

PROGRAM ROI PLANNING TOOLKIT

Understanding the Value
of K-12 Programs



INTRODUCTION

Growing K-12 funding uncertainties, coupled with pressure to improve student outcomes, mean education leaders must understand the return on investment (ROI) that every program, initiative, and platform brings.

ROI assesses the value — measured by student learning gains or by another metric — a K-12 organization receives in return for a program's expense.

ROI analysis is a type of program evaluation focused on cost effectiveness, measuring how well programs work for students, which helps organizations allocate resources to high-value areas.

Often applied in the business world, ROI analysis in an education setting is a more complicated undertaking, as isolating the specific impact and costs of a single program is not always feasible.

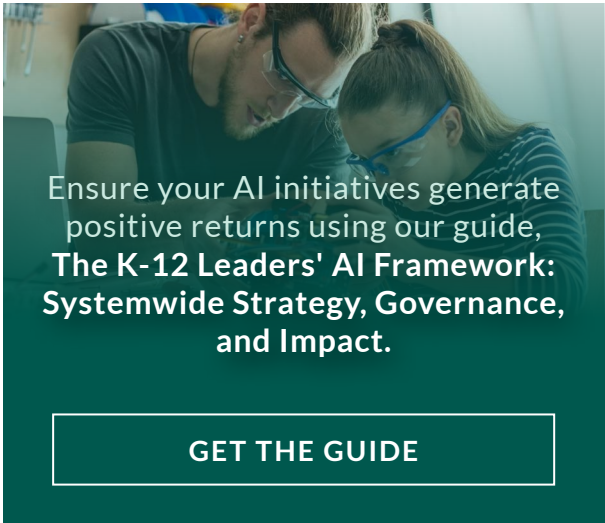
But used in the right instances, ROI can illuminate whether schools are allocating appropriate resources to effective programs. This analysis is one way to gain a clear-eyed assessment of a program's value and impact.

KEY DEFINITIONS

- **Program:** Any structured educational initiative or activity that targets learning objectives or other student outcomes.
- **Program Effectiveness:** The extent to which a program achieves its stated goals or objectives.
- **Program Evaluation:** The systematic assessment of an educational program's implementation and results.
- **Cost Analysis:** Review of direct and indirect expenses for an educational program's development, implementation, and maintenance.
- **Return on Investment (ROI):** A systematic comparison of an educational program's financial cost and outcomes, conducted to assess the program's value or return.

THIS TOOLKIT WILL HELP YOU:

- Understand ROI in K-12 education, including the pros and cons of ROI measurement
- Determine whether you're ready for ROI analysis
- Learn how to plan for ROI analysis
- Review alternative methods for program evaluation



Ensure your AI initiatives generate positive returns using our guide, **The K-12 Leaders' AI Framework: Systemwide Strategy, Governance, and Impact.**

[GET THE GUIDE](#)

ROI ESSENTIALS

Purpose of ROI Analysis

A data-rich ROI analysis illustrates whether program effectiveness justifies the program costs. For example, an ROI analysis can identify the number of students served, the cost to implement and maintain a program, and an estimate of the program's impact. In addition, the analysis may point to more efficient, alternative approaches.

Conducting ROI analysis requires:

- Clear identification of program cost
- Clear identification of program impact or outcomes (e.g. test scores, attendance, graduation rates, etc.)
- A structured approach to compare cost and outcomes

ROI Benefits and Challenges

Understanding ROI helps education leaders decide how to allocate resources wisely, leading to more meaningful, informed conversations. However, several challenges can complicate ROI evaluations.



BENEFITS

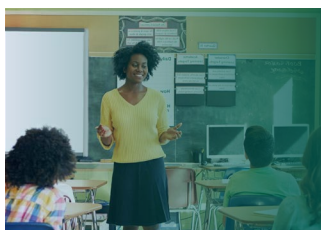
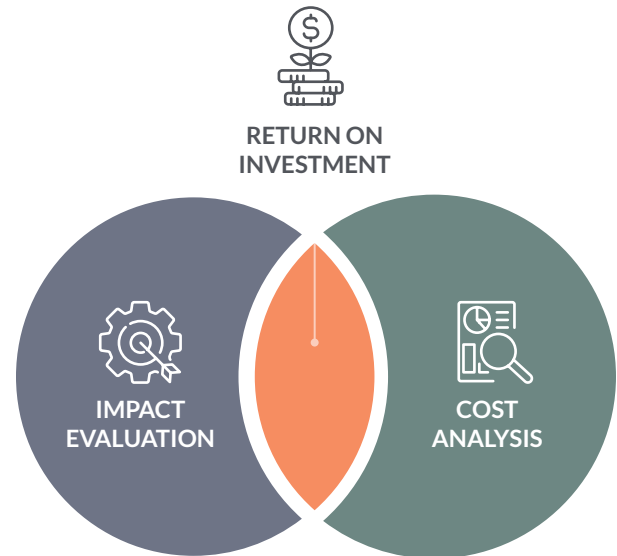
- Identifies and compares highest-value programs based on cost and impact
- Helps a district or school understand current spending allocations
- Produces high-quality statistics and data for messaging, reinforcing program achievement, or troubleshooting
- Produces evidence for data-driven resource allocation decisions



CHALLENGES

- Can be challenging to isolate program costs or student effects
- Relies on clearly defined goals, outcomes, and program execution
- Requires significant time, data, and staff resources to carry out
- Results may be difficult to interpret, as the return or effectiveness of educational programs aren't typically monetary

ROI ANALYSIS COMPONENTS



Boost your staff's data literacy skills with advice from our infographic, **K-12 Data Literacy Checklist.**

DOWNLOAD THE INFOGRAPHIC

ROI ANALYSIS PLANNING

If a K-12 leader plans to use ROI analysis, the organization must be prepared to identify and compare program outcomes to the program cost of implementation.

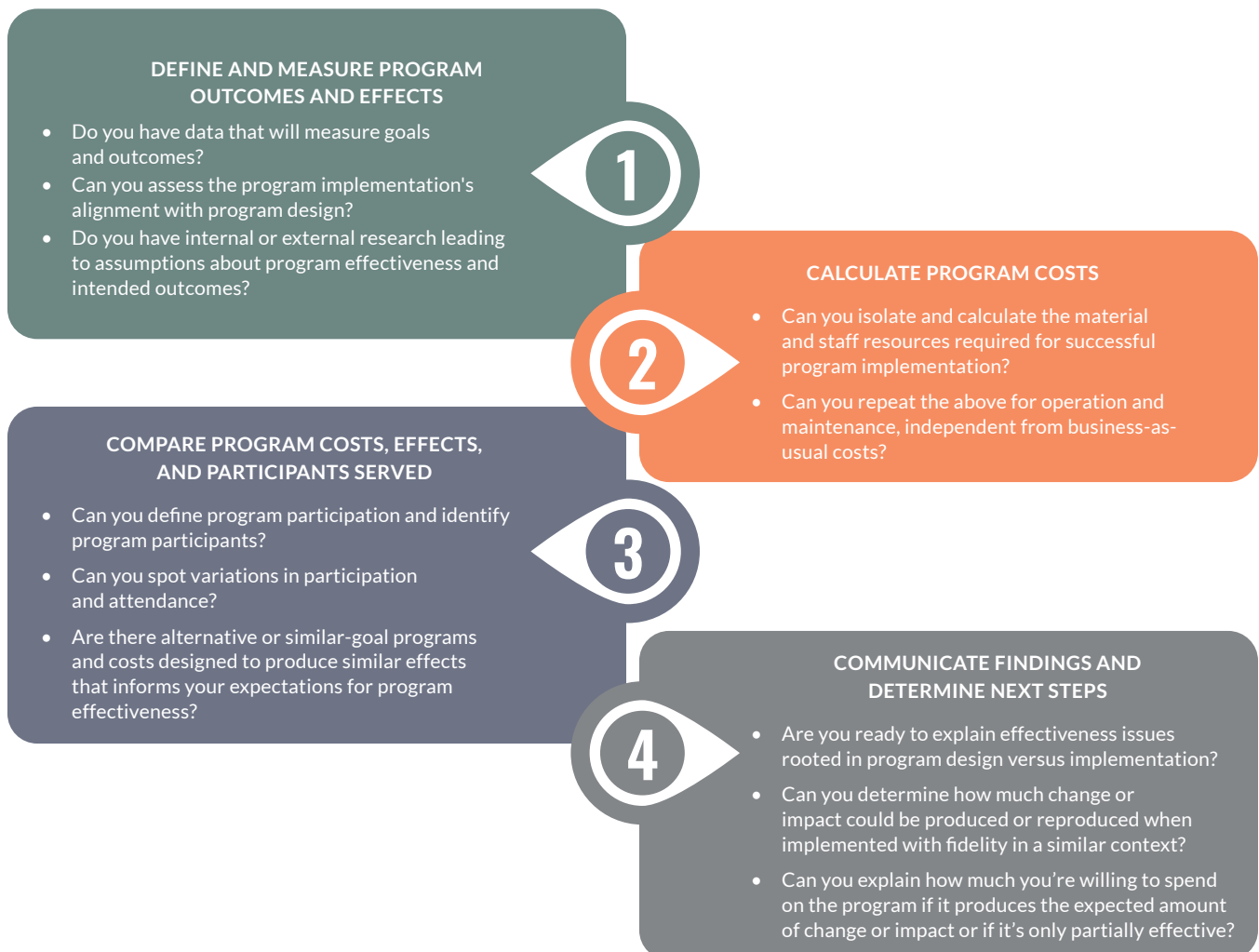
Much of ROI analysis success depends on solid prior research and the soundness of program theory. Data must be available to assess program costs, program outcomes, and program participation and isolate the program's impact and effects from other programs or efforts.

4 STEPS TO CONDUCT AN ROI ANALYSIS

1. Define and Measure Program Outcomes and Effects
2. Calculate Program Costs
3. Compare Program Costs, Effects, and Number of Participants Served
4. Communicate Findings and Determine Next Steps

Readiness for ROI Analysis

Here are the four steps of ROI analysis. Answer the reflection questions below to determine if you're ready for each step.



PROGRAM EVALUATION ALTERNATIVES TO ROI

Keeping in mind that an ROI analysis is just one method of program evaluation, it may not always be feasible to conduct one or to produce the expected results. Sometimes another program evaluation method may be better suited to meet district or school needs.

To confirm which program evaluation path is most appropriate, K-12 leaders first need to articulate their program evaluation objectives and their resources to conduct one.

PROGRAM EVALUATION PLANNING CHECKLIST

- ☐ **Select and prioritize programs for evaluation**
Carefully consider program objectives, ability to address a priority area, cost, target population, outcome, and program duration and sustainability.
- ☐ **Identify decisions relying on evaluation results**
Reflect on motivators for program evaluation and actions to take afterward.
- ☐ **Complete a program logic model**
Connect inputs (such as staff and volunteers) and outputs (such as activities and products) with short-term and long-term outcomes.
- ☐ **Select evaluation resources and staffing needed**
Consider the staff skills, time, budget, data, and technology available for program evaluation. Is additional training, resources, or external assistance required to achieve tasks and complete the project?

Program Evaluation Methods

Program evaluation relies on two processes, depending upon what a district or school wants to understand about a potential, current, or past program.



Formative evaluations explain how to change or improve a program's operation or process.



Summative evaluations identify the measurable results or effects of a program or the program's outcomes.

Use the table below to see what types of analysis will best meet your organization's needs.

IF YOU WANT TO UNDERSTAND:	THEN CONDUCT THIS ANALYSIS:	DESCRIPTION
Formative Evaluations		
What new programs are needed?	Needs Assessment	Identifies the needs of students or staff
Is a program ready for evaluation?	Evaluability Assessment	Determines if a program can be evaluated using reliable, credible criteria
Is program delivery working as intended?	Implementation Evaluation	Reviews a program's implementation to identify delivery strengths and opportunities
How do we improve a program?	Process Evaluation	Reviews a program's process for opportunities
What financial resources are needed to run a program?	Cost Analysis	Identifies and calculates a program's direct and indirect expenses
Summative Evaluations		
Is a program achieving its immediate objectives?	Outcome Evaluation	Measures a program's outcomes relative to its goals
What are a program's outcomes or effects?	Impact Evaluation	Intends to identify the causal impact the program had on outcomes
What is the relationship between a program's cost and impact?	ROI Analysis (or Cost-Effectiveness Analysis)	Compares a program's cost to its impact

ROI ANALYSIS WORKSHEET

Ready to try your hand at ROI analysis? The following worksheet includes an example of a completed program ROI table. You can use the questions below to explore outcomes and costs before initiating a comprehensive ROI analysis process.

Outcome and Cost Comparison Plan

MEASURING ACADEMIC RETURN ON INVESTMENT (ROI) – EXAMPLE TABLE			
PROGRAM	STUDENTS SERVED	FINANCIAL ALLOCATION (COST)	PROGRAM IMPACT ESTIMATE
Program A	100	\$1000.00	50-point gain

What approaches will you take to provide context for your interpretation of the outcome measure (e.g., group comparisons, comparisons against expected values)? How will you compare program outcomes to program costs?

How will program participation be defined? How will you measure the number of students in the program?

What limitations do you expect in assessing your program’s outcomes?



ABOUT HANOVER RESEARCH

Hanover guides K-12 leaders in tackling academic and administrative challenges to ensure that students, parents, and staff have the tools they need to ensure all students succeed.

OUR K-12 EDUCATION SOLUTIONS

CURRICULUM & INSTRUCTION

Strengthen instructional materials and practices to ensure the best teaching and learning outcomes.

STUDENT SUPPORTS

Design and implement effective student support and success strategies.

PROGRAM EVALUATION

Identify the programming and investments with the greatest impact.

ENROLLMENT & COMMUNITY ENGAGEMENT

Build effective K-12 enrollment, marketing, and engagement strategies.

TEACHER RECRUITMENT & RETENTION

Attract, support, and retain top teachers and staff with intentional strategies.

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Do more with less by optimizing K-12 finances, technology, facilities, transportation, and safety.

CULTURE & CLIMATE

Create a positive learning environment where students thrive.

STRATEGIC PLANNING & GOVERNANCE

Improve systemwide outcomes with a clear, actionable strategy.

OUR BENEFITS



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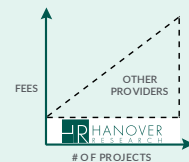
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