

WORKSHEET TO CALCULATE COST OF DROPOUTS

The numbers in the examples used are very conservative. In most communities, the costs are much higher.

FIRST MULTIPLIER—COST OF THE LOSS OF AVERAGE DAILY ATTENDANCE MONEY

1. Find the difference between the average incoming freshman class number and the average graduating class number. For example, if you have an average freshman class of 1,000, and your average senior graduating class is 600, then that is a difference of 400 students.
2. Multiply that number by 3 because most students drop out during or after the ninth grade, and so you have lost three years of revenue.
3. Multiply the number in Step 2 by the amount the state pays for each student per year.

For example, if you have 400 less students graduate (on average), times 3 years, equals 1,200. If your state pays \$6,000 per student per year, that is a loss for one class over three years of \$7.2 million, or an annual loss of \$2.4 million.

SECOND MULTIPLIER—COST OF REPEATING A COURSE

1. Find the average number of students who fail a required course each year.
2. Take the average teacher salary and add \$20,000 (or whatever the average benefit package is in your district—insurance, teacher retirement, workers' compensation, etc.). Divide this number by the number of days in the teaching contract, and that gives you an average daily rate. Divide that number by the number of courses that a teacher teaches per day. That becomes the cost of one period of instruction per day. Divide that cost by the average number of students in a course. That number becomes the average cost per student per period per day. Multiply that number by 183 and that is the annual cost of a single student repeating a year-long course. Multiply that number by the number of students who have failed a course and had to repeat it and you have the annual cost of all students repeating a course. (For a one-semester course, divide that number in half.)

For example, out of 4,000 students at a high school, 1,000 students repeat a course each semester. The average teacher salary is \$40,000, plus \$20,000 in benefits, which equals \$60,000. The teacher is contracted for 183 days a year, which equals \$328 a day. The average teacher teaches five classes a day, which comes to a cost of \$66 per course per day. If the teacher has, on average, 25 students in a class, that comes to \$2.65 per day per student. \$2.65 times 183 equals the annual cost of repeating that course per student, which is \$485. If 1,000 students have repeated a course, then the annual cost to the district is \$485,000.

THIRD MULTIPLIER—PERSONNEL TIME

1. Take one class and identify the students who dropped out. Calculate the average number of hours spent on those students for one year because of discipline referrals, parent conferences, etc. before they dropped out. That will give you an average number of personnel hours per dropout—*before* the student dropped out—per year. Make certain you consider all staff members who may have been involved: counselor, dean/assistant principal, principal, security, special education staff, central office staff, etc.

2. Take the average administrative salary and add \$20,000 for benefits. Divide that number by the average number of days in the administrative contract and get a daily rate. Take that daily rate and divide it by 8 hours in the day (a supposed workday). That is the hourly rate of administrative personnel time.
3. Multiply the average administrative hourly rate by the number of hours per dropout and you have a personnel time cost per dropout per year.
4. Multiply that number by the number of dropouts and you have personnel costs for dropouts for one year.

For example, in a particular district, the average dropout received 400 hours of personnel time prior to dropping out because of discipline referrals, parent conferences, special education testing, counselor time, amount of time security spent on issues, hearings for dismissal involving the central office, etc. The average administrative salary was \$90,000, plus \$20,000 for benefits, which equals \$110,000. Dividing that by 240 days in the contract equals \$458 per day. Dividing that by 8 hours a day (although I don't know any administrator who only works 8 hours a day) equals \$57.25 per hour. Multiplying 400 hours per dropout by the hourly rate equals \$22,900 per dropout per year in personnel time. (Keep in mind this does not include lawyers' costs nor secretarial/administrative assistant time.) So in a school of 4,000 students, if you lose 1,000 students over four years, which is an average of 250 per year, you have had an additional personnel cost of \$5,725,000 per year.

FOURTH MULTIPLIER—ALTERNATIVE EDUCATION SETTINGS

(In most alternative settings, approximately 90% of the students come from poverty.)

These costs vary by district. To find this cost, take the total cost for the alternative education setting (building, utilities, and personnel costs of all paid staff assigned to that building) and add that total cost to the dropout number. While these facilities are designed in part to deal with discipline issues, the overall goal is to keep students in school. The total annual cost of these facilities is an additional cost to the district designed specifically to keep the graduation rate up while dealing with non-normative behaviors.

For example, a district has a facility that has an average of 150 students assigned to alternative school in Grades 6–12. (Sometimes there are more students, sometimes there are fewer.) This alternative education setting has six teachers, one administrator, one counselor, one secretary, and one security guard. The approximate cost to the district for this facility is \$960,000 annually.

FINAL COST

To calculate the final cost, add the numbers together for an annual cost.

For example, the cost to this district per year for dropouts is \$9,570,000.