



Division of Teacher and Leader Excellence

**TESTS FOR STATE-ISSUED HIGH SCHOOL
DIPLOMAS**

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Discussion Level
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Executive Summary

- Until recently, ACE / GED has been the sole source provider for the State-issued high school diploma. If the Department remained with a sole provider, the price was expected to increase significantly (from avg. cost/test taker of \$65 to \$195) and the paper-based option would have been eliminated.
- In August, the Department issued a Request for Qualifications (RFQ).
- The review panel found all 3 RFQ responders to be qualified NJ test vendors: Pearson VUE, Educational Testing Services (ETS), and McGraw Hill. Competition drove expected average costs down to \$112 per test taker (from \$195) and enabled paper-based testing to remain available through 2016.
- The Department currently authorizes 32 test centers for the GED. Each center will now be able to use any / all of three tests.
- The new tests will begin January 2014. By 2016, tests will align with Common Core.

History and Background

- New Jersey has offered the General Education Development (GED) test since 1959 as a route to our State-issued high school diploma.
- GED has been offered under the auspices of the American Council for Education (ACE), a federal non-profit.
- On average over the past several years, more than 13,000 persons took the GED test, and more than 9,000 passed and received the state high school diploma
- Until recently, ACE / GED has been the sole source provider for the State-issued high school diploma.
- In 2010, ACE partnered with Pearson to form a for-profit entity, Pearson VUE, to offer the GED, to align the GED with the Common Core standards, and to computerize the test.

History and Background (continued)

- The Pearson VUE GED test was scheduled to have a significant cost increase this year. Nationally and in New Jersey, public concern over the impact of the price increase on test takers led to the entry of other test vendors into the market.
- Last August, the Department issued a Request for Qualifications (RFQ) for vendors and tests that could assess applicants for the state-issued high school diploma.
- The Department's intent was four fold:
 - Ideally, to offer applicants several testing options at different prices;
 - To ensure testing opportunities in all regions of the state;
 - To continue a lower cost, paper testing option for a transitional period; and
 - To transition the test to the Common Core by 2016.

New Jersey RFQ Results

- Our RFQ review panel included representatives of the Department, the Department of Labor, and the Department of Corrections.
- The review panel found all three RFQ responders to be qualified as New Jersey test vendors:
 - Pearson VUE
 - Educational Testing Service (ETS)
 - McGraw Hill
- Additionally, under this framework, the Department will continue to qualify new vendors as they come forward.

How Testing Works

- The Department currently authorizes 32 test centers for the GED through Memoranda of Understanding. Each center will be able to use any / all of three tests.
- ETS & McGraw Hill will offer both paper-based and computerized testing through 2016. Pearson VUE will offer computer based testing with paper-based testing offered only as an accommodation under the Americans with Disabilities Act.
- According to a Department of Labor study, approximately a million New Jersey residents are in need of state diplomas. Therefore the Department will seek to add testing centers to serve this need.
- Each approved test has subsections which must be passed in order to earn the state diploma: writing, reading, math, science, and social studies.
- Applicants can retake the entire test or individual subtests.
- The new tests will begin January 2014. By 2016, tests will align with Common Core.

Passing Scores

Vendor	ETS - Hi-SET	McGraw Hill – TASC	Pearson Vue – GED
Score Range	Total Possible Score 100 Each Subtest Range = 1 - 20	Total Possible Score 100 Each Subtest Range = 1 - 20	Total Possible Score 800 Each Subtest Range = 100 -200
Language Arts - Writing	9	9	Incorporated into other sections
Language Reading	9	9	150
Social Studies	9	9	150
Science	9	9	150
Math	9	9	150

THESE SCORES ARE IN CONCORDANCE BASED ON INITIAL STUDIES. STUDIES ARE ONGOING.

Pricing Background

- Previously, GED tests were paper-based and costs could be capped at \$50 because paper-based testing is less expensive.
- Although the Department seeks to keep costs down by offering several tests, the switch to both computer based testing and to a for-profit format by Pearson VUE has raised costs in general.
- Test centers need to generate revenue in order to cover operating expenses. Therefore our test center MOU allows an additional fee on top of the actual test vendor fee for both the full test and for each subtest.
- To avoid incentivizing test centers to use just one test, the Department will set a uniform maximum fee of \$40 that test centers can charge above the vendor fee. In practical terms, this fee is set to match the payment that Pearson VUE will return to each test center. Test centers can also charge a \$10 fee for subtests.
- The price structure will generally vary according to vendor.

Cost Savings/Benefits to Test Takers

- Initially Pearson VUE proposed a significant price increase nationally and full cost for re-testing. Introducing competition resulted in lower test costs for all approved vendors and in the option for two no-cost test retakes within one calendar year. (Note: Test re-takes would still incur small administrative fee of \$10 per subtest)
- In addition, the introduction of competition will enable test takers to utilize paper-based testing through 2016.

Vendor	Format	Test Fee	Average Cost/Test Taker (Assumes 1.3X)
<u>Current</u> GED	Paper	\$50	\$65
Initial Proposed Sole Source GED	Computer	\$150	\$195
Estimated <u>NEW</u> Average Cost	Computer & Paper	~\$100	~\$112

Though higher than current pricing, the average cost/test taker is significantly lower with the introduction of competition.

Pricing Comparison

Vendor	Full Test		Single Subtest**	
	Test Only	Total Cost (Includes Admin Fee)	Subtest Only	Total Cost (Includes Admin Fee)
Pearson VUE (GED*)	\$80.00	\$120.00	\$20.00	\$30.00
ETS (Hi-SET)	\$50.00	\$90.00	\$15.00	\$25.00
McGraw Hill (TASC)	\$52.00	\$92.00	\$10.40	\$20.40

*GED gives the option to charge the student \$80 or \$120 for the complete battery. If the State sets the price at \$120 the test center gets \$40 back, and if it is set at \$80 the test center gets nothing back.

** All three test vendors allow two free retests if taken within the same calendar year. Test centers can charge the Administrative Fee above based on whether they retest on the complete battery or a single subset.

**THANK YOU.
QUESTIONS OR COMMENTS?**