



Determining the Cost of District and School Improvement Initiatives

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Objectives

- Describe a framework that districts can use to consider program costs in their decision making.
- Identify considerations for and challenges to integrating "cost" data into an evidence-based decision-making process.
- Introduce an approach that districts can use to determine their cost to implement a program or strategy.

Integrating Cost Considerations Into a District's Evidence-Based Decision-Making Process

Decision making grounded in evidence/data about actual district spending on a program or strategy and its effects on student learning



Program Evaluation and Measurement



Examine Evidence/Data



Strategic Planning and Budgeting



Program Identification/Development



Program Implementation



Return on Investment and District Decision Making

- A return on investment (ROI) framework prompts district leaders to consider the cost-effectiveness of education programs and strategies, then use this information to decide how to allocate resources and funding.
- ROI provides a framework for considering key evaluative questions, including the following:
 - > How much are we spending per student for this program or strategy?
 - > How much learning (or other outcome) is being achieved for each dollar spent?
 - > How does this “learning per dollar of outcome” compare with other alternatives?
 - > Even if successful, is this a program or strategy the district can afford to implement or sustain given its expense?

The ROI Metric for Decision Making

The ROI measure compares some change in student outcome that occurs because of a program or strategy used by a district to improve student learning with what a district spends to implement the effort.

» Example calculation:

- $$ROI = \frac{(Change\ in\ student\ outcome) * (\#\ of\ students)}{What\ it\ costs\ a\ district\ to\ implement\ an\ effort}$$

Most districts collect and use data on student outcomes. However, frequently missing from district data infrastructure are useful data on the cost of implementing a program or strategy.



Challenges to Identifying the Cost of a Program or Strategy

District financial information systems **organize and aggregate district and school spending according to a chart of accounts.**

- > District expenditure and revenue data are not typically tracked in ways that align with specific programs.
- > District accounting systems make it difficult to parse out spending on specific resources dedicated to a program.

What is cost analysis?

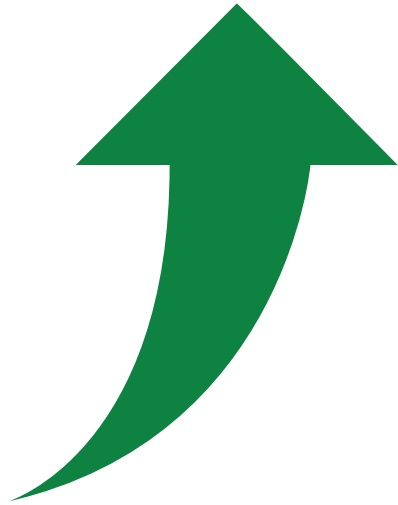


Cost analysis **identifies** and **values** the **resources required to implement** education policies, programs, and systems.



Resources can be thought of as **packages**, comprised of **different types** and **quantities of ingredients** that go into **producing observed outcomes**.

What is involved in cost analysis?



“Bottom-up” approach to understanding program costs

1. Identify a package of “resources” or “ingredients” used in implementing a program, practice, or policy.
2. Assign a value (dollars) to ingredients (according to the quantity and qualities of ingredients).
3. Sum up the valued ingredients to estimate costs.

Cannot simply use program expenditures or budgets!

Program Resource Inventories as a Tool for Estimating Costs

Program Components	Activities	Resource Categories	Ingredients	Amount	Value	Cost	Funding
<i>(Column 1)</i>	<i>(Column 2)</i>	<i>(Column 3)</i>	<i>(Column 4)</i>	<i>(Column 5)</i>	<i>(Column 6)</i>	<i>(Column 7)</i>	<i>(Column 8)</i>
Administration							
	General Administration	Personnel	AVID Coordinator	.25 FTE	\$65,000	\$16,250	Title I
		Supplies & Materials					
		Contracted Services					
		Other					
	Scheduling						
	Student Monitoring						
	Parent Advisory Board						
	Program Meetings						
	Teacher Meetings						
	Annual Certification						
	Transportation to Site						
	Subtotal						

Let's Give it a Try!

- Review the handout.
- Identify one program or strategy that your district implemented to address student learning loss during the COVID-19 pandemic and that your district must decide whether to continue in the future.
- Consider your responses to the following:
 - > How might this approach help estimate costs?
 - > Whom would you need to include in the process?
 - > What challenges would you anticipate with the process?

Next Steps to Building Cost Data Into a District's Decision-Making Process

Following are three strategies that districts can use—starting in summer 2023—to build the data infrastructure needed to integrate cost considerations into their evidence-based decision:

1. Identify priority programs and projects for consideration during the upcoming budget cycle.
2. Develop program resource inventories.
3. Include experts in finance and budgeting on data/evaluation teams.

Discuss at your table

- **Ask:** What questions did this raise for you?
- **Affirm:** What did you hear that supports your current beliefs, experience or understanding?
- **Argue:** What did you hear that challenges your current beliefs, experience or understanding?
- **Aspire:** What piqued your interest that you hope to explore further?



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