

**Testimony of Gerald L. Zahorchak
Secretary of Education**

**Senate Education Committee
June 2, 2009**

Good morning, Chairman Piccola, Chairman Dinniman, and honorable committee members. I'm glad to be with you.

I'd like to begin by thanking Chairman Piccola for convening this discussion. The Senator has helped forge consensus on the need for stronger high school graduation requirements and I believe today's hearing can be another important step toward a solution.

Before I turn to the issue at hand, let me underscore why business leaders statewide, the State Board of Education, and many of our educational leaders believe there is such a sense of urgency in addressing the need to better prepare our students for college and the workforce:

- Approximately 50,000 students graduate each year from a Pennsylvania public high school without demonstrating proficiency on the PSSAs.
- Penn State's College of Education has found that only 18 of Pennsylvania's 500 school districts – comprising less than 3 percent of the state's total public school enrollment – appropriately measure whether their students can read and do math at the 11th grade level in order to award high school diplomas, according to a February 2009 study.
- In 2007-08, 20,394 public high school graduates who enrolled in a public higher education institution required some form of remediation, with a total cost to taxpayers, students, and parents in excess of \$26 million.

And the survey of business leaders released last week reinforces the importance of moving forward. Sixty-six percent of those surveyed think it's a high priority that new employees be able to demonstrate that they have the basic skills to enter the workforce. As one small business president from Chester County states, "I think it [statewide graduation requirements] helps address concerns about improving the workforce in Pennsylvania."

In a separate editorial, C. Alan Walker, the President/CEO of Bradford Energy Co., writes, "As an employer who still has room for good quality high school graduates, and I believe I speak for other employers as well, I no longer have any idea what a high school diploma really means. But I do know what I need in terms of basic skills in the high school graduates I hire, and I know what I'm not always getting."

I know that committee members have significant concerns about the recently-announced contract with Data Recognition Corporation (DRC), and I would like to address them before I take your questions.

The Contract Award Follows a Transparent, Competitive Bidding Process

Although opponents of graduation requirements have focused exclusively on the contract's provision for the creation of standard final exams, I want to remind you that it has three equally important components:

1. Design of voluntary model curriculum that can be put in the hands of teachers. Just like blueprints are essential to the successful construction of a building, a curriculum is the blueprint for a successful education. The curriculum tells us what students need to know and be able to do at a given grade level in a particular subject. The model curriculum will include sample lesson plans, essential questions, and vocabulary.
2. Creation of tools that will enable teachers to figure out exactly where their students are having trouble and come up with ways to address each student's learning needs. These diagnostic tools are, in essence, online pre-tests that provide real-time information to teachers about each student's strengths, weaknesses, knowledge, and skills in a particular content area.
3. The 10 standard final exams to be made available to school districts.

The contract with DRC was awarded after a competitive bidding process – the Department issued a Request for Proposals in September 2008, received bids from three qualified vendors, and reviewed and scored proposals based on established criteria:

1. *Can the vendor deliver a high-quality product on schedule?*
2. *What is the cost to the taxpayers?*
3. *What is the vendor's commitment to partnering with women- and minority-owned firms?*

On each of these three criteria, DRC received the highest score.

Like all competitively-bid contracts, DRC's was awarded through an independent and transparent process – an open request for proposals, careful examination of each on the merits, independent tabulation of scores, negotiations to arrive at the lowest possible cost, and final approval process spanning the Department of Education, the Department of General Services, the Comptroller's office, and the Attorney General's office.

But *unlike* most state contracts, the process behind this contract was covered by the media and received extraordinary interest from the legislature. Moreover, I took the unusual step back in February of putting the contract on hold at the Chairman's request until this committee could conduct a public hearing on the issue.

The DRC contract covers the remainder of this fiscal year as well as fiscal years 2009 through 2014. For the remainder of this fiscal year, we would spend a maximum of \$8 million, money which was included in the budget that you enacted last summer.

I have already described the model curriculum and diagnostic tools included in the contract. In terms of the assessments, we structured the contract in response to the concerns we heard from educators, policymakers, and other stakeholders. Keystone exams will not be simple, fill-in-the-bubble tests that measure recall of isolated facts. They *will* be high-quality, internationally-benchmarked course finals that assess understanding, problem solving, and critical thinking – critical 21st century skills. In addition, the contractor will provide computer-based testing to ease administration and speed results. We are designing the assessments to withstand scrutiny by the U.S. Department of Education so that keystones can eventually replace the 11th grade PSSA, which will reduce the testing burden on students. Finally, in response to suggestions from stakeholders, including Senator Dinniman, we have asked the contractor to place an early emphasis on the development of the math assessments (Algebra I, Algebra II and Geometry).

The cost of these educational resources also should be seen in the proper context. While media sound bites label it a \$201 million expense in the midst of a tough budget year, the commonwealth actually will spend no more than \$8 million this year and an average of \$28.7 million annually under this seven-year contract. In 2009-10, this expense would represent just two-tenths of one percent of the commonwealth's investment in public education. *Especially* in this challenging economy, we think these long-term investments in the success of our high school students are critical to providing them with the academic skills that lead to stable, good-paying jobs.

This Contract Is Consistent With the One-Year Regulatory Moratorium Enacted Last Summer

Some critics of stronger high school graduation requirements have alleged that current state law blocks the Department from proceeding with the creation of standard final exams that will be made available to school districts on a voluntary basis. That assertion is simply inaccurate, and I would like to direct your attention to the relevant language from this year's School Code:

NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, IN THE 2008-2009 FISCAL YEAR, A REGULATION TO CHANGE OR ESTABLISH HIGH SCHOOL GRADUATION REQUIREMENTS SHALL NOT BE FURTHER PROMULGATED, APPROVED OR PROPOSED.

Last summer, I considered the Act 61 moratorium a significant setback in the effort to strengthen high school graduation requirements. In retrospect, the General Assembly made a wise choice to extend and broaden debate on this issue. This additional year has allowed us to gather valuable public input through State Board hearings across the commonwealth, conduct a comprehensive study of locally-developed assessments

with the help of Penn State's College of Education, and reach compromise with the school boards that seemed impossible just months ago.

Moving forward on the development of voluntary instructional resources and end-of-course assessments is no more a violation of the moratorium on regulatory changes than continuing to gather public comments or evaluating local assessments.

Continued Funding of the Contract Will Be Subject to the General Assembly's Constitutional Appropriation Authority

As I noted earlier, the 2008-09 budget enacted by the General Assembly last summer specifically included funding to carry out the first year of this contract. Beyond this amount, not one cent of state funding is obligated until you and your colleagues approve the expenditure. The termination for non-appropriation language in the contract's original Request for Proposals underscores this fact and states:

The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the Contract....

Continuing to Make Progress in Implementing Stronger Graduation Requirements

I have been disappointed – and somewhat confused – by the suggestion that awarding this contract somehow scuttles the emerging consensus on the need for stronger graduation requirements. Every proposal on this policy question – the State Board's initial proposed regulations, the Department/State Board/PSBA agreement, and the recently-announced "Keystone 2.0" approach – provided for the development of standard end-of-course exams. It seems to me that freezing the development of Keystone exams for voluntary use by districts only delays our efforts to move from compromise toward a solution and ultimately progress for our students.

Senator Piccola, Senator Dinniman, committee members: we share the same goal – an excellent education for every young person in Pennsylvania; one that prepares students for college or other post-high school training, a meaningful career, and active citizenship. I think we can also agree that perhaps the most important decision educators make in a student's career is whether to award a high school diploma. Finally, the Penn State study proves that the state has not done enough to provide educators with instructional resources that can ensure graduation decisions are based on real evidence of student achievement and made in a fair and consistent manner.

Having arrived at agreement on the problem, it would be easy for me to put the Penn State study on the shelf and leave this nearly two-year policy debate for my

successor to resolve. In fact, that is what several legislators have asked me to do – sit back, run out the clock until January 2011, and allow the next Governor and Secretary to fashion a response. It’s an odd suggestion that ignores two important facts: our students are entering the most challenging economy of our lifetimes and it is my duty to promote and advance sound education policy.

I want to close by quoting from a recent newspaper editorial discussing Maryland’s implementation of high school graduation requirements – which are in effect for this year’s graduating class. The *Washington Post* last week wrote: “For the first time, high school graduation is being tied to proving mastery in basic subjects.... Giving a diploma to a student who can’t do the work would be a disservice.”

Remember that these Maryland high school students – who, along with high school graduates from New York, New Jersey, Ohio and Virginia, can prove that they have the skills to succeed – will be competing against our Pennsylvania students for jobs and for college admissions. I want more than anything to be able to say with confidence that every Pennsylvania student who receives a diploma is *ready* for the real world. Stronger graduation requirements, coupled with adequate resources in our classrooms, is central to meeting that goal.

Thank you again for the chance to set the record straight. I look forward to your questions.