Legislative Analysis

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GRADE 3 READING PROFICIENCY
& EARLY LITERACY INTERVENTIONS

House Bill 5111 (H-3)
Sponsor: Rep. Amanda Price

House Bill 5144 without amendment
Sponsor: Rep. Thomas F. Stallworth, III

Committee: Education

Complete to 12-10-13

A REVISED SUMMARY OF HOUSE BILL 5111 (H-3) AND HOUSE BILL 5144, AS REPORTED FROM COMMITTEE

The bills would amend the Revised School Code to better ensure reading proficiency in grade 3 of elementary school, and encourage early reading interventions so that students are reading at grade level by third grade. The bills are tie-barred to each other so that neither could go into effect unless both were enacted into law. A more detailed description of each bill follows.

House Bill 5111 (H-3)

The bill would amend the Revised School Code (MCL 380.1 et al) to specify that, beginning with students enrolled in grade 1 in the 2014-2015 school year, a student could not enroll in grade 4 without passing the grade 3 state reading assessment.

Specifically, the bill says that if a student who was enrolled in grade 3 in a school district or public school academy did not achieve a score of *at least proficient in reading on the grade 3 state assessment*, then the board of the school district or the board of directors for the charter school would have to ensure that the student was not enrolled in grade 4 until proficiency on the grade 3 assessment was achieved.

Also, under the bill, if a child sought to enroll for the first time in a school district or charter school in grade 4, then school officials would be required to prohibit enrollment unless the student had achieved at least a proficient score in reading on the grade 3 state assessment.

Exemptions
However, House Bill 5111 specifies that if the superintendent of a student's school district or the chief administrator of a student's charter school granted *a good cause exemption*, then the student could enroll in grade 4 without meeting the grade 3 reading proficiency requirements. Under the bill, a "good cause exemption" could be granted only for one of the following:

- The student had demonstrated grade 3 level performances in reading on an alternative standardized reading assessment approved by the state school superintendent.

- The student had demonstrated grade 3 level performance in reading through a portfolio, as evidenced by mastery of all grade 3 state reading standards through multiple work samples.

- The student had a disability and an individualized education program that indicated participation in the state reading assessment was not appropriate.

- The student was a limited English proficient student who had less than two years of instruction in an English language learning program.

In addition under the bill, a student could be granted a "good cause waiver" through the following procedure:

- At the request of the student's parent, or upon the teacher's initiative, the student's grade 3 teacher submitted to the principal or other chief administrator a recommendation for a "good cause exemption" along with documentation that indicated that a "good cause exemption" applied. The documentation would have to consist only of a statement identifying the "good cause exemption," the existing reading improvement plan or individualize education program for the student, and the alternative assessment results or student portfolio results, as applicable.

- For a student enrolled in a school operated by a school district, the principal of the student would be required to review and discuss the recommendation with the student's grade 3 teacher, and to make a determination (in writing) of whether or not to recommend that a "good cause exemption" be granted. If the principal recommended a "good cause exemption," he or she would be required to submit that recommendation to the school district superintendent. The district superintendent would then be required either to accept or to reject the principal's recommendation (in writing), and the superintendent's decision to grant or deny the exemption would be final.

- For a student enrolled in a charter school, the chief administrator of the charter school would be required to review and discuss the recommendation with the student's grade 3 teacher and make a determination (in writing) whether or not to grant the "good cause exemption." The chief administrator's decision would be final.

Intensive Reading Instruction if Exemption

Under House Bill 5111, if a student enrolled in grade 4 with a "good cause exemption," the school district or charter school would be required to provide the student with intensive reading instruction and intervention that included specialized diagnostic information and specific reading strategies to meet the needs of the student. The school district or charter school would be required to assist the student's school and teachers

with the implementation of one or more reading strategies that research has shown to be successful in improving reading among students with reading difficulties.

Other Provisions

House Bill 5111 prohibits a school district or charter school from retaining a student in grade 3 for more than two school years.

Further, the bill specifies that with the agreement of the student's teacher and the student's parent (or legal guardian), a student could retake the grade 3 state reading assessment before grade 4 to attempt to achieve a score of at least proficient.

Finally, the bill prohibits the Michigan Department of Education from including a social studies component on the grade 3 state assessment or any pilot of that assessment, in order to further the goal of reading proficiency, and to allow teachers more time to focus on the reading proficiency goal.

House Bill 5144

Generally, the bill would amend the Revised School Code (MCL 380.1 et al) to require the Michigan Department of Education to adopt policies and programs that enable more Michigan children to attain proficiency in reading by the end of the third grade.

The bill would require the Michigan Department of Education to help ensure more students achieve a proficient score on the grade 3 state reading assessment. To that end, the Department would be required, not later than April 1, 2014, to submit to the standing Education committees of the House and Senate a report identifying reading programs that have been demonstrated to be successful in helping low-performing elementary school child to become more proficient in reading.

Then, not later than June 1, 2014, the Department of Education would be required to recommend or to develop one or more reading programs that would allow students to achieve reading proficiency on the grade 3 state reading assessment. The programs would be required to focus on diagnostic evaluation, early intervention, tutoring, and mentoring.

Then, for the 2014-2015 school year, the Department of Education would be required to implement a pilot program serving up to 400 K-3 students in up to four school districts or charter schools, at least one of which must be located in an urban area.

In addition, the Department of Education would be required to develop a process that enables third graders to retake the grade 3 reading assessment.

House Bill 5144 also requires that, beginning in the 2014-2015 school year, the boards of all school districts and charter school do all of the following to help ensure more students will earn a proficient grade on the grade 3 reading assessment:

- Use effective early screening instruments during the first 30 days of school to identify students having early literacy delays in grades K-3.

- For students having early literacy delays, notify the students' parents in writing, and provide tools so that parents can help the students at home.

- Use intensive intervention programs of their choosing, including summer school, for those students experiencing literacy delays, and ensure those students the opportunity to retake the grade 3 reading assessment before enrolling in grade 4.

- Annually, submit early literacy data to the Michigan Department of Education.

FISCAL IMPACT:

House Bill 5111 could result in long-term increased costs to the state and to local school districts. To the extent that students were retained in 3rd grade, it would increase the number of pupils in local school districts over time. The bill would apply to students entering 1st grade in 2014-2015, which means the first students would be required to repeat 3rd grade in 2017-2018. Initially there would be no fiscal impact as students simply would be counted in a different grade than they would have been otherwise. The bill would create a larger 3rd grade count, permanently increased by the number of retained students, and a single smaller cohort entering 4th grade in 2017-2018. By the time that smaller cohort graduates out, and the first retained 3rd graders enter 12th grade (their 14th year of school) in 2026-2027, statewide enrollment would increase by the average number of students retained, thus increasing statewide school operating costs.

Generally, the added school operating costs paid through the foundation allowance would be borne by the state in the School Aid budget (because existing local operating millage revenue would be spread over a greater number of pupils, thus decreasing the local per pupil revenue and increasing the required state share per pupil necessary to fully fund foundation allowances). For FY 2013-14, the minimum foundation allowance is $7,076 (including a $50 equity payment) and the maximum state guaranteed foundation allowance is $8,049. Each district's mix of state and local funding varies depending on local non-homestead property values and pupil memberships.

Based on 2012-2013 MEAP results and pupil counts, which are the most recent available, as many as 34% or 37,750 3rd graders could be retained under the bill's provisions. Based on the current minimum foundation allowance, the annual added cost beginning in 2026-2027 could be $267 million per year. However, to the extent that both the good cause exemptions in HB 5111 and the increased emphasis on 3rd grade reading proficiency that would likely result from the bill decrease the number of actual students retained, it would mitigate the increased state costs.
House Bill 5144 could increase costs for both the Michigan Department of Education (MDE) and local school districts.

The bill would add to MDE costs through added responsibilities including providing additional assessments, recommended reading programs, and a pilot reading intervention program. It would require MDE to seek funding for the pilot program from private and public sources. Further, the bill specifies the Legislature is to appropriate funds from these sources, and from the School Aid Fund as necessary, for the pilot program or programs for the 2014-2015 fiscal year.

The bill could also increase costs to local districts by requiring that districts use early screening instruments to identify reading delays, provide additional intervention tools to parents, provide intensive intervention programs for students identified with reading delays, provide additional assessment opportunities, and submit additional data to the MDE.

POSITIONS:

The following organizations *support House Bill 5111*:

The Detroit Regional Chamber of Commerce, The Michigan Association of Public School Academies, the Great Lakes Education Project, and Americans for Prosperity.

The following organizations *oppose House Bill 5111*:

The Michigan Association of School Boards, the Michigan Association of School Administrators, the Michigan Association of Intermediate School Administrators, the American Federation of Teachers, the Michigan Association of School Social Workers, Michigan Parents for Schools, Calhoun Intermediate School District, the Michigan Association of School Psychologists, the Community Education Children's Advocate of J. A. Lanigan Elementary in Farmington Hills, and Wayne RESA.

The following organization is *neutral on House Bill 5111*:

The Michigan Department of Education
The following organizations *support House Bill 5144*:

The Michigan League for Public Policy, the Michigan Association of Public School Academies, and the Great Lakes Education Project.

The following organizations *oppose House Bill 5144:*

The Michigan Association of School Administrators, and the Michigan Association of Intermediate School Administrators.

The following organization is *neutral on House Bill 5144*:

The Michigan Department of Education

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