



WHAT IT COSTS FINANCING BACK ON TRACK THROUGH COLLEGE DESIGNS

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Our nation is not securing the full potential of the almost seven million young people who are insufficiently attached to school or work. Our new economic reality is especially unforgiving for young people with limited education and a few skills. We have an unprecedented opportunity to invest in programming that not only helps millions of young people turn their lives around but also greatly reduces the fiscal and societal costs of disconnection for decades and generations to come.

In places as varied as New York City and the small towns of South Texas, school districts are getting young people back on track, as are national youth-serving networks, social entrepreneurs, and community colleges. Drawing on these pioneering efforts and from JFF's work with early college high schools, the Back on Track Through College model offers leaders guidance in developing or enhancing high school-diploma-granting and GED-granting programming. The model features three overlapping phases: enriched preparation; postsecondary bridging; and first-year support. It is designed to create momentum toward postsecondary credits and career credentials for disconnected youth, with the goal of completing a high school credential ready to make a successful transition into and through postsecondary education.

COSTS OF THE BACK ON TRACK THROUGH COLLEGE MODEL

JFF, in collaboration with Eduventures, has calculated the average cost of delivering the Back on Track Through College model for diploma- and GED-granting designs (see *table*). Most of the costs in the Back on Track model are similar to those for a typical school or education program. However, there are major differences, primarily

around staffing, the main cost driver for most education programs. On average, Back on Track schools and programs have a student-to-teacher ratio of 20 to 1 and a student-to-counselor ratio of 50 to 1 during the enriched preparation phase. According to U.S. Department of Education data, the average class size in the nation's low-income public high schools is 24 students and the average counselor-to-student ratio is 450 to 1.

The lower costs of GED Through College programs primarily reflect the difference in staffing diploma-granting and GED designs. Diploma-granting schools hire certified teachers and counselors who have a Bachelor's degree or higher and are bound by district, union, and charter pay scales and benefit requirements. Few of these conditions apply to GED programs, which have more flexibility in hiring instructors and in salaries and benefits across their staffing.

In building cost models for the diploma-granting and GED Through College program models, JFF considered the components of pathway design that appear to be critical to reducing costs and increasing the return on investment.

In most cases, collaboration across secondary and postsecondary institutions and community-based organizations is critical to delivering the Back on Track Through College model efficiently.

AVERAGE ANNUAL PER STUDENT COSTS FOR TWO BACK ON TRACK THROUGH COLLEGE MODELS

	ENRICHED PREPARATION	POSTSECONDARY BRIDGING	FIRST-YEAR SUPPORT	TOTAL
Diploma-granting Program	\$8,800	\$3,250	\$2,700	\$14,750
	Range of Costs (-/+10%)			
	\$7,920-\$9,680	\$2,925-\$3,575	\$2,430-\$2,970	\$13,275-\$16,225
GED Through College Program	\$5,250	\$1,600	\$1,550	\$8,400
	Range of Costs (-/+10%)			
	\$4,725-\$5,775	\$1,440-\$1,760	\$1,395-\$1,705	\$7,560-\$9,240

Note: In addition to the "average costs," the table includes a range of costs (plus or minus 10 percent of the average) assuming that schools and programs will vary in their actual cost structure.

When designed strategically, such partnerships make it possible for schools/programs and community colleges to provide low-income, underprepared students with services and supports they need to succeed in postsecondary education—and for less direct cost than the programs and colleges would likely incur if they worked in isolation.

Another lesson emerging from JFF's research is the degree to which the economic feasibility of the Back on Track Through College models (both diploma-granting and GED-granting) relies on embedding the schools and programs in larger "parent organizations"—districts, charter management organizations, or community-based organizations—as well as on robust partnerships with community colleges. All of the programs in our study gained financial benefits from such arrangements.

Interviews with site leaders revealed again and again the need for programs leaders who are expert at raising money and skilled at navigating a complex labyrinth in order to braid together available public and private funding and sustain all three phases of the model. This, in turn, points to the importance of state and local policy changes to remove barriers to and advance the Back on Track Through College model and other innovative approaches to put disconnected youth on the path to success in education and work.

THE ECONOMIC BENEFITS OF THE BACK ON TRACK MODEL

A growing body of research corroborates the Back on Track model, as do emerging results from frontrunner schools and programs implementing it. Based on this combination of research and practice,

the model has the potential to impact the lives of the millions of young people struggling to find a path back to education and training in the face of a job market offering few opportunities to those without a postsecondary credential.

Yet for Back on Track programs and schools to spread and reach any scale, the cost-sharing arrangements and progressive policies described in *What It Costs* must become the norm rather than the exception. Borrowing from Clive Belfield and his colleagues' analysis of the economic costs of the millions of youth under- or unattached to school or work, JFF's cost-benefits analysis shows clear savings:

- > If 40 percent of 250 youth entering a Back on Track diploma-granting program succeed, the return in terms of taxpayer savings in increased revenue and lower costs is \$19.9 million, over five times the initial investment, or about \$5.40 for every \$1 invested. Even if only 15 percent of the youth succeed, the return is about \$1.50 for every \$1 invested.
- > A GED Through College program serving 100 young people with 25 percent succeeding generates an additional \$5.1 million in savings to the taxpayer in increased tax revenue and reduced costs, or about \$5 for every \$1 invested.
- > If 50 diploma-granting schools enrolling 250 students each and 50 GED Through College programs enrolling 100 students each, were operating around the country with similar completion rates, the additional tax revenues and savings to the taxpayer would total \$1.3 billion.

WEB-BASED FINANCE TOOLS WHAT WOULD THE BACK ON TRACK MODEL COST YOU?

JFF, in collaboration with Eduventures, has developed web-based finance tools to help schools and programs put in place the Back on Track Through College model. The tools, which are easy to access and adapt to the local context, include cost-structure prototypes for diploma- and GED-granting programs. Users can also assess investments both across and within the phases and the costs shared by parent organizations and community partners.

The tools are available at: www.jff.org/botcostmodel.

Available for download at <http://www.jff.org/publications/education/what-it-costs-financing-back-track-throu/1525>

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