Budgeting for Evaluation
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AmeriCorps State and National 2015 Symposium
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
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

<table>
<thead>
<tr>
<th>Evaluation Study Design</th>
<th>Annual Program Budget</th>
<th>Annual Evaluation Budget</th>
<th>Evaluation to Program Budget Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Avg</td>
<td>Median</td>
<td>Avg</td>
</tr>
<tr>
<td>RCT (N=22)</td>
<td>$1,718,908</td>
<td>$1,350,000</td>
<td>$437,110</td>
</tr>
<tr>
<td>QED-Not PSM (N=18)</td>
<td>$878,891</td>
<td>$402,008</td>
<td>$154,005</td>
</tr>
<tr>
<td>QED-PSM (N=14)</td>
<td>$745,068</td>
<td>$324,888</td>
<td>$71,898</td>
</tr>
<tr>
<td>Pre-post (N=8)</td>
<td>$1,098,174</td>
<td>$469,286</td>
<td>$153,014</td>
</tr>
<tr>
<td>Other Non-Experimental</td>
<td>$559,137</td>
<td>$420,000</td>
<td>$69,932</td>
</tr>
<tr>
<td>(N=8)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall (N=70)</td>
<td>$1,104,649</td>
<td>$593,309</td>
<td>$216,838</td>
</tr>
</tbody>
</table>
### Evaluation costs by level of evidence

<table>
<thead>
<tr>
<th>Evaluation Study Design</th>
<th>Annual Program Budget</th>
<th>Annual Evaluation Budget</th>
<th>Evaluation to Program Budget Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Avg</td>
<td>Median</td>
<td>Avg</td>
</tr>
<tr>
<td>Strong (N=15)</td>
<td>$2,153,927</td>
<td>$2,000,000</td>
<td>$589,037</td>
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<tr>
<td>Moderate (N=25)</td>
<td>$992,775</td>
<td>$513,000</td>
<td>$135,976</td>
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<tr>
<td>Preliminary (N=30)</td>
<td>$673,239</td>
<td>$326,896</td>
<td>$98,123</td>
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<tr>
<td>Overall (N=70)</td>
<td>$1,104,649</td>
<td>$593,309</td>
<td>$216,838</td>
</tr>
</tbody>
</table>
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 CNCS!
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?
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Member Training</th>
<th>Evaluation</th>
<th>Total CNCS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CNCS</td>
<td>Match</td>
<td>CNCS</td>
</tr>
<tr>
<td>1</td>
<td>$25,000</td>
<td>$0</td>
<td>$10,000</td>
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<tr>
<td>2</td>
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<td>$0</td>
<td>$10,000</td>
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<tr>
<td>3</td>
<td>$0</td>
<td>$20,000</td>
<td>$35,000</td>
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</table>
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

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Team Leader</th>
<th>Subject Expert</th>
<th>Analyst</th>
<th>Assistant</th>
<th>Total Days Per Task</th>
<th>Cost Per Task ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Days</td>
<td>Cost</td>
<td>Days</td>
<td>Cost</td>
<td>Days</td>
<td>Cost</td>
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<td>20</td>
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<tr>
<td>Preparation</td>
<td>15</td>
<td>10</td>
<td>20</td>
<td>30</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>Data Collection</td>
<td>10</td>
<td>20</td>
<td>50</td>
<td>50</td>
<td>130</td>
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<tr>
<td>Analysis</td>
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<td>25</td>
<td>20</td>
<td>30</td>
<td>85</td>
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<tr>
<td>Reporting</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>10</td>
<td>55</td>
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<tr>
<td><strong>Total Days Per Person</strong></td>
<td>60</td>
<td>80</td>
<td>130</td>
<td>140</td>
<td>410</td>
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</table>
Calculating labor costs (continued)

Staff member by time by task

<table>
<thead>
<tr>
<th>People</th>
<th>Daily Rate ($)</th>
<th>Planning</th>
<th>Preparation</th>
<th>Data Collection</th>
<th>Analysis</th>
<th>Reporting</th>
<th>Total Days Per Person</th>
<th>Cost Per Person ($)</th>
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</thead>
<tbody>
<tr>
<td>Team Leader</td>
<td></td>
<td>15</td>
<td>15</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td></td>
<td>60</td>
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<tr>
<td>Subject Expert</td>
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<td>10</td>
<td>20</td>
<td>25</td>
<td>15</td>
<td></td>
<td>80</td>
</tr>
<tr>
<td>Analyst</td>
<td></td>
<td>20</td>
<td>20</td>
<td>50</td>
<td>20</td>
<td>20</td>
<td></td>
<td>130</td>
</tr>
<tr>
<td>Assistant</td>
<td></td>
<td>20</td>
<td>30</td>
<td>50</td>
<td>30</td>
<td>10</td>
<td></td>
<td>140</td>
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<tr>
<td><strong>Total Days Per Task</strong></td>
<td></td>
<td>65</td>
<td>75</td>
<td>130</td>
<td>85</td>
<td>55</td>
<td></td>
<td>410</td>
</tr>
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</table>
How to estimate labor rates

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

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

<table>
<thead>
<tr>
<th>Evaluation Staff Time (Labor)</th>
<th>Year 1: Planning</th>
<th>Year 2: Data Collection</th>
<th>Year 3: Analysis and reporting</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hours</td>
<td>Cost</td>
<td>Hours</td>
<td>Cost</td>
</tr>
<tr>
<td>Project Leader ($100/hr)</td>
<td>25</td>
<td>$2,500</td>
<td>75</td>
<td>$7,500</td>
</tr>
<tr>
<td>Senior level analyst ($80/hr)</td>
<td>300</td>
<td>$24,000</td>
<td>500</td>
<td>$40,000</td>
</tr>
<tr>
<td>Data analyst ($65/hr)</td>
<td>50</td>
<td>$3,250</td>
<td>100</td>
<td>$6,500</td>
</tr>
<tr>
<td>Junior level assistant ($50/hr)</td>
<td>250</td>
<td>$12,500</td>
<td>500</td>
<td>$25,000</td>
</tr>
<tr>
<td>Admin support ($35/hr)</td>
<td>75</td>
<td>$2,625</td>
<td>200</td>
<td>$7,000</td>
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<tr>
<td></td>
<td>700</td>
<td>$44,875</td>
<td>1375</td>
<td>$86,000</td>
</tr>
<tr>
<td>Travel</td>
<td>Miles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auto mileage ($0.30/mile)</td>
<td></td>
<td>$0</td>
<td>200</td>
<td>$60</td>
</tr>
<tr>
<td>Other Direct Costs (ODCs)</td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing and copying</td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postage</td>
<td></td>
<td>$0</td>
<td></td>
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<tr>
<td>Conference lines</td>
<td></td>
<td>$100</td>
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<td>$200</td>
</tr>
<tr>
<td>Transcription service</td>
<td></td>
<td>$0</td>
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<td></td>
</tr>
<tr>
<td>Incentives</td>
<td></td>
<td>$7,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Survey platform</td>
<td></td>
<td>$1,000</td>
<td></td>
<td>$5,000</td>
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<td></td>
<td></td>
<td>$1,100</td>
<td></td>
<td>$13,450</td>
</tr>
<tr>
<td>G&amp;A-10%</td>
<td></td>
<td>$1,163</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees-10%</td>
<td></td>
<td>$17,326</td>
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<tr>
<td>Program Support Costs</td>
<td>$190,586</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Executive Director- $35/hr</td>
<td>60</td>
<td>$2,100</td>
<td>40</td>
<td>$1,400</td>
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<tr>
<td>AmeriCorps Program Manager- $25/hr</td>
<td>60</td>
<td>$1,500</td>
<td>80</td>
<td>$2,000</td>
</tr>
<tr>
<td>Supervisors (1 per site, 10 total)- $25/hr</td>
<td>60</td>
<td>$1,500</td>
<td>120</td>
<td>$3,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$13,950</td>
<td></td>
<td></td>
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</table>

| Sub-total                   |       |       |       |       |       |       |       |       |       | $190,586 |
| Grand Total                 |       |       |       |       |       |       |       |       |       | $204,536 |

### Year 1: Planning
- Planning and preparation
- Data Collection
- Analysis
- Reporting

### Year 2: Data Collection
- Planning and preparation
- Data Collection
- Analysis
- Reporting

### Year 3: Analysis and reporting
- Planning and preparation
- Data Collection
- Analysis
- Reporting
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

Resources on evaluation

Go to the National Service Knowledge Network evaluation page for more information:
www.nationalservice.gov/resources/evaluation

Other courses available:
• How to Develop a Program Logic Model
• Overview of Evaluation Designs
• How to Write an Evaluation Plan
• Budgeting for Evaluation
• Data Collection for Evaluation
• Managing an External Evaluation
• And more!
Evaluation resources page