

# **Pearson's plan to control education**

## **Report to the B.C. Teachers' Federation**

---

Donald Gutstein  
7798 Stanley Street  
Burnaby BC  
[gutstein@sfu.ca](mailto:gutstein@sfu.ca)  
<http://donaldgutstein.com>

**30 June 2012**



## Table of contents

Executive summary	
1. Introduction	1
2. Pearson's strategies to penetrate the American market	2
3. Personalizing education: Every student and teacher a customer	5
4. Pearson and the B.C. Education Plan	8
A. Personalized learning for every student	12
B. Quality teaching and learning	13
C. Flexibility and choice	15
D. High standards	16
E. Learning empowered by technology	17
5. Conclusion	19

### Tables

Table 1. Pearson revenues by region and business, 2011	2
Table 2. Selected Pearson education acquisitions, 2007-12	3
Table 3. Pearson sales according to geographic area, 2011	9
Table 4. Payments by B.C. school districts to Pearson Education, year ending June 30, 2011	10

# **Pearson's plan to control education**

Report to the BC Teachers Federation

30 June 2012

Donald Gutstein

## **Executive summary**

Pearson plc is the world's largest education company, with operations on nearly every continent. The company earns the bulk of its revenue from digital texts, online learning tools, virtual schools, student and teacher testing programs and services, student information systems, instructional management systems, and much more. It became large by buying up its competitors. It dominates the huge American education market and probably now has its eye on British Columbia, as the province charts a course from print to digital, to what B.C. Education Minister George Abbott calls twenty-first century learning using technology. (That's what Pearson calls it too.) This report traces Pearson's corporate strategies and how they might impact B.C.'s public education system, particularly through the B.C. Education Plan.

According to investment research firm Sanford Bernstein & Co., Pearson is pursuing a variety of growth strategies, including one that will "revolutionize how education is delivered to students around the world, starting with the United States." It is an ambitious attempt to further commercialize education by claiming its products and services will raise student and teacher performance while at the same time cutting spending. If successful, Bernstein argues, "it would make every teacher and school student in the United States a potential customer" by "personalizing education in U.S. schools through technology and best practices." And since British Columbia is part of the North American Education division, it too will become a target for the new strategy.

In October 2011, Education Minister Abbott announced his government's plan "to transform education so that every student can excel and thrive in a rapidly evolving world." An analysis of the plan's elements indicates the plan may be designed, not for students or teachers, but for the corporate sector, in which Pearson is a leading player. The plan consists of five elements, each of which could become a profit centre for Pearson (as well as other technology and education corporations).

### Personalized learning for every student

- Pearson's partnership with adaptive learning company Knewton is at the heart of efforts to personalize learning. Knewton builds its software into online classes that watch students' every move: scores, speed, accuracy, delays, keystrokes, click-streams and drop-offs.
- Pearson was selected by the OECD to develop the framework for the 2015 PISA assessment, whose main focus will be testing the scientific literacy of students around the world, making greater use of computer-based testing—a Pearson specialty.

### Quality teaching and learning

- Pearson is the provider of the set of rubrics used to assess teacher performance in New York and the provider of the model for teacher evaluation used in Tennessee.
- In 2006, Pearson bought National Evaluation Systems, the leading provider of customized state assessments for teacher certification in the U.S.

- The company scaled up its exposure in this market through an agreement with Stanford University to develop a national licensure procedure which assesses pre-service teacher candidates. More than 25 states and 90 teacher preparation programs have signed on to outsource teacher assessment to Pearson-Stanford.

#### Flexibility and choice

- Pearson is the second-largest operator of virtual schools, achieving this position by purchasing leading player, Connections Education, in September 2011, crossing the line from supporting schools to operating them. The Connections Academy division operates online charter schools in 21 states with 40,000 student-customers.

#### High standards

- Pearson dominates the U.S. school testing market. If B.C. moves in the direction of online testing on a large scale, Pearson will likely be first in line to win contracts.
- Pearson has another product that fits into the Education Plan's call for high standards, the Schoolnet Instructional Management System. (See discussion earlier.)

#### Learning empowered by technology

- Pearson leads the student information systems (SIS) industry because of its purchase of Apple Computer's PowerSchool and Burnaby, B.C.-based Chancery Software, in 2007
- In 2010, Pearson purchased The Administrative Assistants, the Ontario-based company that designed the province's student information system, BCeSIS, giving it a dominant position for student information systems in the Canadian market.
- The company probably tops the list of candidates to win the contract to build and operate B.C.'s SIS.

The discussion of the Education Plan in this report is speculative because the B.C. government has not yet implemented the plan's elements. It should be known within a year, though, if Pearson wins the student information system contract. And if the company's record is any indication, once it has its foot in the door, look for other Pearson products to follow.

## Pearson's plan to control education

30 June 2012

*Are we prepared to hand over our children, our teachers, and our definition of knowledge to Pearson?*

-- Diane Ravitch

### 1. Introduction

Ask people if they've heard of Pearson and they'll likely reply, "Oh, yes, the textbook publisher." That answer would have been correct ten years ago. But not anymore. Pearson still publishes printed textbooks, but earns the bulk of its revenue from digital texts, online learning tools, virtual schools, student and teacher testing programs and services, student information systems, instructional management systems, and much more. Within a decade Pearson has transformed itself from a staid publisher of K-12 and post-secondary texts into the world's largest education company, with operations on nearly every continent. It became large by buying up its competitors. It dominates the huge American education market and probably now has its eye on British Columbia, as the province charts a course from print to digital, to what B.C. Education Minister George Abbott calls twenty-first century learning using technology. (That's what Pearson calls it too.) But will twenty-first century learning take place within a public system that's geared to equal access for all? Or will it occur within a marketplace serving individual consumers of education services? This report traces Pearson's corporate strategies and how they might impact B.C.'s public education system, particularly through Abbott's Education Plan. Will B.C.'s elected representatives, administrators, teachers, students and parents determine the province's education future? Or, as education historian Diane Ravitch asks, will Pearson?

Ravitch's question about Pearson is important because, for most of her professional life she was an ardent supporter of what has come to be accepted as gospel, at least in the United States—education needs to be "reformed" through testing, choice (vouchers, charters), accountability (teacher testing, merit pay), and markets. She was even an assistant secretary in the Education Department during the George H.W. Bush administration. But as the consequences of school "reform" became apparent—poor children were not doing better, the achievement gap between rich and poor, Blacks/Hispanics and whites was not closing—Ravitch rethought her position and became once again, as she says, "a friend and supporter of public education."<sup>1</sup> For Ravitch and many others, Pearson epitomizes the attack on the public school system.

There's more to British-based Pearson plc (public limited company) than education. The company comprises three units: Pearson Education, Penguin, one of the largest book publishers, and Financial Times Group, owner of the *Financial Times* and 50 percent of *The Economist*. But 75 percent of revenues and 80 percent of profits come from the education business. And it's the only one that's growing, with profits doubling since 2006. Education is where the action is for Pearson, whose education unit is divided into three divisions: Professional, International Education and North American Education, which is the largest, earning nearly half of total corporate revenues by providing the full range of print and digital

---

<sup>1</sup> Diane Ravitch, *The Death and Life of the Great American School System*, Basic Books 2010, 13

products and services for K-12 and higher education markets in the U.S. and Canada. Pearson's revenues are listed by region and business in Table 1.

**Table 1. Pearson revenues by region and business, 2011**

	<b>Sales</b>	<b>Sales</b>
	<i>\$millions Cdn</i>	<i>percent</i>
Region		
North America	5,549	60
Europe	2,105	23
Asia	1,018	11
Rest of World	564	6
Total (1)	9,236	100
Business		
Education	6,917	75
Penguin	1,647	18
FT Group	673	7
Total (1)	9,237	100

Note 1. Totals differ due to rounding.

Source: Source: Pearson, "Annual report and accounts," Mar 2012, 3.

[http://www.pearson.com/media/files/cosec/14945\\_PearsonAR11.pdf](http://www.pearson.com/media/files/cosec/14945_PearsonAR11.pdf)

## 2. Pearson's strategies to penetrate the American market

According to investment research firm Sanford Bernstein & Co., Pearson is pursuing three growth strategies. First, the company is investing in content and technology to increase its market share of the education industry. Second, the company is restructuring away from the FT Group and reinvesting the proceeds into the high-growth areas of emerging markets (Brazil, India, China, South Africa) and consumer—rather than publicly—financed education. The third strategy is new, and Bernstein predicts it will "revolutionize how education is delivered to students around the world, starting with the United States."<sup>2</sup> It is an ambitious attempt to further commercialize education by claiming its products and services will raise student and teacher performance while at the same time cutting spending. If successful, Bernstein argues, "it would make every teacher and school student in the United States a potential customer" by "personalizing education in U.S. schools through technology and best practices."<sup>3</sup> And since British Columbia is part of the North American Education division, it too will become a target for the third strategy. Coincidentally, perhaps, personalizing education through technology is the theme of the B.C. Education Plan.

The first and third strategies—or legs to growth—should be the ones of most concern to educators in B.C. Pearson's education business, Bernstein notes, is two-to-three-times larger than its main competitors. It can leverage its size and market dominance to invest more in content and technology resulting from this dominance, engendering what Bernstein calls a

<sup>2</sup> Bernstein Research, "Bernstein Black Book – European Media: Pearson – Transforming Education Publishing," Sep 2011, 25

<sup>3</sup> Bernstein, 26

"virtuous circle."<sup>4</sup> This works as follows: the larger the company gets, the more money it will earn, and the more money it will have than its competitors to invest to get even larger, consolidating its position as the world's leading education company. Pearson has a large pool of funds to expand its education businesses—it can buy almost anything it wants—as a result of selling off portions of the FT Group. The company may even sell off Penguin when the time is right and use the proceeds to expand the education business by making new acquisitions or expanding existing services. Between 2007 and 2012, Pearson spent \$5 billion purchasing 25 education and publishing companies. It spent additional undisclosed billions purchasing another 20 companies. Table 2 lists significant Pearson education acquisitions between 2007 and 2012 that fit within the first and third strategies.

**Table 2. Selected Pearson education acquisitions, 2007-12**

Year	Company	Price <i>\$millions US</i>	What the company does
2012	Certiport	140	provider of certification exams for universities, workforce and corporate markets
	GlobalEnglish	90	provider of business English learning services
2011	Schoolnet	230	US schools data collector to individualize learning
	Connections Education	400	operator of US virtual K-12 schools
	EDI	130	provider of education and training qualifications and assessment services
	TutorVista	127	Indian education provider
2010	The Administrative Assistants	?	provider of student information systems in worldwide K-12 market
	America's Choice	80	provider of school improvement services
	SEB School Learning Division	497	provider of learning services to preK-12 schools
2009	A-Rise	?	research-based instructional strategies for teachers
	National Transcript Center	?	largest US etranscript & student record exchange provider
	Fronter	30	European online learning company
	Harcourt Assessment	635	provider of testing services
2008	Harcourt Education International	315	UK-based educational publisher
	eCollege.com	491	personalized learning provider for all ages
2007	Chancery Software	?	provider of student information systems in K-12 market
	PowerSchool	?	Apple's SIS division
	National Evaluation Systems	?	US provider of customized assessments for teacher certification
	Blueprint Technologies	?	provider of enterprise architecture and iterative development solutions and services

Note: ? means the price was not disclosed

Source: Partially based on Bernstein Research, "Bernstein Black Book – European Media: Pearson – Transforming Education Publishing," Sep 2011, Exhibit 21. "Pearson's focus in recent years has turned to bolt-on acquisitions in both international and consumer education," 20

<sup>4</sup> Bernstein, 5

Pearson's approach to the education business can be understood by examining a recent controversy in which it found itself embroiled. The company moved decisively into the testing business well before its recent spate of acquisitions. Along with other testing companies, Pearson grew fat feasting on the mandatory testing required under George W. Bush's *No Child Left Behind*, and fatter still under Barack Obama's *Race to the Top*. Pearson became a leader in testing as it did in so many other education businesses, by purchasing industry leaders. It bought National Computer Systems, the leading provider of test-scoring services, for an astonishing \$2.5 billion US, in July 2000.<sup>5</sup> Several months later George W. Bush was elected president on an education—read “testing”—platform. Just days after the election, a NCS-Pearson executive displayed a quote from Bush calling for state testing and individual school report cards and announced to a ballroom-full of Wall Street analysts, “This almost reads like our business plan.”<sup>6</sup> In 2007, perhaps anticipating Barack Obama's reliance on testing as his major education policy, Pearson purchased Harcourt Assessment, one of the two leading producers of tests administered at the state level and owner of the Stanford Achievement Test (SAT), for \$635 million.<sup>7</sup>

Combining its dominance in test creation and scoring, in 2011 the company won the contract to develop and administer mathematics and English language arts tests for grades 3 to 8 in New York state. The contract is worth \$32 million and will run until 2015. Pearson has larger contracts, such as the one with the Texas Education Agency worth nearly half-a-billion dollars and the \$254-million contract with the Florida Board of Education. But the company had never run into such controversy as it did in New York because of the Hare and Pineapple questions. Students taking the Grade 8 standardized English test in April, 2012 were given a reading passage in which a pineapple challenges a hare to a race, and the other animals are convinced the pineapple must have a trick up its sleeve and will win. When the pineapple stands still and the hare wins the race, the animals eat the pineapple. The moral of the story was enunciated by the owl: “Pineapples don't have sleeves.” Students were required to answer six multiple-choice questions based on the passage.<sup>8</sup>

The passage makes little sense and caused a furor among parents and anti-testing activists. It became a media sensation when the story was picked up by the *New York Times*. As a result, state education commissioner John King announced that because of “the ambiguous nature of the test questions,” they would “not be counted against students in their scores.” The questions had been used by Pearson since 2004 in six other states and three large cities, Chicago, Fort Worth and Houston. They elicited the same range of responses of “incredulity, bafflement, hilarity and outrage,” but continued to be used perhaps because they did not rise to media prominence before.<sup>9</sup>

---

<sup>5</sup> Pearson, “Pearson plc to acquire National Computer Systems, Inc.,” 31 Jul 2000  
<http://www.pearson.com/media-1/announcements/?i-953>

<sup>6</sup> It's interesting to note the close connections between the Bush family and the McGraws, who controlled McGraw-Hill, the leading test publisher before Pearson edged them out. See Stephen Metcalf, “Reading between the lines,” *The Nation*, 10 Jan 2002. <http://www.thenation.com/article/reading-between-lines>

<sup>7</sup> *Education Marketer*, “Pearson expands globally with Harcourt acquisition,” Vol. 38 No. 10, 14 May 2007, 1

<sup>8</sup> Anemona Hartocollis, “When pineapple races hare, students lose, critics of standardized tests say,” *New York Times*, 20 Apr 2012, 18

<sup>9</sup> Anemona Hartocollis, “Under fire, test maker says its work is reliable,” *New York Times*, 5 May 2012, 21

The episode provides an insight into Pearson's approach to testing. Pearson was using the questions—which education commissioner King claimed had been reviewed by a committee of teachers—as a way to compare New York students with students in other states. This had been a requirement of the contract Pearson signed with the New York State Education Department, to embed multiple-choice field-test questions inside the real test being administered, so students would have to answer questions that wouldn't count in scoring the test, and questions that would. Neither students nor teachers would know which were which.

As retired New York City Board of Education senior analyst Fred Smith explains, "The assumption behind this approach is that students will strive to do well on all items" since neither they, their teachers, nor their schools will "know which ones actually count in evaluating them."<sup>10</sup> Smith estimates that about one-third of the multiple-choice items won't count. Student results on these items will be studied to decide which should go on next year's tests.

As for the pineapple and hare reading, Pearson's contract "calls for the vendor to provide 20-25 nationally-normed multiple-choice questions per grade. This is to allow students to be compared with students from other states ... The material was drawn from Pearson's item bank—material that had been seen in several other states handled by the vendor." Pearson will make money re-using these items and selling them to New York, Smith explains. It can sell them to other states, having banked a wealth of data showing how over one million more kids fared on its questions.

"It looks like the vendor has worked out an amazing testing scheme," Smith concludes, "producing items along the way, paid for by one or another state, owned by Pearson, and then re-sold and re-sold to other states for developmental purposes or operational use." Key to Pearson's profitable use of these questions in the future is that they remain secret, with teachers and administrators being sworn to secrecy.

### **3. Personalizing education: Every student and teacher a customer**

Pearson's third leg to growth should be of great interest to educators in B.C. The company is working to convince education authorities that its products and services can radically improve educational performance while at the same time saving money. Who could be against the laudable goal of better performance at cheaper cost? According to the Bernstein analysis, American governments have been "throwing money" at American student underperformance with little improvement, Pearson and other education corporations argue. The 2009 results from the Program for International Student Assessment (PISA) suggest the standard of education in the U.S. still lags behind many comparable countries despite all-time high education spending. The Obama administration is determined to reduce the gap between the U.S. and the others, but since increased funding doesn't seem to work, Pearson is offering an alternative approach by using its products. If successful, Bernstein concludes, "this strategy will accelerate revenue and profit growth, potentially significantly."<sup>11</sup>

---

<sup>10</sup> Fred Smith, in Valerie Strauss, "Pearson and how 2012 standardized tests were designed," Post Local, 27 Apr 2012. [http://www.washingtonpost.com/blogs/answer-sheet/post/pearson-and-how-2012-standardized-tests-were-designed/2012/04/27/qIOAjQ0MkT\\_blog.html](http://www.washingtonpost.com/blogs/answer-sheet/post/pearson-and-how-2012-standardized-tests-were-designed/2012/04/27/qIOAjQ0MkT_blog.html)

<sup>11</sup> Bernstein, 26

Bernstein offers three recent Pearson developments—two acquisitions and one partnership—as evidence of the new strategy to make every teacher and student a potential customer by personalizing education. First was the acquisition of America’s Choice for \$80 million US in 2010. America’s Choice specializes in school improvement strategies that boost student achievement (i.e., improving scores on standardized tests) by bringing together instruction, assessment, leadership development, professional development and coaching, and ongoing consulting services in one package that it offers to underperforming schools. The acquisition promises to be lucrative for Pearson, since the Obama administration identified more than 5,000 schools in need of such improvement and allocated nearly \$17 billion to fund the efforts of states and districts.<sup>12</sup>

The purchase gave Pearson an inside track to access state education departments that may receive the federal funding. Over the years, senior state education officials left their posts to work for the America’s Choice organization. These include, most notably, Arkansas’ education commissioner Ken James, who became America’s Choice executive vice-president and chief operating officer in 2009 and president when Pearson took over. They also include Denver Public Schools’ chief academic officer who became general manager of America’s Choice’s north region, and a branch manager for the Kentucky Department of Education, who became a senior associate and executive director of business development at the school improvement company.<sup>13</sup>

America’s Choice epitomizes the tendency (policy?) in the U.S. for ideas and technologies to be developed in the public and non-profit sectors and, once successful, turned over to the private sector to reap the financial benefits. America’s Choice had its roots in the non-profit National Center for Education and the Economy (NCEE) which, in 1990, sponsored a report called *America’s Choice: High Skills or Low Wages?* This report studied nations with the most successful education systems to determine their formulas for success. The linkage of education to jobs and the economy was the priority from the beginning. NCEE then began developing student performance standards for the American context and created the America’s Choice School Design program which “produced designs for highly effective [K-12] schools based on a careful study of the school designs NCEE had found in those countries with the highest levels of student achievement.”<sup>14</sup> The organization concentrated its efforts on the lowest-performing schools, typically serving highly disadvantaged students. Such an approach conveniently ignores the need to improve the living circumstances of disadvantaged children and focuses solely on their performance in school.

Demand for the program was high and along the way America’s Choice switched from government- and foundation- to investor-funding and became a for-profit entity. Bernstein considers this purchase to fit within Pearson’s third strategy because America’s Choice’s “product offerings are designed to improve the performance of students that are

---

<sup>12</sup> *Business Wire*, “Pearson and America’s Choice announce acquisition agreement,” 3 Aug 2010

<sup>13</sup> See: Cynthia Howell, “State education chief takes job with school-betterment firm,” *Arkansas Democrat-Gazette*, 30 Jun 2009; Jeremy Meyer, “Exiting DPS official pushed for success,” *The Denver Post*, 2 Sep 2008; Kentucky State News Service, “Governor Beshear appoints members to Kentucky Higher Education Assistance Authority board of directors,” 12 Jun 2008

<sup>14</sup> National Center on Education and the Economy, “About NCEE,” 2011. <http://www.ncee.org/about-ncee/history-of-ncee/>

underperforming and it works with individual students, schools and state departments to help achieve this."<sup>15</sup>

Schoolnet was a much larger acquisition, costing Pearson \$230 million US. Bernstein sees this addition as fitting within the third leg because "one of its key operations is to *personalize* each student's assessment, curriculum and instruction, so teachers and students can see where a student is underperforming. Schoolnet can then suggest a course of action to put in place that targets the problem areas and should, in theory, lead to improvement."<sup>16</sup> An important feature of Schoolnet Bernstein neglects to mention is that parents can log in to the system to see their children's individual testing, attendance, grade and discipline information in real time.

The company was started in 1998 by two education entrepreneurs with venture funding from a group of investors including Carlyle Group. By 2011, when Pearson bought the company, Schoolnet was servicing five million American K-12 students through contracts with districts and states.<sup>17</sup> It won a three-year \$6-million contract to service Kentucky's 645,000 students just before the Pearson purchase. As Kentucky Education Commissioner Terry Holiday said of the deal, Schoolnet "will provide a full set of tools for every Kentucky teacher to improve every student's learning."<sup>18</sup> And the company signed a contract with the Cleveland Board of Education to track the performance of every student in the Cleveland system several months later.<sup>19</sup>

A 2011 partnership between the Pearson Foundation—the non-profit arm of Pearson plc—and the Bill & Melinda Gates Foundation is the final example Bernstein offers to support its claim for a third growth strategy based on personalizing education. Pearson Foundation is developing 24 online courses, eleven for grades K–10 math and thirteen for grades K–12 reading/English language arts. The purpose of the courses is to satisfy the new American common-core state standards. Most states have signed on to this initiative to develop a common core of curriculum and standards to overcome the long-standing problem of vastly different standards among states. So the market for these courses is potentially huge. Gates donated \$3 million to mount four courses on the Internet to be freely accessed. The purpose seems to be to create interest in the courses, which can then be ordered through Pearson plc. So the four courses financed by Gates could be considered as loss leaders to attract customers.<sup>20</sup>

The full 24-course system, bundled with tools for assessment and professional development for teachers, will be available for purchase. Each course will serve as a 150-day curriculum and will utilize social networking, animation and gaming "to better engage and motivate students," Judy Codding, Pearson Foundation's managing director, claimed when the partnership was

---

<sup>15</sup> Bernstein, 26

<sup>16</sup> Bernstein, 26, italics added

<sup>17</sup> Ben Fenton, "Pearson buys Schoolnet in \$230m deal," *Financial Times*, 27 Apr 2011, 22

<sup>18</sup> Schoolnet, "Kentucky's Department of Education awards Schoolnet statewide contract," press release, 15 Mar 2011. <http://www.schoolnet.com/news/press/03152011/>

<sup>19</sup> Randall Higgins, "Schools to use performance software," *Chattanooga Times Free Press*, 12 Feb 2012, B2

<sup>20</sup> Pearson Foundation, "Pearson Foundation partners with Bill and Melinda Gates Foundation to create digital learning programs," 27 Apr 2011. <http://www.pearsonfoundation.org/pr/20110427-pf-partners-with-gates-foundation-to-create-digital-learning-programs.html>

announced. The courses “allow teachers flexibility to adapt their work to each student,” said Vicki Phillips, who oversees education for the Gates Foundation.<sup>21</sup>

Pearson is not alone, of course, in wanting to exploit this new market. All major educational publishers—Pearson included—are adapting their established product lines to the new standards. But the challenge to produce new materials may be easier for Pearson because of its association with some educators who helped shape the standards. One Pearson author was a member of the initiative’s math-writing team. And two senior fellows at America’s Choice—soon to be acquired by Pearson—were lead members of the math- and English-writing groups.<sup>22</sup> Finally, Arkansas Commissioner of Education Ken James, who went on to become president of America’s Choice after Pearson bought it, had been president of the Council of Chief State School Officers, the organization that co-sponsored the common-core state standards initiative.<sup>23</sup>

Susan Neuman, a former Education Department official in the George W. Bush administration and a professor at the University of Michigan, worries that after a period of consolidation in the textbook publishing industry, Pearson has few strong rivals. “Pearson already dominates, and this could take it to the extreme,” she says. “This could be problematic for many of our kids. We could get one size fits all.”<sup>24</sup>

As a result of its many aggressive incursions into the American public education system, Pearson—along with its lesser rivals—is creating multiple education public markets and fashioning products and services that can be tailored for individual use, although as Susan Neuman points out, so-called individual use options—personalized education—are likely cut from the same cookie cutter.

#### **4. Pearson and the B.C. Education Plan**

Pearson’s footprint in Canada is smaller than in the U.S., but the Canadian school division offers a similar range of products and services as its American counterpart. Table 3 breaks down total corporate revenues according to geographic area. It shows that Canada accounted for \$333 million Cdn in sales in 2011, which is 6 percent of North American sales and just 3.6 percent of total global sales. These figures are for all Pearson sales in Canada, including Penguin as well as Pearson’s Canadian education operations.

---

<sup>21</sup> Catherine Gewertz, “Gates, Pearson partner on Common Core,” *Education Week*, Vol. 30 No. 30, 5 May 2011, 1

<sup>22</sup> Catherine Gewertz, “Curriculum producers work to reflect new standards,” *Education Week*, Vol. 30 No. 1, 25 Aug 2010, 1

<sup>23</sup> National Governors Association, “Forty-nine states and territories join Common Core Standards Initiative,” 1 Jun 2009. [http://www.nga.org/cms/home/news-room/news-releases/page\\_2009/col2-content/main-content-list/title\\_forty-nine-states-and-territories-join-common-core-standards-initiative.html](http://www.nga.org/cms/home/news-room/news-releases/page_2009/col2-content/main-content-list/title_forty-nine-states-and-territories-join-common-core-standards-initiative.html)

<sup>24</sup> Sam Dillon, “Foundations join to offer online courses for schools,” *New York Times*, 28 April 2011, 17

**Table 3. Pearson sales according to geographic area, 2011**

Geographic area	Sales	Sales
	<i>\$million Cdn</i>	<i>percent</i>
UK	1,377	14.8
Other Europe	750	8.0
USA	5,275	56.5
Canada	333	3.6
Asia Pacific	1,029	11.0
Other	570	6.1
Total	9,334	100.0

Source: Pearson, "Annual report and accounts," Mar 2012, 108  
[http://www.pearson.com/media/files/cosec/14945\\_PearsonAR11.pdf](http://www.pearson.com/media/files/cosec/14945_PearsonAR11.pdf)

Pearson needs a different strategy than it uses in the U.S. to increase its penetration of the Canadian market. Improving results while saving money doesn't have the same salience in Canada as it does in the U.S. For one thing, Canadian students generally fare better than their American counterparts on international tests such as the Program for International Student Assessment and Trends in International Mathematics and Science Study. So Canadian education authorities are not as desperate as the Americans to boost test scores. But who could be against saving money, especially when the ideology of austerity rules public policy?

In October 2011, after several years of chat in official circles "about a dramatic change in BC's education system,"<sup>25</sup> B.C. Education Minister George Abbott announced his government's plan "to transform education so that every student can excel and thrive in a rapidly evolving world." The education plan's overarching theme is "personalized learning for every student" using technology. This bears an eerie similarity to the Sanford Bernstein evaluation of Pearson's recent acquisitions: "Personalized education through technology." This strategy could make "every teacher and school student a potential Pearson customer," the Bernstein report notes, and, if successful, will "accelerate revenue and profit growth, potentially significantly." With operating funding of \$4.7 billion for 2012-13, or \$8491 per pupil, B.C. may be the crucible for Pearson's Canadian expansion efforts.<sup>26</sup> Presently Pearson receives very little of this funding. Table 4 lists school district payments made to Pearson in the fiscal year ending 30 June 2011. The total is just over \$3 million, which is not even equivalent to the rounding error in Ministry of Education financial statements. The ministry itself paid Pearson Education just \$34,000 that year.<sup>27</sup> There is much room for expansion.

<sup>25</sup> Larry Kuehn, "BC's Education Plan: Experiments with kids' learning," *Teacher Newsmagazine* Vol. 24 No. 3, Nov/Dec 2011. <http://www.bctf.ca/publications/NewsmagArticle.aspx?id=24450>

<sup>26</sup> B.C. Ministry of Education, "Table 1a: Provincial overview of operating grant estimates (full year), 2012/13." <http://www.bced.gov.bc.ca/k12funding/funding/12-13/operating-grant-tables.pdf>

<sup>27</sup> B.C. Ministry of Finance, "Public Accounts 2010/11, Detailed Schedule of Payments, 361

**Table 4. Payments by B.C. school districts to Pearson Education, year ending June 30, 2011**

<b>S.D.</b>	<b>District</b>	<b>Payment</b>
		<i>\$ thousands CDN</i>
36	Surrey	410
39	Vancouver	376
38	Richmond	218
60	Peace River North	191
23	Central Okanagan	160
41	Burnaby	158
27	Cariboo-Chilcotin	149
43	Coquitlam	145
20	Kootenay-Columbia	134
57	Prince George	107
61	Greater Victoria	99
33	Chilliwack	93
22	Vernon	77
34	Abbotsford	77
82	Coast Mountains	76
46	Sunshine Coast	72
	All others over \$25K	779
	<b>Total</b>	<b>\$3,321</b>

Source: BC Ministry of Education, Statement of financial information.

<http://www.bced.gov.bc.ca/accountability/district/sofi/welcome.htm>

Note: Only districts paying amounts over \$25K are reported.

Abbott didn't release the B.C. Education Plan at Pearson's Burnaby office. That would give the game away. Instead he was at the fall meeting of BC Student Voice, a network of grade 10-to-12 students across the province. The release of the plan for this audience creates an impression the plan is designed for students, and not education companies or even teachers. Teachers seemed to be out of favour with the Minister of Education. The plan was launched in the midst of the provincial government's dispute with teachers and was followed two days later by the introduction of legislation to create a new disciplinary body for education, a move poorly received by the BCTF.<sup>28</sup> If anything, the plan seemed to have an underlying strategy of replacing teachers with technology. In the ten years leading up to the plan, the province reduced by 1500 specialist teachers and other educators who provide extra help for students beyond their classroom teachers. These were ESL teachers, special education teachers who worked with students and learning and other disabilities, and teacher-librarians. These teachers would not be rehired, but would be replaced by smart phones, iPads and laptop computers, along with the commercial software that drives them.<sup>29</sup>

<sup>28</sup> Justine Hunter, "B.C. touts new personalized learning plan," *Globe and Mail* 29 Oct 2011, A29

<sup>29</sup> Canadian Press, "Teachers frown on gov't plan for smart phones in school," 29 Oct 2011

Educator and private school director Michael Maser suggests the genesis of the plan was a brief three-page report produced by BC Student Voice at its spring 2011 meeting. Abbott was at the meeting, Maser notes, "and was so impressed with what he heard that he returned to his office determined to create the new plan."<sup>30</sup> In the Student Voice report, students were asked what learning will be like in the twenty-first century. Their answers were predictable: more technology, less classroom time, get rid of brick and mortar schools. The teachers of tomorrow, students said, would serve as a guide to "unlock the process of finding the required resources" on the Internet,<sup>31</sup> which sounds similar to what librarians do today.

This was not very edifying discourse and suggests something deeper was at play. Less than a year before Abbott released his plan, the Premier's Technology Council presented its vision for 21<sup>st</sup> Century education.<sup>32</sup> The bias of this report and of the organization behind it was obvious. The PTC is composed of business executives and technology investors and entrepreneurs. There are no representatives of workers, teachers or community organizations on the PTC board. The PTC set up a People's Task Force to lead the process that created the vision for education. Heading this task force was Don Safnuk, president and CEO of Corporate Recruiters, a search firm that recruits technology executives and professionals. PTC's president headed a software company that was acquired by IBM in 2005 for an undisclosed amount. It's in this report that "personalized learning for a knowledge-based society" is presented as the focus for 21<sup>st</sup> Century learning. Of course information and communication technology would be front and centre in this frame.

And just a month before Abbott released his plan, The Coalition for 21<sup>st</sup> Century Learning and Innovation (C21 Canada) was created to advocate for that shadowy concept called "21<sup>st</sup> century models of learning in public education."<sup>33</sup> This non-profit organization is loaded with technology companies, including Apple, Cisco, Dell, IBM and Microsoft. The organization includes education companies such as Pearson Education, Nelson Learning and Scholastic Canada. Also on board are the Canadian School Boards Association, which represents provincial school board associations, plus other organizations that are already alliances of business executives and public education officials such as Education Research & Development Corporation. No teacher organizations are participants in the coalition.

Working behind the scenes to bring these companies and organizations together is 21<sup>st</sup> Century Learning Associates, which was created by a former deputy minister and a former associate deputy minister of the New Brunswick Department of Education. Their vision of 21<sup>st</sup> century learning is based on the crudest formulation of technological determinism: "We are living in an age where creativity, knowledge and innovation are powering the world at an ever increasing pace," the former education officials write on their web site. "The genesis of these changes is information and communications technology."<sup>34</sup> Such erroneous, simplistic thinking—changes in

---

<sup>30</sup> Michael Maser, "Reconceptualizing the classroom," *Vancouver Sun*, 13 Dec 2011, A11

<sup>31</sup> BC Student Voice, "Learning in the 21<sup>st</sup> Century," 2011, 3. <http://bcstudentvoice.com/reports>

<sup>32</sup> Premier's Technology Council, "A vision for 21<sup>st</sup> Century education," Vancouver, Dec 2010. [http://www.gov.bc.ca/premier/attachments/PTC\\_vision\\_for\\_education.pdf](http://www.gov.bc.ca/premier/attachments/PTC_vision_for_education.pdf)

<sup>33</sup> 21<sup>st</sup> Century Learning Associates, "C21 Canada," 16 Sep 2011. <http://21stcenturylearningassociates.wordpress.com/2011/09/16/c21-canada/>

<sup>34</sup> 21<sup>st</sup> Century Learning Associates Inc., "21<sup>st</sup> Century education," 2010. <http://21stcenturylearningassociates.com/21c.html>

technology cause increases in creativity—seems to guide this organization’s mission and can, perhaps, be found underlying the B.C. Education Plan.<sup>35</sup>

An analysis of the plan’s elements indicates the plan may be designed, not for students or teachers, but for the corporate sector, in which Pearson is a leading player. The plan consists of five elements, each of which could become a profit centre for Pearson (as well as the other technology and education corporations assembled in C21 Canada).<sup>36</sup>

- Personalized learning for every student
- Quality teaching and learning
- Flexibility and choice
- High standards
- Learning empowered by technology

#### A. Personalized learning for every student

Topping the list of elements in the Education Plan is **personalized learning**—or is that Pearson-ized learning—for every student: putting students at the centre of their education. The focus is on the individual student. One action item under this element maintains that “Increased flexibility will be key to making sure that students’ passions and interests are realized, as well as their different and individual ways of learning.”<sup>37</sup> Pearson’s partnership with adaptive learning company Knewton could be at the heart of efforts to personalize learning, perhaps in a different way than might be anticipated since the personalization the two corporations are offering is entirely dependent on computer access. Knewton, the four-year-old company whose motto is “personalized education for the world,” the company says, “uses proprietary algorithms to deliver a personalized learning path for each student, each day.”<sup>38</sup> Knewton “builds its software into online classes that watch students’ every move: scores, speed, accuracy, delays, keystrokes, click-streams and drop-offs,” *Forbes* magazine reports.<sup>39</sup> “We’re physically collecting thousands of data points per student per day,” says Jose Ferreira, Knewton’s founder and CEO. “Students go at their own pace, and the software continuously adapts to challenge and cajole them to learn based on their individual learning style.” Knewton can then correlate the behaviour of individual students—all doing the same thing but at their own pace—with those of thousands of other students.

Knewton’s *Brave New World* vision of education was developed for math-readiness courses for college entrants. In 2011 Knewton and Pearson agreed on a plan to convert an open-ended number of Pearson products to Knewton’s adaptive format. The two companies will start with Pearson’s college-readiness courses and will explore new products in the K-12 market, as they refer to education. “Knewton adaptive learning platform, as powerful as it is, would just be lines

<sup>35</sup> For an analysis of technological determinism in communication technology, see Donald Gutstein, *e.con: How the Internet Undermines Democracy*. Toronto: Stoddart 1999, 69-74

<sup>36</sup> There is much more in the Plan than what is discussed here. The purpose of the report is to highlight items that could be of interest to Pearson. The discussion is hypothetical. It is still early to determine which elements of the plan will be opened up to corporate interests, but they all could be.

<sup>37</sup> All quotes from the Education Plan are taken from the following source: B.C. Ministry of Education, “BC’s Education Plan,” last updated June 2012. <http://www.bcedplan.ca/actions/pl.php>

<sup>38</sup> Knewton, “Pearson and Newton partner to advance next generation of digital education,” 1 Nov 2011. <http://www.knewton.com/press/pearson-partnership/>

<sup>39</sup> Bruce Upbin, “World’s greatest tutor,” *Forbes*, 12 Mar 2012, 50-1

of code without Pearson," says Ferreira. "You'll soon see Pearson products that diagnose each student's proficiency at every concept, and precisely deliver the needed content in the optimal learning style for each. These products will use the combined data power of millions of students to provide uniquely personalized learning to each."<sup>40</sup> The corporate news release assures readers that teachers will still be needed, but where?

Until that happens, Pearson has other ventures in the works relevant to personalized learning. One Education Plan action item calls for redesigning curriculum "to reflect the core competencies, skills, and knowledge that students need to succeed in the 21<sup>st</sup> century." That sounds like what the Organisation for Economic Cooperation and Development's (OECD) Program for International Student Assessment measures. The PISA assessment is recognized as the benchmark for measuring the improvement or deterioration of education systems worldwide. On the 2009 round of tests, Canada ranked sixth in reading, seventh in mathematics and eighth in science out of 65 countries and economies.<sup>41</sup> These are excellent results, but Canada may need Pearson's help to maintain its enviable record. Pearson was selected by the OECD to develop the framework for the 2015 PISA assessment, whose main focus will be testing the scientific literacy of students around the world, making greater use of computer-based testing—a Pearson specialty—and adding an assessment of collaborative problem-solving,<sup>42</sup> computer-driven of course.

Surrey teacher Laura Barker argues that "personalized learning already occurs in classrooms." In a letter to the *Vancouver Sun*, Barker claims, "Our schools, curricula and teacher conferences are chock full of practice, research and training in differentiated instruction, multiple intelligences, levelled reading groups and project-based learning—all ways to adapt instruction for the varied abilities and interests of our students."<sup>43</sup> All true, perhaps, but without the benefits of new technology, so twentieth century, at least in the eyes of the BC Education Plan and Pearson.

## B. Quality teaching and learning

The second element of the plan, **quality teaching and learning**, could be a sleeper for Pearson and the education industry. Teachers, the plan states, "will receive support as they continue to adjust their roles to match what students need." This new role, as previously mentioned, is to "design personalized education" using technology. But if students need smaller classes and more learning assistants to truly experience personalized learning, they will be out of luck. Action items under this element are a grab-bag of intrusions into teacher autonomy, such as ensuring professional development days are used as intended (by whom?) and creating a new regime of teacher regulation. The sleeper is that technology is not mentioned in this element, but why not, since technology is integral to every other element of the plan? One action item requires teachers to participate in "performance evaluation sessions" with their

---

<sup>40</sup> Knewton, *op cit*.

<sup>41</sup> Statistics Canada, "Measuring up: Canada's results of the OECD PISA study," 81-590-X No. 4, 201001, 7 Dec 2010. <http://www.statcan.gc.ca/pub/81-590-X/81-590-X2010001-eng.htm>

<sup>42</sup> Pearson, "Pearson to develop framework for OECD's PISA student assessment for 2015," 7 Oct 2011. <http://www.pearson.com/media-1/announcements/?i=1485>

<sup>43</sup> Laura Barker, "Outdated views of classrooms leads into government's trap," *Vancouver Sun*, 8 Dec 2011, A14

principals, who will provide “regular feedback.” The format for evaluations and feedback is not provided. Is it spoken, typed on paper or digital, in a product provided by Pearson?

For teachers already teaching in the U.S., Pearson is part of their lives whether they like it or not. In some states, teacher evaluation is based on an annual professional performance review using “multiple measures of demonstrated effectiveness.” Pearson is the provider of the set of rubrics used to assess teacher performance in New York<sup>44</sup> and the provider of the model for teacher evaluation used in Tennessee.<sup>45</sup>

A second action item under quality teaching and learning has the Ministry of Education working “with universities to ensure teacher preparation programs give new teachers the knowledge and skills they require to support student learning.” How might the ministry “ensure” this action item occurs as intended? Pearson has already moved into the area of new teacher evaluation and licensing in the U.S. In 2006, Pearson bought National Evaluation Systems, the leading provider of customized state assessments for teacher certification in the U.S. for a sum estimated at between \$130 and \$145 million US. The acquisition helped Pearson access a bigger share of the *No Child Left Behind* funding—\$3 billion a year for teacher training and development—and expand its market opportunity.<sup>46</sup>

The company scaled up its exposure in this market through an agreement with Stanford University to develop a national licensure procedure which assesses pre-service teacher candidates. More than 25 states and 90 teacher preparation programs have signed on to outsource teacher assessment to Pearson-Stanford. The program completed pilot and field testing in spring 2012 and commences operation in fall 2012, with Washington state being the first jurisdiction to require student teachers to pass the assessment.<sup>47</sup>

Student teachers are required to submit two ten-minute videos of themselves teaching, plus a 40-page take-home test. They need to assemble 270 minutes of recorded classroom teaching and edit the video themselves down to the two ten-minute clips. The 40-page test requires them to submit several lesson plans and explain how they measure learning and adapt lessons to their special needs students. The written test also includes student work samples, the student teacher’s analysis of student learning and “reflective commentaries.”<sup>48</sup>

Pearson has advertised for current or retired licensed teachers or administrators to score the assessments. It will pay them \$75 per assessment, with work available seven days a week. Given that each student teacher must pay Pearson a \$300 fee, teacher licensing stands to be a very profitable venture for the company. But Pearson claims value for the money:

---

<sup>44</sup> Pearson, “Pearson named approved provider of New York State teacher evaluation rubrics,” 3 Oct 2011. <http://www.pearsoned.com>

<sup>45</sup> Pearson, “Tennessee State Board of Education approves new teacher evaluation model,” 19 Jul 2011. <http://www.pearsoned.com>

<sup>46</sup> London Stock Exchange, “Pearson enters teacher certification market: acquires National Evaluation Systems,” 25 Apr 2006.

<sup>47</sup> Michael Winerup, “Move to outsource teacher licensing process draws protest,” *New York Times*, 6 May 2012

<sup>48</sup> Pearson, “Teacher Performance Assessment (TPA),” 2011. [http://www.scoretpa.pearson.com/upload/TPA/TPA\\_Fact Sheet11.4\[1\].pdf](http://www.scoretpa.pearson.com/upload/TPA/TPA_Fact Sheet11.4[1].pdf)

Pearson's electronic portfolio management system will support candidates, institutions of higher education, and state agencies by providing registration and account management services, submission of the portfolio for scoring, and results reporting. This system will interface with electronic platforms in use by participating institutions. Pearson's electronic scoring management system will facilitate secure, reliable, and official TPA [Teacher Performance Assessment] scoring, including recruitment and scheduling of qualified scorers, training and calibration exercises for scorers, and operational scoring of candidate portfolios.<sup>49</sup>

Under the Obama administration's *Race to the Top*, states wishing to receive federal funding are required to use student test scores to evaluate teachers. In February 2012, the New York State Education Department and the teachers' unions reached an agreement to allow the state to use student test scores to evaluate teachers.<sup>50</sup> But remember, students will be writing tests produced and administered by Pearson, including the now notorious talking pineapple questions, which were thrown out because of bad publicity. How many more dubious questions are included? This doesn't seem to matter since all public school teachers will be assessed on whether they improved student performance year-to-year, and will be fired if they fail to do so. But a report by Linda Darling-Hammond and colleagues casts doubt on this approach to teacher evaluation.<sup>51</sup> Among many problems, they cite one study in which teachers' ratings were found to be significantly affected by differences in the students who were assigned to them. One English teacher's ratings went from the very lowest category in one year to the very highest category the next year. The teacher may have played some role in this dramatic improvement, but more significant, the study found, was that during the second year the teacher had many fewer English learners, Hispanic students and low-income students, and more students with well-educated parents—factors strongly correlated with student achievement—than in the first year. If the change in the student complement had gone the other way, this teacher could have been fired.

### C. Flexibility and choice

The third element in the plan, **flexibility and choice**, is not just about promoting private schools, which the plan does. It's also about providing "more choice for students and families with respect to how, when and where learning takes place." Within the public system, school districts will have more flexibility to organize classes and set their own school calendars. The item most relevant to Pearson expansion strategies emphasizes creating "blended learning opportunities through online learning and class-based environments."

Online learning—called variously virtual schools, distributed education, digital education—is considered the holy grail of the U.S.-based school-reform movement, if movement is the correct term given the torrent of corporate and foundation cash behind it. In the U.S., the private education industry has made great inroads in commercializing public education through online learning or virtual schools. With school districts facing budget reductions across the country,

---

<sup>49</sup> Ibid

<sup>50</sup> Diane Ravitch, "No student left untested," NYR Blog, 21 Feb 2012.

<http://www.nybooks.com/blogs/nyrblog/2012/feb/21/no-student-left-untested/>

<sup>51</sup> Linda Darling-Hammond et al., "Getting teacher evaluation right: A background paper for policy makers," Research Briefing, American Educational Research Association and National Academy of Education, 14 Sep 2011. Washington, D.C.

school administrators are turning to online delivery as they cut staff to save money.<sup>52</sup> Here too Pearson is at the front of the pack as the second-largest operator of virtual schools, behind industry leader K12 Inc. Pearson achieved a leading position—once again—by purchasing a leading player, Connections Education, in September 2011. With this acquisition, Pearson crossed the line from supporting schools to operating them.<sup>53</sup>

The Connections Academy division operates online charter schools in 21 states with 40,000 student-customers. Schools are accredited and funded by the state in which they operate and are free to parents and students who attend them. The company has been very profitable, with revenue growth of more than 30 percent in each of 2008, 2009 and 2010, achieving revenues of \$190 million in 2011. Pearson paid \$400 million US, or \$10,000 per student, giving it a prominent position in the booming market for online schools.<sup>54</sup>

The Education Plan uses the phrase “blended learning opportunities” and the word “flexibility” in merging online learning and class-based environments. Coincidentally perhaps, Connections Education plans to open “blended” high schools for the 2012-2013 school year in Ohio and Michigan, to create a “more personalized, innovative, and flexible school setting.” They’re called Nexus Academy Schools—publicly-funded charter schools—and Pearson plans to expand them across the U.S. in coming years.<sup>55</sup> British Columbia is not likely to go the charter school route, as is happening in the U.S. with the active support of the Obama administration. And current online school offerings are usually mounted by schools districts themselves, with little commercial involvement. But with the vast expansion of online education proposed in the Education Plan, the door could be opened to commercial penetration. The B.C. government has already moved in this direction by introducing and passing Bill 36, the *School Amendment Act, 2012*, which enlarges the population of students eligible to take a mix of online and traditional school courses.<sup>56</sup> Currently these opportunities are limited to students in grades 8 to 12; the amendment extends online schooling to students in Kindergarten through Grade 9.

#### D. High standards

The fourth element in the BC Education Plan is **high standards**. As the plan puts it, “provincial assessment programs will be reviewed to ensure they focus on key competencies and critical skills and knowledge.” The government will develop, with educators, “classroom assessment tools, including performance standards and other assessment support material.” Some action items under this element are curriculum-based, such as determining graduation requirements

---

<sup>52</sup> See, for instance, Lyndsey Layton and Emma Brown, “Virtual schools expand territory,” *Washington Post*, 27 Nov 2011, 1

<sup>53</sup> Tom Vander Ark, “Pearson buys Connections: What it means,” Huffington Post, 17 Sep 2011. [http://www.huffingtonpost.com/tom-vander-ark/pearson-buys-connections- b\\_964094.html](http://www.huffingtonpost.com/tom-vander-ark/pearson-buys-connections- b_964094.html)

<sup>54</sup> Pearson, “Pearson acquires Connections Education,” 15 Sep 2011. Retrieved 3 Oct 2011 from <http://www.pearson.com/media-1/announcements/?i=1476>

<sup>55</sup> Connections Academy, “Connections Education to open new blended high schools for the 2012-2013 school year,” PRWeb, 21 May 2012.

[http://www.prweb.com/releases/blended\\_school/05/prweb9524838.htm](http://www.prweb.com/releases/blended_school/05/prweb9524838.htm)

<sup>56</sup> B.C. Legislature, Bill 36, the *School Amendment Act, 2012*, 4<sup>th</sup> Session, 39<sup>th</sup> Parliament. [http://www.leg.bc.ca/39th4th/3rd\\_read/gov36-3.htm](http://www.leg.bc.ca/39th4th/3rd_read/gov36-3.htm)

and designing new report cards. A third action item is political in nature: introducing new legislation to regulate teachers. This initiative seems to have little to do with high standards.

Pearson dominates the U.S. school testing market, as was discussed earlier. If B.C. moves in the direction of online testing on a large scale, Pearson will likely be first in line to win contracts. But B.C. needs to be cautious here. In the U.S., states that switched to online testing have run into major technical problems. Wyoming contracted with Pearson for online testing in 2010, but students were unable to submit their tests after spending hours taking them. Some questions wouldn't load on the screen and, in the end, the scores were deemed unreliable. The situation was such a disaster the voters threw the state superintendent out of office; the state sued Pearson and went back to paper.<sup>57</sup>

Pearson has another product that fits into the Education Plan's call for high standards, the Schoolnet Instructional Management System. (See discussion earlier.) In a Pearson promotional video posted on the company website, Jennifer Escamilla, a teacher in San Antonio, Texas, says "Schoolnet provides me with an academic record based on prior attendance, prior grades, benchmark testing, state standardized testing. I'm able to design and implement lessons and evaluate their effectiveness." Her district superintendent, Dr. John Folks, concurs: Schoolnet "is a curriculum management system that can push data down to the teachers and has helped us boost our test scores in all subjects,"<sup>58</sup> he reports. Pearson's first move with its Schoolnet purchase was to bundle the software with PowerSchool, a possible solution for the Education Plan's fifth element, integrating information system with instructional management, enabling what the Plan calls "targeted instruction for every student." (See discussion under element 5.) Pearson says its integrated system provides "easy to implement, turnkey tools for assessments, instructional planning, and reporting and analysis."<sup>59</sup>

#### E. Learning empowered by technology

**Learning empowered by technology** is placed last in the Education Plan, but probably ranks among the government's top priorities for education, since everything else in the plan is dependent on technology. The first action item calls for "improved access to digital tools and resources that support both face-to-face and online learning." Pearson can relate to this since it is already the world leader in providing digital tools and resources that support face-to-face and online learning. But the item most relevant to Pearson's entry into B.C. is probably the final one: Developing "an improved provincial student information and reporting system [to] help teachers plan a more personalized learning experience with students and teachers."

Because of widespread dissatisfaction with the information system the province has used since 2005—BCeSIS (British Columbia enterprise Student Information System)—the Ministry of Education undertook a study of student information systems before the education plan was

---

<sup>57</sup> Jill Barshay, "Online testing debacle in Wyoming provides a warning to other states," *The Hechinger Report*, 26 Jun 2012. [http://hechingerreport.org/content/online-testing-debacle-in-wyoming-provides-a-warning-to-other-states\\_8883/](http://hechingerreport.org/content/online-testing-debacle-in-wyoming-provides-a-warning-to-other-states_8883/)

<sup>58</sup> Pearson, "Introducing Schoolnet," [video], 2011. <http://www.youtube.com/watch?v=NbFN1yRfmR8>

<sup>59</sup> Pearson, "Schoolnet for PowerSchool," 2012. <http://www.pearsonschools.com/products/schoolnetforpowerschool/>

released.<sup>60</sup> The web-based BCeSIS is used by private schools and public school districts throughout B.C. It ran into problems almost from the beginning, mainly because it was developed for school district application and had never been used on such a broad scale, slowing down and even crashing during times of high use.<sup>61</sup> Teachers had difficulty entering their marks into the program and experienced lengthy delays when entering attendance information. In 2010, The Administrative Assistants, the Ontario-based company that designed BCeSIS, was purchased by Pearson, a fierce competitor, for an undisclosed amount.<sup>62</sup>

Forces were lining up to replace BCeSIS. The system collapsed at the beginning of the 2010-11 school year, forcing the ministry to look for another product. And Pearson's well-honed strategy was to purchase competing companies, support their software for a certain period, and then switch to Pearson's own technology, which was integrated with other Pearson offerings, leading education authorities to purchase additional Pearson products and services, as part of the "virtuous circle," described by Bernstein, as described earlier in this report.

An evaluation of BCeSIS was undertaken by Gartner, the technology research firm. It confirmed that BCeSIS should be terminated and the province should turn to a commercial off-the-shelf solution. There was some urgency to this venture; the ministry indicated it intended to complete a request for information by June 2012 and select a new vendor by spring 2013. With 550,000 students in public schools and nearly 70,000 in private schools, B.C. is especially attractive to SIS providers, given that there will be just one contract for the entire "market." Three vendors received a "strong positive" market assessment from Gartner.<sup>63</sup>

- Infinite Campus

The largest American-owned SIS is privately held and manages five million students with district and state-wide editions of its SIS, which has the same name as the company. It has no presence in Canada.

- SunGard Public Sector K-12 Education.

SunGard is one of the world's leading software and IT services company. Its public sector division provides IT services for city, county, state and federal governments. For K-12 education, SunGard has eSchoolPLUS as its SIS. It also has little presence in Canada.

- Pearson's PowerSchool.

Pearson was already the SIS industry leader when it purchased Apple Computer's PowerSchool, the third largest SIS by revenue, in 2007. The same week Pearson purchased Burnaby, B.C.-based Chancery Software, the second-largest SIS provider.<sup>64</sup> The acquisitions leveraged Pearson into pre-eminence in SIS, a position it consolidated with the purchase of The

---

<sup>60</sup> Gartner Inc., "Review of student information systems," A report for BC Ministry of Education, 12 Sep 2011. [http://www.bced.gov.bc.ca/pubs/review\\_of\\_student\\_information\\_systems.pdf](http://www.bced.gov.bc.ca/pubs/review_of_student_information_systems.pdf)

<sup>61</sup> Larry Kuehn, "BCeSIS is going, going ... but not gone yet," *Teacher Newsmagazine*, Vol. 24 No. 2, Oct 2011. <http://www.bctf.ca/publications/NewsmagArticle.aspx?id=24>

<sup>62</sup> Pearson, "Pearson acquires The Administrative Assistants Ltd.," PRWeb, 16 Nov 2010. <http://www.prweb.com/prweb/4791294.htm>

<sup>63</sup> Gartner Inc., "Review ...," 32

<sup>64</sup> "Pearson buys top 2 rivals in student-information market," *Education Week*, Vol. 25 No. 39, 7 June 2006, 15

Administrative Assistants in 2010, which gave Pearson a dominant position for student information systems in the Canadian market. It also added four million students to its eleven-million student customer base.<sup>65</sup> PowerSchool is well-established in Canada, with users in seven provinces. This includes Nova Scotia's 130,000 public school students, the London, Ontario Catholic School District, many public and Catholic schools and districts in Alberta—there's even an annual provincial PowerSchool users conference—and British Columbia, where private schools like St. George's and Vancouver College have recently adopted PowerSchool. As an additional point in its favour, Education Minister Abbott says he wants students to be able to bring their smart phones to class. PowerSchool 7, released in June 2011, is designed for use on the iPad as well as the iPhone. It shouldn't be forgotten that PowerSchool was created by Apple. When Apple sold PowerSchool to Pearson, part of the deal was that Pearson would continue to develop content for the iPod.<sup>66</sup> That deal was subsequently extended to the iPhone and iPad.

## 5. Conclusion

The preceding discussion of the B.C. Education Plan is speculative, although it should be known within a year if Pearson wins the student information system contract. The company has no lobbyists registered to lobby the Ministry of Education, but it is not standing still. Rumours have circulated that Pearson has met with various districts to offer 21<sup>st</sup> century-type personalized learning services. One indication of how deeply Pearson may have penetrated the British Columbia education system is a seven-minute video produced in 2011 by the Pearson Foundation.<sup>67</sup> This video makes the case for 21<sup>st</sup> century learning, although that is never defined. The video features Don Tapscott, an evangelist and propagandist for technology. It also features Karen Hume, a teacher and speaker whose alleged expertise is understanding what teachers need to do to get with the 21<sup>st</sup> century learning model. She's even written a book on this subject (published by Pearson). Tapscott makes multiple outlandish claims: "At their fingertips or in their pockets students have the most powerful tool for learning, ... schools need to ... embrace these powerful new concepts of networking to transform themselves for relevance and for effectiveness, ... you change a single classroom, you change the world." Senior education officials, among them the superintendents of the Surrey, Vancouver and West Vancouver school districts, are wrapped around Tapscott and Hume's multiple appearances in the video. West Vancouver superintendent Chris Kennedy is the most effusive in support for a high-tech education future, but with some of the highest-income postal codes in Canada in his district, he could be expected to be preoccupied with this. It's not that any of these senior education officials make a case for the need for Pearson products in their schools, but they all lend their words and presences to the propaganda effort.

The barbarians are at the gate. Education Minister Abbott is standing there, key in hand. Beside him are the school administrators. The future of public education in B.C. may hang in the balance.

---

<sup>65</sup> Pearson, "Pearson acquires ..."

<sup>66</sup> Apple, "Pearson to acquire PowerSchool," 25 May 2006.

<http://www.apple.com/pr/library/2006/05/25Pearson-to-Acquire-PowerSchool.html>

<sup>67</sup> Pearson Foundation, "Learning to Change, Changing to Learn: A Canadian Perspective," [video], 14 Nov 2011. <http://www.youtube.com/watch?v=0e1-ZtFX35E>