



## **OKLAHOMA'S NEW THIRD GRADE RETENTION LAW**

Better Funding and Planning are Needed to Improve Reading Achievement

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In 2011, Oklahoma amended the Reading Sufficiency Act (RSA) to ban social promotion (promoting a child based on age rather than academic achievement). The new law requires schools to retain students who do not pass a reading test and do not meet other criteria for exemptions by the end of the third grade. The first group of students affected by this policy will complete the third grade in 2014.



This issue brief examines the history of the RSA, what current research says about third grade reading and retention, and how Oklahoma is implementing the law both in local school districts and at the state level. The brief estimates how many additional students could be retained due to the law, what these retentions could cost the state, and what it would cost to implement effective reading remediation measures to reduce the number of students being retained.

The RSA is an important part of efforts to improve third grade reading and thus students' school and life courses. However, the RSA legislation and its implementation so far are incomplete solutions that leave students at risk for reading deficiencies.

To achieve the goals of the RSA, we recommend that Oklahoma should:

- Fully fund the costs of RSA remediation.
- Improve RSA legislation by intervening sooner with struggling students, streamlining alternative assessments, and improving communication.
- Clearly prescribe evidence-based strategies for reading remediation.
- Improve mandatory professional development for teachers in K-3 to adequately identify and support struggling readers.

Oklahoma's education leaders have rightly embraced third grade reading as a primary goal for schools. By improving the Reading Sufficiency Act and funding the reforms, Oklahoma can set its schoolchildren on a more certain path to success.

## THE READING SUFFICIENCY ACT

The Reading Sufficiency Act (RSA) was enacted in 1997 to improve Oklahoma children's reading skills before the end of third grade. Since that time, Oklahoma has passed several amendments to the Act, with the most recent substantive changes taking place in 2011-2012. These changes include a requirement to establish an intensive, accelerated reading program, known as the Reading Enhancement and Acceleration Development (READ) Initiative, for kindergarten to third grade( K-3) students who fail to meet grade-level reading standards.

Other significant amendments changed the RSA funding allocation formula and teacher stipend provisions; added kindergartners to the assessment, reporting, and remediation program; limited reading screening instruments to those approved by the state, and removed students' ability to automatically advance to fourth grade upon completing a summer reading program. The 2011 amended Act also bans social promotion (promoting a child based on age rather than academic achievement.)

Under these amendments, Oklahoma school districts are required to assess children for reading risk twice each year beginning in kindergarten and offer a wide range of supports to increase reading proficiency by the end of the third grade. Figure 1 on the following page provides a description of the key steps in this process.

By far the most significant recent change to the Act is the third grade retention mandate. The prior Act left the authority to retain a child to individual school districts, and typically parents were given significant discretion over whether their children would be retained. *[NOTE: This has been corrected from an earlier version of this report, which said that the decision was left to parents.]* The new provision requires all third grade students who do not pass the reading portion of the statewide criterion-referenced test by the end of the school year to be retained. However, several "good cause exemptions" to retention are allowed (see box).

Oklahoma's mandates for third grade reading results are among the most aggressive of state actions across the nation. The majority of states require reading assessment and diagnosis in the early grades and require interventions for students who are below desired reading levels. Just fourteen states have an assessment-based requirement for promotion to the fourth grade. Of these, only six do not automatically promote students who complete summer programs after the third grade.<sup>1</sup>

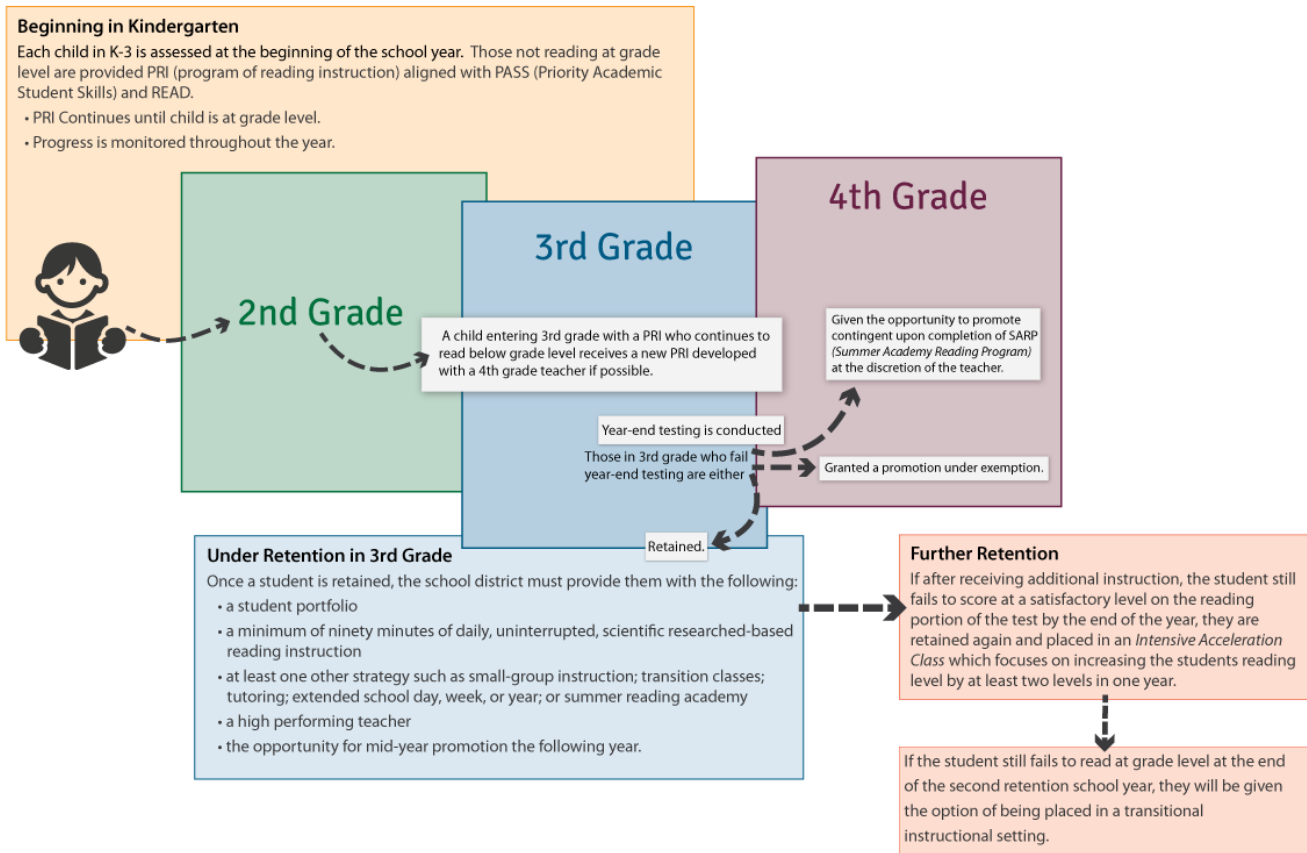
### Good cause exemptions to retention:

- a. Students with limited English language skills
- b. IEP (*Individualized Education Program*) students whose program indicates they should be assessed through OAAP (*Oklahoma Alternative Assessment Program*)
- c. Students who demonstrate proficiency through an alternative State Board of Education approved assessment.
- d. Students who demonstrate proficiency through a student portfolio.
- e. IEP students who are not assessed through OAAP but have been previously retained and have receive at least two years of intensive remediation.

If a student meets any exception above, the district must provide them with intensive reading instruction during an altered instructional day. In addition to the good cause exemptions above, requests for exemptions may be made by the following process:

- a. Teacher must submit documentation to the principal.
- b. Principal decides whether to make a recommendation to the school district superintendent in writing.
- c. Superintendent makes the final decision in writing.

**Figure 1: Reading Sufficiency Act Flowchart**



## WHY THIRD GRADE READING MATTERS

A child’s early learning environment has a profound impact on her or his success as an adult. Research shows that the first eight years of life are crucial to setting a path to either academic success or an achievement gap that is almost impossible to close at older ages.

Third grade is an important turning point for a child’s potential success or failure, because it is typically during this year that students shift from “learning to read” to “reading to learn.” However, recent data indicates that 55 percent of fourth graders in the United States are reading at below basic levels, which means they lack the essential skills necessary to understand the meaning of words, locate information, and make inferences from text. Students who do not achieve at least basic reading skills by the third grade are six times more likely to drop out of high school.<sup>2</sup>

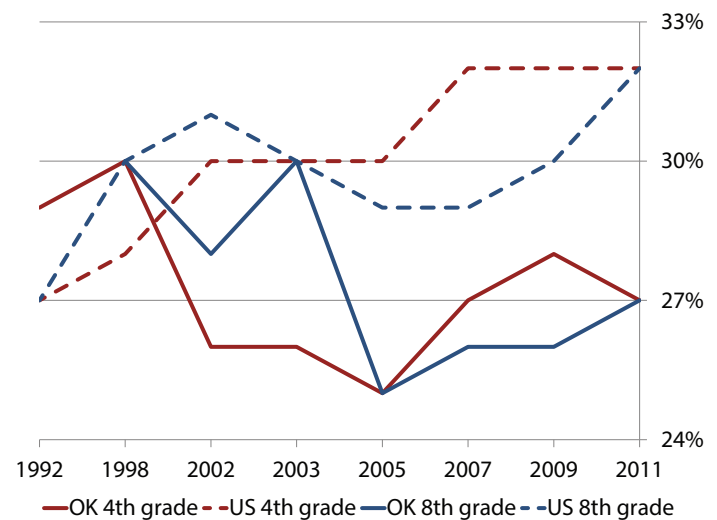
The problem of falling behind in reading skills is especially prevalent among children in low-income families. Of the 7.9 million children under 8 in low-income families nationwide, 83 percent will be at risk of failing to graduate high school on time because they did not read proficiently by the end of third grade.<sup>3</sup>

Shortfalls in reading skills do not only affect children’s lives; they can hamper our economy. Adult workers who lack the reading skills necessary to obtain a secondary degree will be unable to perform the type of jobs needed to make America competitive, leading to a productivity gap between the U.S. and other countries.

Oklahoma has particular reason to be concerned about current reading results. In 2011, the state average score for fourth grade reading in the National Assessment of Education Progress (NAEP) was 215, less than the national average of 220. Oklahoma's scores were below those of 35 other states. Perhaps of greatest concern, Oklahoma's scores are lower now than they were in 1992, while national scores have increased over two decades.

The NAEP data also suggest a broad gap in expectations. While Oklahoma categorizes 75 percent of third graders as proficient in reading according to state tests, only 26 percent were considered proficient under the higher NAEP standards. Figure 2 shows that for fourth graders Oklahoma (shown with a solid red line) has fallen behind national NAEP scores (dashed red line) since 2002. For eighth graders, Oklahoma (solid blue line) has trailed national scores (dashed blue line) since 2005. In the most recent NAEP assessment, 2011, just 27 percent of Oklahoma fourth and eighth graders read at a proficient level or above, compared to 32 percent nationally. The NAEP data also suggest a broad gap in expectations. While Oklahoma categorizes 75 percent of third graders as proficient in reading according to state tests, only 26 percent were considered proficient under the higher NAEP standards.

**Figure 2: Percentage scoring proficient or above on NAEP reading standard**



## WHAT THE RESEARCH SAYS ABOUT RETENTION

Retention has long been a controversial policy among education researchers, professionals, and parents. A large body of research shows that retained students tend to have worse social-emotional outcomes and are more likely to drop out of school than similar students who are promoted.<sup>4</sup> A review of 91 studies found that retention by itself does not appear to benefit students. Retained students experienced either no academic gains or short-term gains that faded over time, and the negative effects carried over to postsecondary education and employment outcomes in adulthood.<sup>5</sup>

Social promotion, or the practice of advancing students with their peers whether or not they demonstrate the required skills for the next grade, has been defended as preventing damage to a child's social and psychological well-being. However, critics argue that this practice puts students into grades before they are ready for the work, forces teachers to deal with unprepared students, and gives parents a false sense of progress for their children.<sup>6</sup>

A more recent development in education policy has been the advent of test-based retention or promotion, which is tied to additional interventions for retained students. Florida undertook an early experiment in this type of retention, and several of Oklahoma's recent education reforms have been modeled on policies in Florida.<sup>7</sup>

In 2002, Florida began requiring third-grade students to be retained if they did not score at least a Level 2 (“limited success”) on the Florida Comprehensive Assessment Test (FCAT) reading test. In addition to retention, Florida implemented a series of other interventions for students who did not meet this score and were not granted an exemption from the policy. These include requiring schools to develop academic improvement plans customized to retained students’ needs; requiring students to attend a summer literacy camp; assigning retained students to a “high-performing teacher”; and providing an additional 90 minutes of daily reading instruction during students’ retained year.<sup>8</sup>

In the first year that Florida’s retention policy was implemented, the percentage of third graders retained jumped from 2.8 percent to 13.5 percent. After two years, students retained under Florida’s policy performed significantly better in both reading and math than comparable students who were promoted. Retained students were also less likely to be retained in a subsequent grade.<sup>9</sup>

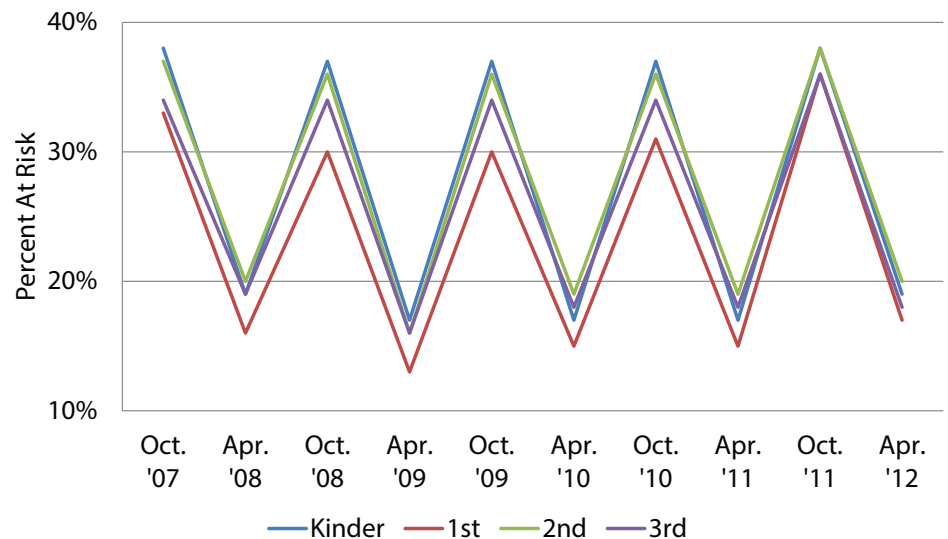
It should be noted that Florida’s policy incorporated retention side by side with strenuous reading interventions for students determined to be falling behind. The effects of retention versus these other interventions cannot be easily disentangled, and the implementation of these interventions appears to matter a great deal. For example, retained students under a similar test-based promotion policy in Chicago were found to fall behind their promoted counterparts by the sixth grade, whereas evaluations of the Florida policy using the same method showed gains increasing over time.<sup>10</sup> While social promotion was ended in both examples, the details of implementation led to different results for students. Studies of test-based retention in Chicago and Florida have not examined the social or emotional impacts on retained students.

## How OKLAHOMA IS IMPLEMENTING THE RSA

### State Implementation

State Department of Education data suggests that RSA efforts to date have had little or no impact on reading proficiency. Figure 3 shows remarkable consistency in five years of data. Each year and in every grade, 30-38 percent of children have been at risk in the fall. By the spring, the percentage at risk drops to 15-20 percent. However, it returns to the higher level the next fall. Each kindergarten class entering school since 2007 has improved literacy readiness from kindergarten to first grade only to return to earlier, higher risk levels in the second and third grades.

**Figure 3: Students at risk for reading by grade and year**



Since the retention mandate became law, Oklahoma has struggled with funding the RSA. In fiscal year 2011, the distribution of \$6.3 million in RSA funds to districts was delayed because, according to the State Department of Education, not all districts had completed required reporting of student test scores.

Districts received the funds in Spring 2012, and they were allowed to carry over these funds for school year 2012-13. Funds for the RSA were zeroed out in FY 2012 and 2013 due to the delay in distribution.

The zeroing out of funding also came amid widespread cuts to programs in the Department's programs and activities budget. Besides Reading Sufficiency, there has been no funding in Fy 2012 or FY 2013 for Literacy First (\$3.0 million in FY 2011), a proven program for improving reading instruction. These cuts were due to the state's flat funding for education amid rising costs and increasing student enrollment.<sup>11</sup> In FY 2013, state Superintendent Janet Barresi has requested a \$37.7 million supplemental appropriation, which would include \$6.5 million to help districts meet the requirements of the RSA.

In order to better implement RSA and other educational reforms, the state Department has hired 60 REACH (Regional Educators Advancing College, Career, and Citizenship) coaches who will work in 30 regions across the state. These coaches are recruited from the state's most highly effective teachers, and they will work to train teachers and help schools to pilot effective new programs. For the first few years of this program, REACH coaches will emphasize reading and early grades.

While Oklahoma does not require that districts use specific programs for reading remediation, the Department's Executive Director of Literacy Teri Brecheen said that she recommends significantly increased time on reading (120 minutes minimum). The intensive remediation that she recommends requires 4 to 5 adults in a classroom, including parent volunteers.<sup>12</sup>

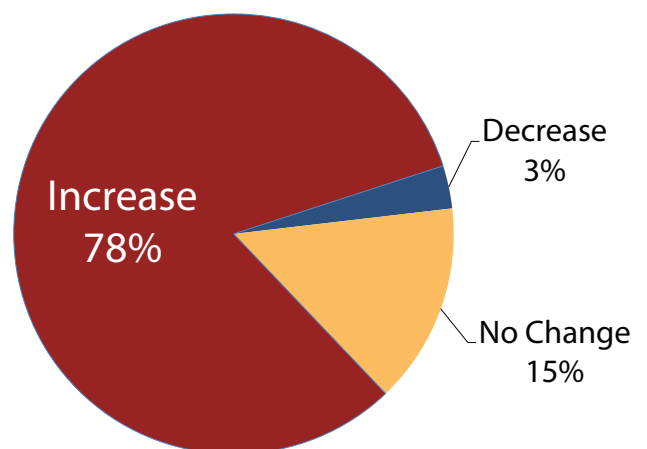
## Local Implementation

To learn more about how the RSA is being implemented in local school districts, Oklahoma Policy Institute and CAP Tulsa conducted a survey of Oklahoma school superintendents. The survey was distributed by the Cooperative Council for Oklahoma School Administration, and we received 115 responses from districts across the state (98 rural districts, 15 suburban districts, and 2 urban districts). The discussion below incorporates results from this survey, as well as our discussions with educators and school administrators.

A large majority of districts (78 percent) expect the percentage of their students retained in K-3 to increase due to the new mandate. One large Tulsa-area district estimated that the number of their students retained in the third grade would quadruple, going from 0.5 percent of all students to about 2 percent. Another large district in the Oklahoma City area said retentions are expected to increase from 1 percent of students per year to 8 percent.

**Figure 4: Most school districts expect to retain more students**

**How do you expect the percentage of students retained in kindergarten through the third grade to be affected by this law?**



Some respondents implied retentions that had previously occurred in earlier grades would simply be shifted to third grade. As one rural superintendent responded, “No one will retain a questionable child because they could be retained in third grade.”

Others welcomed the ability to retain students provided by the law. According to one superintendent, “Parents in the past have refused to retain their child disregarding the child’s grade level abilities. Hopefully, the new law will give us more leverage to place the child according to the child’s ability on grade level skills and not be promoted when test results prove that they are below grade level.”

Most superintendents said their teachers and administrators are aware of the new retention requirement. Just 3 percent responded that few teachers and administrators are aware of it, with 70 percent saying most are aware of it and 27 percent saying only the most affected are aware of it.

Respondents said awareness is less widespread among parents. While 50 percent said the most affected parents are aware of it, 27 percent of districts said few are aware of it, and just 23 percent said most parents are aware.

**“It is disturbing that we are required to continue the Summer Reading Academy as the law states, but now our money has been cut to \$0 for this program.”**

Administrators at one medium-sized urban district indicated that they have begun notifying parents of the possibility of retention for their child after the beginning-of-year screenings. They have sent out pamphlets on reading at home and held meetings to make principals and teachers aware of the new mandates. This district keeps a portfolio on each of the students in remediation but does not expect students who fail the regular test to prove readiness through the portfolio process.

Most districts said funding shortages have limited their capabilities to adequately comply with the Act. Less than one-third (30 percent) of superintendents said that the amount budgeted for reading remediation in their districts had been increased to prepare for the new retention requirement. A superintendent of a rural district responded, “The need for additional funding for supplemental materials, personnel, and/or programs (intensive remediation classes separate from regular classroom) causes immense concern. Within our district, no additional personnel is currently available who can be assigned to an instructional role with the sole responsibility is intervention and remediation.”

One district expressed concern about the cost involved when a student is retained a second time and intensive acceleration classes begin. These classes require the most qualified teachers and lower ratios. As a result, some of the very best teachers will have to come out of regular classrooms and the district will need to create two to three more classrooms, the cost of which has not been addressed in the legislation. When the state Legislature cut RSA funding in 2012, this district lost approximately \$30,000 and substituted federal Title I funds for reading paraprofessionals and intervention kits, and general funds for summer reading program books. In a large urban district, RSA funding had allowed the district to extend the instructional day and offer summer reading programs as well for those needing assistance. With the elimination of these funds, the district lost more than \$130,000 in appropriations.

Educators expressed frustration that the state increased mandates for reading proficiency while decreasing funding to address it. Due to lack of funding, a suburban district narrowed its Summer Reading Academy

from kindergarten through third grade to just third graders, which frustrated teachers who believe that early intervention is the key to reading proficiency. Cuts in FY 2012 eliminated funding for this program altogether. A rural superintendent said that, “it is disturbing that we are required to continue the Summer Reading Academy as the law states, but now our money has been cut to \$0 for this program. The district is required to pay for this out of district funds, along with all the other cuts we have had to endure... It doesn’t take much to realize the quality of our program is hampered by lack of educational funding.”

## How RETENTION WILL AFFECT OKLAHOMA CHILDREN AND SCHOOLS

### How Many Students Will Be Affected

While the impact of the RSA will not be known until the summer of 2014, an early estimate will allow the state and school districts to plan for the program and monetary impacts of higher retention. It will also help the public better understand the impacts on retained students and their families.

Because of the uncertainty involved in making estimates, this paper suggests a likely range. The actual number of retained students depends on several factors, including:

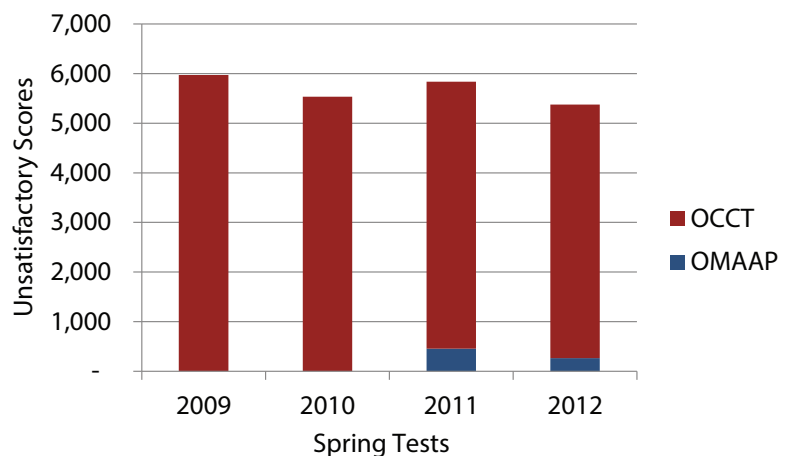
- The percentage of children scoring unsatisfactory on tests in 2014;
- the number of students who are promoted based on exemptions; and
- how many students would have been retained without the RSA.

### How many students score unsatisfactory on tests?

Figure 5 shows unsatisfactory scores in recent years for the Oklahoma Core Curriculum Tests (OCCT) and the Oklahoma Modified Alternative Assessment Program (OMAAP), which is offered to most special education students. Students who score unsatisfactory on either OCCT or OMAAP are subject to retention. The figure shows a slight downward trend in unsatisfactory scores from 5,969 in 2009 to 5,375 in 2012. It seems likely that this trend will continue in the short run, so that approximately 5,000 third graders will have unsatisfactory scores in 2014. However, it is possible that even fewer students will have unsatisfactory scores if parents and schools put more emphasis into reading with the threat of retention. Our estimates of affected students assume that 4,500 to 5,000 will score unsatisfactory.

It is important to note that this estimate may be too conservative. Starting in 2014, new assessments will be used to measure achievement against the Common Core Curriculum.<sup>13</sup> At the same time, the OMAAP assessment will be eliminated and students with individualized education plans will take the standard test,

**Figure 5: Third graders with unsatisfactory reading scores, 2009-2012**





with appropriate accommodations. It is entirely possible these changes will increase the number of students scoring unsatisfactory, but there is no precedent from which to estimate their impact.

### How many students will be exempt from retention?

Many of the students who score unsatisfactory on third grade reading in 2014 will be promoted to fourth grade under one of the good-cause exemptions. In Florida, 60 percent of students subject to retention in the first year were retained; the rest were promoted.<sup>14</sup> In the absence of any other evidence, our estimates assume that 60 to 70 percent of students who score unsatisfactory will be retained the first year.

### How many students would have been retained without the new requirement?

Unfortunately, there is limited data on current retention levels in Oklahoma. Best estimates from local data and national studies suggest retention rates are highest in kindergarten and first grade and likely between four and six percent. Rates are lower—survey results from large districts suggest one percent or less—in grades two and three. These estimates suggest no more than 500 Oklahoma third graders are currently retained each year. These likely would be retained without the new RSA requirements and so are deducted from our estimates of affected students.

### Putting It Together

Considering these three factors together, the RSA retention requirements could increase third-grade retentions by as few as 2,200 students (if reading scores improve significantly by 2014, and if 40 percent of students are promoted due to exemptions) or by as many as 3,000 students per year (if current trends in reading scores continue and if only 30 percent of students are exempt).

Florida found that third grade test-based retention increased retention levels in the earlier grades by 50 percent as well, but reduced later retentions.<sup>15</sup> However, our estimates do not include any potential impact on retentions other than in third grade.

Reading Sufficiency Act retentions will not be felt evenly, because unsatisfactory rates vary widely by student characteristics. Recent scores indicate retention will most affect students who are English Language Learners, have Individualized Education Plans, attend more than one school in the year, are African-American, and/or are economically disadvantaged.

Further, retention rates will vary considerably across the state. Unsatisfactory rates are much higher in Oklahoma's two largest districts, Tulsa and Oklahoma City than the rest of the state. In both Oklahoma City and Tulsa, 18 percent of third grade students had unsatisfactory reading scores in 2012, compare to ten percent statewide. Data from 2011 suggested effects will vary widely among other parts of the state as well. Six counties—Harper, Love, Cimarron, Seminole, Adair, and Alfalfa—had third grade reading proficiency rates of 62 percent or less, well below the state average of 75 percent. One can expect that more students will be retained in these counties, as well as in the state's two largest urban school districts.<sup>16</sup>

**The Reading Sufficiency Act retention requirement is projected to increase third-grade retentions by between 2,200 and 3,000 students per year.**

## THE COSTS OF REMEDIATION AND RETENTION

The Reading Sufficiency Act will generate costs both for educating students who are retained and for preventive efforts to improve early reading proficiency.

### Cost of educating students who are retained

Retaining more third graders will have different cost impacts over time. For the first ten years of retention, direct costs will be limited to the the annual costs of educating more third graders and fewer fourth graders and annual costs of smaller intensive acceleration classes. Later, when retained third graders would have graduated from high school, there will be substantial costs of educating them for an additional year. The Appendix shows an estimated range of these costs by year. The low estimates assume the lowest initial number of retained students discussed above (2,200) and a decline in the number of retained students in future third grade classes. The highest estimates assume the highest initial number of retained students (3,000) and that each additional class of third graders will have the same retention rate.

Initial costs of retention result from impacts of having more third graders and fewer fourth graders when the first class is retained, as well as having smaller class sizes for students who are retained in third grade for a second time. While schools will be educating from 2,200 to 3,000 more third graders than normal, they will have fewer fourth graders. School districts generally can offset this enrollment shift through savings of having fewer fourth graders. However, the state funding formula recognizes that third graders are more costly to educate than fourth graders, by weighting the former 1.051 per student and weighting later grades 1.000 per student. Based on the most recent available cost of \$8,301 per student, statewide spending will initially increase \$900,000 to \$1.3 million per year to educate retained students in the third grade. This estimate, however, might understate the full remediation steps that must take place once a child is retained, such as extended learning time, additional adults to help with tutoring, and the evidence-based strategies required.

There will also be additional costs of intensive reading acceleration classes for students who are retained in the third grade for a second time. The estimated statewide costs of these smaller classes is \$400,000 or less per year. As shown in the Appendix, these two annual short-term impacts will increase statewide education costs by a relatively small amount (less than \$2 million per year).

Oklahoma cannot fund the long-term costs of retention in advance, both because the actual costs will not be known for ten years or more and because there is no advance funding mechanism in place. Still, it is important to understand the fiscal impact that retention will have on school districts and the state budget over time. As noted previously, an estimated 2,200 to 3,200 additional students will be retained in the third grade in 2013-14. These students, who would have graduated high school in 2023, will instead spend 2023-24 as seniors in high school. At the current cost of \$8,301 per student, the additional year of schooling in 2023-24 will cost \$18 to \$25 million statewide (see Appendix for details). However, it is possible these costs are overstated since additional retentions may increase the number of high school dropouts and thus there could be fewer seniors to educate.

The cost of an additional year of school for retained students will continue each year as long as the RSA increases retentions. In Florida, retentions have fallen slowly over time. If Oklahoma's experience is similar

to Florida's, the additional cost of educating students in later classes will fall as well. For example, the cost of retaining today's pre-kindergarteners would fall to \$15 million per year, down from the estimate cost of retaining today's second graders (next year's third graders). However, if Oklahoma does not experience the same reduction in retentions as Florida, annual costs of \$18 to \$25 million will continue well into the future.

### **Cost of preventive efforts to improve early reading proficiency**

The cost of remediation varies depending on student needs and the program that is selected for each student. A recent study of published research on effective reading programs estimates total costs of \$500-700 per student for two low-cost (but effective) programs and \$8,000-12,000 per student for two more intensive programs. Direct additional costs of these interventions include materials such as computer-based lessons and quizzes, additional books, and manuals and teacher guides. Every reading intervention also requires more adult time than the typical classroom environment. An analysis of 12 published studies by the University of Texas Center on Instruction shows that costs per student of personnel range from \$156 to \$6,487; the midpoint of costs was just under \$2,000 per student per year.<sup>17</sup>

In addition to direct costs of remediation, the state should be prepared to invest in teacher professional development that supports literacy growth. A growing body of research suggests that teacher quality is the factor within control of policymakers that makes the most difference in student outcomes.<sup>18</sup> Florida, which serves as a model for the RSA approach and has successfully increased reading achievement, has spent \$300 million on teacher professional development for reading alone over the last seven years, over \$3,000 per teacher per year. Oklahoma does currently spend significant amounts on professional development, and the state has invested in the REACH coach program. It is possible that current spending for professional development can be further targeted at improving literacy outcomes and reducing the need for retention over time.

Costs are higher for programs that increase hours of instruction (such as after school, weekends, and summer). Massachusetts provides state funding of \$1,300 per student for school districts to add 1.5 hours to the school day.<sup>19</sup> An estimated cost of \$26 per pupil for each additional day of instructional time for 30 days (for either a summer or Saturday school year program) suggests a minimum cost of \$750 per student per year. It is difficult to measure the impact of these investments on student achievement, in part because they are usually combined with other reforms. However, many extended school day programs show at least some positive impact, particularly for students at greatest academic risk.<sup>20</sup> Extra days of instruction bring a 15 percent internal rate of return and a 53 percent chance of producing benefits that exceed the cost of investment.<sup>21</sup>

Since its enactment in 1997, Oklahoma has consistently under-funded the RSA. State appropriations for the RSA, when they have been made, have been \$6.2 million per year. Approximately 67,000 students each year have been identified as at risk for reading, so the state appropriation has been approximately \$92 per year per student needing reading support. Beginning in 2012, the state also spent an additional \$5 million for REACH coaches who support implementation of many recent school reforms. One of their functions is to provide additional training and support for teachers addressing early literacy.

Florida has served as a model for Oklahoma's test-based retention policy and should serve as a model for investments in reading as well. Studies attribute the significant improvements in Florida reading scores not

to retention alone, but to a package of retention and intensive student remediation and teacher professional development. Florida's success has required annual spending of \$130 million for reading instruction in all grades and schools, with a strong emphasis on schools with many struggling readers.<sup>22</sup> Adjusting for the smaller number of students, an Oklahoma equivalent level of reading funding would be \$31 million, or five times the \$6.3 million that Oklahoma dedicated to the RSA the last time it was funded.

If current trends continue, these costs will occur in the context of shrinking resources available for education statewide. Oklahoma has cut per-pupil education aid for primary and secondary schools by 20 percent over the last five years after adjusting for inflation. This was the third largest cut to school funding in the nation, from levels that were already comparatively low.<sup>23</sup> In this environment, few resources are available to increase reading interventions for K-3 without taking resources from other parts of the education system, such as cutting programs for older students, students not in need of remediation, and subjects like math and science. If Oklahoma wants to reduce reading deficiencies, it should recognize these additional costs, adequately fund the RSA mandates, and protect that funding from future cuts.

## RECOMMENDATIONS

Oklahoma attempted to address the literacy needs of its students by passing the Reading Sufficiency Act in 1997, well before the federal No Child Left Behind Act put new emphasis on reading achievement. However, these policies have not improved reading proficiency in the state. Retention may help do so, but only in the context of a broader, preventive approach that reduces early literacy gaps through aggressive improvements in pre-K to third grade instruction.

Oklahoma has made a strong commitment through its investment in home visiting for children and families at risk, early childhood programs, and universal pre-K. These programs are demonstrated to improve kindergarten readiness and later school achievement. The state should leverage these investments by supporting additional programs that build literacy as a continuum.

### **Recommendation 1: Fully fund the costs of RSA remediation, including extra costs for retained students**

Oklahoma's education budget allocations should aggressively identify the specific needs of students who are not achieving reading goals and provide more financial support to meet those needs from prekindergarten through elementary school. While the amended RSA aims to ensure that students meet reading expectations, it fails to address the many costs of doing so, such as scientific-based reading programs, additional adults working directly with children, extended learning times, and professional development for teachers. Funding for preventive efforts as required in RSA has been inconsistent and inadequate. When it has funded RSA, Oklahoma has spent about one-fifth per student of what Florida spends.

If Oklahoma expects retention-based testing and remediation to have the same positive impact it has had in Florida, it must make the same investment. Based on the per pupil amount spent in Florida to bring about significant improvements in reading scores, the Oklahoma Legislature should appropriate at least \$30 million annually for reading programs. Funding should be directed toward programs with a proven record of student success and high returns on investment. A reasonable portion of the additional RSA funding should be set

aside for the State Department of Education to research and disseminate evidence-based reading programs and to more closely monitor school district implementation and impacts.

## **Recommendation 2: Improve the RSA legislation**

These minor amendments and changes in administration can make the Reading Sufficiency Act more effective.

***Intervene sooner:*** The early assessment and intervention aspects of RSA have the greatest potential to affect third grade reading success. Studies on the success of retaining children are mixed, but it is clear the key to teaching children to read is to spot struggling readers early and intervene to get and keep them at grade level. Kindergarten readiness is part of this prevention, which Oklahoma has acknowledged by its public funding of universal pre-K and home visiting and early learning programs across many state agencies. Currently, the RSA provides for mandatory early screening, assessment, and prevention in grades K-3; however, Oklahoma should expand the requirements for early assessment and intervention to include prekindergarten students. Further, the good-cause exemption to retention for students who have already been retained twice should be extended to those retained in pre-K; otherwise, students who already have been retained twice before third grade could be retained again under the RSA.

***Streamline alternative assessments:*** The RSA currently has measures in place to allow students who demonstrate reading proficiency through a portfolio or alternative assessment to be exempt from retention. However, these exemptions cannot be granted until after the student has received their scores from the end of year tests, which have in the past been received as late as August of the following school year. The SDE should reduce uncertainty for schools, students, and families by allowing students who demonstrate readiness for fourth grade through alternative assessments and portfolios to be promoted as soon as the third grade year ends.

***Improve communication:*** Oklahoma should provide better coordination and communication between school districts and the state regarding implementation, reporting, and funding. There has been much misinformation and confusion in response to the coming mandate, and teachers and administrators have expressed frustration in the levels of communication from state to district as retention nears. Uncertainty of RSA funding compounds the districts' frustration and hampers planning for remediation and retention. The SDE should clearly communicate how RSA is being funded, what the money is being spent on, and what impact RSA is having on Oklahoma's reading scores.

## **Recommendation 3: Clearly prescribe evidence-based strategies for reading remediation**

In addition to ambiguity regarding implementation procedures, there is uncertainty concerning what strategies and/or reading programs should be utilized to fulfill the requirements under RSA. The law states that the remediation program should be a scientific, research-based program aligned with state standards and the READ Initiative. This broad language leaves the door open for inconsistency and uneven implementation.

Research shows that several programs are effective at improving early literacy, across a wide range of costs (see Appendix A). Districts should spend their efforts on effective implementation of programs that are proven to

work, not on evaluating and testing the dozens of available programs. Further, if school districts are not given clear but limited choices for reading programs, students' progress may suffer when they change schools.

Oklahoma should devise and implement a system that guarantees that all students receive remediation in a coordinated, goal-oriented way. The State Department of Education can accomplish this by identifying a small number of effective reading programs geared to the amount and type of intervention needed for each student. Districts can then choose among a few appropriate programs geared to the needs of each student while also keeping all students on track.

For example, a relatively inexpensive whole-school program could be put into place for all students, and then high-quality small group tutoring for those at serious to moderate risk and high quality one-to-one tutoring for those at extreme risk.

#### **Recommendation 4: Improve professional development**

It is now more important than ever to have high-quality teachers in K-3 to adequately identify and support struggling readers. It is the consensus that every teacher, particularly in kindergarten and first grade, will now have to become a reading specialist. Recent RSA amendments, however, have reduced the incentive for teachers to acquire advanced professional development skills by making the stipend for teacher training optional.

Instead of making professional development optional, Oklahoma should provide for and fund aggressive mandatory professional development to encourage evidence-based techniques such as scaffolding and reflective teaching. Training should be geared not only to public school teachers, but to all early childhood professionals in licensed care and Head Start. Oklahoma should also provide professional development for administrators on the importance of reading and classroom strategies for language development.

### **CONCLUSION**

Oklahoma's Legislature, State Department of Education, and local school leaders have rightly embraced third grade reading as a primary goal for the state's education system. The RSA is an important part of efforts to improve third grade reading and thus students' school and life courses. However, RSA legislation and implementation are incomplete solutions that leave students at risk for reading deficiencies.

To achieve the goals of the RSA the state should provide adequate and reliable funding for remediation and the short-term costs of retention, start identifying and helping students at risk earlier in their school careers, and invest in student remediation and teacher professional development programs that are proven effective. By tilting RSA legislation and implementation more toward supporting students and teachers in the important work of building reading skills, Oklahoma can set its schools and children on a more certain path to reading success.

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## APPENDIX A: EFFECTIVE PROGRAMS FOR IMPROVING EARLY LITERACY

Early reading has long been recognized as a key benchmark, and one that too many American children fail to achieve. However, a wide range of reading programs have been shown to improve students' literacy skills and to pay individual and community benefits well in excess of their costs. This suggests that shortfalls may result from failure to apply the right programs at the right intensity for the right children. It is outside the scope of this paper to prescribe specific programs; instead we give several examples of programs with impressive accomplishments and a range of costs. To make the RSA a success and to have a lasting impact on reading skills, Oklahoma should aggressively expand the use of evidence-based reading programs such as:

- **Peer to peer learning**, in which children take turns helping each other improve reading, has strong evidence for effectiveness. Peer-assisted Learning Strategies (PALS), for example, has consistently increased reading skills, most often for children with disabilities and previously low-achieving children.<sup>24</sup> A similar program, class-wide peer tutoring (CWPT), showed strong evidence of lasting reading impacts in one study; effects of using CWPT in first grade were still visible and significant in sixth grade. This program was found to be the most cost-effective of four well-known reading programs.<sup>25</sup>
- **Accelerated Reader**, a relatively low-cost software-based reading program, significantly improved reading results in a range of schools with high concentrations of low-income students. One study showed that kindergarten implementation of Accelerated Reader increased reading skills by 0.71 standard deviations, an unusually large effect, by the end of kindergarten. Improved reading effects continued through the third grade.<sup>26</sup>
- **Success for All** is a whole-school reform strategy that incorporates classroom instructional process programs combined with tutoring to target reading deficiencies. Its curriculum focuses on cooperative learning, phonics, and a rapid instruction pace. Tutoring is provided to struggling readers, especially in first grade. The program provides extensive staff training and professional development and has demonstrated strong evidence of effectiveness and long-term return on investment. Research on SFA students found them to have higher eighth grade scores in both reading and math after controlling for kindergarten pretest differences, with a six-month advantage in reading and a three-month advantage in math. SFA students also spent fewer years enrolled in special education during the elementary and middle school years (1/2 of an academic year in elementary vs. 3/4 year for the control group and 1/2 of the middle school year vs. 2/3 year) and were retained less (0.09 times compared to 0.25).
- **Reading Recovery** is a short term school intervention that provides supplemental one-to-one tutoring by teachers to the lowest achieving readers (lowest 20 percent) in the first grade in addition to regular reading classes. It includes a strong professional development program for teachers, teacher leaders, and university trainers and has also achieved a rating of strong evidence of effectiveness with approximately 75 percent of students who complete the full 12- to 20-week intervention. Applying cost-benefit analysis, at an approximate cost of \$1,863 per student, Reading Recovery provides an internal rate of return of 11 percent and an 83 percent chance of producing benefits that exceed the cost of the program.

**APPENDIX B: COST OF RETENTION ESTIMATES**

Cost of Retention by School Year, Low and High Estimates											
All costs in millions of dollars											
School year ending	Retained Students	Low cost estimate				Total retention cost	High cost estimate				
		(1) First year retention costs	(2) Second year retention costs	(3) Cost of additional year of school	(4) Retained Students		(5) First year retention costs	(6) Second year retention costs	(7) Cost of additional year of school	(8) Total retention cost	
2014	2,215	\$ 0.9	\$ -	\$ -	\$ 0.9	3,015	\$ 1.3	\$ -	\$ -	\$ 1.3	
2015	2,064	0.9	0.3	-	1.1	3,015	1.3	0.4	-	1.7	
2016	1,924	0.8	0.3	-	1.1	3,015	1.3	0.4	-	1.7	
2017	1,793	0.8	0.2	-	1.0	3,015	1.3	0.4	-	1.7	
2018	1,671	0.7	0.2	-	0.9	3,015	1.3	0.4	-	1.7	
2019	1,557	0.7	0.2	-	0.9	3,015	1.3	0.4	-	1.7	
2020	1,451	0.6	0.2	-	0.8	3,015	1.3	0.4	-	1.7	
2021	1,353	0.6	0.2	-	0.8	3,015	1.3	0.4	-	1.7	
2022	1,261	0.5	0.2	-	0.7	3,015	1.3	0.4	-	1.7	
2023	1,175	0.5	0.2	-	0.7	3,015	1.3	0.4	-	1.7	
2024	1,095	0.5	0.1	18.4	19.0	3,015	1.3	0.4	25.0	26.7	
2025	1,021	0.4	0.1	17.1	17.7	3,015	1.3	0.4	25.0	26.7	
2026	951	0.4	0.1	16.0	16.5	3,015	1.3	0.4	25.0	26.7	
2027	887	0.4	0.1	14.9	15.4	3,015	1.3	0.4	25.0	26.7	
Total cost of retention for current PK-2 students		\$ 20,417.83	\$ 8.64	\$ 2.43	\$ 66.37	\$ 77.45	\$ 42,206.08	\$ 17.87	\$ 4.88	\$ 100.10	\$ 122.85
Notes by column number:											
(1) Assumes the lowest initial estimate of additional retained third graders in the first year. In each successive year, assumes the number of retained children falls 6.8%, which has been the reduction rate in Florida											
(2) First year retention costs are estimated at \$424 per retained student in the second year of third grade. Calculated from the statewide cost per pupil of \$8,301 and state funding formula that weighs third graders 5.1% more costly than fourth graders											
(3) Second year retention costs assume that 10% of retained third graders will be retained a second time and that cost per student is 15 percent higher due to smaller classes and more intensive instruction											
(4) The extra cost of educating students for the year after they would have graduated had they not been retained, at \$8,301 per student											
(6) Assumes the highest initial estimate of additional retained third graders in the first year and no change in the number retained in later years											
(7) First year retention costs are estimated at \$424 per retained student in the second year of third grade. Calculated from the statewide cost per pupil of \$8,301 and state funding formula that weighs third graders 5.1% more costly than fourth graders											
(8) Second year retention costs assume that 10% of retained third graders will be retained a second time and that cost per student is 15 percent higher due to smaller classes and more intensive instruction											
(9) The extra cost of educating students for the year after they would have graduated had they not been retained, at \$8,301 per student											



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