

Developing a Fee-for-Service Contract for a Workplace ABE/ESOL Program

This document is intended to guide community-based English for Speakers of Other Languages (ESOL) and Adult Basic Education (ABE) providers through the process of

- developing a fee structure for a workplace education program,
- determining how much to charge an employer, and
- drafting an actual contract with an employer partner.

First, plan out what work will go into developing and implementing the program. Section I below shows the cost categories that you will need to consider including in building your program budget. Next, calculate the costs and develop an overall budget for the program. Section II includes budget worksheets to help you calculate actual costs of the program. To determine the program cost per student, divide the cost by the number of anticipated students.

Finally, draft a written agreement with the employer. Section III will help you develop a fee-for-service agreement that also includes a summary of the price information. You should use this in negotiating price with the employer.

All the suggestions that follow can be used to develop a budget and negotiate a price for a workplace program or to encourage them to purchase “slots” or a customized class in an existing community-based education program. However, if the slots or class also are funded by a public funding source, be sure to check the funder’s guidelines before negotiating with an employer partner or beginning a new program or class. You may need to confirm to the funder’s programmatic or budgeting guideline.

I. Calculating Costs

Below is a list of cost categories for you to consider in developing a budget and negotiating with a company. It is not essential to include all of them, but be sure to include those you’ll need.

1. Planning Phase
 - a. Discussions with management
 - b. Discussions with workers/union
 - c. Workplace walk-around
 - d. Assessment of partnership readiness to support program
 - e. Program planning meetings
2. Workplace Needs Analysis
 - a. Focus Groups
 - b. Interviews
 - i. Workers
 - ii. Supervisors
 - iii. Union representatives/stewards
 - c. Assessment activities to document skills needs

- d. Workplace Needs Analysis report and discussion with management (and union if applicable)
 - e. Evaluation of planning process
3. Program Design
- a. Determination of program intensity and duration
 - b. Management decision about paid release time, or partial--or not
 - c. Developing evaluation plan and instrument
 - d. Development of program and curriculum
 - e. Decisions about representation on planning and evaluation team
 - f. Convene, support and orient planning and evaluation team
 - g. Decisions about who will be eligible to participate in program
4. Program Implementation
- a. Scheduling instruction
 - b. Student/worker assessment
 - c. Workplace Education Coordinator—salary, job description, recruitment, hiring
 - d. Release time and/or stipends for students
 - e. Participant recruitment
 - f. Classroom instruction delivery
 - g. Program re-design if necessary, determined by interim evaluation and PET
 - h. Post-program assessment and report
 - i. Materials/Consumables
5. Planning and Evaluation Team
- a. Time for staff (Coordinator) to attend PET meetings
 - b. Troubleshooting and potential program redesign
 - c. Program evaluation and report

II. Designing a Budget

Using the sample budgets below, draft a budget for the program. Sample A is a worksheet for internal use, and helps you estimate the actual costs. Sample B is a template for presenting your budget to your employer partner. Fill in your own numbers and share them with an employer partner when marketing and negotiating. Sample B is a simpler, employer-friendly version of A.

Note that these budgets are based on a 10-week class session. You may wish to hold a *series* of 10-week sessions.

Sample A: Workplace ABE/ESOL Program Budget - INTERNAL

Number of employee students	8	
Class hours	2 hours/week x 2 days/week x 10 weeks = 40 hours	
Staff Time		
Program Planning	5 hours x \$20/hour	\$100
Curriculum Development	10 hours x \$20/hour	\$200
Preparation Time	4 hours/week x 10 weeks x \$20/hour	\$800
Pre-assessment	1.5 hours x 8 employees x \$20/hour	\$240
Post-assessment	1.5 hours x 8 employees x \$20/hour	\$240
Instruction	40 hours x \$20/hour	\$800
Evaluation	4 hours x \$20/hour	\$80
	Subtotal	\$2,460.00
Benefits	.25 x \$2,460	\$615
	Subtotal	\$615.00
Materials/Consumables		
Pre- and Post-assessment	<i>(time listed above)</i>	
Cost of instrument: (may be higher if developing your own assessment)	\$10 each x 8 employees	\$80
Supplies, copying		\$240
Textbooks	\$50 x 8 participants	\$400
Mileage (if applicable)		\$100.00
	Subtotal	\$820.00
Administrative Fees	.25 x \$3,895.00	\$973.75
	Total Cost	\$4,868.75

Sample B: Workplace ABE/ESOL Program - EXTERNAL

[NOTE: The information and numbers are the same as above, however, prepared for inclusion in your proposal to the business.]

Staffing Costs Includes pre/post assessment, course design, delivery, evaluation and reporting	\$4,050.00
Resources Includes assessment and instructional materials	\$720.00
Expenses Includes mileage	\$100.00
TOTAL	\$4,870.00
Cost/Participant (Employers will almost always want to have this figure)	\$610.00

Notes: Build any administrative fees into the existing expense categories; do not show as a separate line item. Round dollar figures up to nearest 25, 50, 75 or 100, rather than including odd numbers.

III. Fee-for-Service Template

Use the fee-for-service agreement template to negotiate an agreement with an employer. Insert your own numbers taken from the budget above.

Workplace Basic Skills Education Program for [COMPANY NAME]

The [X Education Program] will provide [#] hours of workplace-based education classes for [#] of employees of the [COMPANY NAME] between [START DATE] and [END DATE]. [X Education Program] will provide assistance with workplace needs assessment, design and development of instructional program, student skills assessments before and following the education program; participate with management in an education program planning and assistance team, if needed, and conduct a program evaluation, including a final evaluation report. [X Education Program] will provide instructors, curriculum and materials for all classroom instruction.

Staffing Costs Includes pre/post assessment, course design, delivery, evaluation and reporting	X # of hours @ \$XX/hour	\$XXX.00
Resources Includes assessment and instructional materials		\$XXX.00
Expenses Includes mileage		\$XXX.00
	TOTAL	\$ XXX.00
	Cost/Participant	\$ XXX.00