SLDS Topical Webinar Summary

Measuring and Documenting Return on Investment

Producing an enduring, efficient, and effective statewide longitudinal data system (SLDS)—a sustainable SLDS—is not a start-and-finish endeavor; there is always more work to ensure the system remains current and relevant.

Sustainability can take many forms, the most important of which may be showing the value of the data in informing decisions. To maintain and increase support for the SLDS, it is necessary to show that the end results were/are worth the significant investment of time, money, and resources.

Using the experiences of Wisconsin, Texas, and Idaho, this publication covers measuring and documenting return on investment (ROI), one of the four pillars of the SST-defined Sustainability Framework (see figure 1).

Defining Return on Investment

ROI is a measure of the value that a project yields to its stakeholders. Documenting and communicating these returns can help ensure that stakeholders are aware of just how many different facets the SLDS touches, helping supporters to know that they have made a worthy investment.

ROI is most often thought of as an economic return (e.g., costs savings). However, because many benefits of the SLDS are not financial, states are beginning to take the approach of documenting social returns: the value the SLDS adds to education in their states.

Investing time up front in measuring ROI will help enable more effective marketing of the SLDS to the legislature as well as other potential funding sources. Documentation of this stakeholder ROI can help states clearly explain the benefit of the SLDS and enable them to more effectively channel funding and seek outside support for exemplary programs, helping to sustain an SLDS after grant terms end.

Figure 1. SST-defined Sustainability Framework

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For more information on the IES SLDS Grant Program or for support with system development, please visit http://nces.ed.gov/programs/SLDS.

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Measuring Return on Investment

An SLDS's ROI can take many forms. When considering the value that an SLDS returns to its stakeholders, keep in mind the many types of benefits, including economic returns (quantitative) and social returns (quantitative and qualitative).

An SLDS's economic returns, the value to stakeholders in terms of dollars, include lower software licensing costs and money saved in terms of more efficient operations such as

> ROI can include economic measures (e.g., costs savings) and both quantitative and qualitative social measures (e.g., total number of students leaving the state after graduation, time it takes students to find jobs after graduation, high school feedback reports on college success, etc.).

- procurement and negotiation of contracts;
- network operations;
- database and application management (e.g., installing and updating software, fixing bugs, documenting changes);
- updating training information;
- training (staff moving between local education agencies [LEAs] will not need retraining on the system); and
- data integration with external agencies (e.g., transcripts to colleges, immunization records via the state registry, federal lunch program status via direct certification).

However, not all benefits of an SLDS can be measured in terms of dollars. Social returns, those that are not related to finances, include

- improved data quality;
- an increase in available data resources;
- the availability of large datasets for research;
- ease of implementing specific data events (e.g., statewide surveys); and
- the availability of statewide electronic records.

Social measures can be either quantitative or qualitative and are often more closely aligned with the ultimate purpose of an SLDS: improving education.

Documenting Return on Investment

When defending the SLDS, even small social improvements can add to a state's arsenal. Therefore, it is important to capture as many examples of ROI as possible and offer concrete examples, including where stakeholder money has gone and how it has made a tangible difference. If possible, it may also be beneficial to walk stakeholders through the system's new capabilities, whether by sharing screen shots or through a live demonstration.

Additionally, the state can provide answers to stakeholders' data-related questions and supply reports (e.g., short- and long-term student earnings after graduation, total number of students leaving the state after graduation, high school feedback reports on college success, etc.). Sharing specific examples of ROI with stakeholders will help them to understand the SLDS team's accomplishments and how this work has advanced shared educational goals.

Wisconsin: Mandatory Statewide SIS

Wisconsin is adopting a mandatory statewide solution to student information systems (SISs), and will provide the funding for LEAs to migrate to the system. To make the case for the system, Wisconsin measured ROI at the state and local level.
To measure the local ROI from the statewide SIS's single software licensing and savings in time (eliminating the duplicate tasks of 450 LEAs), the state conducted a survey among LEAs to determine the burden of their existing systems. It was estimated that, collectively, the existing systems cost the LEAs over $30 million in time spent collecting data. The state also estimated that it could reduce software licensing and maintenance fees by 25 to 50 percent.

At the state level, Wisconsin measured the ROI from the 2012 Civil Rights Data Collection (CRDC). In terms of time spent collecting data for this purpose, the state estimates that it saved at least half a million dollars with the new system.

Texas: Optional Statewide SIS

Texas has a balanced approach to ROI that includes economic factors to satisfy fiduciary responsibility and social factors to ensure a comprehensive perspective. The social and economic ROIs are also determined for both the state and LEAs: statewide ROI satisfies federal and private funders, and local ROI satisfies the needs for local control.

Unlike Wisconsin, Texas does not require its LEAs to enroll in the statewide SIS. To encourage LEA participation in a non-mandatory statewide SIS, the state provides a total cost of ownership spreadsheet that LEAs can use to compare the costs of their current system to one of the two contracts available through the state. Some of these considerations in the cost are considered in figure 2.

Before starting the statewide SIS project, Texas measured and documented the ROI for the state using a complex formula that it also applies to all proposed projects (a statutory project delivery framework). The framework is a social and economic examination of the project's ROI that is used to determine whether or not to implement a proposal.

Current SIS Annual Costs	Potential SIS "Cloud-based" Costs
SIS application base	Annual subscription
Vendor adaptation	Annual hosting
Hardware/software	One-time installation
Facilities & internet	Internet service
Training/sustainability	Training/sustainability
Support	
Staffing	

Figure 2. Considerations Included in Texas's Cost of Ownership Spreadsheet

Idaho: Quality Data in Local SISs

Unlike Texas and Wisconsin, Idaho does not have a statewide SIS; the state has the ability to direct which data are collected but does not direct how they are collected. Therefore, the state focused on communicating the ROI of LEAs providing quality data to the SLDS, thus gaining local buy-in for the SLDS and, in turn, strengthening the quality of the data it receives.

To provide a concrete value back to LEAs and help local stakeholders understand the direct benefit of quality data, the state created an Instructional Improvement System (IIS), which supplies data directly back to the classrooms. Local users of the SLDS understood the ability of the data to support decisionmaking at the student level. They also came to understand that the quality of the data returning from the system is only as good as the quality of the data going into the system.

To further support improvements in data quality, Idaho acted on its ability to direct which type of data are collected: the state defined data elements and provided a list of acceptable responses and extensive training and support to LEAs. Additionally, the state campaigned that data quality was part of every LEA staff member's job description.

Additional Resources

State Support Team (2013). SLDS Sustainability Planning Guide.
http://nces.ed.gov/Programs/SLDS/pdf/sustainability_guide.pdf

State Support Team (2013). SLDS Sustainability Toolkit.
http://nces.ed.gov/programs/slds/publications.asp

State Support Team (2013). Stakeholder Engagement Toolkit: Traversing "Stakeholder Land."
http://nces.ed.gov/programs/slds/publications.asp

SLDS Best Practice Conference Presentation (2012). Documenting and Quantifying ROI.
http://nces.ed.gov/programs/slds/p20w_2012.asp

National Center for Education Statistics (NCES) (2012). Traveling Through Time: The Forum Guide to Longitudinal Data Systems Book II: Planning and Developing an LDS.
http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2011804