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July 4, 2012

Mitchell Chester
Commissioner of Massachusetts
Chair, PARCC Governing Board

RE: Letter from PARCC Steering Committee dated July 2, 2012

Dear Dr. Chester,

I am writing in response to the letter from the PARCC Steering Committee dated July 2, 2012 to me requesting further information and a written response to questions and concerns that the PARCC Governing Board has about conflicts of interest with respect to its contractors. We take your concerns very seriously. Pearson is committed to upholding the highest standards of ethics and conduct in our work supporting states and state-led consortia.

Pearson has a long history of supporting states and other testing organizations in the development, delivery, processing, scoring and reporting of large-scale assessment programs, since the inception of our National Services and State Services businesses, founded in Iowa City, IA in 1953 as the Measurement Research Center. Since that time we have established a unique position in the industry in that we are a services provider who partners widely, supporting the success of many different large-scale assessment programs. We typically do not own the assessments themselves, but instead leverage our measurement, technology and operations expertise to support the development and implementation of assessment intellectual property that is owned by our customers.

Pearson's mission is well aligned with PARCC. Our focus is on providing services and solutions to (1) improve student achievement and college- and career-readiness in the United States; (2) improve access to a quality education for all students; and (3) improve the affordability of educational services and solutions. We are proud to have been selected by PARCC as a contractor to help develop 50% of content for the PARCC assessments and we are totally committed to providing PARCC with the highest possible quality of service.

Let me specifically answer the four questions you have raised in your letter:

1. *Is your firm developing or supporting any assessment products that purport to be alternatives to the PARCC assessment under development?*

Yes. While none of the other programs that we are supporting are explicitly purporting to be alternatives to PARCC, there are a number of programs that we are supporting that could be considered, by some, as alternatives to, or indirectly "competing" with PARCC. In two cases these are custom state K-12 testing programs aligned to college- and career-readiness standards for states who have decided not to join either of the Common Core state assessment consortia:

- Pearson is the prime contractor for the Virginia Standards of Learning assessment program (ETS is a subcontractor providing content development services). The Commonwealth of Virginia owns all of the assessment content. The VA SOL is an online assessment system, including the subjects of Mathematics and Reading/ English Language Arts, which is empirically aligned to Virginia's college readiness standards endorsed by Virginia's higher education community.
- Pearson is the prime contractor for the Texas STAAR assessment program (ETS is a subcontractor providing content development services). The State of Texas owns all of the assessment content. Texas STAAR is an online- and paper-based assessment system, including the subjects of Mathematics and English Language Arts, which is empirically aligned to Texas's college readiness standards endorsed by Texas's higher education community.

In nine cases these are custom grade 3-8 state testing programs including the subjects of Mathematics and Reading/ English Language Arts for PARCC member states, where in some instances Pearson is supporting the re-alignment of the current assessments, originally developed to meet NCLB requirements and state-specific standards, to Common Core standards. In several cases these programs include the development of new Common Core aligned content that is being field tested in these states to provide early information to stakeholders about how teachers and students are performing on the new Common Core standards, and to better align the current assessments with Common Core standards. The intellectual property for these assessments is owned by each state. Pearson is the prime contractor for:

- Arizona AIMS, grades 3-8
- Florida FCAT, grades 3-10
- Illinois ISAT, grades 3-8
- Kentucky K-PREP, grades 3-8
- Maryland School Assessments, grades 3-8
- Mississippi MCT2, grades 3-8
- New York State Testing Program, grades 3-8
- Oklahoma Core Curriculum Tests, grades 3-8
- Tennessee TCAP, grades 3-8

Note that ETS is a subcontractor to Pearson providing content development services in Mississippi and Tennessee.

With respect to the Smarter Balanced Assessment Consortium, Pearson has several outstanding proposals to provide technology support for their program, and we intend to compete for future content and test development work, as well as online delivery, scoring and reporting work, although at this time our only contract with them is to provide the technology readiness tool as an open-source resource (also used by PARCC).

With respect to ACT, we have provided delivery and scoring support for the ACT assessment since 1959. We are supporting the launch of ACT's recently announced new next-generation college- and career-readiness assessment system for grades 3-10 by providing online test delivery, scoring and reporting services. The ACT assessment and next-generation college- and career-readiness assessment content is owned by ACT.

With respect to The College Board, we have provided scoring services for the SAT assessment since 2005. We are also supporting the delivery and scoring of the ACCUPLACER college readiness assessment by providing online test delivery, scoring and reporting services. In both cases the assessment content is owned by The College Board.

- 2. What steps will you take, and what commitments will you make, to assure that your firm will put forth the strongest possible efforts to help PARCC create high quality assessments at the lowest possible cost?*

Pearson is fully committed to helping to make the PARCC assessments a success. We have assembled a top-notch team of professionals and subcontractors to perform this work. Our senior management team is fully engaged in making sure that our team has the resources they need for success. Our strategic goal in responding to the PARCC Item development ITN is to support the mission of PARCC, including the budget constraints that PARCC has been operating within. Our proposal took into account many opportunities for us to apply our market leading technologies and processes in order to deliver a very affordable and cost-competitive solution.

- 3. How can we be confident that your firm will devote its top personnel talent to exclusively developing the PARCC assessments, even if doing so could adversely impact your other business interests?*

We are very careful when responding to requests for our services to make sure that we have the people, resources and capacity to successfully deliver the work, before we sign a services contract. In this case we are well aware of PARCC's very public and historic role in creating a state-led common assessment system aligned to college- and career-readiness. We are fully aware of the reputational risks that we would suffer in the unlikely event we are not successful. Having fully considered the scope of work and the important nature of this work, we have assembled a top team and we are confident that PARCC will benefit from our best work.

We have a history of successfully managing multiple large-scale assessment programs and successfully protecting our customers' confidentiality and intellectual property. The core Pearson PARCC team will not be working on the Texas program, for ACT or The College Board, or for the Smarter Balanced Assessment Consortium. We have long established procedures for managing internal firewalls to address security concerns and potential conflicts of interest. We will, however, be incorporating content experts and test developers who have worked on our active programs for states that are PARCC members, and on the Virginia SOL program, into aspects of our work on PARCC, so we can benefit from their knowledge and experience in developing state assessments. Pearson has considerable resources for content, test development and psychometric services and we are confident that we will be successful delivering on our commitments to PARCC.

- 4. How can we be confident that the public funds that you obtain and intellectual property that you produce through your contract with PARCC will not be used to develop assessments that are intended to advance the interests of your firm rather than those of PARCC?*

Our core business model for our National Services and State Services businesses is based on entering into long-term services contracts for providing test development, delivery, scoring, reporting and information management services for governments and organizations that are operating large-scale assessment programs. We have a track record of successfully providing such large-scale assessment services since 1953. A large majority of the programs that we have worked on, and that we are currently engaged in delivering, are funded with public monies, including the National Assessment for Educational Progress and all of our work supporting statewide assessment programs. We do not intend to directly benefit in any way from the intellectual property we are developing for PARCC through our item development contract.

In consideration of these concerns that you have raised, and with an abundance of caution so that there will not be any lingering or future concerns about any of these issues and even the appearance of a conflict of interest, Pearson will be releasing ACT as a subcontractor on our PARCC item development contract. I have discussed this with Jon Erickson, the president of ACT's Education Division, and he understands why we are doing this and he has accepted this course of action. ACT was to have performed a relatively minor but strategically important role providing independent, third-party validation of the alignment of the items that are developed under our contract to the Common Core State Standards. We are confident that we can fill this role in an alternate manner that will be acceptable to PARCC, and our PARCC program team will work with Achieve and PARCC on a new plan to replace ACT's work on our contract and execute an appropriate contract amendment reflecting this change.

I trust that I have addressed your concerns to your satisfaction. If you have any further questions, or would like a more detailed elaboration or explanation of any questions, issues or concerns, please do not hesitate to let me know. In closing I would like to reiterate that we are proud to have been chosen to be part of the PARCC team and we will do everything that is in our power to help PARCC achieve success.

Sincerely,

A handwritten signature in black ink that reads "Douglas Kubach". The signature is written in a cursive style with a long, sweeping underline.

Douglas Kubach