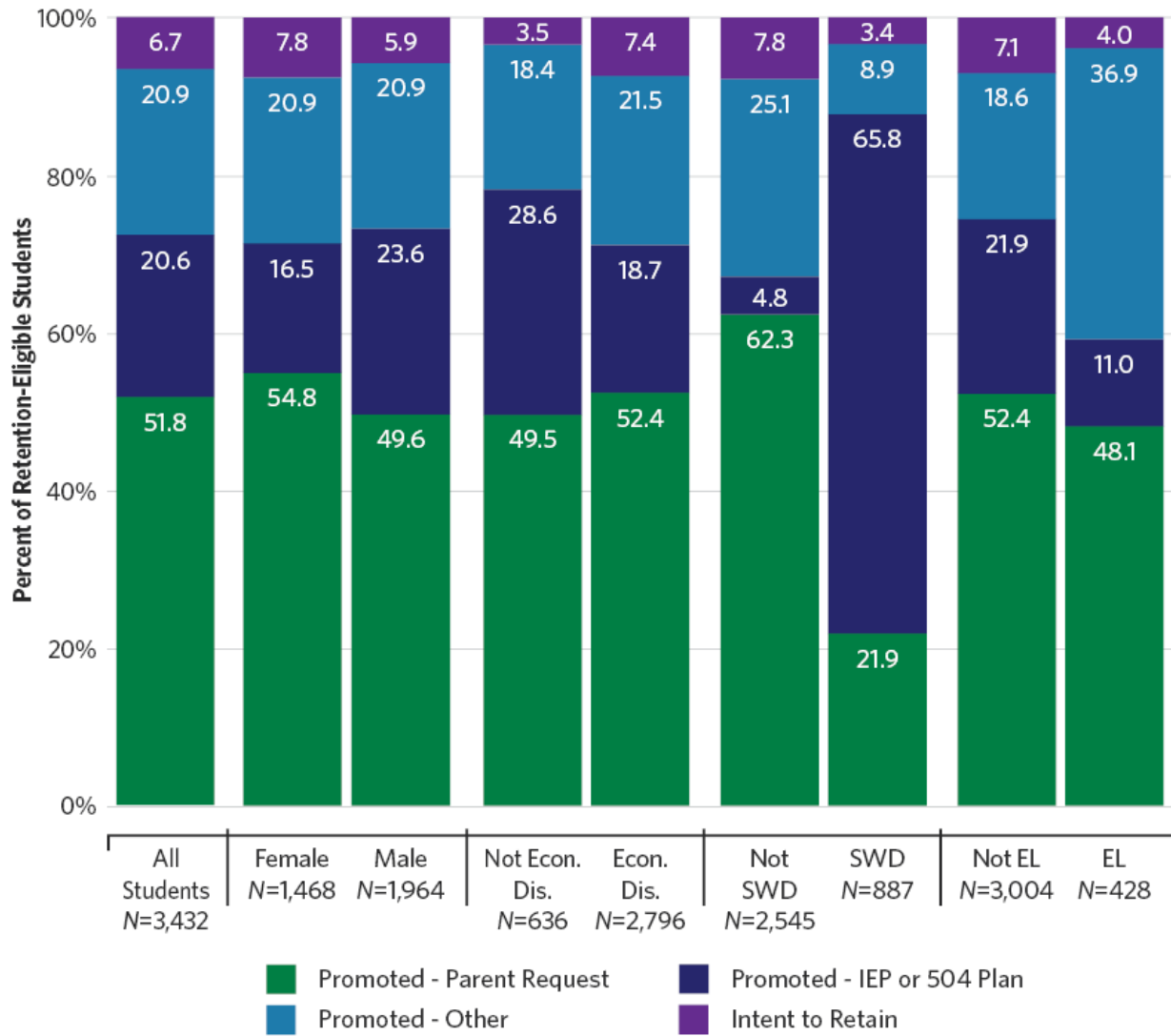
Figure 11 provides retention and promotion outcomes by modality. School districts that planned to deliver in-person instruction in May 2021 intend to retain a smaller proportion of their retention-eligible students than districts that planned for hybrid or remote instruction. Districts that planned for hybrid or fully remote instruction were more likely to grant parent requests for promotion than districts that planned in-person instruction. However, only 123 retention-eligible students were enrolled in districts that planned for fully remote instruction in May 2021, so any interpretation of these results should keep this small sample in mind.

FIGURE 7. RETENTION AND EXEMPTION DECISIONS BY STUDENT RACE/ETHNICITY



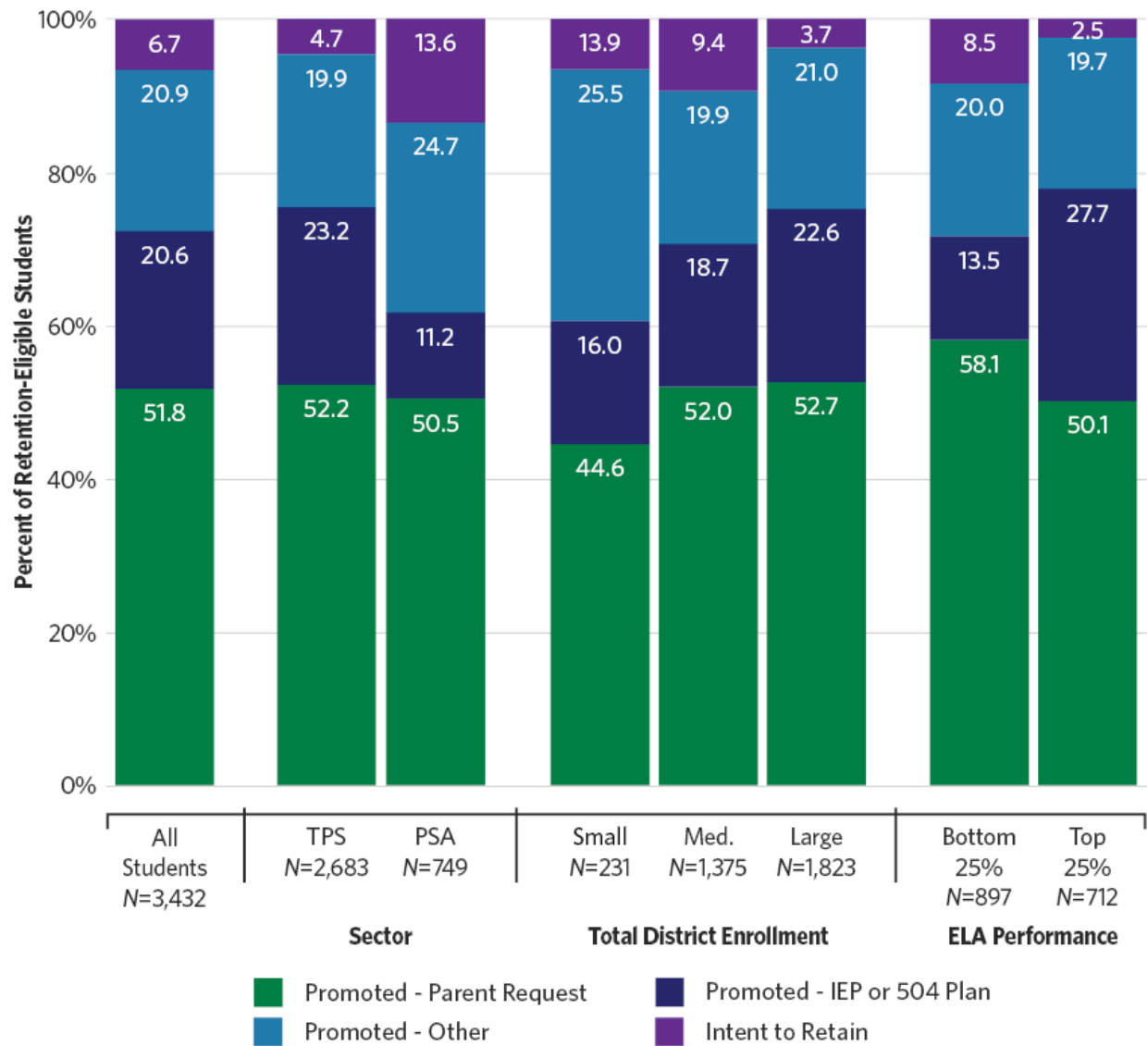
Note: These are percentages of retention-eligible third-grade students. The Ns refer to the total number of retention-eligible third-grade students associated with each group. The percentages shown may not sum to exactly 100% due to rounding.

FIGURE 8. RETENTION AND EXEMPTION DECISIONS BY STUDENT CHARACTERISTICS



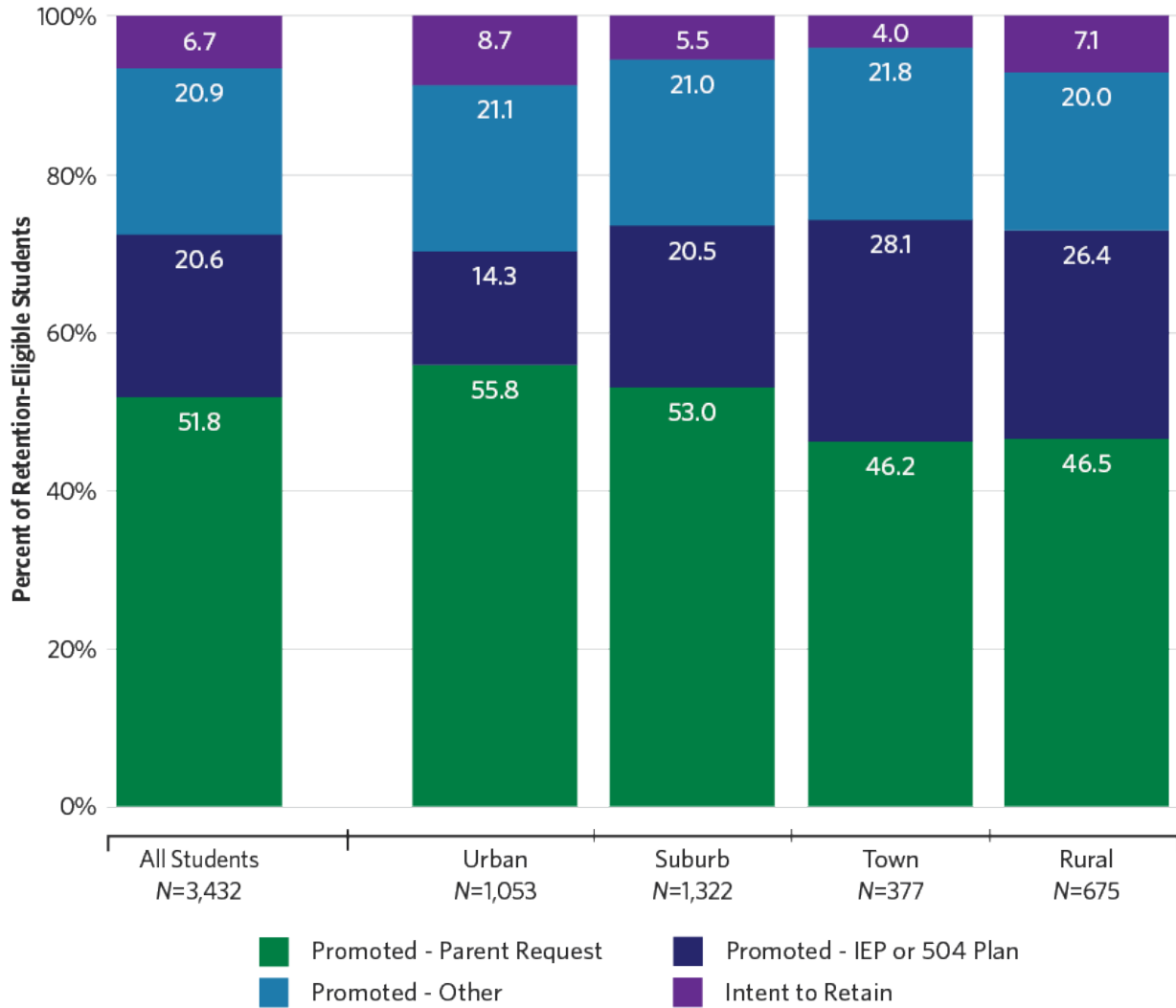
Note: These are percentages of retention-eligible third-grade students. The Ns refer to the total number of retention-eligible third-grade students associated with each group. Econ. Dis. stands for economically disadvantaged. SWD stands for students with a disability. EL stands for English Learner. The percentages shown may not sum to exactly 100% due to rounding.

FIGURE 9. RETENTION AND EXEMPTION DECISIONS BY DISTRICT CHARACTERISTICS



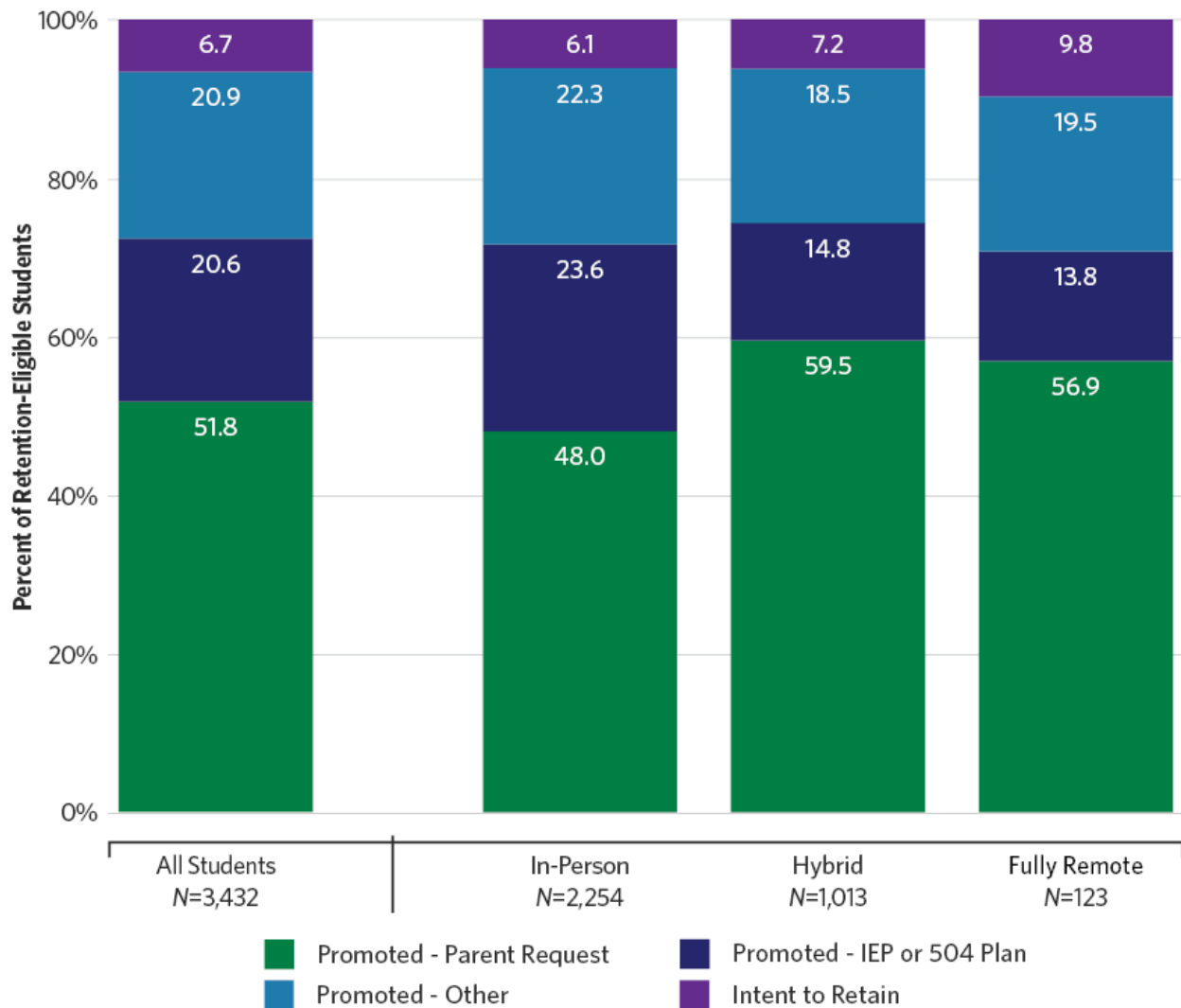
Note: These are percentages of retention-eligible third-grade students. The Ns refer to the total number of retention-eligible third-grade students associated with each group. TPS stands for traditional public schools. PSA stands for public school academies, also known as charter schools. Small districts are at or below the 25th percentile of overall district enrollment. Medium districts are between the 25th and 75th percentiles of overall district enrollment. Large districts are at or above the 75th percentile of overall district enrollment. The percentages shown may not sum to exactly 100% due to rounding.

FIGURE 10. RETENTION AND EXEMPTION DECISIONS BY DISTRICT URBANICITY



Note: These are percentages of retention-eligible third-grade students. The Ns refer to the total number of retention-eligible third-grade students associated with each group. The percentages shown may not sum to exactly 100% due to rounding.

FIGURE 11. RETENTION AND EXEMPTION DECISIONS BY DISTRICT MODALITY (MAY 2021)



Note: These are percentages of retention-eligible third-grade students. The Ns refer to the total number of retention-eligible third-grade students associated with each group. The percentages shown may not sum to exactly 100% due to rounding.

Key Takeaways

There are several takeaways from this report that illustrate the characteristics of third-grade students who school districts intend to retain and promote under the Read by Grade Three Law. All of them point to substantial disparities in the likelihood of retention for retention-eligible students across district and student types.

- **Districts intend to retain very few students under the Read by Grade Three Law.** School districts reported that they intend to retain only 229 students under the Read by Grade Three Law in 2021. These students account for 0.2% of all third-grade students, 0.3% of third-grade students who participated in the third-grade ELA M-STEP assessment, and 6.7% of retention-eligible third-grade students in 2020-21.
- **There are substantial disparities in retention eligibility and retention outcomes across districts.** Nearly one-quarter of school districts had no retention-eligible third-grade students. More than three-quarters of school districts with at least one retention-eligible student intend to promote them all. 19.1% and 4.2% of school districts with retention-eligible students intend to retain some or all of their retention-eligible students, respectively.
- **Parents exercised their rights to request retention waivers.** More than half of all reported good cause exemptions were due to parent requests. Over 60% of good cause exemptions for students who do not have a disability were due to parent requests. In contrast, nearly two-thirds of students with disabilities received exemptions due to having an IEP or Section 504 plan.
- **Retention-eligible Black and poor students were more likely to be retained than their White and higher-income peers.** School districts intend to retain a larger proportion of retention-eligible Black students (10.0%) than students of any other race. Retention-eligible Black students were more than twice as likely to be retained than White students. Retention-eligible economically disadvantaged students were more than twice as likely as their higher-income peers to be retained.
- **Retention-eligible students in higher-performing districts were less likely to be retained.** Compared to higher performing districts, districts that fell in the bottom 25% of ELA performance in 2019 were over three times as likely to retain eligible students and were less likely to grant good cause exemptions due to an IEP or Section 504 Plan.
- **Retention-eligible students who were enrolled in districts that were fully remote in May of 2021 were more likely to be retained.** School districts that planned to provide fully remote instruction in May 2021 intend to retain a larger proportion of eligible students than districts offering other modalities. Districts that planned to provide fully in-person instruction in May 2021 intend to retain the smallest proportion of eligible students.

ENDNOTES

ⁱ Michigan Public Act 306 of 2016, MCL 380.1280f (2016)

ⁱⁱ Districts and parents or guardians can elect to retain students for other reasons not related to the Read by Grade Three Law. This report only analyzes retention and promotion decisions made under the Read by Grade Three Law based on students' performance on the third grade ELA M-STEP.

ⁱⁱⁱ Of the 37 students we omit from the analysis, 35 reportedly received good cause exemptions, while the retention outcomes for the remaining 2 students are unknown, as their districts did not report retention decisions for them.

^{iv} In this report, we use shortened versions of several of the student race/ethnicity category labels in MSDS. The "Black," "Latino/a/x," and "American Indian" subgroups in our report represent the "African-American or Black," "Hispanic or Latino," and "American Indian or Alaska Native" race/ethnicity categories from MSDS, respectively.

^v While enrollment in a developmental kindergarten or "young-fives" program does not constitute retention, it is understood that many districts are interpreting the Read by Grade Three Law's previous retention exemption category to include students who participated in developmental kindergarten.

^{vi} Boatman, M. (2021, July 14). Despite pandemic, most local third-graders moving to fourth grade. *The Holland Sentinel*. <https://www.hollandsentinel.com/story/news/education/2021/07/14/despite-pandemic-most-local-third-graders-moving-fourth-grade/7940829002/>; Bullion, M. (2021, June 17). School districts use exemptions to get around Michigan's 3rd grade reading law. *ABC 12 News*. <https://www.abc12.com/2021/06/17/school-districts-use-exemptions-get-around-michigans-3rd-grade-reading-law/>; French, R., & Kalakailo, S. (2021, June 15). Michigan schools revolt, won't flunk struggling third-grade readers. *Bridge Michigan*. <https://www.bridgemi.com/talent-education/michigan-schools-revolt-wont-flunk-struggling-third-grade-readers>.

^{vii} District ELA performance subgroups are based on standardized ELA achievement scores on the 3rd-7th grade M-STEP, PSAT 8/9, and SAT assessments from the 2018-19 school year. We calculated standardized scores separately for each assessment and grade level, based on the full population of Michigan students that participated in each test. We then took the average across all standardized scores for students in the same district.