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POLICY BRIEF

Holding Back Kids to Push Them Forward: An Analysis of Retention Policy in Wisconsin

Executive Summary

Improving student reading has become an important focus for policymakers and education policy analysts in recent years. On the most recent Forward Exam, only 38% of Wisconsin students statewide were found to be proficient in reading. Recently, attention has been focused on states that have made important gains in reading, such as Mississippi. One key change has been the implementation of a stringent policy that requires third grade students who do not reach proficiency on the state exam to be held back, with some exceptions.

Wisconsin is among the states that do not require students to be held back for failing to meet state benchmarks. While a great deal of focus has been placed on improving educational outcomes in Wisconsin in recent years—particularly in reading—the potential role of a retention policy remains understudied. In this paper, we take advantage of variation in retention rates around the state to examine whether holding kids back can be sound education policy, and whether a statewide requirement is needed.

Among the key findings of this paper:

17 States have implemented policies to hold students back. The number of states that hold kids back in third grade has grown in recent years. This includes nearby states like Michigan and Indiana.

Retention is not a silver bullet. Retention must be coupled with instruction based on the science of reading, and students who are held back must receive extensive reading-focused intervention.

Retention rates vary extensively. 170 Districts around the state held back 0 kids. Of districts that held kids back, rates ranged to as high as 6%.

High retention improves outcomes for low-income districts. In our analysis, districts with high numbers of low-income students that hold students back at a higher rate see improved future ELA outcomes relative to similar districts that hold kids back at a lower rate.

Wisconsin should implement a third-grade retention requirement. Students who score in the lowest category of proficiency on the Forward Exam’s reading portion—or some subset thereof—ought to be subject to retention.

Introduction

Improving student outcomes in reading has become a key topic of interest for legislators all over the country. While Americans have long understood that reading is a critical skill, recognition that the *ways* we have been teaching reading are suboptimal has increased in recent decades. Much of the debate has centered on the use of phonics-based instruction versus whole language or balanced literacy instruction. Phonics-based instruction focuses on teaching children to read and spell words by sounding out letter combinations. The whole language method teaches recognition of words without breaking them down into letters and sounds. Embedded within whole language and balanced literacy programs is the Three-Cueing Systems Model, which critics have pointed out undermines phonics and requires guessing. Several states have banned Three-Cueing instruction, which has become pervasive over the past thirty years. Even Lucy Calkins, one of the main proponents of the Three-Cuing method, has been forced to bring phonics and the science of reading into her curricula, at least to some extent.ⁱ

Mississippi has received attention from policymakers and educators who are looking for proven methods that improve reading scores. The state, which has long been held up as the model of what *not* to do in education, made significant jumps on their scores, including on nationally comparable metrics like the National Assessment of Educational Progress (NAEP).ⁱⁱ While there are many factors to consider when assessing this jump—including a new focus on the Science of Reading—one key component has been a willingness to hold kids back who are not ready to move on.

Today, Mississippi holds back a higher share of students than many other states. According to a report from the Fordham Instituteⁱⁱⁱ:

“In 2018–19, according to state department of education reports, 8 percent of all Mississippi K–3 students were held back (up from 6.6 percent the prior year). This implies that over the four grades, as many as 32 percent of all Mississippi students are held back; a more reasonable estimate is closer to 20 to 25 percent, allowing for some to be held back twice.”

There are exceptions to these retention policies. The “Good Cause” exceptions to the retention policy include students who are identified as English Language Learners, and students with IEPs who don’t participate in exams.^{iv} Such specific exemptions are a key part of an effective reading strategy.

There is growing evidence that such policies can have a meaningful effect. A 2017 study^v from scholars at Harvard University of Florida found that students who were held back in third grade reduced the likelihood of the student later being held back again, as well as the likelihood that they would need remedial classes in high school. Another study from the Manhattan Institute examined Arizona and Florida and found significant improvements on future test scores.^{vi}

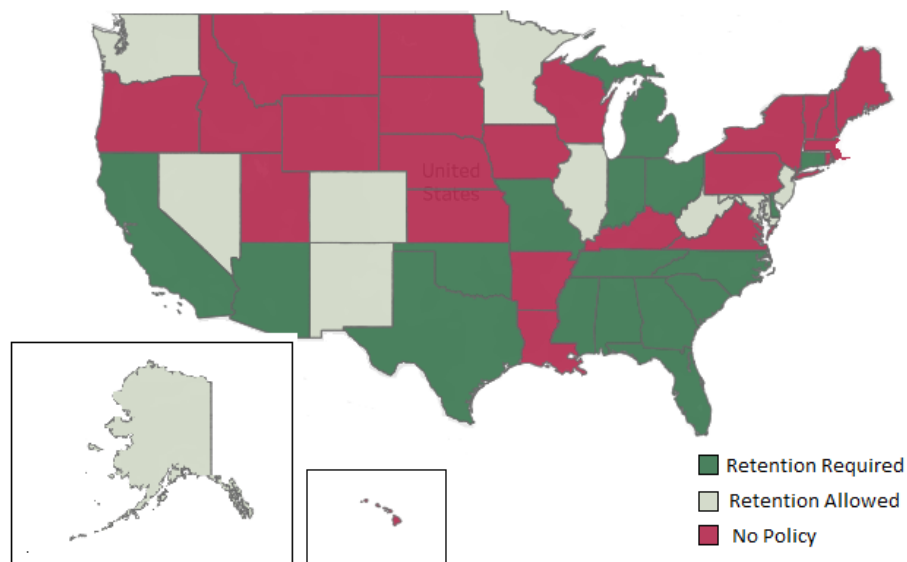
It has become increasingly clear that it is far more important that students learn the material required before moving on, rather than being pushed forward in school to keep up with their

social group. Across the nation, 17 states have adopted policies that require retention in third grade for students who aren't meeting expected levels of proficiency, according to a 2020 analysis.^{vii} The third-grade benchmark is often used because a failure to reach proficiency in reading by the end of this school year means that the child has missed the key transition from “learning to read” into “reading to learn.”^{viii} Failure to meet this benchmark has been linked to higher rates of dropping out of high school, which often leads to negative consequences for both the individual and taxpayers.^{ix} In a study of Ohio students, those who met third-grade benchmarks were five times more likely to meet standards for college and career readiness.^x

Of course, holding students back can't just mean repeating the exact same material a second time. Among other interventions, students in Mississippi who are held back receive additional reading interventions for at least 90 minutes per day, and have their success and advancement closely monitored by their teachers and literacy coaches.^{xi}

Figure 1 below shows the current retention policy of each state.

Figure 1. Third Grade Reading Retention Laws (2020)



As shown above Wisconsin is among the states that does not have a statewide retention policy. Is the absence of this policy harming outcomes for students?

State of Reading in Wisconsin

While Wisconsin was once held up as a model for public education around the nation, recent evidence suggests that the state is losing ground, particularly in the area of reading. Statewide, only 38.1% of students were found to be proficient in reading on the most recent round of state

tests.^{xii} This means that the majority of students are not reaching levels of reading mastery judged to be proficient on the nationally norm-referenced Forward Exam.

On the aforementioned NAEP, a superficial analysis would show that Wisconsin still ranks in the top half of states, and is still ranking above a state like Mississippi. However, Wisconsin's demographics mask a growing problem. When the composition of the students in Wisconsin schools is taken into account, the state falls to 32nd overall—out of the top half.^{xiii}

In certain school districts, the picture is far worse. 75 districts have proficiency rates under 30%. The COVID-19 pandemic and the long-lasting shutdowns in some districts have exacerbated Wisconsin's worst-in-the-nation racial achievement gaps. It is clear a change is needed, and holding kids back to ensure they are prepared for the next grade level may be part of the solution. In the remainder of this paper, we explore the current state of retention in Wisconsin, and whether there is evidence it can be effective.

Retention in Wisconsin

Currently, Wisconsin does not have a statewide policy on retaining students in the same grade if they are not meeting expectations. Districts are left to make their own policies in this area, which results in substantial variations in retention rates across the state. The Table below shows the 10 districts with the highest retention rates using the most recent data available from DPI for the 2020-21 school year.

Table 1. Retention Rate by District

District	Retention Rate
Columbus	6.61%
Westfield	3.39%
Lancaster Community	3.06%
Cornell	2.87%
Bowler	2.80%
Saint Croix Central	2.51%
Greendale	2.38%
Beloit Turner	2.35%
Cambria-Friesland	1.71%
Lake Geneva-Genoa UHS	1.69%
Minocqua J1	1.53%

The Columbus School District had the largest share of students held back at 6.61%, nearly double the second highest percentage found in Westfield of 3.39%. We are omitting districts with the lowest retention rates, as 169 districts across Wisconsin (40.3%) held back no students. This includes districts with extremely low proficiency like Wausaukee, where ELA proficiency rates were 16% for the 2021-2022 school year.

Retention is not being used extensively by districts with extremely low reading proficiency levels. Table 2 below shows the districts in the state with the lowest ELA proficiency on the Forward Exam, coupled with their rates of holding students back. None of the districts listed retain even 1% of students.

Table 2. Retention Rate & ELA Proficiency

District	Proficiency ELA	Retention Rate	Percent Low Income
Menominee Indian	3%	0.33%	94%
Beloit	14%	0.86%	71%
Milwaukee	16%	0.80%	77%
Wausaukee	16%	0.00%	51%
Ladysmith	36%	0.42%	65%
Phelps	18%	0.00%	62.1% ¹
Racine	18%	0.91%	61%
Siren	18%	0.78%	71%
Mellen	19%	0.00%	45%
Bayfield	20%	0.00%	62%

Does Retention Work?

Methods

In this section, we take advantage of the variation in retention rates outlined in the previous section to investigate whether there is an impact on subsequent student achievement. We compare retention rates by school district in the 2020-21 school year with student ELA achievement on the 2021-22 Forward Exam. If retention is an effective policy, we would expect to see a positive relationship to ELA proficiency. Because we know from decades of evidence that students from lower-income backgrounds are often further behind in reading, we also include an interaction term to account for the possibility that the effectiveness of retention varies based on the share of low-income students in a school district. An interaction term is a measure of the way that the effect of two variables vary simultaneously—as one goes up, what happens to the other one?

We also include a number of other control variables known to have a relationship to student performance. These are the share of students in the district who are African American, the share

¹ Phelps is reported in the 2021-22 data as having 0% low-income students. This appears to be an error, as the district previously reported 62.1% low-income kids in 2020-21. This value has been substituted here and in the subsequent analyses.

of students with a disability, and the share of students who are English Language Learners. Our final control variable differentiates high-school only school districts.

Results

Table 3 below presents the results of the analysis described in the Methods section.

Table 3. ELA Proficiency & Retention Rates

VARIABLES	(1)
	ELA Proficiency
Economic Status	-0.399*** (0.0312)
Retention	-3.800* (1.948)
Econ*Retention	9.592** (4.741)
African American	-0.0432 (0.0798)
Disability	-0.874*** (0.134)
ELL Status	-0.154* (0.0810)
HS only	-0.0332 (0.0243)
Constant	0.683*** (0.0168)
Observations	419
R-squared	0.562

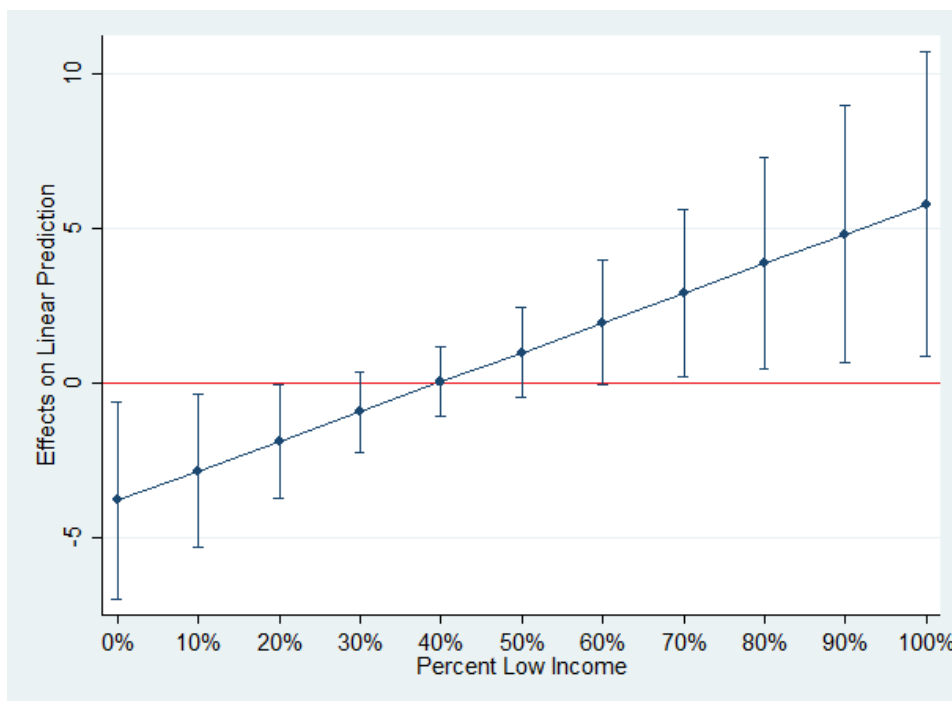
Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Independently, many of the variables work as might be expected. For example, economic status is related to ELA proficiency. A hypothetical school with 100% low-income students would be expected to have proficiency rates 39.9% lower than a school with 0% low-income students. Disability status and English Language learner status were found to have similarly appropriate effects. By itself, retention is found to have a negative relationship to proficiency. However, in order to get the full picture, we must examine the interaction effect.

This relationship is presented in Figure 2 below.

Figure 2. Effect of Retention as Low-Income Share Varies with 90% Confidence Intervals



In an analysis like this, the key point to examine is where the line crosses the 0 point. When the line is below 0, the effect of retention on subsequent ELA proficiency is negative. When the line is above 0, the effect of retention is positive. The results here suggest that retention has a negative effect on performance only in the districts with the lowest share of low-income students, but has a neutral or positive effect as we move to the more common districts with higher shares of low-income students.

We cannot fully explain why the effectiveness of retention is limited to districts with more low-income students. One hypothesis might be that districts with wealthier families have access to more intervention policies for struggling readers than families in lower-income districts. Thus, retention in those school districts is limited to students with more profound problems.

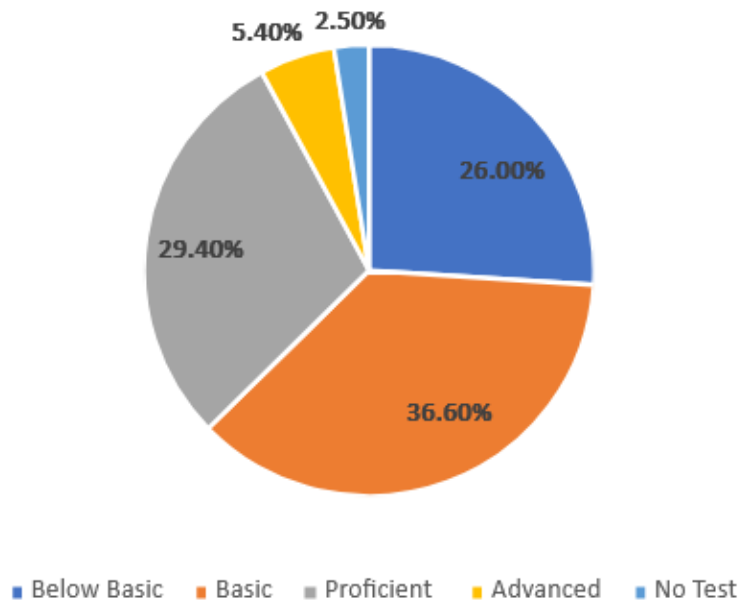
Particularly for the student groups with which Wisconsin struggles most, the evidence here suggests that retention could be an effective policy.

Policy Suggestion

We recommend that Wisconsin implement a third-grade reading retention policy for students who score in the lowest level of proficiency on the Forward Exam, or a subset of those students.^{xiv} Under the proposal here, students in the “Below Basic” category should be held back, barring special circumstances such as the student being an English Language learner.

Some may wonder why we are recommending such a low bar for retention. There are two key reasons for this. First, the sad reality is that the inclusion of students scoring “Basic” would push 63% of students into the potential retention category. Figure 3 below shows the breakdown of third grade reading scores on the most recent Forward Exam. Inclusion of the lowest category of proficiency would subject about 26% of third graders to retention.

Figure 3. Third Grade Proficiency, Forward Exam 2021-22



The second reason is that “proficiency” in Wisconsin means something different than proficiency in a number of the other states that have implemented retention policies. In 2013, Wisconsin raised its standards for proficiency to match what is judged to be proficient on the NAEP. One way to illustrate that proficiency is more stringent than other states is to compare what a student who scores “proficient” on their respective state exams would be expected to score on the NAEP, at minimum.² The table below shows that estimate for Wisconsin and its neighbors, along with two of the key states mentioned in this paper.^{xv}

² Scores theoretically range as high as 500, though no state scores above 300 on average.

Table 4. NAEP Equivalent Proficiency, Wisconsin & Other States

State	NAEP-Equivalent Proficiency
Wisconsin	232
Minnesota	223
Illinois	236
Iowa	207
Michigan	226
Mississippi	222
Florida	220

To Wisconsin's credit, our standard of proficiency is higher than any of our neighbors except for Illinois and is significantly higher than Florida and Mississippi. But this means that a student would be more likely to be retained in Wisconsin if we used the same category cut-offs for holding students back. It is possible that a further subset of the lowest category of proficiency—perhaps the bottom 10% of scores on the reading portion of the exam—should be used as the benchmark for retention.

Another option would be to base retention decisions on the sum of evidence from more frequent reading assessments. Last year's Senate Bill 454^{xvi}—vetoed by Governor Evers—would have increased annual reading assessments to three per year. Under such a proposal, it is possible that only those students who weren't making significant progress towards proficiency could be identified for retention.

Such a proposal is not costless. By keeping a subset of students in school an additional year, taxpayers will be on the hook for an additional year of funding at both the state and local level. But given that increased spending on public education is likely on the table, it is logical to invest in a proven policy.

Conclusion

This paper has provided evidence that retention policies have been proven effective, even in a state like Wisconsin which lacks statewide requirements for retention. While we are limited in our analysis by available data, our findings are consistent with work that has been done around the nation on this topic.

Retention alone will not improve Wisconsin's reading outcomes, but can lead to positive results when combined with science-based reading instruction and other interventions. These interventions should include restoring the central role of phonics in reading, and eschewing modern methods that have become pervasive in education over the years.^{xvii} The evidence is growing that retention is a key component of a broader package of reforms that will help Wisconsin reverse its precipitous decline in reading outcomes.

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