Improving the Financial Sustainability of NCTR Partner Programs

In partnership with Public Impact
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<th>Webinar</th>
<th>Tool/Guidance</th>
<th>Consulting</th>
<th>Benchmarking</th>
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| • Clearly define financial sustainability  
• Identify high-leverage options to improve financial sustainability  
• Identify hard truths | • Excel tool to help you build a 5-year budget  
• Guidance document to help you think through key decisions around staffing, costs and funding | • Phone consultations with NCTR team members and finance experts to help you troubleshoot financial planning decisions and address questions around program costs and funding | • Collect, analyze and share benchmarking data collected through this process |

**NCTR Technical Assistance**
WHAT DOES IT MEAN TO BE “FINANCIALLY SUSTAINABLE?”

**FINANCIAL CAPACITY**

Having the resources needed to seize opportunities (e.g. achieving scale) while maintaining current operations.

**RESISTANCE TO FINANCIAL SHOCKS**

Resiliency to occasional, short-term economic shocks.

**FINANCIAL SUSTAINABILITY**

The ability to maintain or expand services over time in response to opportunities and threats.
1. Are revenues greater than expenses?
2. Are variable revenues greater than variable expenses?
3. Are recurring revenues greater than recurring expenses?
4. Are revenues diverse?
BASIC LEVERS FOR BOLSTERING FINANCIAL SUSTAINABILITY

- Minimize Costs
  - Residents
  - Mentors
  - IHE Tuition
  - Operations

- Maximize Diverse, Recurring Revenue
  - Increase existing sources
  - Access new sources
  - Leverage funds differently
Three Key Questions:

1. Is the program financially sustainable?
2. Is the program adequately resourced to support desired outcomes?
3. Is the value-proposition to residents sufficient to attract high-quality, diverse candidates to serve high-needs schools?
Capture cost-savings to different departments

Share responsibility for stipends

Access all eligible funding sources
What does this mean?

- District compensates residency programs for providing services that lower costs (e.g. recruitment, training) or otherwise save district money (e.g. lowering teacher turnover, need for student remediation)

How would it work?

- District pays fee to residency programs in exchange for proven cost-savings
- Pay for success or other mechanism may defer payment until cost-savings actualized
SHARE RESPONSIBILITY FOR STIPENDS

What does this mean?
- District or schools contribute some or all of resident and/or mentor stipends

How would it work?
- District or schools tap existing funding streams (e.g. Title II) or utilize funds “freed up” through new program or initiative

Why is it important?
- Stipends comprise about half of program costs; lowering stipend payments has huge impact on financial health
- Stipend payments are variable, growing as residents served grows

Revenues > Expenses
Variable Revenue > Variable Expense
Recurring Revenue > Nonrecurring Revenue
Diverse Revenue

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NCTR programs currently receive funding from the following federal grants:

- Supporting Effective Educator Development
- Robert Noyce Teacher Scholarship Program
- AmeriCorps State and National Grants
- Education Innovation and Research Grants
- Teacher Quality Partnership Grants
- Teacher and School Leader Incentive Fund
- Teacher Education Assistance for College and Higher Education (TEACH) Grant
- Teacher Loan Cancellation for Perkins Loans
- Public Service Loan Forgiveness Program
- Teacher Loan Forgiveness for Stafford Loans

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COST CONSIDERATIONS

Stipend levels

Other program costs

Degree / course costs
STIPEND LEVELS

How much do NCTR programs currently offer residents and mentors?

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<thead>
<tr>
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<th>Min Stipend</th>
<th>Max Stipend</th>
<th>Avg. Stipend</th>
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<tbody>
<tr>
<td>Resident</td>
<td>$2,500</td>
<td>$38,611</td>
<td>$20,673</td>
</tr>
<tr>
<td>Mentor</td>
<td>$1,000</td>
<td>$5,000</td>
<td>$2,964</td>
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How much of the budget do stipends make up?
- Resident stipends account for about 40-45% of program costs.
- Mentor stipends account for less than 10%.

How does the stipend level impact ability to recruit and compete?
- Compare your stipend level to similar and competing programs and starting teacher salary
- Connect with existing NCTR programs operating in a similar market

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DEGREE / COURSE COSTS

How much is tuition, exclusive of any tuition support residents may receive?

<table>
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<tr>
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<th>Minimum Tuition</th>
<th>Maximum Tuition</th>
<th>Average Tuition</th>
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<tbody>
<tr>
<td></td>
<td>$0</td>
<td>$30,800</td>
<td>$15,176</td>
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Who are the potential IHE options?
- Make decision based on price, curriculum, reputation, and ability to work together

Are less expensive delivery models possible?
- Programs should have an eye to cost-savings when selecting the lead partner and developing the staffing model
- Must residency provide path to degree, or could certification suffice

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