TO: Illinois State Board of Education
FROM: Dr. Randy J. Dunn, State Superintendent of Education
Dr. Ginger Reynolds, Assistant Superintendent
Jonathan Furr, General Counsel

Agenda Topic: Harcourt Assessment Contract

Purpose of Agenda Item
The purpose of this agenda item is to present to the Board a revised contractual framework for the administration of the ISAT and PSAE.

Background Information
The Board is aware of the multiple problems associated with the administration of the 2006 ISAT assessment resulting from Harcourt Assessment's failure to comply with its contractual obligations to the State. Since the agency became aware of these problems, we have worked diligently to minimize the impact on Illinois school districts, ensure Harcourt corrected the problems as soon as possible, and avoid the same mistakes with the PSAE administration.

At the same time, agency senior leadership and assessment staff have been reviewing our options for moving forward under the Harcourt contract. This review has included multiple discussions with those who will be the most impacted by our decision: school district administrators and teachers.

Harcourt's services under its contract can be grouped into two broad categories: (1) test development and psychometric services; and (2) processing, production, scoring and reporting. We believe Harcourt has performed successfully in the first category of services. Harcourt worked with our assessment staff to develop a quality test that has been well-received in the field. Its proprietary SAT10 questions allow Illinois districts to use the test for national norm-referencing. However, Harcourt's processing and production work has been a failure. The agency has lost faith in Harcourt's ability to meet its obligations for processing and production, and we believe Harcourt's performance justifies removing these services from their purview.

Accordingly, the agency proposes the following:

- Harcourt continues its current services for ISAT test development and psychometric services. We will maintain the format and structure of the current test. Illinois school districts can continue to use SAT10 questions for norm-referencing.
- We terminate Harcourt's services for ISAT processing, production, scoring and reporting. ISBE will determine what processing and production services for the 07 assessment must remain with Harcourt to ensure the assessment remains on schedule. All other
processing, production, scoring and reporting services will be transferred to another contractor in accordance with the agency's procurement requirements.

- ISBE and ACT determine the feasibility of shifting all PSAE services to ACT.
- ISBE retains a separate contractor to provide third-party oversight of the transition of services and assessment administration.

**Other Alternatives**

As implied above, staff recommends that a limited set of Harcourt services be retained. Harcourt and ISBE's assessment staff developed a quality test that has been well-received by the field. Staff believes it is important to maintain the norm-referenced questions, and we could not retain a new contractor to develop norm-referenced questions for inclusion in the 07 assessment. Moreover, another wholesale change in the test format and structure would present a hardship to the field.

At the same time, staff cannot justify recommending the continuation of Harcourt's current scope of services. Harcourt's breach caused massive disruption in school districts across the State, and justifies action under the contract. We do not have confidence that Harcourt has addressed these systemic issues in order to prevent their reoccurrence.

**Superintendent's Recommendation**

The Superintendent recommends that the State Board of Education adopt the following motion:

*The State Board hereby authorizes the State Superintendent to negotiate and develop a revised contractual framework for the ISAT and PSAE that provides for:*

1. Harcourt Assessment's continuation of ISAT test development;
2. Transfer of ISAT processing and production to a new contractor in a manner that ensures the schedule of the 07 assessment;
3. Transfer of PSAE responsibilities to ACT, to the extent deemed feasible by ISBE and ACT; and

*In the event the State Superintendent does not reach agreement with Harcourt Assessment on the terms of this framework, the State Superintendent shall bring back to the Board a recommendation for the termination of all of Harcourt's services for the State.*

**Next Steps**

With the Board's authorization, staff will negotiate the terms of the new contractual framework with Harcourt Assessment, negotiate with ACT on the performance of additional PSAE services, engage the services of a third party oversight contractor, and develop a request for sealed proposals for the performance of ISAT processing and production activities.