

A Test for the Test Makers

College Board and ACT move to grow and diversify as the pandemic fuels test-optional admissions trend

THE NEWEST OUTPOST of the College Board, the American standardized-testing organization, lies nearly 7,300 miles east of the nonprofit organization's headquarters in New York City. Opened in 2019 in the Mahrauli section of Delhi, the four-person office of College Board India commands an enviable view of Qutub Minar, the world's tallest brick minaret—a 240-foot marble-and-sandstone structure built to honor the sultan who brought Muslim rule to the Indian subcontinent in the 12th century.

College Board India, a wholly owned subsidiary of the American nonprofit, has established a beachhead in the organization's little-noticed battle to expand its reach, sustain its \$1 billion a year in revenue, and preserve its legacy at a time it seems to be facing an unprecedented threat.

Test-optional and test-blind admissions policies accelerated by the Covid-19 pandemic would appear to imperil College Board's SAT college-entrance exam, the rival ACT, and their respective parent organizations. This state of affairs follows years of complaints that the exams favor the affluent. And, in fact, both of the notoriously secretive testing companies face significant problems, including some not widely understood.

Reports of their demise, however, may be premature. Just because many colleges have stopped requiring the tests doesn't mean students have stopped taking them. Even if the number of test takers does drop permanently, both the College Board and ACT have been quietly preparing for that possibility by finding

new markets, introducing more products, and doubling down on the most successful of their existing services.

The College Board, based in Lower Manhattan near New York's World Trade Center, is advancing into south and central Asia, where it's building an alliance of universities that have agreed to accept the SAT in admissions and where it's pushing its other tests, including the PSAT and Advanced Placement, or AP, exams. It's been expanding the AP and moving versions of it and the PSAT into earlier grades. And it's been locking in contracts with states and districts that have agreed to buy the SAT and administer it free to students on school days, a strategy pioneered by ACT that the College Board has stealthily co-opted.

The smaller Iowa City-based ACT, originally American College Testing, has been trying to diversify, buying up education companies and hiring international specialists to break into the trendy fields of personalized and adaptive learning. ACT's goal is to deploy its longtime specialty of testing to assess how well primary- and secondary-school students are mastering a subject, and then provide lesson plans and homework assignments tailored to each student's skill and knowledge level. ACT is also trying to get ahead of the potential decline of standardized testing. It has been gauging interest in such ideas as collecting student "superscores" for overworked admissions offices by combining grades, results on tests of "soft skills," and a dashboard of student, neighborhood, and high-school characteristics.

By JON MARCUS



The educational implications are as significant as they have been little noticed. Any new means of sorting applicants to colleges, on which both companies appear to be working, are likely to invite new kinds of scrutiny of their fairness. Both ACT and the College Board are finding ways to use assessments in earlier grades, most unrelated to college admission. ACT is also developing ways to help teachers identify their students' strengths and weaknesses, harnessing technology to create true forms of long-sought personalized and adaptive learning. Workforce development offers other potential markets. And while the pandemic has taken a toll on both the ACT and SAT exams, the crisis has also demonstrated that consumers and policymakers aren't ready to abandon the tests completely.

In the meantime, ACT and the College Board, both tax-exempt nonprofits, continue to maneuver in sophisticated ways usually more typical of private companies. Their balance sheets also resemble those of for-profit enterprises. In the years preceding the pandemic, the College Board and ACT had annual revenues of a combined \$1.5 billion. Both seem determined to preserve their bottom lines.

had applied by mid-March to enter college through the Common Application submitted standardized-test scores.

There are several reasons for this staying power. One is that colleges and universities use the tests for other reasons than choosing whom to admit, including deciding on scholarship awards and determining which supports students need once they enroll; 67 percent of institutions in an internal ACT survey in February said test scores were too useful to abandon. Another reason: The College Board has been steadily entering into contracts with states and school districts to administer the SAT to every student, often under-bidding ACT, which first came up with the idea. "Part of this growth is finding new customers for their product," said Akil Bello, education consultant and senior director of advocacy and advancement for the equity-in-testing organization FairTest.

In seven states, high-school students are required to take the SAT and in four others, either the SAT or the ACT. These mandates keep the testing numbers high, though the companies make less money from selling the tests wholesale to states than from selling them to individual students for

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Staying Power

Of the two companies, ACT is more vulnerable to the pushback against the tests, heavily dependent as it is on its principal product, the ACT, for most of its \$400 million in revenues. It saw a steady decline in the number of test takers, to fewer than 1.8 million in 2019 from a peak of more than two million in 2016. And that was before the pandemic prompted a record nearly 1,700 colleges and universities to stop requiring the tests, at least temporarily, and forced ACT to close some of its testing centers and reduce capacity in others.

The number of students taking the SAT, by contrast, was rising in the years before the pandemic, to a record 2.2 million in the class of 2019—4 percent more than in the class of 2018—and even held steady among the members of the class of 2020, before crashing up against Covid restrictions. Even the pandemic didn't stop more than a million students from taking the SAT in the summer and fall of 2020. Some families have been traveling to whatever open testing centers they can find, and tutoring and test-prep companies are reporting all-time-record business. In spite of new test-optional policies and all the challenges to finding and taking the tests, 46 percent of students who

\$49.50. (Meanwhile, the College Board has lost a couple of revenue streams from the tests. In January 2021, it jettisoned the SAT essay option, which was expensive to score and which many colleges didn't count anyway, although its own research found that it effectively predicted first-semester performance in college, especially among Black students and non-native-English speakers. It also eliminated its SAT subject tests, which were declining in popularity by double-digit percentages from their peak and overlapped with the organization's more lucrative AP exams.)

The policy of making the ACT or SAT mandatory appears to encourage more high-school students to go to college, several studies have found. In Colorado, students who were made to take the tests became more likely to attend private, four-year institutions. In Illinois, the number who chose four-year universities and colleges rose, as compared to those choosing two-year community colleges. In Maine, college-going went up 3 percentage points, driven mainly by students in rural areas and small towns who previously would not have taken the tests. And in Michigan, the proportion of men and poor students who went on to college increased 1 percentage point. It's also logical to conclude that, with more students taking the test

and opting for their scores to be shared with admissions offices, colleges are identifying and recruiting students they otherwise would never have found.

Even as more institutions go test-optional, many families think submitting a good score can still work in their student's favor. After years of disclosures about special treatment for athletes and the children of donors and alumni, culminating in the Varsity Blues scandal of federal criminal charges in admissions-influence schemes, students don't seem to believe admissions officers' insistence that they won't be penalized if they don't submit test results. "The question is, will families trust that they can get in without a test score?" Jim Bock, vice president and dean of admissions at Swarthmore College, told a conference of education journalists.

Still, the numbers seem eventually bound to catch up with the College Board and ACT alike. Many institutions that went test optional for the pandemic are expected to continue that policy afterwards, ACT's internal survey found. The 300,000-student University of California system, four fifths of whose applicants take the SAT, decided last year to suspend considering test scores entirely for at least 2023 and 2024 (and also, because of Covid-19, for the fall of 2021). Colorado legislators introduced a bill in January that would require public colleges and universities there to go test optional. Sixty percent of Americans in a Harris/Yahoo Finance poll released in January said they think admissions offices should stop requiring the ACT and SAT. Even if more of them don't, new projections from the Western Interstate Commission for Higher Education show that a declining birth rate will mean a shrinking number of high-school students—and potential test takers—nationally, beginning in 2026 and through 2037.

These changes affect not only the admissions tests but also another less well-known though significant source of revenue for the testing companies: the sale to college-enrollment managers, for recruiting purposes, of the names of test takers, through ACT's Interest Inventory and the College Board's Student Search. Student Search, by far the bigger of the two, sells—or "licenses," in College Board parlance—the names of students who take the SAT and PSAT tests, for 47 cents per name, often dozens of times over. These are known in the admissions world as "the lists," and they're essential to colleges; public universities buy a median of 64,000 names apiece per year, the enrollment-management company Ruffalo Noel Levitz estimates.

While public attention is focused on whether the test-optional movement might cut into test taking, what's less widely understood is how this would affect the lists and the huge amount of revenue they represent—reportedly more

than \$100 million a year to the College Board alone. The fewer students take the tests, after all, the fewer names there are to sell. Digital-savvy Gen Z SAT takers have already been declining to let their names be sold, knowing the result would be a flood of unsolicited marketing materials. But the same demographic trends that are affecting the supply of high-school students are also leaving admissions offices at all but the most elite colleges desperate for leads.

New competitors see an opening. Cappex, a website used by 1.5 million students a year to search for colleges, was acquired last year by the education-consulting firm EAB. The Common Application also provides colleges and universities with the names of participating students who create accounts but haven't yet submitted applications, a spokeswoman confirmed. The National Association for College Admissions Counseling this year started letting students who registered for virtual college fairs choose to have



David Coleman, current CEO of the College Board, took the helm in 2012. During his tenure, the number of AP exams taken has risen 21 percent to nearly 5 million.

their names provided to admissions offices. The College Board itself is now mining its BigFuture college-search website for names to sell, from among users who opt in.

The College Board's biggest product is the AP exam, which has continued to grow. There are now AP courses in 38 subjects offered at 22,152 high schools—up from 18,920 high schools when the College Board's current CEO, David Coleman, took over in 2012. The number of AP exams taken rose 21 percent during that time, to nearly five million, priced at from \$95 to \$143 per test, depending on the subject. AP exams brought in \$483 million in 2018, the last year for which financial documents are available, and have come to account for nearly half of the College Board's annual \$1.1 billion in revenue.

"There's recognition that this is the golden goose, that

JAY LAPRETE: REUTERS / ALAMY STOCK PHOTO

the SAT, you can make money on it on the way down, but [that] assessment doesn't have a long-term future," said Jack Buckley, former senior vice president of research at the College Board.

The AP has some competition, but not much. The International Baccalaureate exam, while growing, is available in less than one tenth as many U.S. high schools; 82 percent of high schools now offer increasingly popular dual-enrollment programs, which provide a similar route to early college credit, but they don't necessarily provide the same advantage in admissions as high AP scores.

"The College Board has been pretty vigorous in marketing [the AP] and in many cases lobbying states to require their state institutions to give credit for AP scores," said Chester Finn Jr., former president of the Fordham Institute and co-author of *Learning in the Fast Lane: The Past, Present, and Future of Advanced Placement*. "There's also a lot of pull, because unlike many tests, this one has real-world payoff. Doing well on an AP test might save you money. It might get you out of a boring course."

The only real limitation on AP is that it's hard for the College Board to introduce more subjects. No schools offer anywhere near all of the 38 already available—the average



Other countries want an "SAT-like test" for fairer admissions, said Jack Buckley, a former College Board VP.

such as India. The organization has been busy there opening College Board India, its first-ever office outside of the United States (its Latin America branch is based in Puerto Rico), and creating the India Global Higher Education Alliance of 40 top universities, with affiliate members in Hong Kong and Singapore, that have agreed to accept the SAT and thereby "simplify the process for all students and expand access to high-quality undergraduate education for underserved students."

Behind the public mission statement lies an ambitious business plan the College Board laid out in a job description for its senior director for south and central Asia. This new operation, it said, would "increase the College Board's reach . . . in India and across the region." The alliance and a related initiative to waive exam fees for lower-income test takers

"has potential to expand the College Board's engagement." The Delhi-based staff would be responsible for "a strategic sales growth plan to drive adoption of College Board programs (AP, pre-AP, PSAT, SAT) across the South & Central Asia region to meet volume & growth goals" and "manage existing and build new relationships with key influencers in schools, educational agencies and institutions (e.g., national

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is 10 per school, and of students who take AP courses, only a fifth take more than two, which means the only route to expansion is to sign on more schools and add more students. In 2019, the College Board debuted a pre-AP program for high-school freshmen and sophomores, for which it charges schools \$3,000 per course, per year. And it's been positioning the PSAT, now offered as early as grade 9, as a sort of pipeline to AP classes, bulking up participation in both; the College Board has also introduced still other products for even younger students, including SpringBoard, a math and English program that begins in grade 6. (Soon there will be a "PSAT in utero," FairTest's Akil Bello joked.)

Tomorrow, the World

The College Board's most ambitious expansion strategy appears to be outside the country, however, in huge markets

& provincial ministries of education) . . . with the express objective of growing usage of College Board programs."

The timing, for the College Board, is good. While in the United States the organization's college-admissions tests often symbolize the unfairness of an education system that better prepares higher-income students, standardized tests are seen by universities elsewhere as a fairer way to evaluate applicants than existing methods, which in many countries involve a mishmash of requirements for different programs, institutions, states, or provinces.

"A lot of the rest of the world is in a different place in terms of the swing of the pendulum," said Buckley, who traveled to Germany to speak with higher-education officials about admissions. "Their concern was that their system was not fair, and they wanted an SAT-like test because they thought it would be more fair."

In January, the head of Britain's University of Birmingham raised the idea of an American-style standardized test to replace A-levels, the more advanced of his nation's two national qualification examinations. The formal New Education Policy adopted in India last year calls for a single test for admission to the nation's largest universities, which now use a jumble of separate tests and standards. These mixed measures, in turn, have driven grade inflation in high schools that is forcing universities to continually raise their cutoff grades for admission; an economics program at Delhi University that took students with a 90 average a decade ago, for instance, now requires a 98. So strongly is the SAT considered a solution to this problem that a major Indian newspaper editorialized in favor of an "Indian SAT."

"In some of the countries [the College Board is] looking at, primarily the Asian countries, which have both a large number of students and a large number of students who go abroad, there's a strong testing culture," said Rajika Bhandari, senior adviser to the Presidents' Alliance on

Higher Education and Immigration. And "given the kind of absolute numbers and scale we're talking about in countries like India, there is going to need to be some approach toward an objective assessment of students."

The SAT is already accepted at universities around the world and often taken by students abroad who apply to U.S. colleges. The Indian higher-education system, however, is among the world's largest, with nearly 30 million students. A principal potential hazard to test providers in Asia is a history of cheating, as happened to the ACT in 2016, when it had to cancel sittings in South Korea and Hong Kong after a copy of the test was leaked. Another threat to the testing companies' overseas business is the GaoKao test administered in China, which is increasingly being accepted by U.S. universities and colleges in lieu of the SAT or ACT.

Driving to Diversify

ACT's main strategy has been to stay home and diversify. Unlike the College Board, it has one principal exam

Students in Hengshui, China, chant during a rally to prepare for the GaoKao, the Chinese college-entrance exam. The GaoKao is now accepted by many U.S. colleges in lieu of the SAT or ACT.



product: the ACT, which as recently as 2018 accounted for 87 percent of its revenues, according to federal tax records. Beginning in 2015, after hiring Marten Roorda as its CEO, the organization went on a hiring, acquisitions, and collaborations spree, investing heavily in education-technology companies and professionals. ACT snatched up employees and ex-employees from the College Board, ETS—which administers the SAT for the College Board—and the educational-content and assessment multinational Pearson. Roorda, a Dutchman who is the former CEO of the Dutch testing organization Cito, would assemble an international cabinet of education professionals with whom he met every Friday morning to talk strategy.

As chief commercial officer he named Suzana Delanghe, a Brazilian and an education-industry executive who had done a stint at Pearson. Next came Romanian mathematician Alina von Davier, a specialist in computational psychometrics, whom Roorda poached from ETS to head up a new research-and-development lab called ACTNext, which also scooped up Gunter Maris, a Dutch researcher in the field of educational measurement.

and navigation support to learners.”

Its particularly big bet on personalized and adaptive learning, which Roorda called the heart of the organization’s new strategy (under a new division called Learning Accelerator), would also govern several of ACT’s many acquisitions.

Both learning methods are based largely on a form of ACT’s specialty: assessment, Roorda said in an interview. They’re about “creating individual pathways for students and making the learning much more dynamic,” he said. “Measurement is playing an important role in that, because it’s almost like your GPS: If you want to get to a certain goal, it will get you there.”

In 2014 ACT acquired Pacific Metrics, which made testing software and technology, and, in 2016, OpenEd, which produced classroom assessments, homework assignments, and lesson plans for teachers; these resources would together help provide the assessment and content required for personalized learning, Roorda said at the time; they were combined into a new Assessment Technologies group, based in California.

In 2017, ACT added ProExam, which had developed a

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Angie McAllister, a specialist in personalized learning, came to ACT from Pearson. Roorda also hired David Kuntz, chief research officer at Knewton, who joined as a principal adviser. Santonu Jana, who is Indian and another Pearson alum, came aboard as chief financial officer. And for the newly created position of president of learning, Roorda tapped Jonell Sanchez, a childhood immigrant to the United States from Cuba who previously worked at both the College Board and Pearson.

These new hires would focus on, among other things, expanding ACT’s share of the promising market for personalized learning, in which a teaching plan is customized to every student, and the closely connected concept of adaptive learning, which typically uses artificial intelligence to track what a student has and has not learned and makes instructional decisions accordingly.

ACT announced it was dropping its identity as an assessment body and instead transforming into “an organization providing learning, measurement,

test for students in middle and high schools called Tessera to measure soft skills such as problem-solving, communication, and the ability to work with a team. ACT would adapt Tessera to evaluate social and emotional learning, grading users on such qualities as grit, teamwork, curiosity, and leadership. ProExam’s tests would also form the basis of the ACT WorkKeys assessments to gauge whether older students were career-ready by measuring their soft skills along

with their command of writing, math, and literacy; in 2018 ACT invested in Open Assessment Technologies, on whose platform WorkKeys is delivered. (ProExam’s tests would also form the basis of ACT WorkKeys assessments for working adults, giving employers the same kind of information about a person’s likely job performance that the ACT gives admissions officers about an applicant’s academic prospects; more than five million people have earned the resulting National Career Readiness Certificate, another little-known product that the organization



Rajika Bhandari of Rajika Bhandari Advisors says, given the scale in India, there needs to be “an objective assessment of students.”

introduced in 2006. In 2020 ACT won a contract to provide the program in 122 federal prisons.)

In 2018 ACT also acquired Knovation, which provides free instructional content for primary and secondary grades. In 2019 it picked up Mawi Learning, which specialized in teaching such skills as time management and goal setting, online and in person, and would be coupled with Tessera. And just as the pandemic set in, it acquired ScootPad, an adaptive-learning platform for math and English in grades K–8 that, for grades K–5, also could be used at home—a particular advantage during Covid-19 lockdowns.

ACT invested millions in the newest education technology. It put \$7.5 million into the Australian company Smart Sparrow, which made the tools needed to create adaptive courseware. It injected \$10.5 million into an ed-tech venture investment firm called New Markets Venture Partners. It collaborated with The NROC Project to create ACT CollegeReady, which lets colleges and universities measure students' readiness for college-level coursework and address any gaps before students arrive on campus. It worked with Arizona State University to set up an institute for more research collaboration focused on social-emotional and adaptive learning.

ACT's strategy seemed to make sense. The global education-technology sector was worth \$76 billion on the eve of the pandemic, which vastly accelerated its growth. In September 2020, ACT assembled many of these various pieces into the aptly named Mosaic, an in-person and online adaptive-learning platform that incorporated elements of OpenEd, Knovation, Mawi, ProExam, Tessera, and ScootPad. ACT had reduced the dependence on the ACT test for its revenues to 55 percent from 82 percent, according to Roorda. (ACT has not yet filed financial documents for the later part of that period.)

But not everything went smoothly. McAllister and Kuntz left ACT in 2019, Delanghe and von Davier in 2020. SmartSparrow CEO Dror Ben-Naim told EdSurge that the ideas for which ACT invested its \$7.5 million did not materialize, and the company's technology was sold last year to Pearson, which has been making its own flurry of acquisitions to offset losses in its textbook-publishing division. CollegeReady was handed back to NROC, internal ACT documents show.

It was a crowded education-technology market that confronted harried school superintendents and university chief technology officers when the pandemic descended. Most of them stuck with what they knew; of the 10 most-used

K–12 ed-tech tools tracked by management network LearnPlatform since the start of the pandemic, eight were from Google.

In 2016 ACT posted a rare deficit. Two years later, it took in nearly \$35 million less than it spent, according to financial documents not previously disclosed, thanks in large part to a decline in revenue from the ACT test, losses in its workforce-development initiatives, and poor returns



DAVID SCRIVNER / IOWA CITY PRESS-CITIZEN

Marten Roorda was CEO of ACT from 2015 to 2020. In 2016 and 2018, the organization posted deficits, mostly due to a decline in revenue from the ACT test.

on investments. The organization cut 100 jobs from its 1,400-person workforce. Last year, one more went: Roorda. (He joined New Markets Venture Partners, the fund in which ACT invested \$10.5 million, as a part-time senior adviser.) After postponing the April administration of the ACT last year, the organization also froze salaries, reduced benefits, offered buyouts, and warned that further cuts were coming. New CEO Janet Godwin said there were no plans for additional acquisitions. (The College Board resisted making cuts at first, and held out longer, but laid off 14 percent of its payroll in February.)

Roorda won't say whether he resigned or was asked to leave; insiders said the board of directors got nervous about his aggressive acquisitions. Opinions differ on whether his bold purchases were justified. Roorda "was trying to bring them into the 21st century," said Bob Schaeffer, interim director of FairTest. Jon Boeckenstedt, vice provost of enrollment management at Oregon State University and a close watcher of the testing companies, said he thinks "that constant stream of purchases actually was a sign of a company that was not focused or not moving in the right direction, or didn't have a direction."

The College Board has been busy opening College Board India, its first-ever office outside of the United States.

Forty top Indian universities have agreed to accept the SAT.

The Next Market Disruptor

ACT has so far seemed to stay the course. To help plot its future, it has hired the management-consulting firm EY-Parthenon. In a confidential survey of university administrators, the firm floated ideas for new products, including a “super score” student assessment combining test results, social

“adversity score,” since revised and renamed Landscape, which added information to students’ SAT results including neighborhood income and crime rates.

“The College Board really saw that as another signature product, even for schools that were test-optional and even test-blind,” said Jeffrey Selingo, author of *Who Gets In and Why: A Year Inside College Admissions*. “I think they really saw this as their next big thing because they could sell this as a subscription service to every college out there. That student didn’t necessarily have to take the SAT, and the college could still buy this information from the College Board.” (Landscape is currently free to colleges.)

While the number of applicants to colleges has flattened and is likely to decline, the number of applications has risen sharply, as tools such as the Common Application make it easier for students to apply to multiple schools. Without tests, admissions officers would have one fewer filter for those thousands of applications. Eighty-two percent said they need new ways to triage candidates, a survey by Adobe for Education found. Nearly all of them said those should include more than test scores and high-school grades. “If you don’t have anything resembling a test score as a screening tool to whittle your 40,000 down to 10,000, I don’t know what you do,” Finn said.

Neither do the testing companies, yet. But they’re working on it.

“Just one single score is interesting but doesn’t tell everything about that specific person,” Roorda said. “We need to look at all possible success factors for students—not just traditional academic scores, but also social and emotional learning, self-confidence, critical-thinking skills, those kinds of things that will also make you successful.”

ACT and the College Board are trying to stake their claims by moving more deeply into the education marketplace and abroad. In the end, however, “the potential next market disruptor,” said Madeleine Rhyneer, vice president of consulting services at EAB, “is what replaces the test.”

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Janet Goodwin is the new CEO of ACT. The organization is working with a consultant to learn more about the market and reduce losses.

and emotional learning evaluations, and other measures; a “contextual database” with characteristics of high schools and neighborhoods to help admissions officials better understand students based on their circumstances; and a new form of recruiting list that would include student names with high-school and neighborhood descriptions and the historical success of students with similar backgrounds, among other things.

As the college-admissions tests come under growing pressure, it makes sense that ACT and the College Board would start developing potential replacements for these products. Many observers think that’s what the College Board was trying to do in 2019 when it introduced its much-criticized