



Budgeting for Evaluation



Learning objectives



By the end of this presentation, you will be able to:

- Understand why budgeting for evaluation is a strategic investment
- Recognize how evaluation costs vary by type of evaluation
- Explain the key components of an evaluation budget
- Identify approaches for creating an evaluation budget



Emerging trends



- Rule of thumb (5%, 10%) of overall budget for evaluation is proving too simplistic
- Administrative data is emerging as a viable source for low-cost RCTs (and some QEDs)
- Tiered evidence initiatives (SIF, i3, WIF, etc.) are expanding the number of high-quality evaluations, leading to more available budget data
- Continuum from performance measurement to evaluation; links and overlapping data collection



Challenges and payoff

- Paying for evaluation can be a challenge
 - Programs can't afford it
 - Don't know how to find low-cost evaluation partners
 - Funders won't always pay for it
- CNCS acknowledges these challenges
 - But we believe that evaluation should be viewed as an investment and not simply a compliance requirement.
- Consider evaluation to be a strategic investment
 - If you can demonstrate that your program works, you will be able to attract more funders, grow, and become more sustainable.

Investing in evaluation does pay dividends

- Spending money on evaluation is not a tradeoff
- Learning for program improvement, so you can:
 - Serve more people better
 - Serve more people better, at lower cost
- Increasing your evidence base attracts funders...
...which allows you to serve more people
- Demonstrating impact is a differentiator in an environment of scarce resources
 - Policymakers and funders are reluctant to spend scarce resources on programs without evidence

Build a long-term research agenda

- What does a long-term research agenda look like?
 - What do we want to have learned 5 years from now?
10 years from now?
 - Work backwards: define your destination, then name the supporting steps that will get you there
 - Each evaluation should build on what you learned previously
 - If you invest evaluation money strategically, scarce resources can have a big impact

Example of a long-term research agenda

AmeriCorps program provides housing assistance for low-income families.

Goal: Demonstrate that the program has a positive impact on beneficiaries via a randomized control trial (RCT).

- Step 1: Collect program data, routinely, on family background characteristics and number of families served.
- Step 2: Collect pre/post outcome data each year via annual survey.
- Step 3: Implementation study: Is the program being implemented with fidelity to the model?
- Step 4: In addition to data collected from Steps 1&2, collect long-term outcomes data via follow-up survey (1 year post- program).
- Step 5: Demand for the program exceeds supply, so implement RCT by randomly assigning families to receive housing assistance. Collect background data and survey data from all eligible families.

Guidelines for budgeting

- In general, evaluation budgets should be:
 - Commensurate with stakeholder expectations and involvement
 - Appropriate for the research design used and key questions to be answered
 - Adequate for ensuring quality and rigor
 - In line with the level of program and organizational resources available

Factors that influence budget estimates

- Program Factors
 - Geography, number of sites, and characteristics of target population
 - Availability of resources
- Evaluation Design
 - RCT vs. QED vs. Non-Experimental
 - Level of evidence
 - Need for evaluation capacity-building
- Reporting, Dissemination and Use
 - Using lessons learned for internal decision making
 - External dissemination and communication

Example evaluation costs by design type

Evaluation Study Design	Annual Program Budget		Annual Evaluation Budget		Evaluation to Program Budget Ratio	
	Avg	Median	Avg	Median	Avg	Median
RCT (N=22)	\$1,718,908	\$1,350,000	\$437,110	\$327,251	25%	22%
QED-Not PSM (N=18)	\$878,891	\$402,008	\$154,005	\$34,135	15%	14%
QED-PSM (N=14)	\$745,068	\$324,888	\$71,898	\$54,700	17%	13%
Pre-post (N=8)	\$1,098,174	\$469,286	\$153,014	\$65,871	16%	11%
Other Non-Experimental (N=8)	\$559,137	\$420,000	\$69,932	\$40,700	16%	14%
Overall (N=70)	\$1,104,649	\$593,309	\$216,838	\$81,471	19%	15%



Evaluation costs by level of evidence

Evaluation Study Design	Annual Program Budget		Annual Evaluation Budget		Evaluation to Program Budget Ratio	
	Avg	Median	Avg	Median	Avg	Median
Strong (N=15)	\$2,153,927	\$2,000,000	\$589,037	\$379,800	28%	24%
Moderate (N=25)	\$992,775	\$513,000	\$135,976	\$77,943	17%	15%
Preliminary (N=30)	\$673,239	\$326,896	\$98,123	\$29,250	15%	14%
Overall (N=70)	\$1,104,649	\$593,309	\$216,838	\$81,471	19%	15%



Key themes in evaluation budgeting

- Rule of thumb ratios lead to under-budgeting
- Amount budgeted should be considered in its own right
- Costs increase with level of evidence
- Costs vary based on the study design

Key themes (continued)

- All design types can potentially be expensive
 - Multisite implementation studies
 - Feasibility studies for generating stronger levels of evidence
- Most evaluation types can be done inexpensively
 - Including some randomized control trials (RCTs)
- Determine what you want to learn from your evaluation and build a budget that can answer those research questions

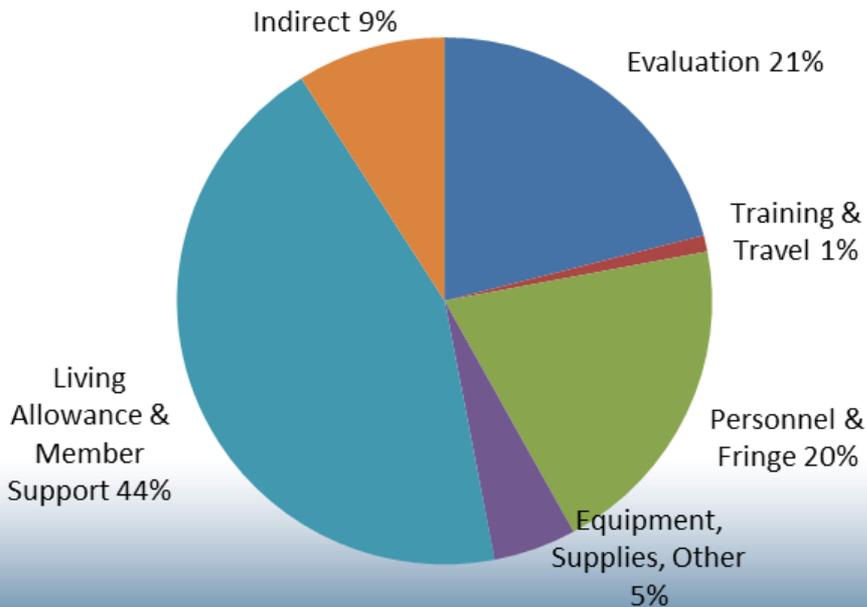
So where can I get the money?

- Tap into local resources
 - Local partners
 - Universities, community colleges, Cooperative Extension, consultants
- When feasible, consider partnering with similar programs for joint evaluation activities
- Some foundations will fund evaluation
 - Brady Education Foundation; Annie E. Casey Foundation; WT Grant Foundation
- Evaluation IS an allowable cost at CNCSI!

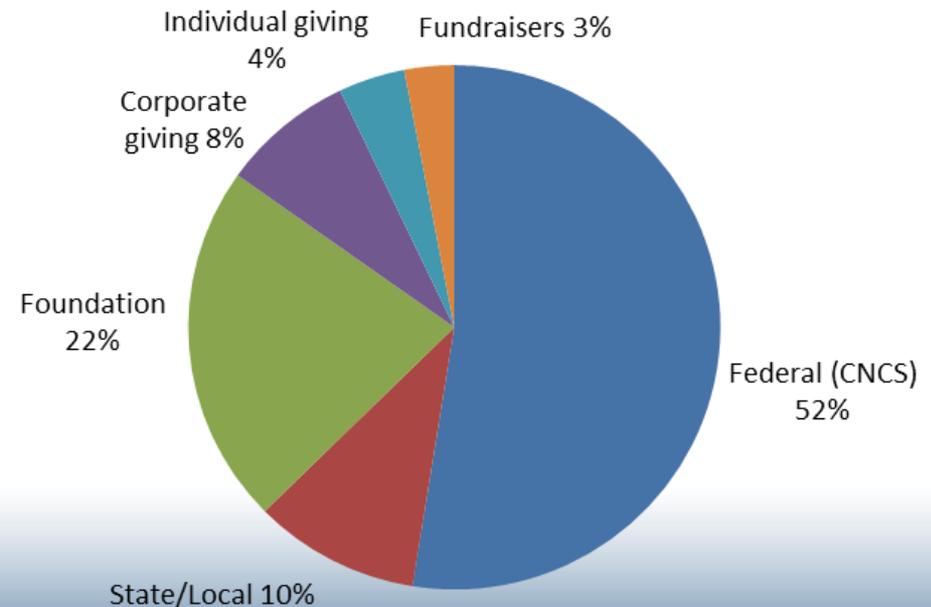
Big picture budget discussion

- Evaluation is one piece of your overall budget
 - What do you need to spend money on?
 - Do you have a diverse, sustainable fundraising strategy?

Program Budget



Sources of Funding



Paying for evaluation



- Use of funds can be restricted or unrestricted, regardless of source
 - Depends on funder stipulations
- You may find that you need mostly unrestricted money for evaluation
 - Examine the universe of possible ways to raise money for your program
 - From which sources can you most likely get unrestricted money?
 - Which other sources will provide restricted money for other portions of your budget?



Paying for evaluation across years

- Evaluation activities often cost different amounts throughout 3-year grant cycle
 - Ex: Yr 1 = Planning; Yr 2 = Data Collection; Yr 3 = Reporting and Analysis
 - Yr 1 → Smaller evaluation budget; Yr 2 & 3 → Larger evaluation budget

Year	Member Training		Evaluation		Total CNCS
	CNCS	Match	CNCS	Match	
1	\$25,000	\$0	\$10,000	\$0	\$35,000
2	\$25,000	\$0	\$10,000	\$25,000	\$35,000
3	\$0	\$20,000	\$35,000	\$0	\$35,000



Overview of evaluation budget planning

Consider questions of:

- Who will conduct the evaluation?
 - If *external evaluator*, consider what services are and are not included in their cost
 - If *own staff*, consider cost of time spent on evaluation relative to programmatic tasks
- What will it include and how will it be conducted?
- Will it involve new data collection?
 - If so, at what time points and where?
- Who will manage it?
- How will the results be communicated?

Components of an evaluation budget

1. Evaluation staff and subcontractor salary/benefits, consultant time
2. Travel (airfare, ground transportation, lodging, incidental travel costs)
3. Other Direct Costs (e.g. communications printing and postage, supplies/equipment)
4. Overhead Costs and Fees
5. Program Costs to Support Evaluation

External evaluator time

- Evaluation staff salary/benefits and consultant time
 - Evaluation planning
 - Instrument selection, development, validation
 - IRB approval
 - Data collection, processing, analysis, reporting
 - Project administration
- Common cost drivers are data collection and analysis
 - Fielding surveys and conducting interviews
 - Analyzing large datasets and/or transcripts
- Don't underestimate time for planning and reporting

Calculating labor costs

Task by time by staff member

	Team Leader		Subject Expert		Analyst		Assistant		Total Days Per Task	Cost Per Task (\$)
Daily Rate (\$)										
Tasks	Days	Cost	Days	Cost	Days	Cost	Days	Cost		
Planning	15		10		20		20		65	
Preparation	15		10		20		30		75	
Data Collection	10		20		50		50		130	
Analysis	10		25		20		30		85	
Reporting	10		15		20		10		55	
Total Days Per Person	60		80		130		140		410	



Calculating labor costs (continued)

Staff member by time by task

People	Daily Rate (\$)	Planning		Preparation		Data Collection		Analysis		Reporting		Total Days Per Person	Cost Per Person (\$)
		Days	Cost	Days	Cost	Days	Cost	Days	Cost	Days	Cost		
Team Leader		15		15		10		10		10		60	
Subject Expert		10		10		20		25		15		80	
Analyst		20		20		50		20		20		130	
Assistant		20		30		50		30		10		140	
Total Days Per Task		65		75		130		85		55		410	



How to estimate labor rates

- An example of labor rates for private firms (loaded govt. rate) and university consulting

Labor Rate per Hr.	Labor Rate: Consulting Firm	Labor Rate: University-based Consulting
Project Manager	\$204.14	\$111.52
Executive/Key Principal	\$240.95	\$162.18
Senior Research/Principal or Technical Staff	\$187.47	\$99.50
Mid Level Research/Analyst/Technical	\$102.57	\$100.56
Mid-level Program Management	\$125.73	N/A
Subject Matter Experts	\$209.43	\$167.25-\$243.48
Learning consultant	\$118.98	\$76.19
Management Consultant	\$156.02	\$156.02
Support Staff	\$64.41	\$40.23



Travel



- Travel to and from:
 - Client site
 - Program site for stakeholder meetings and planning
 - Program site(s) for site visits, data collection, etc.
- Travel line item should include:
 - Airfare or train tickets, car mileage
 - Ground transportation
 - Lodging and meals
 - Incidental travel costs



Other direct costs



- Communications
 - Conference call lines, WebEx, etc.
- Printing and postage
 - Mailing surveys
 - Printing consent forms
- Supplies and equipment
 - Online survey platform; survey incentives
 - Voice recorders and transcription services
 - Renting meeting spaces
 - Purchasing datasets, databases, survey tools, etc.



Overhead costs and fees

- Overhead costs for large evaluation firms are often built into “loaded” labor rates
- University staff may account for overhead differently
- Fees will depend on contract type
 - Cost plus fixed fee
 - Firm fixed price
 - Time and materials

Program costs to support evaluation

- Staff time to meet regularly with evaluator; quality control and monitoring
- Staff time for facilitating connections between evaluator and program/site staff
- Resources for additional policy briefs, website summaries, travel to conferences, etc.
- Data systems

Example evaluation budget

	Year 1: Planning		Year 2: Data Collection		Year 3: Analysis and reporting					
Evaluation Staff Time (Labor)	Planning and preparation		Data Collection		Analysis		Reporting		Totals	
	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Project Leader (\$100/hr)	25	\$2,500	75	\$7,500	15	\$1,500	10	\$1,000	125	\$12,500
Senior level analyst (\$80/hr)	300	\$24,000	500	\$40,000	60	\$4,800	50	\$4,000	910	\$72,800
Data analyst (\$65/hr)	50	\$3,250	100	\$6,500	80	\$5,200	30	\$1,950	260	\$16,900
Junior level assistant (\$50/hr)	250	\$12,500	500	\$25,000	50	\$2,500	60	\$3,000	860	\$43,000
Admin support (\$35/hr)	75	\$2,625	200	\$7,000	20	\$700	30	\$1,050	325	\$11,375
	700	\$44,875	1375	\$86,000	225	\$14,700	180	\$11,000	2480	\$156,575
Travel			<i>Miles</i>							
Auto mileage (\$.30/mile)		\$0	200	\$60		\$0	0	\$0		\$60
Other Direct Costs (ODCs)										
Printing and copying		\$0		\$500		\$0		\$1,000		\$1,500
Postage		\$0		\$250		\$0		\$0		\$250
Conference lines		\$100		\$200		\$25		\$50		\$375
Transcription service		\$0		\$0		\$1,000		\$0		\$1,000
Incentives				\$7,500						\$7,500
Survey platform		\$1,000		\$5,000		\$0		\$0		\$6,000
		\$1,100		\$13,450		\$1,025		\$1,050		\$16,625
G&A-10%										\$1,663
										\$173,260 Sub-total
Fees- 10%										\$17,326
										\$190,586 Total
Program Support Costs										
Executive Director- \$35/hr	60	\$2,100	40	\$1,400	5	\$175	15	\$525		\$4,200
AmeriCorps Program Manager- \$25/hr	60	\$1,500	80	\$2,000	10	\$250	25	\$625		\$4,375
Supervisors (1 per site, 10 total)- \$25/hr	60	\$1,500	120	\$3,000	10	\$250	25	\$625		\$5,375
										\$13,950 Sub-total
										\$204,536 Grand Total



Creating an internal evaluation budget

- Same general cost categories
- Consider additional staff time/resources for
 - New or augmented data collection
 - Travel outside of normal program operations
 - Additional analysis
 - Reporting and communication
 - Consultants

Other budgeting tips



- Create a high and a low estimate
- Refer to evaluations of similar size and scope
- Consult with procurement or budgeting experts
- Talk to staff working in the locations where data collection will occur
- Assess the budget with the stakeholders who have been engaged in evaluation planning
- Plan for contingencies and adjust as needed



Challenges with evaluation “on the cheap”

- Lack of continuity
 - Ex: Student groups
- Lack of appropriate expertise
 - Internal staff who do not have evaluation training
- Under-powered study
 - Sample is so small that you will never detect any difference in outcomes due to your program
- Poor communication
 - Technical jargon that you can't interpret or use
- Too many unanswered questions
 - Poor design did not shed light on research questions

Tips for cutting costs and retaining quality

- Utilize existing program data and administrative data
- Build data collection into routine program operations
- Develop internal staff capacity for evaluation work
- Engage pro bono experts
- Build a long-term research agenda so that each evaluation builds upon previous work
- Consider replicating an evidence-based program

Using existing data



- Utilize program data
 - Data you already collect for performance measures
 - Data you already collect for other funders
- Utilize administrative data
 - Student test scores, attendance records
 - Census data, unemployment insurance claims
- Build data collection into routine program operations
 - Collect data from beneficiaries, AmeriCorps members, and staff on a regular schedule
 - Use that data to inform decision-making and for continuous improvement



Example: Allocating funds for evaluation

- Program has raised funds from CNCS (\$500K), state grant (\$100K, up to 5% for evaluation), unrestricted foundation grant (\$150K), restricted corporate giving (\$100K), and organizational match (\$150K, currently used for personnel salary).
- Evaluation will cost \$200,000 – where should the money come from?
 - \$5K can come from the state grant
 - \$150K can come from the foundation grant
 - That leaves \$45K to come from CNCS
- Where could you shift other costs out of the CNCS share?
- Could you shift salary costs?

Resources on budgeting for evaluation

- Social Innovation Fund Budgeting Guide: <http://www.nationalservice.gov/build-your-capacity/grants/funding-opportunities/2014/social-innovation-fund-grants-fy-2014/financial-management-system-requirements>
- U Michigan Evaluation Budgeting Checklist: http://www.wmich.edu/evalctr/archive_checklists/evaluationbudgets.pdf
- Pell Institute Evaluation Toolkit: <http://toolkit.pellinstitute.org/evaluation-guide/plan-budget/develop-a-budget/>
- BetterEvaluation: http://betterevaluation.org/evaluation-options/calculate_evaluation_costs

AmeriCorps Evaluation Resources

<https://www.nationalservicerresources.gov/evaluation-ameriacorps>

Questions?

