NATIONAL CENTER FOR TEACHER RESIDENCIES

Design For Impact

DESIGNING A RESIDENCY PROGRAM FOR LONG-TERM FINANCIAL SUSTAINABILITY

PUBLIC IMPACT

About the National Center for Teacher Residencies

We believe that all children deserve effective, well-trained teachers. That's why, in 2007, we started the National Center for Teacher Residencies to transform how educators are prepared for America's classrooms. Through partnerships with public schools, higher education, nonprofits and states, we have helped launch more than 30 teacher residency programs that are preparing diverse, talented and effective educators for schools that need them most. Our teacher residency programs are located in 17 states, and develop teachers for 50 school districts and charter school networks. More than 90 percent of our resident teachers work in Title I schools.

About Public Impact

Public Impact's mission is to improve education dramatically for all students, especially low-income students, students of color, and other students whose needs historically have not been well met. We are a team of professionals from many backgrounds, including former teachers. We are researchers, thought leaders, tool-builders, and on-the-ground consultants who work with leading education reformers. For more on Public Impact, please visit www.publicimpact.com

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NCTR

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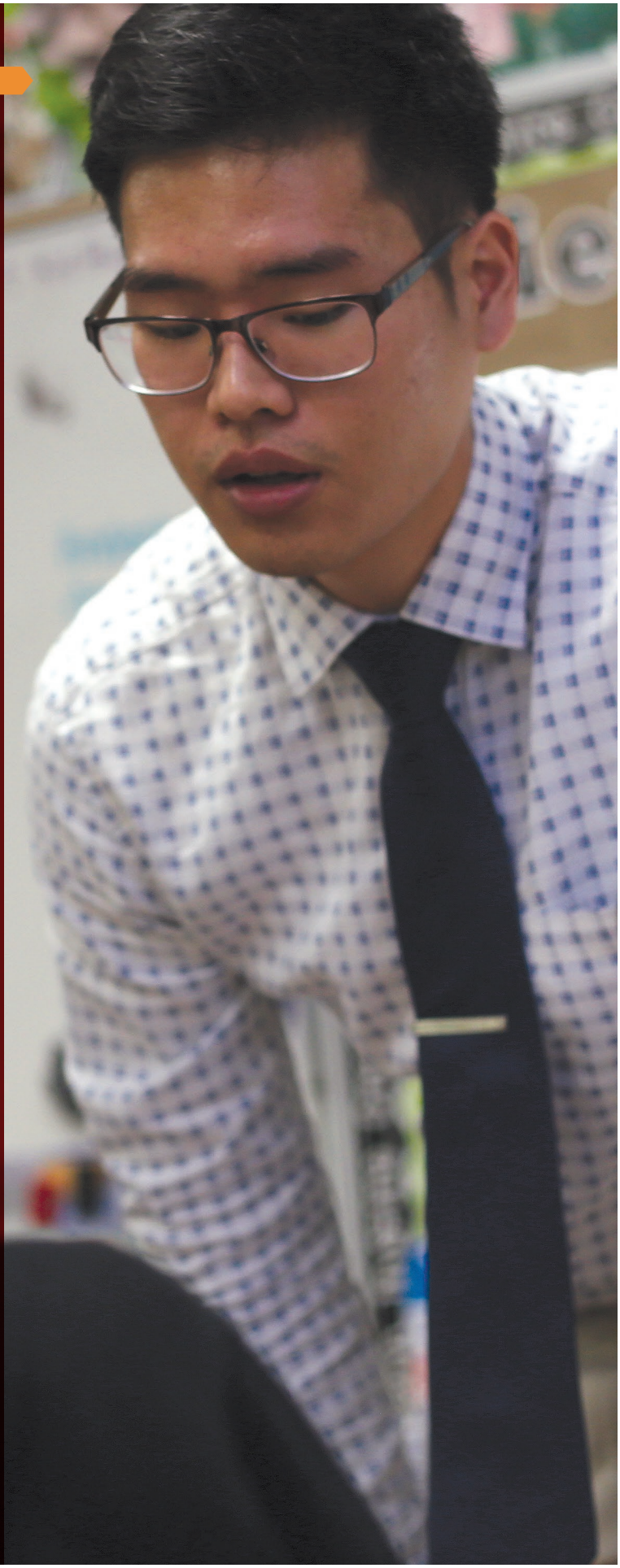

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Guidance for Residency Programs

Design for Impact

The National Center for Teacher Residencies' (NCTR) mission is driven by program quality and the impact residency graduates have on their students. Residencies are most successful when they are both high-quality and financially sustainable. With this fact in mind, NCTR partnered with Public Impact, an education research and consulting firm with more than 20 years of experience working to improve education dramatically for students. Together, we launched *Design for Impact* to help identify the challenges partner programs face as they seek to achieve financial sustainability and to strategize ways around barriers. The result is a suite of resources aimed at supporting existing programs as they improve their financial sustainability, and ensuring that new programs start off on the right foot.

Design for Impact's Technical Assistance for NCTR Partners Includes:

- A webinar and accompanying PowerPoint deck that defines financial sustainability and identifies high-potential strategies to improve a residency program's long-term financial health.
- A financial modeling tool that:
  1. guides programs as they collect and categorize current financial data,
  2. models how multiple strategies could impact a program's financial sustainability, and
  3. guides programs as they develop a detailed five-year forecast.
- This Guidance Report which provides additional information and action items for residency programs interested in moving forward with the sustainability options highlighted in the technical assistance.

The guidance report defines financial sustainability and outlines how NCTR measures it; describes the high-potential strategies identified in the webinar in more detail; and, provides steps for implementing those strategies. Additionally, this report describes other innovative funding mechanisms and includes a comprehensive appendix with tools and templates to support implementation.

WEBINAR & POWERPOINT DECK | **FINANCIAL MODELING TOOL** | **GUIDANCE REPORT**

Design For Impact: Section 1

Defining Financial Sustainability

NCTR defines financial sustainability in terms of two buckets, Financial Capacity — having the resources needed to seize opportunities while maintaining current operations; and, Resistance to Financial Shocks — resiliency to occasional, short-term funding challenges. If a program can do both those things, then it will be financially sustainable and can maintain or expand services over time.

FINANCIAL CAPACITY

Having the resources needed to seize opportunities 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

When programs want to evaluate their financial sustainability, they should focus on four questions:

Financial Capacity	Resistance to Financial Shocks
1. **Are revenues greater than expenses?** Put another way, can you pay your bills month after month and year after year?	3. **Are recurring revenues greater than recurring expenses?** Ideally, programs can rely on receiving the same revenue stream year after year with relative confidence. Though no funding source is guaranteed, some — like funding from regular per-pupil funds — are more reliable than others. Temporary grant funding can be particularly helpful during transitional times with temporary expenses (e.g. startup, expansion), but relying on it to cover regular, recurring expenses sets programs up for a funding cliff when those grants end.
2. **Are variable revenues greater than variable expenses?** Even if revenues exceed expenses, a residency program will only be able to expand if variable revenues match or exceed variable expenses each year, meaning that revenues grow as the number of residents grows. If variable revenues do not meet or exceed variable revenues, the program will be stuck at its current size or must identify additional fundraising to support growth.	4. **Are revenues diverse?** Programs that rely mostly or entirely on a single revenue source are susceptible to financial shocks. Just like in the stock market, more diversity in revenue sources is better than less to hedge against unexpected problems.

At the end of the day, the path to financial sustainability is not particularly complicated since there are really only two ways to get there. You can minimize your expenses and/or you can maximize your revenues — and more specifically, your diverse, recurring revenue. Of course, financial sustainability cannot come at the expense of program quality. But financial sustainability also cannot be an afterthought because the best program in the world will only have a limited impact if it is not also affordable or scalable. (**See Table 1**).

Using this Guidance

The remaining sections of this report describe the high-potential strategies identified in NCTR's technical assistance and offer guidance for implementing those strategies. The action items apply to existing and new residencies, and considerations for differences in how the strategies may be applied are noted in pull-out boxes throughout. Similarly, many different types of organizations operate residency programs, including non-profits, districts, and institutes of higher education (IHE). Hence, some options will be more relevant to some partners than others. It is not necessary to read this document from start to finish. Each of the financial sustainability strategies can stand alone, so that users can skip to the strategies (and appendices) as interested.

Work in Progress

Readers may notice that two options presented through NCTR's financial sustainability technical assistance (in the tool and webinar) are not included in this guidance: **1)** accessing all eligible funding sources; and **2)** reducing other program costs.

We encourage all residency programs to constantly keep these actions in mind as they develop and refine their budgets. As programs use the financial modeling tool, and NCTR collects data on revenues and expenses across the network, NCTR will collect benchmarking data to share with programs. In addition, we have compiled a list of federal grants some programs currently receive (**Appendix A**) and will build on that list over time.

TABLE 1

Design for Impact—Revenue and Cost Levers

Revenue Considerations	Cost Considerations
Capture cost savings to the district	Stipend levels
Share responsibility for stipends	Degree/course costs
Access all eligible funding sources	Other costs

Design For Impact: Section 2

Capturing Cost-Savings

Residency programs recruit and train teachers to work in some of the nation's hardest-to-staff schools and subject areas. With each vacancy a residency graduate fills, the less districts must invest to do the same.

The Landscape

Teachers who participate in residency programs stay in districts longer. Across NCTR's partner programs, in 2017, 86 percent of residency graduates continued teaching in high-need schools after three years, and 69% continued in the classroom after five years. In contrast, a 2013 longitudinal study found that just 58 percent of new teachers remained in teaching after five years across all types of schools, not just hard-to-staff schools where attrition tends to be even higher.[1] Residency graduates also tend to produce better student outcomes compared to other new teachers. In Memphis, for example, graduates of the Memphis Teacher Residency scored one effectiveness level higher on Tennessee Value-Added Assessment System (TVAAS) measures, with an average level of "Above Average Effectiveness" as compared to other novice Shelby County Schools teachers with five years of experience or less.[2] In sum, early evidence shows that residency programs produce successful teachers that fill key positions and save districts money in the process. There are significant benefits to children as well, in terms of improved teaching quality and reduced churn in teacher staffing.

The Problem

Most residency programs to date have received little to no district funding, even as they generate cost-savings for districts. When residency programs fail to capture some portion of the cost-savings they produce, two main issues arise:

1. **FINANCIAL INSECURITY.** Many, if not most, districts across the country face tight budgets and are looking for any opportunity to cut costs. And residency programs have their own financial obstacles; they often depend on philanthropic and/or grant funding that are time limited. When a district chooses to retain all the cost-savings a residency program produces, the residency program loses out on a key funding source that makes its revenue stream less diverse and more susceptible to shocks.

2. **BARRIER TO GROWTH.** The cost-savings residency programs produce for school and district partners represent an ideal revenue source because it is both recurring (happens every year) and variable (increases as the number of residents increases). When programs can operate off of recurring, variable funding, they can use philanthropic and other short-term funding for temporary expenses, like creating the infrastructure necessary to grow. But without such funding, growth becomes much more difficult.

What about district-led residencies? Although the school district ultimately funds district-led residency programs, the concept of capturing cost-savings can still be applicable. District-led residency programs generally have their own budgets and must work with district leadership to secure funding each year. There may, therefore, be an opportunity to capture some of the savings to other departments that the residency program accrues, such as from talent, human resources, or professional development, to sustainably fund the residency over the long-term.

1 **Ingersoll, R., & Merrill, E. (2013).** *Seven trends: The transformation of the teaching force.* CPRE report. Philadelphia: Consortium for Policy Research in Education, University of Pennsylvania.

2 **National Center for Teacher Residencies (2016).** *2015 Network Impact Overview.* Chicago, IL: Author. Retrieved from https://nctresidencies.org/wp-content/uploads/2016/04/NCTR-2015-Network-Impact-Overview.pdf

A Better Alternative

In a more sustainable model, districts would compensate residency programs for providing services that lower district costs—such as recruiting, training, onboarding, and retaining teachers in the district's hardest-to-staff schools—and adding value by accelerating student achievement. Given tight budgets, it is important that residencies and districts collaborate to define how cost savings may be shared. In some districts, the district pays the residency program a fixed fee for every residency graduate it hires. In Kansas City, for example, the district pays the Kansas City Teacher Residency $12,500 per resident hired as a fee for service (**See Figure 1**).

Another strategy is to establish a performance contract that ties district payments to program outcomes, an approach known as "Paying for Success." In this scenario, the district would defer payments to the residency program until they realize the cost-savings residency programs promise, based on metrics both parties agree to at the start of the contract (**See box, "Paying for Success"**). This method is a bit riskier for residency programs because they only get paid if they produce promised results. But it is also less susceptible to district funding cuts since it is directly tied to the cost-savings a residency program produces. It may also be a more attractive option to districts because they do not need to identify start-up funding and outcomes are guaranteed or there is no charge. In a world where districts invest millions of dollars in professional development each year, and seldom yield a measurable impact, tying payments to outcomes should be a particularly attractive option and offer a pathway for high-quality programs, like residencies, to replace low-quality programs over time.[3]

FIGURE 1

"Fee for Service": Kansas City Teacher Residency

KCTR enters contract with school district.

KCTR oversees recruitment, training, and induction.

District pays a "fee for service" for each resident.

Paying for Success

"Pay for Success" programs include three main components:

Agreed Outcomes for Success →	Financing →	Evaluation and Payment →
• Lead partner and district set measurable outcome goals	• Program partners with investors to underwrite payment	• Independent researchers evaluate program against goals
• Lead partner only gets paid if it meets goals	• Philanthropy or grant may serve as temporary funding source	• If goals met, lead partner is paid

Consider how Utah's High Quality Preschool Program is being funded. Salt Lake County partnered with the United Way of Salt Lake, which raised $7 million in private investments. The United Way then contracted with six service providers—school districts, community organizations, a private school, and a charter school—to provide excellent early childhood education to children from low-income families. Payments to those service providers, however, are conditional on meeting benchmarks for reducing the need for special education services for the students they serve, which Utah State University is evaluating. Even if the service providers meet those benchmarks, however, the county will not be responsible for paying back the investors until the third year of the seven-year bond, when some amount of cost-savings should have accrued. And depending on the program's success, investors can earn up to 7.26% interest on their investment.[4]

3 Districts make a significant investment in teacher professional development each year. But despite that investment, districts have little evidence that most of these efforts make their teachers any better. In a 2015 study of three school districts, TNTP found that large school districts spent on average $18,000 per teacher per year on professional development. **See TNTP. (2015).** *The Mirage.* Retrieved from https://tntp.org/assets/documents/TNTP-Mirage_2015.pdf

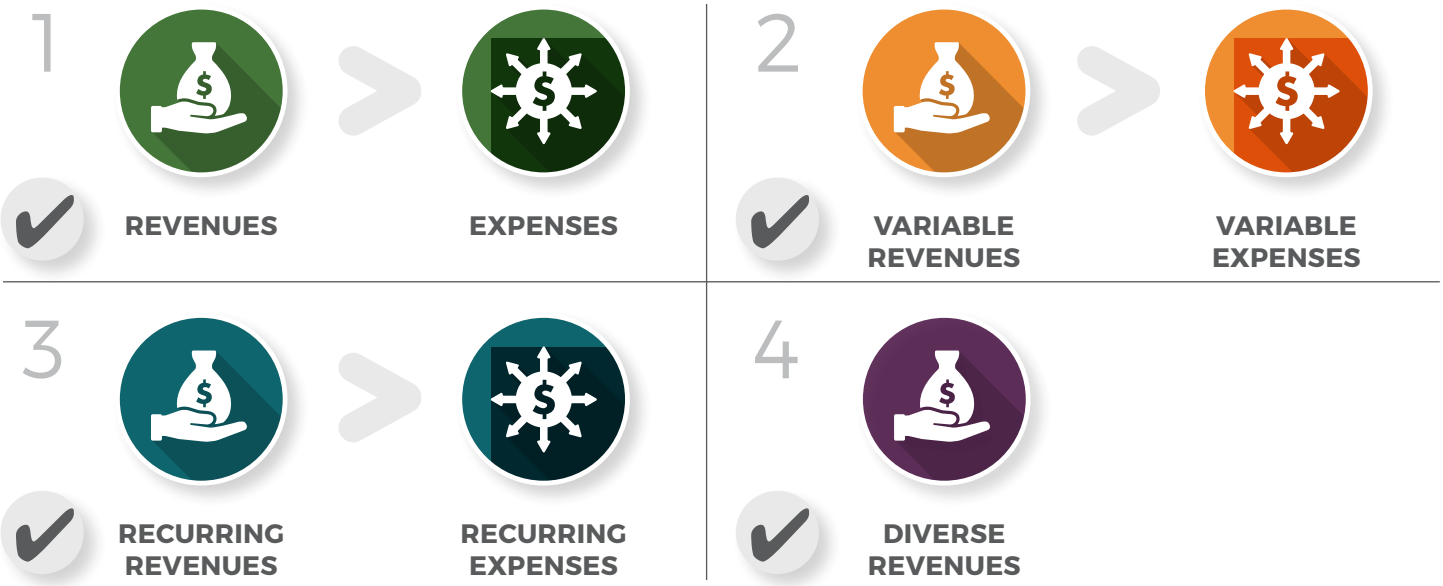
4 **Utah High Quality Preschool Program (2017).** *Nonprofit Finance Fund.* Retrieved from: http://www.payforsuccess.org/project/utah-high-quality-preschool-program

Potential Impact Capturing Cost-Savings

Capturing a portion of cost-savings to the district is one of the most impactful changes a residency program could make with respect to financial sustainability. As **Figure 2** shows, capturing cost-savings meets each of the metrics NCTR has identified to assess financial sustainability. By increasing revenues, revenues are more likely to exceed expenses. Most likely, these revenues would also be variable, because cost savings are based on the impact of each resident. Similarly, these revenues would be recurring as the district hires residents each year (and residency graduates continue to impact students and lower turnover costs). And for most residency programs, revenues from the district would represent a new funding source (or increase a fairly modest one).

FIGURE 2

Assessing Financial Sustainability—Capturing Cost Savings to Districts



Making it Happen

With increasing amounts of data showing the positive impact of the residency model, programs are growing more confident that they will produce high-quality teachers and save the district money. Knowing the worth of the investment, how can you convince your district? Below are six steps programs can take to make it happen.

STEP 1.

Know the District's Costs

Calculate the district's costs related to the following:

- **HIRING AND TRAINING NEW TEACHERS.** Inventory the district's recruitment, preparation, placement and induction costs.
- **TEACHER TURNOVER.** Determine the annual teacher turnover rate and how long new teachers generally stay in the district. If possible, also identify these rates by school and by subject area, including high need areas such as special education, science, and math teachers. Calculate a cost for each teacher that leaves based on the cost of hiring and training new teachers.
- **REMEDIAL SERVICES.** Residency programs save the district money by increasing teaching quality, and in the process, decreasing the need for student remedial services. Determine how much the district spends on remedial services each year and the extent to which students typically access these services. Collect any data that quantifies teacher effectiveness (e.g. student achievement, performance observations), especially for new teachers.

- **REDUCING THE COST OF NEW TEACHER TRAINING AND ONBOARDING FOR RESIDENCY GRADUATES.** Some residency programs provide new teacher professional development and on-boarding in place of the district's onboarding or induction, producing an immediate cost-savings to the district. Zero in on the costs for induction, and clarify the level of services the residency program provides to its graduates who are new teachers of record in place of, or in addition to, the district provided services.
- **PROFESSIONAL DEVELOPMENT.** Identify how much your district spends on professional development and whether there is any evidence that its efforts have improved teacher quality.[5] In lieu of data from your district, consider the national comparison data provided in *The Mirage.* TNTP found that large school districts spend on average $18,000 per teacher per year on professional development.

Some information will be easier to come by than others. Start by reviewing the district website to see what you can find there. Next, search for any independent studies that may have featured your district, such as The Cost of Teacher Turnover in Five School Districts, or a 2016 analysis of Dallas-Fort Worth Schools. Reach out to program contacts in the district, as well as local education non-profits and funders who work in this arena. Consider what information other education services and/or advocacy groups that work in a similar space may collect. If the program still struggles to get the statistics described above for partner districts, look for state-level data on the same topics. Also, you can utilize the Learning Policy Institute's calculator to determine the cost of teacher turnover. **Appendix B** includes additional guidance around these calculations.

STEP 2.
Demonstrate Your Value

Once you understand the district's costs, turn to determining the value of your own program. As much as possible, demonstrate your worth with clear data points rooted in thorough research and program evaluation. For programs in the early stages of launch, NCTR Network-wide averages can act as a substitute for program specific data until graduates are in the field. Consider the following:

Key Takeaways

1. Residency programs must be able to prove their effectiveness, including how their services translate to savings for districts. Therefore, it is absolutely critical to invest in program evaluation from the very beginning.
2. Contracts and MOUs with district partners should include an agreement to revisit the arrangement after a couple of years, to review impact data and adjust the district's investment accordingly.
3. For new residency programs, these negotiations should happen with partners as soon as possible, because it is always more difficult to request investment from a district after the fact, rather than to set up the expectation of investment from the beginning.

- **TEACHER RETENTION.** Gather data showing how long residency graduates remain in the district. When residency graduates are working in a hard-to-staff school or a hard-to-staff subject, go one step further and disaggregate the data by those categories. Retaining effective teachers is a powerful demonstration of impact, especially as those new educators take on positions the district struggles most to fill. Remember to include the benefits of retaining effective, experienced teachers who act as mentors in the residency. NCTR data from these teacher leaders indicate that they attribute growth in their own teaching abilities to the residency.
- **TEACHER QUALITY.** Programs must demonstrate that the residency produces high-performing teachers the district may not otherwise attract or hire. Program evaluation must include multiple measures of teacher performance, such as student achievement, teacher observation, stakeholder perceptions, and other measures of impact.
- **OTHER BENEFITS.** Consider other benefits your program provides for which you may not be able to attach a monetary value, such as increasing the diversity of the district's teaching staff, and collect data that will allow you to demonstrate that your program provides a consistent, reliable pipeline of effective educators that the district otherwise would not be able to acquire on its own.

5 **TNTP. (2015).** *The Mirage.* Retrieved from https://tntp.org/assets/documents/TNTP-Mirage_2015.pdf

NCTR's *2015 Network Impact Overview*, which includes the most compelling statistics on NCTR's impact Network-wide, may also help programs build their case, especially new residency programs without data of their own yet. NCTR's *2017-18 Network Partner Report* provides a snapshot of other key statistics.

STEP 3.

Show Them the Money

Using the evidence gathered in Steps 1 and 2, quantify the cost savings your program provides or (in the case of new programs) will provide. Estimate how much the district, or department within the district, currently saves from the residency program and what it stands to save in the future based on the expected number of residents prepared annually, or over a five-year period, for example. Share the estimates as total savings per year, over time, and per resident. Your case will be most convincing if you can say, "Our program currently saves you $X per year, and $Y over five years." Even if they are estimates, give concrete figures whenever possible.

STEP 4.

Identify Opportunities to Get a Foot in the Door

With increasing regularity, districts are considering their ability to use teacher preparation as a key improvement strategy. Look for opportunities to advocate for an investment in teacher residencies, demonstrate the residency's impact, and move to request that the district pass along at least part of the cost-savings your program provides. Consider the following opportunities:

- **THE DISTRICT WANTS MORE RESIDENTS.** If the district wants to increase the number of residents you prepare — or a particular type of resident (e.g. special education teachers) — this provides an opportunity to re-negotiate with the district. Describe the programs' financial constraints and show that the residency can meet the district's emerging needs with additional funding from the district.
- **NEW RESEARCH EMERGES.** Districts will be most likely to consider other funding structures when they clearly understand the impact and resulting cost-savings your program produces. Conduct a rigorous program evaluation and be on the lookout for external research on the benefits of residency programs. NCTR data milestones occur throughout the year with the *Annual Program Report* (winter), and mid- and end-year perception surveys and *Network Trends Report* (winter and summer respectively). When new research comes out, share it widely with stakeholders and advocates, and look for opportunities to discuss with the district how to adjust your cost-structure.

STEP 5.

Talk to the Right People

Capturing some of the cost-savings the district receives from your residency program will require significant work and input from key district and school personnel. For your pitch to land, ensure that the right people hear it. Start with your primary contacts in the district. Once they are on board, work to identify which district leaders (e.g. superintendent, chief financial officer, head of human resources) and/or program leaders (e.g. director of an autonomous zone) would need to sign off and how best to pitch the plan to address their particular needs. Consider your allies and advocates, and identify who might be most supportive in helping to deliver your message.

STEP 6.

Present a Path Forward

When presented with a strong value proposition and compelling evidence of program impact, ideally, the school district would negotiate an increased investment in the residency. In a more likely scenario, however, the district may acknowledge your contribution but maintain that they do not have extra cash on hand. In that case, consider one of the following options:

- **OFFER TO SPLIT THE COST-SAVINGS.** Receiving some of the cost-savings is better than receiving none at all. Offering to split the cost-savings may offer a win-win for you and the district, especially if the district wants you to provide more residents. If you take this route, however, be sure to plan to revisit the investment after a given time to leave the door open to increasing the residency programs' share of the cost-savings.
- **WORK WITH THE DISTRICT TO IDENTIFY FINANCING.** The district may also pursue a pay for success contract or identify a philanthropic investor to bridge costs in the short-term. Either option could provide the district an opportunity to gather more evidence on your program while postponing payments until the cost savings — such as from lower teacher turnover and less student remediation — are actualized. Suggest these financing options, then work with the district to identify investors to move forward.

Design For Impact: Section 3

Sharing Responsibility for Stipends

In a residency partnership there is shared ownership of teacher training between all partners, as well as shared cost savings from the graduates the program produces. Shared responsibility for expenses must also exist and NCTR has identified that there are often supportive policy conditions and available funding for the partnering district to pay some portion of resident and mentor stipends.

The Landscape

In the NCTR Network today, short-term grant funding generally covers most resident stipends, and this expense is one of the largest cost centers for programs. Although there is no magic ratio, residency programs should aim to cover as much of their program costs using recurring (available every year) and variable (increasing as the number of residents increases) funding as possible. With resident stipends generally comprising the largest line item in program budgets, sharing or shifting responsibility for who pays those stipends has a tremendous impact on a program's financial sustainability.

The Problem

When grant funding is used to cover all or most of resident and mentor stipends, regardless of the stipend amount, two major issues arise:

1. **FINANCIAL INSECURITY.** Time limited grants eventually come to an end. In the best of circumstances, residency programs know they will face a funding cliff when a grant runs out. In the worst of circumstances, a grant may end suddenly, leaving programs scrambling to find replacement dollars. To make matters worse, because many residency programs rely on just a few funding sources, they are particularly vulnerable to funding cuts or an economic downturn.
2. **BARRIER TO GROWTH.** Successful programs should be able to flourish, grow, and produce even more great teachers. Unfortunately, a program's funding situation can make it very difficult, if not impossible, to scale. The philanthropic and grant funds many current programs rely on to operate are fixed, meaning that funding doesn't increase as the number of residents increases. Consequently, most residency programs are stuck with the funding they have, which doesn't allow them to grow and increase their impact without finding new funding sources. Ideally, residency programs would receive some regular per pupil allotment that is not particularly susceptible to cuts, and that increases as the number of residents increases.

A Better Alternative

In a more sustainable model, districts or schools would contribute part or all of the funding for resident stipends. Rather than "finding" new dollars, a more likely source is current dollars and reallocating regular, per-pupil funds.

The Nashville Teacher Residency works with multiple charter school partners, all of whom pay a minimum resident stipend of $25,000. The partners recognize that residents provide critical support like Response To Intervention instruction and deliver special education and English language learner services that make them worth the investment — especially when those residents are hired at the school after they finish their training. Similarly, Metro Nashville Teacher Residency worked with their district partner, Metro Nashville Public Schools, to have schools participating in a new initiative pay resident stipends out of their operating budgets (**See box, Nashville Aspiring Teacher Program**). Another option is for the district to re-allocate funding from elsewhere in the budget to cover resident and mentor stipends. While likely a harder pitch to districts given the many programs and initiatives seeking funding, it is always worth considering inefficiencies or other regular funding streams that could support your work.

Nashville's Aspiring Teacher Program

In 2013, Metro Nashville Public Schools (MNPS) tapped three of its lowest-performing schools for an innovative new initiative — Opportunity Culture — where schools completely redesigned how they use staff, time, and resources to extend the reach of excellent teachers to more students. These schools moved away from the traditional one-teacher-one-classroom model in favor of a "multi-classroom" model where the schools' best teachers became multi-classroom leaders (MCLs) who both teach and lead a team of teachers.

As part of the model, MCLs also became accountable for student performance across the teaching team. And in return for more responsibility and greater reach, MCLs today earn up to $13,000[6] more per year. At the same time, these schools created a new "Aspiring Teacher" position comprised of teacher residents who serve a critical function on the team and are employees of, and paid a salary by, the district.

So where did the money for all this come from? Participating schools "traded in" vacancies or instructional positions and re-allocated those funds for MCL supplements and Aspiring Teacher salaries. For example, if a grade-level team of four teachers had one vacancy, a school forwent hiring another certified teacher. Instead, it used the funding from that vacancy to pay the MCL more and to hire — and pay — a new Aspiring Teacher.

Even with one fewer certified teacher, teaching teams could support the same number of students without increasing class sizes by using their time differently. In Opportunity Culture schools, students rotate throughout the day, receiving direct instruction from team teachers and the MCL, allowing an Aspiring Teacher to provide small group instruction with guidance from the MCL, facilitate independent student work (including monitoring online learning), and supervise students during non-instructional times like meals, transitions, and recess.

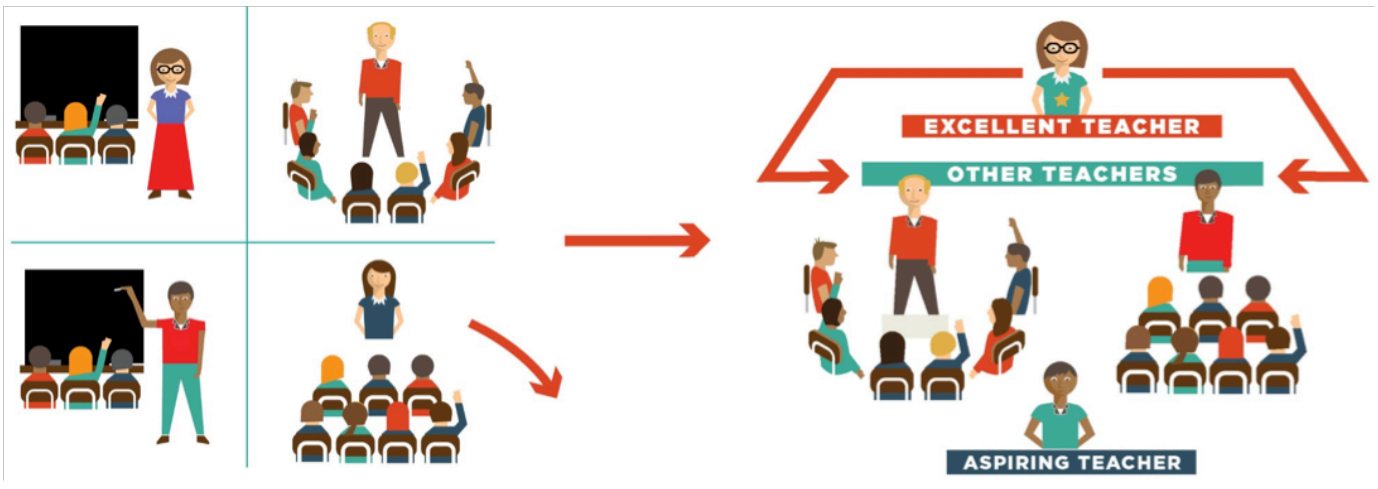
The district leader overseeing the Opportunity Culture initiative sensed a chance to meet his schools' needs and improve teacher preparation. Together with a university partner, the district developed a structure that allowed schools to employ residents as highly skilled teaching assistants, while also ensuring that residents received the support and training they needed to eventually lead their own classroom or work within a team of teachers. These Aspiring Teachers sometimes also went on to work in their placement schools once their training was complete.

For more on creating paid educator residencies through regular school funding as part of Opportunity Culture, **see Figure A,**

FIGURE A

Paid Educator Residencies, Within Budget

Before Opportunity Culture				After Opportunity Culture			
Teacher	Teacher	Teacher	Teacher	MCL	Team Teacher	Team Teacher	Aspiring Teacher
$50,000	$50,000	$50,000	$50,000	+40% pay $70,000	+10% pay $55,000	+10% pay $55,000	$20,000



6 **Public Impact.** *Opportunity Culture Dashboard: Teacher Pay Supplement.* www.opportunityculture.org.

Potential Impact Sharing Responsibility for Stipends

Sharing responsibility for stipends can have a significant impact on a program's financial sustainability. This strategy checks all of the metrics for sustainability. By increasing revenues, revenues are more likely to exceed expenses. These revenues would be variable, because they would be directly tied to stipends (and hence, residents and mentors). Similarly, these revenues would likely be recurring year after year. And for most residency programs that rely predominantly on a single grant or philanthropic donor, revenues from another source like a district or school would increase funding diversity.

FIGURE 3

Assessing Financial Sustainability—Sharing Responsibility for Stipends

Making it Happen

So how can you convince a district or school to re-allocate funds for resident and mentor stipends? For new residencies, negotiating this expense at the onset is important. However, established programs can also find opportunities to move their district partners in this direction. Below are seven steps programs can take to make it happen.

STEP 1.

Know the District's Constraints

Navigating a school district bureaucracy can be challenging, especially when there are many rules governing how schools can spend their funding and who can fulfill various roles within a classroom. Consequently, it is important to identify any constraints districts face with respect to funding, staffing, and scheduling to determine how the district or school could re-allocate funds to pay for some or all of resident and mentor stipends.

Funding

Re-allocating funds requires that schools and districts have some degree of autonomy over their budgets. If your district uses student-based budgeting, you're ahead of the curve. Student-based budgeting gives principals considerable budgetary flexibility. Similarly, charter schools and semi-autonomous district schools (often operating under a waiver that frees them from key district and state regulations), tend to have substantial freedom to spend dollars as they deem most appropriate to support student learning. However, other schools may have almost no budgetary authority. It is not uncommon for districts to allocate a set number of teachers and other support staff to

schools based on student enrollment, rather than actual dollars. Ultimately, the more autonomy and control a school has over its budget, the easier it is for principals to shift resources, including towards resident stipends.

Staffing and Scheduling

In addition to funding flexibility, re-allocating funds often requires that schools have flexibility around staffing and scheduling. In Nashville, for example, Opportunity Culture schools have created new roles and re-configured how they use the school day. That sort of redesign is critical because it allows schools to accomplish more with fewer certified teachers, which in turn frees up the funds that allow schools to pay excellent teachers more and pay Aspiring Teachers at all. However, schools often face district and state rules that limit these flexibilities, such as "seat-time" or "line of sight" requirements. Again, charter schools and semi-autonomous schools with special waivers tend to have the most flexibility, though the constraints schools face will differ from district to district. For a full list of questions you should consider regarding district constraints, **see Appendix C.**

Key Takeaways

1. Residency programs must be able to prove their effectiveness, including how their services translate to savings for districts. Hence, it is absolutely critical to invest in program evaluation from the very beginning.
2. For new residency programs, these discussions should happen with partners as soon as possible, because it is always more difficult to request payment from a district for something it has been getting for free than to set up the expectation of payment from the beginning.

STEP 2.

Know the District's Needs

Residency programs will have the most leverage to re-negotiate with partner districts as they demonstrate impact and become an indispensible source of effective teachers—in other words, the more the district needs your services. To that end, it is important to collect data illustrating teacher turnover and retention within the district, anticipated vacancies moving forward (especially in areas where enrollment is growing), and district costs related to hiring, training, support, and turnover. Pay special attention to any data that highlight a looming challenge for the district that your residency program could address. For a full list of questions you should consider regarding district needs, **see Appendix C.** Using this needs assessment, the residency will be positioned to describe how it will alleviate those challenges.

STEP 3.

Know Your Value

Demonstrating impact is key to eliciting new or additional financial support. Schools and districts are more likely to contribute to resident or mentor stipends when they value what you have to offer. A pitch to increase funding for the residency program needs to provide evidence of a positive impact and clear alignment to the district's and students' needs. As much as possible, programs should demonstrate impact with clear data points rooted in research, address teacher effectiveness and retention, and describe how the workforce and school culture is impacted, for example, by diversifying the teacher pool. A deeper discussion of demonstrating program impact is included in the guidance on *Capturing Cost Savings in* **section 2 of this report.**

STEP 4.

Identify Opportunities to Get a Foot in the Door

Negotiating a larger school or district investment in the residency can be challenging, and programs should have several scenarios for how school and district partners can engage—even at smaller than ideal levels or on a slower timeline. If it is possible to lower the stipend amount (**See Reducing Stipend Levels to evaluate the size of your stipends**), that may help. Another option is to look for opportunities to make the transition to district and school ownership of the stipends on a gradual timeline. This would allow time to demonstrate that districts and schools can make stipend contributions work and that the residency can do even better work for the district when it is freed from some financial burdens. Another window of negotiation can open when:

- **THE DISTRICT WANTS MORE RESIDENTS.** If the district wants to increase the number of residents, or a particular type of resident (e.g. special education teachers), there is an opportunity to re-negotiate partnership terms. In addition to highlighting the residency program's value and how the district and/or schools could re-allocate funds given their current constraints, programs should be clear about financial constraints to expansion, and illustrate what growth shared responsibility for resident and mentor stipends would permit.

- **THE DISTRICT HAS INTRODUCED A NEW PROGRAM.** If the district adopts an initiative that includes any of the budgeting, staffing, and scheduling flexibilities described above, there may be an opportunity to piggyback on that work and introduce a new funding model for residents and mentors at participating schools. Show how your program could support the initiative and propose ways to fund the resident and mentor roles at those schools more sustainably. This approach also positions the residency program as a multi-faceted contributor to improved systems and outcomes.

STEP 5.

Talk to the Right People

In the earliest stages of residency program development, partners identify key stakeholders, advisors, and steering committee members. These decision-makers should be kept up to speed on program development in the early days, and on impact over the following years. Keeping these stakeholders informed and engaged can have the additional benefit of building allies to support tough negotiations. Re-allocating funds, either at the district or school levels, will require significant work and input from key district and school personnel. For the negotiation to be successful, programs must ensure that the right people hear it, and must consider who would be the best delivery person. Lead partners in the residency should work to identify the key district leaders (e.g. superintendent, chief financial officer, head of human resources) and/or program leaders who need to be part of the discussion and who have the authority to invest in the program.

STEP 6.

Present a Path Forward

In building the case for a larger school or district investment in resident and mentor stipends, programs should expect the district to ask a key question: "Where exactly would the funding come from?" Your response must present a realistic vision, so equip yourself with the research, data and/or questions you need to engage in a discussion of potential funds. Would something like the Aspiring Teacher program in Nashville work in your district? If so, be prepared to explain how. Or perhaps, for example, there's been a recent news report focused on stagnant student performance in secondary math and science, or a professional development program that hasn't moved the needle. Offer ideas on how the district could support some portion of the resident and mentor stipends and share examples of how those arrangements have worked elsewhere. Residencies must be positioned with data to take advantage of these opportunities.

STEP 7.

Support Implementation

As with a residency program launch, leaders must focus on both creating conditions for success and monitoring implementation. It is important that you stay involved to ensure that the district takes the steps it agrees to take, and that residents and mentors receive the support and training they need. As schools move to pay resident stipends, for example, residency directors should talk with school leaders to check that they understand residency requirements and have a plan to meet those requirements, in alignment with the new staffing models. Follow up with human resources to address any issues that might arise. And check in with district leadership to provide updates and look for opportunities to apply the new funding mechanism to additional residency positions. Remember to monitor and measure the impact of the program as well, capturing data from the earliest stages.

Design For Impact: Section 4

Reducing Stipend Levels

Resident stipends are critical recruitment and retention tools. They offer residency participants something that traditional teacher preparation programs do not — the ability to make a (modest) living while earning a degree. Programs also use mentor stipends to attract highly-effective, experienced teachers and to recognize their contribution to the development of residents.

The Landscape

It can be challenging for residency programs to set the resident and mentor stipend levels so they achieve programmatic goals and maintain financial sustainability. Ideally, stipend levels should be set at an amount that allows the residency program to meet its recruitment targets for the number and diversity of candidates, and for applicant quality. For experienced educators who will act as mentors, the role is quite different from that in traditional teacher preparation program: the resident is in the mentor's classroom full-time for ten months, and the mentor has the dual role of acting as a teacher educator while maintaining responsibility for student progress.

The Problem

Resident and mentor stipends usually make up the biggest line items in a residency program's budget. For many current residency programs, however, stipend levels reflect temporary funding available in the program's early years, but that may phase out over time. Setting high stipends when programs are flush and basing them on cash-on-hand, may mean that the stipend is higher than needed to meet recruitment goals. This results in inflated overall costs. Moving forward, programs may struggle to raise enough funding to cover stipend costs year after year, creating several issues:

1. **HIGHER COST PER RESIDENT.** Higher stipend levels translate into a higher costs per resident, which, in turn, increases the amount of time the residency program must spend fundraising.
2. **LIMITED GROWTH.** When programs allocate more money than is needed to resident and mentor stipends, it limits the program's capacity to invest in evaluating and extending its impact.
3. **LESS NEGOTIATING POWER.** High stipend costs can also diminish a program's negotiating power when working to shift responsibility for the stipend to the school or district (**See "Sharing Responsibility for Stipends"**). The school or district will be less likely to pay stipends if they experience sticker shock from a high price.

A Note for New Residency Programs

The less it costs to prepare each resident, the more likely a program will be able to pay its bills each month. Though there is no magic number, it is preferable for a residency program to be less expensive rather than more expensive. Of course, cost is not the only consideration. Program quality, including the ability to recruit qualified and diverse candidates, is also key.

Obviously, it is not possible to reduce stipend levels if you haven't set them yet. However, the guidance in this section around adjusting resident stipends also applies to setting the initial level. This section also includes some common pitfalls others have faced.

A Better Alternative

If program stipend levels are higher than necessary to meet recruitment goals, the residency can generate savings and improve financial sustainability by reducing the resident and/or mentor stipends, while still maintaining program quality. Any reductions must be strategic and research based, however, reflecting both the market and how candidates value the stipend.

A research-based approach to setting stipends must consider what other options for teacher preparation are available to candidates, and the associated costs with those pathways; what type of candidates are attracted to the residency program at different stipend levels; and, what are the overall opportunity costs for a candidate to participate in the residency (the value proposition versus lost potential income, for example). Ultimately, a program's ability to meet their impact goals with high potential candidates must be balanced by creating a long-term growth plan. (**For example, see box, Louisiana Stipend Program.**)

Louisiana Stipend Program

Consider the steps Louisiana took to identify an appropriate resident stipend as part of the statewide shift to require full year residencies for all teacher candidates. When the state of Louisiana was setting its resident stipend, it determined how much a student can make working part time. Since the residency program requires residents to teach and learn full-time, the state approved a funding plan that provides residents with a $2,000 stipend, roughly equal to that part-time work income. The approved policies also allow the resident to substitute teach a certain number of days each year in their residency placement district to earn additional income.

Potential Impact Reducing Stipend Levels

As indicated in **Figure 4**, reducing stipend levels primarily impacts the sustainability metric of revenues exceeding expenses. As expenses decrease, it is more likely that revenues will exceed expenses. However, since stipends make up such a large portion of program expenses, the impact of reducing stipend levels on total expenses can be substantial.

FIGURE 4

Assessing Financial Sustainability—Reducing Stipend Levels

Making It Happen

Across NCTR's partner programs, the median resident stipend is $19,000, with a range from $5,000 to $25,000. The median mentor stipend is $2,500 and ranges from $250 to $7,500. So, what is the "right" stipend amount? The answer will vary by city based on a range of factors from what competitors offer to the "total value" of the package residents or mentors receive, including stipends as well as health care, housing, or other benefits. Residency programs should consider the follow steps when adjusting stipend levels.

STEP 1.

Assess What Competing Programs Offer

Are there other residency programs or alternative teacher preparation programs in your area with which your program will likely compete for candidates? If so, investigate the cost to participate, if participants are offered a salary or stipend, and the amount of the stipend. Since stipend levels are often part of a larger package of benefits, though, it is also useful to collect data on health insurance, tuition assistance, grants, loan reimbursement or forgiveness, housing allowances, and other benefits residents may be eligible to receive. In addition, many certification programs require that participants obtain a master's degree, which can present a financial burden. If so, try to determine the degree costs for participants in competing programs to evaluate the full financial value of the program to candidates. (**See Appendix D and Appendix E for data collection templates.**)

STEP 2.

Survey Current and Former Residents and Mentors

Another key factor is what role the stipend plays in residents' and mentors' decisions to participate in the residency program. Current and former residents and mentors can provide invaluable insight into the impact of the stipend. Programs should consider issuing a short survey that asks residents and mentors whether the stipend was a deciding factor, how likely they would have been to participate at different stipend amounts, and whether any other benefits swayed — or could have swayed — their decision to participate. **See, for example, Evaluating Stipend Levels for the Aspire Teacher Residency.**

Evaluating Stipend Levels for the Aspire Teacher Residency

The Aspire Teacher Residency at Alder Graduate School of Education wanted to better understand how prospective residents regarded the stipend they offered, so program leaders conducted focus groups with current residents to understand the factors that most influenced their decision to join the residency. They found that money was not the primary factor. Rather, residents valued access to high-quality mentors and the guaranteed job placements the residency offered most of all.

STEP 3.

Try a New Stipend and Monitor the Impact

After gathering data on other teacher preparation programs and soliciting feedback from residents and mentors, programs should consider viable new stipend levels. Consider implementing a new stipend level, and monitoring the impact over one year. Programs should evaluate the impact of the lower stipend on the number of applicants, the diversity of applicants, and the overall quality of the applicant pool. Also, consider surveying individuals who inquired about the program and did not apply, and those who were accepted into the program but declined in order to gauge what role the stipend level may have played. Alternatively, residency programs can test multiple stipend scenarios and their effect on applications. For example, a program could offer two different stipend levels based on a differentiating criteria — one stipend for elementary applicants, and another for middle grades applicants.

STEP 4.

Assess Your Findings and Adjust Accordingly

Once you've implemented new stipend levels and studied how they affected the applicant pool, consider whether to adjust the stipend level further. You may want to increase the stipend level slightly if you noticed a decrease in applications or a decrease in the quality of the applicant pool. If you didn't notice any effect, you might consider whether you can decrease the stipend further.

Programs' experience and findings from adjusting stipend levels is a relatively untapped area of research, so share your learnings with NCTR. In turn, NCTR can build better guidance on setting appropriate stipend levels for both new and established programs.

Design For Impact: Section 5

Negotiating to Lower Tuition Costs

Attracting excellent candidates to a residency program requires a compelling value proposition with multiple components. As discussed in Reducing Stipend Levels, setting a reasonable and sustainable stipend level is important to recruitment. Equally important is the candidates' investment in program tuition paid to a university partner.

The Landscape

Though most residency programs do not necessarily bear the burden of tuition costs directly, tuition is a significant part of the overall cost per resident and the larger value proposition of the residency program to candidates. Tuition costs of university partners, or other course providers, vary greatly, ranging from economical to astronomical. Too often, residency programs choose to work with university partners based on proximity or reputation, with little regard for cost. But cost does matter, and in almost every case, there is more than one institution of higher education (IHE) partner option from which residency programs can choose.

The Problem

High tuition costs can lead to two significant issues for residency programs, including:

1. **DETERRING HIGH-QUALITY CANDIDATES.** Residency programs focus on recruiting high-quality candidates from diverse backgrounds. These candidates need a pathway into teaching that is affordable. High tuition costs can make a program less attractive to applicants, especially those balancing financial constraints. High tuition means that candidates may choose to enter the program but graduate with significant debt. Alternatively, candidates may choose a different preparation program offering a degree for a lower price, or decide against teaching altogether.
2. **INCREASING PROGRAM COSTS.** Some residency programs choose to add to the candidate value proposition and offset the financial burden of tuition by covering all or part of tuition payments on behalf of residents. But every dollar the residency program spends on tuition is another dollar it must raise, undermining the program's financial sustainability.

A Better Alternative

Lower tuition is preferable to higher tuition for both residents and residency programs. While there is no magic number when it comes to tuition, the case can be made that any tuition rate substantially above the national average of $15,000 is worth reconsidering. Programs must also evaluate the starting salary for new teachers, and the pace and time required to pay back significant education costs.

Potential Impact | Negotiating to Lower Tuition Costs

Figure 5 shows that reducing tuition levels primarily impacts NCTR's financial sustainability metric for reducing expenses. As expenses decrease, it is more likely that revenues will exceed expenses. However, as noted earlier, residents primarily bear the cost of tuition, so they also stand to reap the savings. As tuition costs decrease though, the value-proposition of the residency program increases for candidates, increasing the program's likelihood of meeting impact goals and recruitment targets.

FIGURE 5

Assessing Financial Sustainability—Negotiating to Lower Tuition Costs

Making It Happen

If costs at the residency partner IHE are too high, there are two strategies to consider: negotiating with the current IHE partner to lower tuition, or finding a different provider that meets your needs.

STEP 1.

Identify Other Options

The first step to lowering tuition costs is to identify alternatives. Your ability to draw on the data and illustrate the other options available will strengthen your negotiating power. In finding a new partner, it is important to evaluate the full range of options rather than focusing on the IHE that is simply the closest or the most prestigious. Consider the following options when creating a list of providers:

A Note for New Residency Programs

New residency program should have an eye to cost-savings when selecting the lead partner and developing the staffing model, considering price as well as curriculum, reputation and the quality of the partnership. The steps described in this section for negotiating a lower tuition costs also apply to new programs selecting and negotiating with a new IHE partner.

It's also worth noting that all states do not require teachers to earn a master's degree to receive a teacher's license. Your program may be able to offer a pathway to another, less expensive, certification pathway, rather than a master's degree.

- What colleges or universities available in your area offer teacher certification? Which offer graduate level coursework? Consider all private and public options.
- Do non-traditional graduate schools of education outside of a traditional university or college exist in your area?
- What options exist outside of your district? IHEs elsewhere in the state or country may deliver high-quality distance or online programs. Consider programs with satellite sites away from a main campus.
- Does your state require that residents earn a degree to teach (MAT, for example), or is certification independent from a degree program. If the latter, weigh the value proposition of a certification-only program. For example, a degree is not required in Tennessee, so the Nashville Teacher Residency (NTR) provides twice-weekly classes that integrate student teaching experiences and feedback from mentor teachers during the residency year. NTR then "sponsors" residency graduates, per the state's requirement, which allows them to teach.
- Are there grants, scholarships, or other financial supports for candidates that may be exclusive to certain institutions, such as a state-funded loan forgiveness program available for students at public colleges and universities?
- When multiple options for IHE partners exist, programs should consider issuing a Request for Proposals (RFP) with a nonprofit or district partner, inviting interested IHEs to apply to be the residency program partner, and use a competitive selection process to find the best fit (**see Issuing an RFP**).

STEP 2.

Collect Data and Evaluate IHE Options

With a list of potential partners, programs are ready to collect data that will allow you to compare and evaluate IHE options. Collect information about costs (including whether the state mandates a minimum tuition rate) and on the program itself (e.g. curriculum, faculty, seat time, reputation). For a full list of data to collect on IHE and credentialing options, **see Appendix F.**

Some of the data may be available on public websites, but programs should interview any provider that seems to offer a viable partnership. In the same way a residency must critically evaluate potential candidates, a thoughtful evaluation of potential IHE partners would gauge their interest and capacity for the work required. A strong partnership dynamic would include a shared vision and commitment to common goals. As a partner in the teacher residency, the IHE should agree to be in-service to students and the school district, and commit to producing successful graduates. Identify the qualities that are important in an IHE partner for the program to accomplish its goals, and assess the IHE's ability to contribute toward that mission. If the IHE already partners with organizations in your area, take the time to speak with those organizations to learn about their experience.

Issuing an RFP to Identify an IHE Partner

An RFP to identify the residency program's higher education partners would enable the program to solicit proposals from potential partners, who would in turn provide evidence of their performance, outline their costs, and describe why they are uniquely positioned to be the residencies' primary coursework provider. The RFP process can save program leaders some work; it allows interested IHE partners to come forward with data and other evidence already in hand. Through a selective process, the residency may attract proposals from IHE partners not considered otherwise. However, work is required to design and administer the RFP process, and to make sure the right potential partners are aware of the RFP, and that they apply.

STEP 3.

Identify Your Best Options

Based on the data collected, determine your best options.

- How much could residents save by changing IHE partners? What potential debt-load will residents carry at the end of the program?
- Is there reason to believe that program quality would substantially decrease with a new IHE partner?
- What are the qualities of an effective IHE partner, and which programs demonstrate those qualities?

This process may lead you to conclude that the current IHE partner is the best option for the program and candidates. Thus, consider how to approach re-negotiating the tuition rate, and investigate all assistance available for candidates. Alternatively, the research may reveal that another partner would be a better fit.

STEP 4.

Negotiate with the IHE Partner

In negotiating a tuition rate with an IHE partner, articulate the following:

- **TUITION IMPACTS RECRUITMENT.** A residency's ability to recruit high-quality candidates depends in part on the financial burden residents face to attain their degree. Provide evidence on the impact high tuition has had on recruitment. It can also be compelling to include feedback from current and former residents on the burden of high tuition and resulting debt load.
- **DATA IS INFORMING YOUR POSITION.** Don't just ask the IHE to lower its tuition rate. Show that you know it is possible because other universities have a lower price point.
- **YOUR REQUEST IS EXPLICIT AND CLEAR.** Rather than asking the IHE to lower tuition, request a specific tuition rate based on what makes a strong candidate value proposition, and on what others charge. (But also, be prepared to negotiate.)
- **RESIDENCY PARTNERSHIP ADDS GREAT VALUE.** The residency program generates considerable funding for the IHE. Detail how much money your program generated in the previous year, and how much it will generate in the next five years. In addition, share any data or other information that can demonstrate how the residency program allows your IHE partner to meet its mission. Residency partnership positions the IHE as part of a high quality, innovative, and effective solution for partnering school districts.

STEP 5.

Consider Other Ways to Lower the Tuition Burden

Even if you successfully negotiate a lower tuition rate for residents, you may want to consider other ways to lower the tuition burden for residents.

- **TUITION ADDS TO THE BOTTOM LINE FOR CANDIDATES.** Several residencies have used program funds to pay back residents for tuition costs and others have "forgiven" tuition debt as part of the value proposition for candidates and as a tool to secure a commitment to teach in the partner school district. **See box Tuition Pass-Through and Deferring Tuition Payments.**

Tuition Pass-Through and Deferred Reimbursement

In Denver, residents pay tuition to Denver University's Morgridge School of Education, but the School of Education passes through a portion of those tuition dollars directly to the Denver Teacher Residency (DTR). DTR then uses those funds to reimburse the tuition to residents over five years in a "deferred reimbursement" model. The reimbursement process acts as an incentive for graduates to commit to Denver Public Schools (DPS) — residents are only reimbursed if they are teaching in DPS.

Deferring Tuition Payments for Residents in New York

The New York City Department of Education covers the entirety of resident tuition during the residency year — approximately $18,000 for residents in training. When graduates begin teaching and collecting a salary, they pay back half of that amount over the course of four years to the Department of Education, resulting in a significant reduction and deferment of tuition.

Other Innovations in Residency Financing

Several residency programs in NCTR's Network have developed or have considered other novel structures to improve their financial sustainability, in addition to the examples shared in this guidance.

Below we describe two other innovative solutions. NCTR will continue to build on this list as we advance our work with partner programs.

- **PAYING MENTORS WITH CREDIT.** Though not currently in practice in the network, programs are considering the impact of "paying" mentors with educational credits. Mentors would earn university course credits each year to apply towards classes that will satisfy their continuing education requirement from the state and/or count toward an advanced degree. Since class costs do not increase proportionally with each additional student, and some mentors may never redeem their credits, this arrangement could save the program (and the district) money compared to compensating mentors with a cash stipend, while still providing mentors with a valuable benefit.
- **INCREASING THE RESIDENT TO MENTOR RATIO.** Some programs have considered increasing the resident to mentor ratio so that mentors support two or more residents instead of one. Though this shift would not substantially cut costs, it lowers the number of excellent mentors a residency program must identify, potentially increasing mentor quality overall and easing program scaling.

Appendix A

Federal and Other Grants NCTR Partners Currently Tap

Funding Stream	Amount	About
Robert Noyce Teacher Scholarship Program	Varies	Provides funding to institutions of higher education for scholarships, stipends, and programmatic support to recruit and prepare STEM majors and professionals to become K–12 teachers. Scholarship and stipend recipients are required to complete 2 years of teaching in a high-need school district for each year of support.
Education Innovation and Research Grants	Varies	Offers funding to create, develop, implement, replicate, or take to scale entrepreneurial, evidence-based, field-initiated innovations to improve student achievement and attainment for high-need students. The grants also support rigorous evaluation of such innovations.
Teacher and School Leader Incentive Fund (formerly TIF)	Varies	Provides competitive grants to states, districts, or partnerships with nonprofit organizations to promote performance-based compensation and comprehensive human capital management systems for teachers, principals, and other school leaders, including the following: • Teacher career pathway programs that diversify roles in the teaching force • Teacher career pathway programs that recognize, develop, and reward excellent teachers as they advance through various career stages • Incentives for effective teachers who take on instructional leadership roles in their schools • Incentives that attract, support, reward, and retain the most effective teachers and administrators at high-need schools • Rigorous, ongoing leadership development training for teacher leaders and principals; leadership roles for teachers aimed at school turnaround • Creation of new salary structures based on effectiveness
AmeriCorps State and National Grants	Varies	Provides grant recipients with the opportunity to train and manage AmeriCorps members in direct service and capacity-building activities to address unmet community needs in six focus areas, including education. Recipients must reapply every 3 years. Residency programs can receive an AmeriCorps grant and apply to be an AmeriCorps program. If the residency is an AmeriCorps program, residents can receive an education award of up to $5,920 each year.
Teacher Quality Partnership Grants	Varies	Aims to increase student achievement by enhancing the preparation of prospective teachers and the professional development activities for current teachers, including the following: • Holding teacher preparation programs at institutions of higher education accountable for preparing talented, certified or licensed, and effective teachers • Recruiting effective individuals, including minorities and individuals from other occupations, into the teaching force
Teacher Education Assistance for College and Higher Education (TEACH) Grant	Up to $16,000	Supports students who commit to teaching in high-need subject areas in schools serving low-income families. Recipients must enroll in a preparation program that participates in the TEACH program and teach at least 4 years.
Public Service Loan Forgiveness Program	Up to $40,000	Pays remaining balance due on federal loans received through the Direct Loan program for recipients working as a teacher or at a nonprofit organization for 10 years.
Teacher Cancellation for Perkins Loans	Up to $60,000	Offers loan forgiveness for students with a Federal Perkins Loan who teach: • in a school serving students from low-income families; • special education, mathematics, science, foreign languages, or bilingual education; • in any other field determined by the State Education Agency to have a shortage of qualified teachers. A percentage of the Perkins loan is canceled for each year of teaching, with the entirety of the loan cancelled after 5 years.
Teacher Loan Forgiveness for Federal Stafford Loans	$17,500	Offers loan forgiveness of federal loans for teachers teaching full-time for 5 consecutive years in a high-demand elementary school, secondary school, or educational service agency that serves low-income families.
National Education Association's Great Public Schools (GPS) Fund	Varies	Provides funding for NEA affiliates to enhance the quality of public education.

Appendix B

The Cost of Teacher Turnover: A National Look

Publicly available data on the costs of teacher recruitment, induction, and professional development are limited, and most point back to one study by the National Commission on Teaching and America's Future (NCTAF).

NCTAF calculated the cost of teacher turnover in four districts.[7] Though the ranges varied considerably across districts (and especially between rural and urban districts), NCTAF estimates that each teacher that leaves an urban district carries a price tag of more than $17,000. This figure considers costs for both the district, as well as the specific school a teacher is leaving. The cost buckets are:

- **RECRUITMENT AND ADVERTISING,** such as the cost of advertising space, the cost of travel to job fairs and interview sites, working with teacher preparation programs to identify candidates, etc.
- **HIRING INCENTIVES,** including rent subsidies, signing bonuses, housing allowances, etc.
- **ADMINISTRATIVE PROCESSING OF NEW HIRES,** including setting up interviews, conducting background checks, reference checks, candidate outreach, etc.
- **INDUCTION** for new teachers, to include mentoring and other induction programs, mentor stipends, etc.
- **PROFESSIONAL DEVELOPMENT,** such as workshops and professional development activities, salaries for substitutes used to cover for teachers at training activities, tuition and fees reimbursements, etc.

As the **Table B.1** illustrates, costs related to induction account for nearly a third of expenses, followed by professional development. These expenses are distributed differently across the school and district, however. In the absence of data on the cost buckets above for your specific district partner, programs can multiply these figures by the number of teachers that left your district last year to calculate an estimated annual cost for teacher turnover each year. See also NCTAF's cost calculator for teacher turnover, available on its **website**.

TABLE B.1

The Cost of Teacher Turnover by Cost Bucket

Cost Bucket	School-Level Costs	District-Level Costs	Total
Recruitment	$500	$1,600	$2,100
Hiring Incentives	$0	$2,150	$2,150
Administrative Processing	$2,000	$700	$2,700
Induction	$5,800	$600	$6,400
Professional Development	$100	$3,700	$3,800
Total	**$8,400**	**$8,750**	**$17,150**

7 Adjusted for 2017 dollars. **Barnes, G. et al. (2007).** *The Cost of Teacher Turnover in Five School Districts: A Pilot Study.* National Commission on Teaching and America's Future. Retrieved from https://nctaf.org/wp-content/uploads/2012/01/NCTAF-Cost-of-Teacher-Turnover-2007-full-report.pdf

Appendix C

Sharing Responsibilities for Stipends: Key Questions to Consider District Capacity

1. FUNDING CONSTRAINTS

Before a school can re-allocate or devote funds to stipends, it must have the flexibility and budget to do so.

Questions

1. Does the district use student-based budgeting or a weighted student funding formula to allocate dollars to schools? (If yes, they should have considerable funding flexibility.)
2. Do principals receive "real dollars" from the district? Or do they receive staff allocations (e.g. a number of FTE's) instead?
3. Can schools "trade-in" or "swap" staff positions and hold on to any cost-savings that might result?
4. Are there any other budgetary restrictions that would make it difficult or impossible to re-allocate funding for resident stipends?

2. STAFFING AND SCHEDULING CONSTRAINTS

When reallocating funds, schools often change schedules and job duties to provide residents with more instructional opportunities.

Questions

1. Are there "seat-time" or "line of sight" requirements that limit where or with whom a student learns? If so, what are they?
2. Are there any class-size restrictions that may limit your scheduling options?
3. What type of credentialing does an instructor need to lead a whole class? Are those credentials different if the instructor only works with small groups? Are there time limits by credential type?

3. ASSESSING DISTRICT NEEDS

It is more likely that the district will be open to contribute to the residency program if your program addresses its greatest needs.

Questions

1. How many and what kind of vacancies did the district have this year?
2. How many and what kind of vacancies are expected over the next five years?
3. What percentage of new teachers leave the district after one year? Three years? Five years?
4. How much does the district spend to recruit each teacher?
5. How much does the district spend to train / onboard / support each teacher?
6. How much does each teacher departure cost the district?

4. IDENTIFYING OPPORTUNITIES

Special zones, new initiatives, or public focus may offer partnership opportunities not yet available within the larger district, if you can demonstrate how the residency program can complement that work.

Questions

1. Is the district launching any new initiatives? If so, what do they entail?
2. Are there any semi-autonomous zones with greater budget flexibility?
3. What is the prevailing sentiment expressed in the press regarding teacher quality, teacher preparation, and/or teacher staffing and shortages?

Appendix D

Data Collection Template for Assessing Resident Stipends

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TABLE D.1

Competing Programs

Program Name	Type of Program (residency, alternative certification, other)	Stipend or Salary Amount	Health Insurance (yes/no)	University Partner	Tuition (after any assistance)	Housing Assistance (including amount)	Other Benefits (including amount)

TABLE D.2

District Salaries

Subject/School	Starting Salary	5 Years' Experience	Starting with Master's Degree	Master's Degree with 5 Years' Experience
Elementary				
Middle				
High				
STEM				
English Language Learners				
Special Education				
"High-Needs" School				

Appendix E

Data Collection Template for Assessing Mentor Stipends

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TABLE E.1

Program Utilizing Mentors/Other "Extra Duty" or Teacher Leadership Opportunities Mentors May Participate in	Stipend Amount	Other Benefits (e.g., continuing education credit)	Approximate Time Commitment

Appendix F

Data Collection Template for Selecting a University Partner

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TABLE F.1

Competing Programs

Potential Partner	Type of Program Traditional, alternative certification, other	Tuition After any discounts	Reputation Best, average, poor	Curriculum Alignment High, acceptable, low	Seat Time Requirement Hours per week	Proximity Note if virtual	Type of Faculty Used Tenured, adjunct	Mission Alignment High, acceptable, low	Other Considerations

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MISSION

To launch and support a network of high-performing residency programs dedicated to preparing highly effective teachers that will transform educational practices nationwide.