



Senate Fiscal Agency
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Senate Bill 12 (as reported without amendment)

Sponsor: Senator Dayna Polehanki

Committee: Education

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 public school academy (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.

MCL 380.1280f

BRIEF RATIONALE

Public Act 306 of 2016 (also known as the "Read by Grade Three" law) generally requires the retention of a grade 3 pupil if the pupil is one or more years behind grade level in reading proficiency unless a good cause exemption is granted. Some people believe that the mandatory retention requirement unnecessarily punishes students based on their performance on a one-time test, which can have a long-term negative impact on the students if they are retained. Accordingly, it has been suggested that the mandatory retention requirement be removed.

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.

Legislative Analyst: Stephen P. Jackson

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.

Date Completed: 2-1-23

Fiscal Analyst: Ryan Bergan

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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.