



**POLICY BRIEF**

# **2020-21 Retention Outcomes Under Michigan's Read by Grade Three Law**

*John Westall, Postdoctoral Researcher, EPIC*

*Andrew Utter, Research Assistant, EPIC*

*Katharine O. Strunk, Faculty Director, EPIC*

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# 2020-21 Retention Outcomes Under Michigan's Read by Grade Three Law

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## Introduction

Michigan passed the Read by Grade Three Law in 2016 to improve literacy skills in grades K-3. The Law contains various supports and interventions, including mandatory third-grade retention. Beginning in 2021, the Law requires that districts retain students who do not meet a state standard for reading proficiency by the end of the 3<sup>rd</sup> grade on Michigan's end-of-year literacy assessment, the M-STEP. Together with a panel of experts, the Michigan Department of Education determined a specific cut-off on the third-grade ELA M-STEP that would trigger retention eligibility. Retention-eligible students could avoid retention if they qualified for one of six good cause exemptions, including English learners with fewer than three years of English language instruction and students who demonstrated proficiency in other subject areas or through an alternative assessment or portfolio of work, among others.<sup>1</sup>

In 2020-21, the first year of retention's implementation, roughly 5% of third-grade students, or 3,440 students, who took the M-STEP were eligible for retention. Districts retained 5% (175) of those retention-eligible students, promoting the other 95% to fourth grade through good cause exemptions. While a relatively small proportion of students were retention-eligible and retained, the policy disproportionately affected Black and economically disadvantaged students.

There has been substantial controversy over the Read by Grade Three Law's mandatory retention requirement, largely because the evidence of retention's potentially beneficial or detrimental effects on academic and non-academic outcomes are highly debated. A recent review of research on retention's effectiveness found an average of no effect of retention on student achievement because its effect is highly dependent on the specific context.<sup>2</sup> Some studies find that retention has a positive and lasting effect on academic achievement.<sup>3</sup> In contrast, others find no effect on academic achievement or that retention increases future suspensions and criminal activity.<sup>4</sup>

If retention could adversely affect students, it is important to understand whether certain students are more or less likely to be retained, especially conditional on their performance on

literacy assessments. For instance, in Florida, researchers found evidence that retention-eligible students with more educated mothers were more likely to receive exemptions and be promoted.<sup>5</sup>

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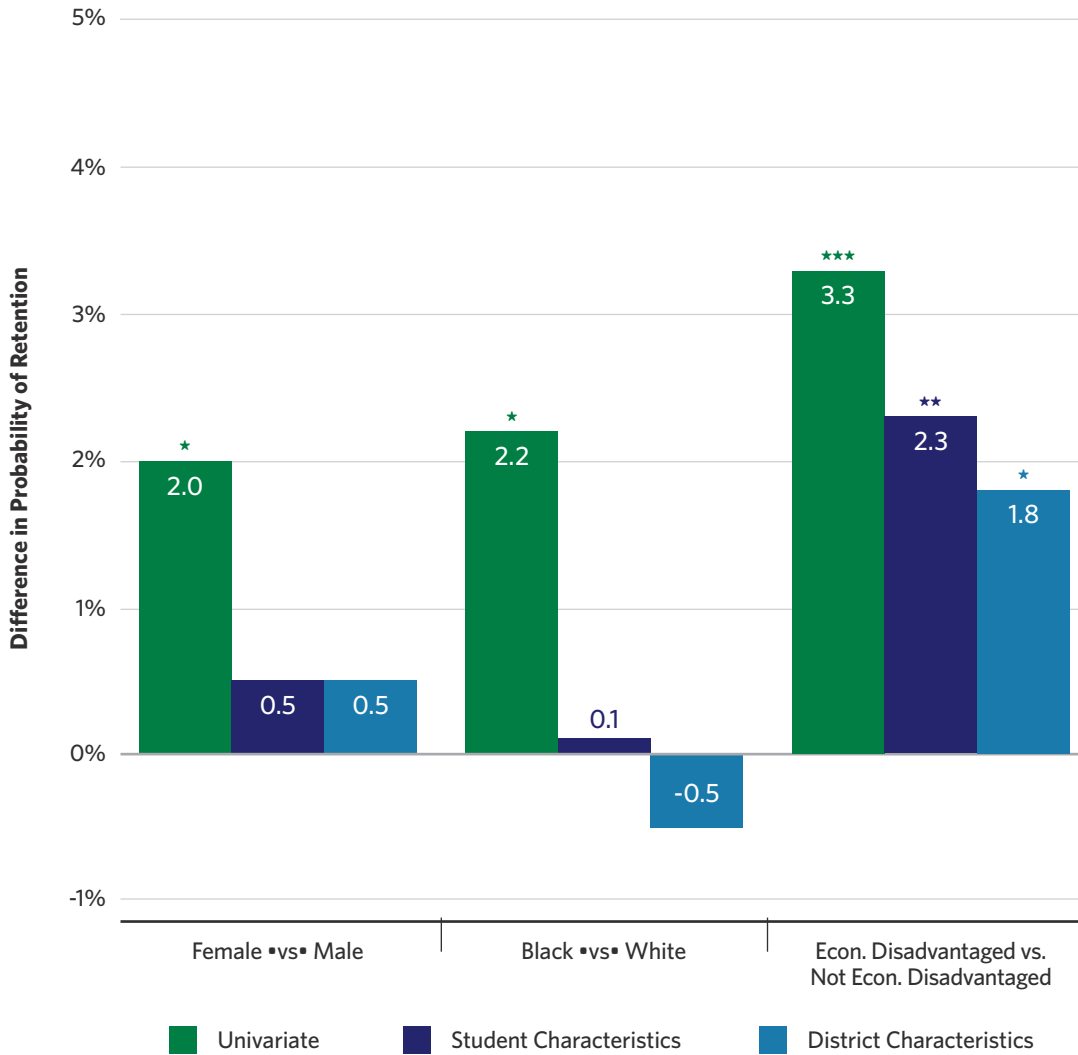
Our study uses two different methods to analyze the implementation of the Read by Grade Three Law's retention requirement. First, we predict which retention-eligible students are more likely to be retained under the Law based on factors like demographics, exemption qualifications, test scores, and district characteristics. Second, we compare the retention rates of students just above and below the retention-eligibility cut-off to see whether there were any differences in how the Law was applied to different subgroups of students. The combination of these two

methods, explained in detail in the accompanying working paper,<sup>6</sup> helps identify how strictly the Law was implemented and whether it disproportionately affected certain groups of students.

## FINDINGS

Overall, 175 out of 3,440 (5.1%) retention-eligible third-grade students were retained after the 2020-21 school year. We first examine whether certain student groups are more likely to be retained. The green bars in Figure 1 show that retention-eligible female, Black, and economically disadvantaged students were between 2 and 3.3 percentage points more likely to be retained than their male, White, and non-economically disadvantaged peers.<sup>7</sup> Next, the dark blue bars show these differences when we control for student characteristics, including factors that qualify students for good cause exemptions and M-STEP scores.<sup>8</sup> Once we add these controls, we no longer see that Black and female students are significantly more likely to be retained than similar White and male students. However, economically disadvantaged students are still more likely to be retained under the Law than their wealthier peers with the same demographics, exemption qualifications, and math and reading M-STEP scores. When we control for both student and district characteristics to compare students in similar districts (light blue bars), we see this is still the case.<sup>9</sup>

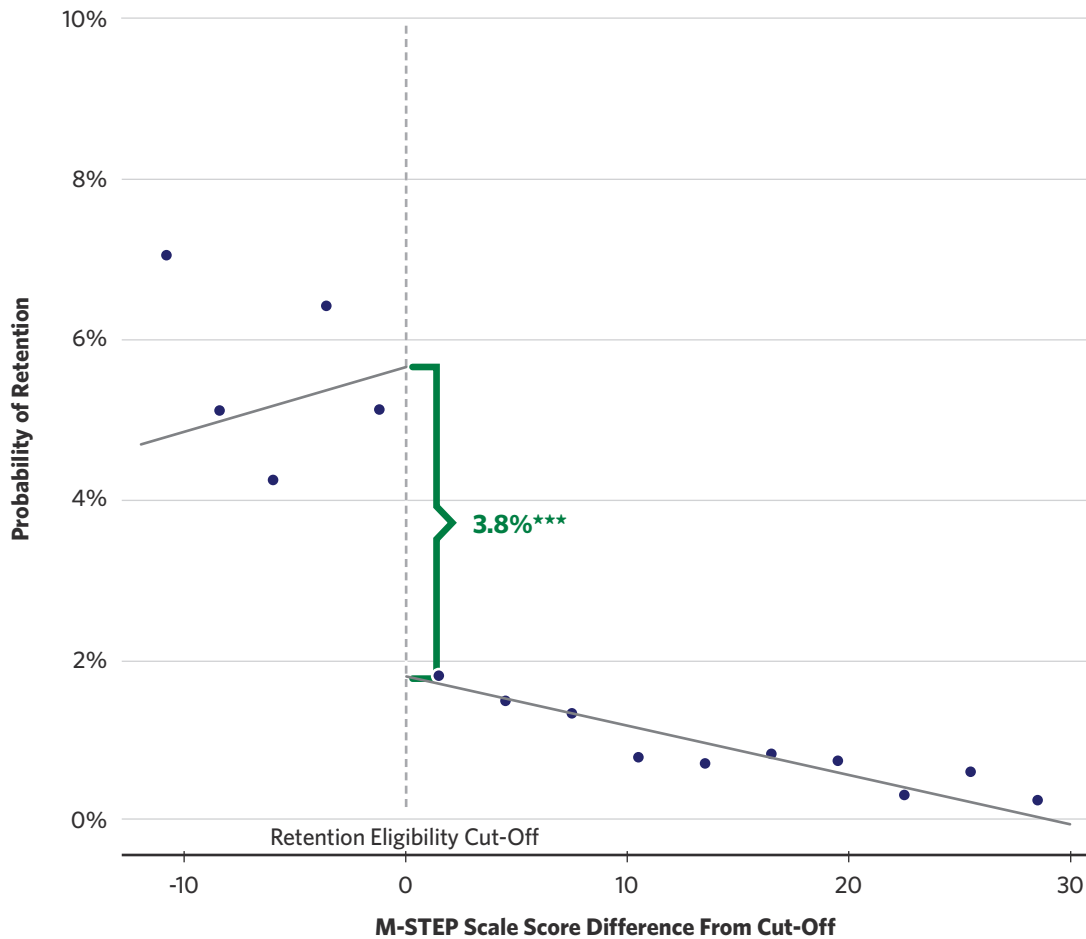
**FIGURE 1. Differences in Retention Rates Across Student Subgroups**



*Note: The green bars represent estimates from separate univariate regression. The dark blue bars are from a single regression, including controls for gender, race, economic disadvantaged status, exemption characteristics, and ELA and math M-STEP scores. The light blue bars are from a single regression with the same covariates as the dark blue bars plus controls for district characteristics. Standard errors are heteroskedasticity-robust and clustered at the district level. + p<0.1 \* p<0.05 \*\* p<0.01 \*\*\* p<0.001.*

Next, we compare students who scored just above and below the retention-eligibility cut-off. These students are nearly equivalent in terms of their ELA abilities, as reflected on the M-STEP, as they score just points away from each other across the cut-point. This enables us to determine the causal effect of retention eligibility on whether students are actually retained. Figure 2 shows that students just eligible for retention — scoring just below the cut-off — are 3.8 percentage points more likely to be retained than students who just avoided retention eligibility by scoring right above the cut-off. This provides evidence that, as expected, the retention-eligibility requirement directly causes some students to be retained.

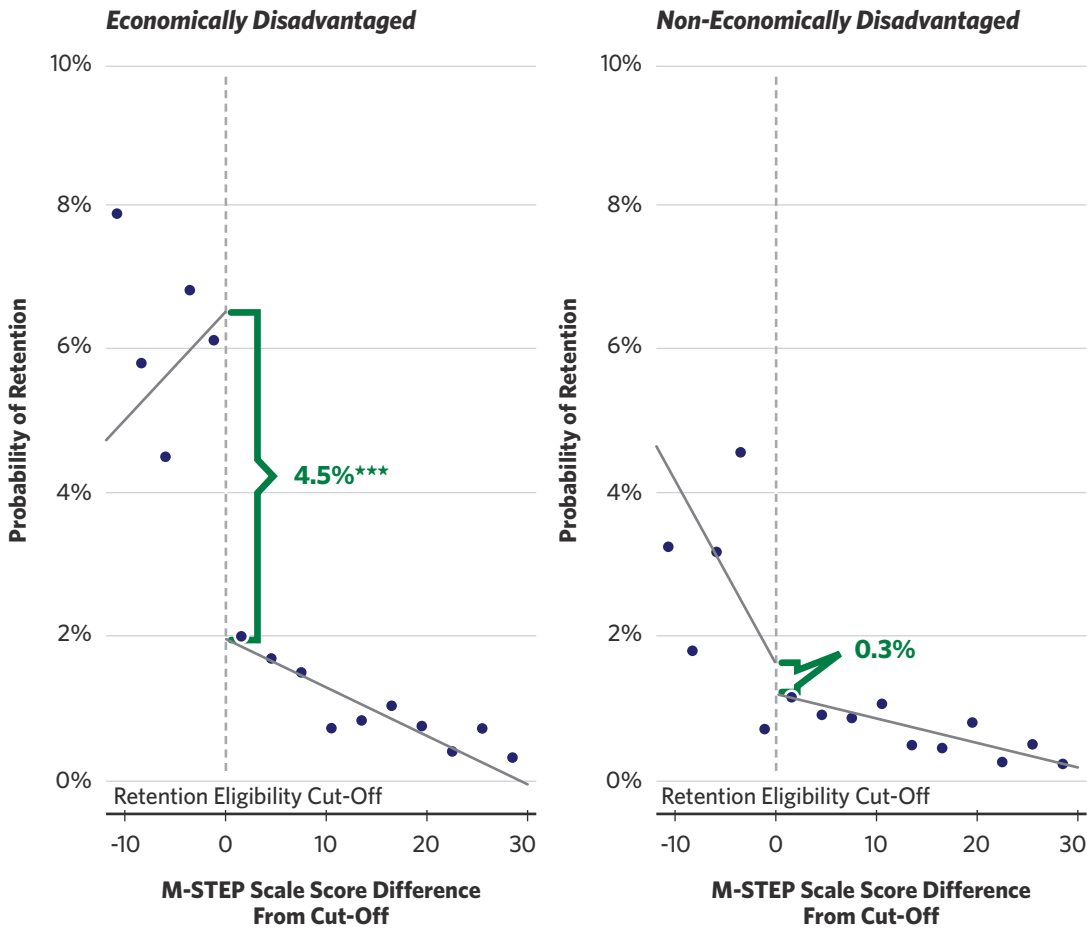
**FIGURE 2. The Effects of Retention Eligibility on Actual Retention**



Note: The vertical line indicates the retention-eligibility threshold of 1252 scale score on the third-grade 2020-21 ELA M-STEP. There is one dot for each scale score. +  $p < 0.1$  \*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$ .

Because our descriptive analysis suggests that economically disadvantaged retention-eligible students are more likely to be retained, we next examine students separately by their economic disadvantaged status. Economically disadvantaged students who score just below the cut-off are much more likely to be retained than those who score just above it (Figure 3, Panel A). However, this is not the case for non-economically disadvantaged students. Figure 3, Panel B shows that non-economically disadvantaged students who are retention-eligible are no more likely to be retained than their peers just above the cut-off. Moreover, differences in average math performance, exemption characteristics, district characteristics, and eligibility-induced student mobility across districts do not explain the disparities in the implementation of retention by economic disadvantaged status, suggesting that wealthier students are less likely to be retained than their less wealthy peers, even if they are nearly identical in all respects. We posit that this disparity may be because wealthier families are better able to advocate for exemptions for their children than the families of their economically disadvantaged peers.

**FIGURE 3. The Effects of Retention Eligibility on Actual Retention by Economic Disadvantaged Status**



Note: The vertical line indicates the retention-eligibility threshold of 1252 scale score on the third-grade 2020-21 ELA M-STEP. There is one dot for each scale score. +  $p < 0.1$  \*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$

## CONCLUSIONS AND POLICY IMPLICATIONS

In sum, we show that while only a small number of students in Michigan scored low enough on the M-STEP to be retention eligible in 2020-21, and an even smaller number were retained, retention disproportionately affected economically disadvantaged students. Our findings highlight the importance of equity considerations in implementing state retention mandates. While Michigan’s retention mandate is neutral to race and economic disadvantaged status, underlying inequalities or inherent bias in implementation can lead to substantial disparities in outcomes. Even though these concerns were known to policymakers and administrators in Michigan, with outreach targeted to historically underserved families, our findings suggest efforts to inform families about their options under the Law were insufficient to eliminate disparities in the implementation of the retention requirement.<sup>10</sup>



## ENDNOTES

1. Good cause exemptions enable districts to promote retention-eligible students to the fourth grade if they fall within one or more of the following categories: 1) English learners with fewer than three years of English language instruction; 2) students with disabilities (i.e., those with an Individualized Education Program [IEP] or Section 504 Plan); 3) students who were previously retained and received intensive reading interventions for two or more years; 4) 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); 5) students who demonstrated proficiency in other subject areas or through an alternative assessment or portfolio of work; or 6) students whose parents or guardians requested an exemption, provided that their superintendent agrees that retention is not in the best interest of the student.
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6. Westall, J., Utter, A., & Strunk, K. O. (2023). *Following the letter of the Law: 2020-21 retention outcomes under Michigan's Read by Grade Three Law*. Education Policy Innovation Collaborative. <https://www.epicedpolicy.org/working-paper-2020-21-retention-outcomes-under-michigans-rbg3-law/>
7. Economically disadvantaged status is defined in Michigan as students who are eligible for free- or reduced-price lunch, are in households receiving food (SNAP) or cash (TANF) assistance, are homeless, are migrant, and/or are in foster care.
8. Good cause exemption characteristics include students with disabilities and English learners as well as students who were previously retained or enrolled in their district for fewer than two years.
9. District characteristics include charter school status, urbanicity, prior (2018-19) ELA performance, M-STEP participation rate, and enrollment.
10. French, R. (2020, January 29). Gov. Whitmer launching effort to undercut Michigan's third-grade reading law. *Bridge Michigan*. <https://www.bridgemi.com/talent-education/gov-whitmer-launching-effort-undercut-michigans-third-grade-reading-law>





**Education Policy Innovation Collaborative**

MICHIGAN STATE UNIVERSITY  
236 Erickson Hall | 620 Farm Lane  
East Lansing, MI 48824

(517) 884-0377  
[EPICedpolicy@msu.edu](mailto:EPICedpolicy@msu.edu)  
[www.EPICedpolicy.org](http://www.EPICedpolicy.org)