




Return on Investment Analysis

 ExcelinEd Pathways Model Policy | 2025

A Return on Investment Analysis (ROI) establishes a recurring, comprehensive process that ensures program quality, alignment and availability are measured alongside detailed student participation, attainment and completion data to identify program strengths and expose gaps.

An ROI analysis helps state leaders answer pressing education-to-workforce questions.

- Do K-12 and postsecondary programs prepare students for what’s next?
 - ENROLLMENT: If students go on to the next level of education (high school to college or technical program, or associate to bachelors program), do they enroll and earn the degree?
 - EMPLOYMENT: When students enter the workforce (after high school or postsecondary), what wages are they earning? Do the programs in K-12 or postsecondary set them up for success with a career that is in-demand or showing growth for employers?
 - ENLISTMENT: If students go into the military, do they qualify as an officer or for specialty programs?
- Do the CTE programs or industry credentials offered in K-12 and postsecondary match with high-demand, high-skill, high-wage (H3) occupations?

With this information, policymakers and state/local leaders can make informed decisions to ensure all learners can access – and succeed in—high-quality programs.

Return on Investment Analysis Act

Be It Enacted by the Legislature of (the state):

SECTION 1. DEFINITIONS

As used in this section, the terms have the following meanings:

- (1) “Career and technical education” (CTE) has the same meaning as defined in (ref. law/policy).
- (2) “College acceleration courses” means courses whereby a K-12 student can earn college credit accepted by institutions of higher education.
- (3) “High-Skill, High-Demand/High Growth, and High-Wage Occupations” has the same meaning as (ref. law/policy; if the state does not have an H3 policy, see Defining High-Skill, High-Wage, High-Demand (H3) Occupations model policy).
- (4) “Industry Credentials” are certifications, licenses or other credentials that employers use to validate an individual’s knowledge and skills in a specific field. They are awarded by a third-party, such as an industry association or professional society. Industry credentials can be earned by students (high school and postsecondary) as well as workers currently employed in the field.
- (5) “Institution of higher education” means



- (a) a public or private non-profit university or college, community college, local district college, or area technical college; or
 - (b) a postsecondary career and technical education program.
- (6) “NAICS” refers to the North American Industry Classification System.
 - (7) “Postsecondary” means all formal education institutions and programs leading to bachelor’s degrees, associate degrees, industry-valued certificates and diplomas, or other sub-bachelors/sub-associate licenses or credentials.
 - (8) “ROI Analysis” means the Return on Investment Analysis as described in this act.
 - (9) “SOC” refers to the Standard Occupational Classification system of the U.S. Bureau of Labor Statistics.
 - (10) “Work-Based Learning” (WBL) means sustained interactions with industry or community professionals in real workplace settings, to the extent practicable, or simulated environments at an educational institution that foster in-depth, firsthand engagement with the tasks required of a given career field, that are aligned to curriculum and instruction (as defined in Perkins V) OR as defined in (cite ref/policy)

SECTION 2. PURPOSE, ROLES AND RESPONSIBILITIES

- (1) At least (annually/biannually), the (ROI Lead Agency/Office¹) shall conduct a return on investment (ROI) analysis of the state’s K-12 and postsecondary program offerings and student outcomes to:
 - (a) Determine the alignment of existing program offerings with employer demand, postsecondary degree or certificate programs;
 - (b) Identify the program and industry credential offerings that are linked to high-skill, higher-wage, in-demand occupations;
 - (c) Evaluate student participation and outcomes (such as postsecondary attainment, employment status, and wage earnings) associated with each program;
 - (d) Provide information that can be used to improve the alignment and quality of programs and increase access and successful outcomes for all students; and
 - (e) Provide information about the availability, quality and student outcomes of program offerings to support student and their families in making informed decisions about their educational options.
- (2) The ROI analysis shall be conducted in collaboration with (State Education Agency), (State Higher Education Agency/System(s)), (Higher Education Coordinating Body), (State Workforce Development Agency), (Local Education Agencies), (Postsecondary Institutions), (representatives from business and industry), and other appropriate stakeholders. These agencies, institutions and entities shall:



- (a) Support the completion of a high-quality ROI analysis by collecting and providing timely data and information in the manner specified by (ROI Lead Agency/Office), in accordance with state and federal law;
 - (b) Support the implementation of recommendations resulting from the ROI analysis, which may include alignment and/or revision of agency/entity policies, processes and procedures.
- (3) The (ROI Lead Agency/Office), in consultation with the entities listed in (ref. Section 2(2)), shall develop and publish a methodology to conduct the ROI analysis and outcomes. The methodology shall use consistent data definitions, criteria and/or thresholds across education systems and programs to the extent practicable.
- (4) The (list appropriate rulemaking authorities) shall adopt rules pursuant to (ref. law/policy) to implement.

SECTION 3. COMPONENTS – ROI ANALYSIS

- (1) The ROI Analysis shall include (but is not limited to) analysis of:
- (a) Statewide and regional labor market information, including current and projected economic, labor market and wage data reflecting the needs of the state, regional and global economy and workforce that includes:
 - (i) Development of a methodology to classify occupations¹ at the statewide and regional levels based on measures of skill, demand, wage, and growth;
 - (ii) Identification of statewide and regional employment opportunities in high-demand/high-growth, and high-wage occupations;
 - (b) Alignment of current offerings with statewide and regional employment opportunities, including:
 - (i) Identification of programs leading to high-skill, high-demand/high-growth, and high-wage occupations;
 - (ii) Identification of gaps in program offerings leading to high-growth, high-demand, and higher-wage occupations;
 - (iii) Identification of programs that do not lead students to high-growth, high-demand, higher-wage employment opportunities.
 - (iv) Postsecondary certificate or degree programs offered; and
 - (v) Industry credentials used by employers in the state in hiring and promotion decisions.
 - (c) Experiences of participating students that can be disaggregated by student demographics, school/postsecondary institution, and program, and compared to experiences of non-participating students, that include (but are not limited to):
 - (i) Academic achievement, including:
 - (A) Achievement in mathematics and ELA (e.g., ACT/SAT, state assessments, postsecondary placement assessments, etc.);
 - (B) Overall achievement (e.g., GPA, on-time high school graduation, etc.); and
 - (C) Identification for, or enrollment in, postsecondary remediation courses.
 - (ii) Program enrollment, progression and completion, including:
 - (A) Programs offered, by school/postsecondary institution;
 - (B) Student enrollment in each program course, by program;



- (C) Student course completion and credit attainment in each program;
 - (D) Student completion of each program; and
 - (E) Unmet student demand for each program (waiting lists, students not enrolled due to space constraints, etc.)
- (iii) Industry credentials, including:
 - (A) Student enrollment in courses/programs aligned with each industry credential;
 - (B) Student participation (attempts) in each industry credential examination/assessment;
 - (C) Student attainment of each industry credential; and
 - (D) Student attainment of each industry credential that articulates to postsecondary credit. And
 - (E) Analysis of which credentials earned are “of value.” (ref. law/policy; if the state does not have an credentials of value list see the Credentials of Value Model Policy).
 - (iv) Postsecondary credit attainment, through dual enrollment, articulation, AP/IB/CLEP, etc. including:
 - (A) Postsecondary credits/hours earned as part of the program; and
 - (B) Postsecondary credits/hours earned outside of the program.
 - (v) Work-based learning (WBL) experiences, including:
 - (A) Type of each WBL experience;
 - (B) Characteristics of each WBL experience, including duration, paid/unpaid, credit/no credit, etc.;
 - (C) WBL placement information including industry sector (NAICS) and occupation (SOC) codes;
 - (D) Pre-apprenticeship and youth apprenticeship program enrollment and progression; and
 - (E) Apprenticeship program enrollment and progression.
- (d) Student outcomes that can be disaggregated by student demographics, school/postsecondary institution, and program, and compared to outcomes of non-participating students, that include, (but are not limited to):
- (i) Postsecondary enrollment and persistence disaggregated by type of institution (technical college, 2-year college, 4-year college, etc.), type of culminating credential (certificate/diploma, associate, bachelor’s, etc.), and program including:
 - (A) Enrollment in a postsecondary program, including:
 - a Alignment of postsecondary program with prior program experiences; and
 - b The number of credits, hours and/or industry-valued credentials earned in prior program(s) that are applied to the current program, if applicable.
 - (B) Postsecondary persistence, including credit/hour attainment; and
 - (C) Postsecondary degree/credential attainment.
 - (ii) Employment outcomes, including:
 - (A) Employment status (e.g., full-time, part-time, etc.);
 - (B) Employment field by industry (NAICS code) and occupation (SOC code); and
 - (C) Wage earnings.



- (e) Other indicators of program quality that can be disaggregated by demographics, school/postsecondary institution and program that include (but are not limited to):
 - (i) Educator Workforce, including:
 - (A) Current CTE educator qualifications, expertise, and specialized knowledge;
 - (B) Opportunities for CTE educators to upskill in the latest skills valued by employers; and
 - (C) CTE educator positions that are unfilled and/or filled by instructors who do not have appropriate knowledge, skills or experience.
- (f) Extent to which federal, state and local funding is used to foster career and technical education program success and program efficiency that include (but are not limited to):
 - (i) Analysis of state investments in CTE, disaggregated by CTE program, school and postsecondary institution that including:
 - (A) Total and per-student amount of state formula funding allocated to each CTE program (by funding source);
 - (B) Total and per-student amount of state discretionary funding allocated to each CTE program (by funding source);
 - (C) Total and per-student amount of student aid (grants, scholarships, etc.) used to support student participation in each CTE program;
 - (ii) Analysis of local investments in CTE, disaggregated by funding source, CTE program, school and postsecondary institution:
 - (iii) Analysis of federal investments in CTE, disaggregated by funding source, CTE program, school and postsecondary institution.
 - (iv) Analysis of community investments in CTE, including from business/industry and public-private partnerships, disaggregated by funding source, CTE program, school and postsecondary institution.

SECTION 4. RECOMMENDATIONS

- (1) Using the findings from the ROI Analysis pursuant to (*Section 3*), (*ROI Lead Agency/Office*), in consultation with (*list entities identified in Section 2(2)*), shall develop recommendations to improve labor market alignment, quality, student access and outcomes, and operational efficiencies across the state’s career and technical education program offerings. These recommendations shall include detailed information, including roles, responsibilities, action steps, and timelines to achieve state agency policy, process, and resource allocation strategies that will:
 - (a) Increase the alignment between program offerings and the state’s economy, including:
 - (b) Offering new programs that lead to higher-skill, high-demand/high-growth, and higher-wage occupations but are not offered by school districts and/or postsecondary institutions;
 - (c) Phasing out career and technical education offerings that are not aligned with the needs of employers or do not provide program completers with a middle- or higher-wage job.
 - (d) Requiring school districts and postsecondary institutions to align offerings to ensure seamless pathways for students from K-12 through postsecondary;



- (e) Updating and revising program sequences, course standards, curriculum, equipment/materials, and/or experiences to improve outcomes for students;
- (f) Identify and address gaps between student groups in access, participation, and successful outcomes from high-quality programs, within and across programs, schools and postsecondary institutions, geographic regions, etc.
- (g) Identify policy, process, legal, resource, and other barriers that prevent students from accessing and/or succeeding in high-quality programs, along with detailed recommendations for the agency and/or stakeholder(s) responsible for removing these barriers.
- (h) Identify and develop a plan and timeline to collect data elements needed for a complete and high-quality ROI Analysis that are not currently available or accessible.

SECTION 5. REPORTING

- (1) By (date annually/biannually), (ROI Lead Agency/Office) shall provide to the Governor, the President of the Senate, the Speaker of the House of Representatives, and publicly post on (website) a summary report and detailed supporting data that contains at a minimum:
 - (a) The findings of the ROI analysis pursuant to (Section 3) broken down by student demographics, program, and region;
 - (b) The recommendations to improve labor market alignment, quality, student access and outcomes, and operational efficiencies across the state’s career and technical education program offerings pursuant to (Section 4);
 - (c) A list of existing career and technical education programs by school/postsecondary institution that are not aligned to employer demand or do not prepare students for a middle- or higher-wage job;
 - (d) A list of in-demand knowledge, skills and competencies by employers that are currently not being met through existing career and technical education program offerings;
 - (e) Beginning with the second ROI analysis report, an update on the implementation status, activities and outcomes stemming from the prior report’s recommendations.
- (2) Following the release of the summary report, the (ROI Lead Agency/Office) and collaborating agencies shall publicly present the findings and seek feedback from stakeholders across the state to inform future iterations of the state’s ROI analysis.
- (3) This shall not prevent stakeholder engagement and feedback throughout the ROI analysis process.
- (4) By (date annually/biannually), (ROI Lead Agency/Office and/or collaborating state agencies) shall provide complete, matched data sets used in the ROI analysis to (list entities identified in Section 2(2)).
- (5) These data sets should be provided in a manner and format that:



- (6) Supports continuous program improvement and a robust feedback loop of program offerings and outcomes; and
- (7) Allows for aggregated findings for each program (including outcomes) to be reported publicly to students, families and community members.
- (8) Comply with all applicable state and federal laws.

SECTION 6. EFFECTIVE DATE

This act shall take effect upon becoming law.

