

Career and Technical Education Return on Investment Analysis

OVERVIEW

What is a return on investment (ROI) analysis?

An ROI analysis is a recurring, comprehensive process that ensures CTE program quality, alignment, and availability are measured alongside detailed learner participation, attainment and outcomes data – such as employment and wage information – to identify program strengths and expose gaps.



Why enact policies to conduct an ROI analysis?

An ROI can help states answer three fundamental questions:

- Do CTE programs prepare learners for in-demand careers in business and industry?
- Do learners experience success upon completion of CTE programs?
- Do all learners have access to programs needed to be successful in the world of work?

Policymakers and education leaders can leverage this powerful data to make improvements to benefit the economic security of the state and learners in three specific ways.

Develop strategies and policy recommendations to improve the alignment and quality of CTE programs to increase access and successful outcomes for all learners.	Leverage funding for the start up or sustainment of programs that increase access and outcomes.	Inform the public about the availability, quality and learner outcomes of CTE offerings in their communities.
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An [ROI analysis](#) is a key policy in ExcelinEd’s education-to-workforce policy framework. [Pathways Matter](#) outlines the [key policies](#) that states should consider to support learners in their education journeys and to prepare the workforce of the future.

What are the metrics and elements of a strong ROI analysis?

- A comprehensive ROI analysis will inventory available programs at the state and regional / district level both for K-12 CTE and postsecondary CTE / workforce systems.
- A strong ROI analysis will examine what happens “next” (outcomes) for program participants, creating a shared vision for the outcomes learners should achieve as a part of a high-quality CTE program.
- A statewide longitudinal data system and/or researchers who can collect across data systems is critical to the development of an ROI analysis. But available data concerns should not be a barrier; identifying missing or disconnected data could be a great result of a first year’s ROI.
- Ongoing, collaborative communication across organizations and agencies. An ROI can be a great discussion point on what the state’s priorities are and what is actually happening in meeting them.
- A long-term commitment on the part of state leaders to revisit the ROI analysis as a cyclical process, as well as a willingness by policymakers and education leaders to act on data.



What do ROI analysis policies look like in other states?

ROI policies can take a variety of [structures](#) based on the specific goals, political will and budget of each state implementation. The summaries below offer insight into how states have approached the ROI analysis process.

Colorado

- **BASIS:** The Colorado General Assembly passed [House Bill 18-1226](#) in 2018 to assist lawmakers, taxpayers, learners, and families in understanding the value of postsecondary education in Colorado, and to ensure economic growth by creating a strong workforce with education and skills needed for 21st century careers.
- **REPORT:** The [Higher Education Return on Investment Report](#) provides information on undergraduate degree and certificate programs offered at each state institution of higher education. Information on earnings, average student loan debt, and average time to completion by program are among the data reported each year. Notably Colorado's report focused on postsecondary and does not include K-12 data. The report is supplemented on the workforce side by the annual creation of the [Talent Pipeline Report](#) which analyzes key features of the labor force and outlines strategies to balance workforce supply and industry demand.
- **ENTITY:** The [Colorado Department of Higher Education](#) is responsible for this annual report.

Florida

- **BASIS:** In 2019 Governor Ron DeSantis issued [Executive Order 19-31](#) in an effort to position Florida for economic growth by ensuring the state has a skilled future-ready workforce. This executive order has since been codified in [section 1003.491\(5\) of Florida Statutes](#).
- **REPORT:** The Executive Order requires an audit of CTE offerings in the state as well as a methodology to audit and review offerings annually. The audit must include (1) an analysis of alignment with certificate or degree programs offered at the K–12 and postsecondary levels; (2) an analysis of alignment with professional-level industry certifications; (3) an analysis of alignment with high-growth, high-demand and high-wage employment opportunities; and (4) a review of learner outcomes such as academic achievement, college readiness, postsecondary enrollment, credential attainment and attainment of industry certifications.
- **ENTITY:** The audit occurs under the leadership of the [education commissioner](#), who has oversight on K-12 and postsecondary and a cross-sector group including workforce and business and industry leaders. The audit is considering market demand for programs at both the regional and statewide levels, and the state is phasing in specific program quality indicators related to both market demand as well as institutional performance.

Mississippi

- **BASIS:** In 2022, the Mississippi Legislature passed [House Bill 1388](#) to strengthen and reform CTE in the state.
- **REPORT:** The law requires a program inventory and return on investment analysis of workforce programs and career technical education programs in both the K-12 and community college system to be conducted by the Office of Workforce Development ([Accelerate Mississippi](#)). The expectation is that results will be used in conjunction with labor market analysis information and other relevant data to adjust program offerings to best meet the future needs of Mississippi business and industry and to provide high-demand, high-skill, and high-wage pathways. The Office of Workforce Development intends to build upon this initial analysis (conducted in 2022-23), using results to make recommendations to policymakers and education system leaders to improve the alignment of programs with industry demand and to galvanize pathways for learners from education to employment opportunities.
- **ENTITY:** [Accelerate Mississippi](#) works in partnership with the Mississippi Department of Education and the Mississippi Community College Board to complete the analysis.