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Recent M-STEP Results Show State Must Focus on its Early Literacy Policies

In a Nutshell

- Results from Spring 2023 student assessments show that the third grade reading proficiency rate dropped to its lowest level in nine years.
- In one of their first acts after taking control, the new Democratic majorities in the legislature passed legislation to repeal the mandatory grade retention provisions of its main early literacy law, Read by Grade Three, aimed at helping struggling readers.
- Michigan has much more work to do to improve students’ early literacy skills and it must do so with one less policy lever; the new state K-12 education budget adds funding for existing and new early literacy initiatives.

Last week, the Michigan Department of Education released annual student assessment results from last Spring. While scores across several grades and tested subjects were up compared to the previous year, a bright light after pandemic-induced learning disruptions, the state’s kindergarten through third grade (K-3) literacy efforts remain concerning. Results from the 2023 Michigan Student Test for Education Progress (M-STEP) show that the statewide third grade reading proficiency rate dropped to its lowest level in nine years. These declining state assessment results are mirrored in the state’s most recent results on national fourth grade reading tests.

Notably, the decline in third grade reading proficiency comes as the state’s early literacy policies continue to evolve. This includes recent changes to eliminate the mandatory grade retention component in the 2016 Read by Three Grade law and increased state funding to support various early literacy initiatives.

Background

In the fall of 2016, at the urging of a bi-partisan workgroup assembled by former Governor Rick Snyder, Michigan enacted a comprehensive early literacy law in the hopes of improving K–3 literacy skills and reversing the state’s flagging performance in this area. More than two-thirds of Michigan students failed to demonstrate reading proficiency at the beginning of fourth grade on national standardized reading tests in 2014. While Michigan, as a whole, was not achieving early literacy success, the challenge was particularly acute for some of the state’s most vulnerable students, including low-income students. Decades of research documents the importance of early literacy to future academic achievement and success.

Seven years ago, the data was clear that a course correction was needed as Michigan’s youngest learners were losing ground to peers in other states, while the state’s most disadvantaged students fell further behind their well-off neighbors. In crafting a policy response, state policymakers borrowed a number of ideas from leading states that had shown improvements in early literacy after adopting comprehensive reforms in this area. The national trailblazer in this regard was Florida and its 2002 Just Read, Florida! policy.

Florida’s model included several provisions to improve K-3 literacy skills, notably early identification of students who need additional support, monitoring and communication with families, various literacy interventions, and a

“smart promotion” component. The smart promotion policy was designed to provide third grade students, one or more grade levels behind in reading proficiency, with additional time and interventions at their current grade reading level. In short, the Florida policy rejected the concept of “social promotion” and required students be retained in third grade if they can not demonstrate reading proficiency on the state assessment.

Michigan’s Evolving Early Literacy Policy

Following Florida’s lead, Michigan became the 17th state to adopt a mandatory retention-based early literacy policy when it enacted the Read by Grade Three Law in 2016. While the law included other popular provisions from the Florida model, the mandatory retention component was, by far, the most controversial aspect of the state’s new early literacy policy. To many stakeholders, school administrators, and educators involved in the new law’s development, the retention policy provided a “hammer” to spur action but did not provide sufficient funding to implement the various other requirements – including curriculum reviews, teacher training, literacy assessments, and parent communication. (Note: Under the law, these other requirements took effect immediately, but the retention component did not take effect until the 2019-20 school year.)

The research literature is mixed on the effectiveness of mandatory grade retention on academic success. Proponents of the policy argue that it is a strong accountability measure for schools that comes at a critical juncture in the education process. Third grade is considered a pivotal point in young readers’ development; this is when a child transitions from “learning to read” to “reading to learn”. Opponents often point out the lack of research showing the policy has positive effects on student achievement, as well as the various social harms that students subject to grade retention may experience.

The political debate surrounding the adoption of mandatory retention policies across the states has been fierce and Michigan is no exception. It is notable that Michigan’s retention policy was enacted at a time when Republicans held majorities in both chambers of the legislature and there was a Republican governor. And, when the political winds shifted, attention was squarely back on this component of the state’s early literacy efforts.

In one of their first acts after taking control, the new Democratic majorities in the legislature passed legislation to repeal the mandatory grade retention provisions of the state’s Read by Grade Three law. Not surprisingly, the votes in both chambers were divided largely along partisan lines and there was little suspense when the legislation was presented to Democrat Governor Gretchen Whitmer for her signature.

Michigan’s recent repeal of its grade retention policy came despite a report from Michigan State University showing that third grade reading achievement improved annually since the policy was adopted in 2016, with students in traditionally underserved schools experiencing the greatest gains. Clear evidence that the law, including its retention component, was moving the needle.

While only a small fraction of retention-eligible students were actually retained in third grade, the law has proved to be unpopular with many educators and retention decisions have been shown to disproportionately affected low-income and Black students. These concerns largely prompted the current cohort of state lawmakers to eliminate mandatory retention.

Michigan’s whip-saw third grade retention policy change is playing out in other states too. Ohio recently scrapped the mandatory retention aspect of its early literacy law. The policy shift in the Buckeye State also came after a study showed that those third grade students that were retained out-performed peers that barely qualified for grade promotion to the fourth grade.

Today, nearly every state has an identifiable early literacy policy and these policies vary across many dimensions with some more comprehensive than others. After Michigan removed its retention component, however, just 13 states have a policy that mandates grade retention if a student is unable to document reading proficiency after the third grade.

Funding Increases for Early Literacy

Despite the fact that Michigan repealed mandatory grade retention for struggling third grade readers, the state's early literacy challenges have not changed. In fact, they are even more pressing today than they were seven years ago.

The most recent state M-STEP assessment results show that many third graders continue to struggle in reading. Statewide, these young learners registered their lowest score on the English Language Arts portion of the assessment in almost a decade. Similar reading challenges show up on national assessments. While nearly all states saw drops in their student scores on national standardized tests following the pandemic, Michigan's fourth grade reading scores saw an outsized drop relative to the nation as a whole. According to the 2022 National Assessment of Educational Progress, just 28 percent of the state's fourth grade students demonstrated reading proficiency.

One thing is clear here – Michigan has much more work to do to improve students' early literacy skills. And, it must do so with one less policy lever (i.e., mandatory grade retention) at its disposal. With the mandatory retention "hammer" now gone, policymakers have turned to pouring substantial amounts of public dollars into existing interventions and new programs to assist young readers.

One notable investment can be found in Section 35 of the new state K-12 education budget. It provides a 33 percent year-over-year funding increase to the marquee Read by Grade Three law early literacy intervention (\$42 million total) – state-supported literacy coaches. This funding will expand the number of regional-based coaches (from 280 to 336 coaches statewide) that provide critical research-informed professional development to district K-3 staff to help struggling readers.

Another program included in the budget is a new, one-time \$150 million tutoring initiative to focus on pandemic-induced learning loss. Research has documented that school closures and remote learning caused by the pandemic had some of the most profound effects on children in early grades. This should not be too surprising because children enrolled in kindergarten when the pandemic broke out in the spring of 2020 were in third grade during the 2022-23 school year. While the one-time funds are not directed specifically to early literacy interventions, local school officials would be wise to allocate the resources to the classrooms where students were most impacted by the pandemic.

The new Democratic legislative majorities reversed course on a key aspect of the state's early literacy skills-building policy earlier this year when they eliminated the mandatory third grade retention component of the Read by Grade Three law. This change came despite the fact that the policy, overall, improved students' literacy skills. Instead, policymakers have pivoted to providing schools with increased funding as the primary policy lever to address flagging reading scores. Time will tell whether those investments pay off.

ABOUT THE AUTHOR

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Craig is the Research Council's Research Director and primary researcher of education and school finance issues. Prior to becoming Research Director, Craig served as the Director of State Affairs and as a Senior Research Associate. During his graduate school studies, he worked for the Council as a Lent Upson-Loren Miller Fellow from 1993 to 1995. Before joining the Council in 2006, Craig worked for ten years as a fiscal analyst at both the Senate Fiscal Agency and the House Fiscal Agency. He previously worked for the Michigan Department of State, Office of Policy and Planning and the United States Environmental Protection Agency in Chicago.

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