EVALUATION BUDGETING QUICK GUIDE

Overview

The Social Innovation Fund requires that intermediaries select subgrantees that have experience conducting outcome evaluations or are implementing programs supported by some existing evaluation evidence. Grantees are required to conduct third-party evaluations that advance the evidence base for the funded programs and increase the number of interventions with moderate and strong levels of evidence of effectiveness.

SIF evaluations can utilize a range of study designs including experimental, quasi-experimental and non-experimental designs; however, experimental or quasi-experimental designs are required for an evaluation plan to be approved as providing causal evidence. Most evaluations include a combination of implementation studies and impact evaluations that provide causal evidence regarding program effectiveness within the timeframe of SIF funding (usually three to five years).

Because evaluation is a key component of the SIF, intermediaries and subgrantees are encouraged to allocate sufficient resources to ensure that commissioned studies produce scientifically valid and rigorous evidence. The challenge faced by many SIF intermediaries and subgrantees, however, is how to identify what is "sufficient" before external evaluators are hired, and evaluation plans and detailed evaluation budgets are developed.

When estimated evaluation budgets are realistic and adequate, the evaluation experience can be very positive and informative. In general, evaluation budgets should be:

- Commensurate with stakeholder expectations and involvement (including board of directors, senior leadership, program and evaluation personnel, and others);

- Appropriate for the research design used and key questions to be answered;

- Adequate for ensuring quality and rigor, and;

- In line with the level of program and organizational resources available.

Budgeting Recommendations

The following evaluation budgeting guidelines are based on a review of evaluation and program budgets for 2010 and 2011 SIF intermediaries and on their experiences and reflections.

- The rule of thumb ratios in use to date (i.e., between 5% and 10% of the total budget allocated for evaluation) result in serious under-budgeting of evaluations seeking to address both impact and implementation. Available data indicate that between 15% and 20% is more realistic for single site quasi-experimental designs (QEDs) and randomized controlled trials (RCTs), with some designs (e.g., multisite RCTs, designs with intensive implementation studies) requiring 25% or more.

- In general, using a percentage of program budget is not an ideal method for allocating evaluation funds. Evaluation and program costs should be considered in absolute dollar amounts as well as in relative terms. For example, you likely cannot conduct an evaluation that targets a moderate level of evidence as defined by the SIF for less than $75,000 per year, unless your study is subsidized (e.g., you receive pro- bono services from the evaluator).

- Evaluation costs and evaluation-to-program budget ratios vary based on the study design chosen and increase with designs that seek to establish causal impact.

- The price of evaluation goes up as the level of evidence desired goes up. Strong evidence is disproportionately more expensive. One driving factor is whether or not the study is conducted across multiple sites.

- All design types have the potential to be expensive.

- There are studies yielding preliminary evidence that can be very costly (e.g., multisite implementation).

- It is not possible to conduct a rigorous evaluation on a shoestring budget, and in order to conduct a robust evaluation that targets a high level of evidence you have to budget accordingly.

Factors That Influence Budget Estimates

Consider the following when developing an evaluation budget estimate:

Program Factors

- The number of sites studied. The greater the number of sites and distance between sites, the higher the costs for any face-to-face or observational data collection. Programs with multiple sites will need to include either all or a sufficient number of sites (depending on sampling approach), if targeting moderate or strong levels of evidence.

- The type of population targeted and program services delivered as well as anticipated challenges in collecting information on that population for those services.

- Overall program and organizational budget and resources available.

Evaluation Design Factors

- The level of technical assistance and capacity building provided to grantees. Providing evaluation capacity building to grantees requires dedicated resources and will increase overall evaluation costs.

- The level of stakeholder engagement. Higher levels of engagement and stakeholder requirements will mean more time dedicated to evaluation, making it more costly. On the other hand, there are significant benefits of involving stakeholders. Engagement of stakeholders can facilitate development of a shared understanding about the program and evaluation, increase buy-in, and result in greater use of evaluation findings in decision making.

- The types of data collection strategies, data sources used and the level of effort associated with implementation. Surveys, for example, may be more costly to develop, pilot test and

implement, compared to accessing existing data sources, particularly when the follow-up period is long.

- The amount of time and level of technical expertise required to conduct data analysis and interpretation. Analysis of data using sophisticated statistical methods will require technical expertise that can increase the cost of evaluation.

Dissemination and Use Factors

- Amount of time and resources needed to document evaluation findings and prepare reports, briefs, presentations, and other evaluation deliverables.

- Time and resources needed by internal audiences and stakeholders to discuss and reflect on evaluation findings, and ensure findings are used for informing decision making within the organization as needed (internal utilization).

- Time, effort, and resources required to implement (external) communications and dissemination plans around the evaluation study and its results and sharing of lessons learned in the process.

Categories of Costs

There are two key areas of costs to consider when planning for evaluation.

1. **Cost of the evaluation itself.** The time, materials and other direct costs expended by the evaluation team on evaluation activities. These costs are typically included as line items in a detailed evaluation budget.

2. **Program costs for supporting the evaluation**. These are not typically included in an evaluation budget, but represent real costs nonetheless. These costs can include program staff and volunteer time spent in evaluation planning, oversight and supervision; data collection, entry and review; report development; program staff travel to support the evaluation; and other supplies and support.

When planning for evaluation, consider and set aside resources to support both of these cost categories. Failure to allocate sufficient resources for contracted evaluators can negatively impact the quality of the evaluation and the level of evidence attained. In addition, failure to establish clear expectations for program staff participation can lead to a perception among program staff that evaluation activities are an additional or unreasonable burden.

Costs to Include in a Detailed Budget

The following table provides a sample template for determining costs to include in a SIF evaluation budget. The costs are broken into three categories:

1. Staff time to conduct or support evaluation activities

2. Travel

3. Other direct costs

Evaluation Cost Considerations

Budget Line Item	Evaluation Team	Program Staff
STAFF TIME TO CONDUCT OR SUPPORT EVALUATION ACTIVITIES		
Include evaluation staff and subcontractor salary and benefits and consultant time to conduct activities. Some contractors may provide separate line items for salary and benefits, while others may present a single, loaded rate, which includes salary, benefits indirect rates and fees.		
Evaluation planning (e.g., development of written evaluation, sampling, analysis and reporting plans, if needed)	x	x
Instrument selection, development, and any needed validation	x	x
Development of Institutional Review Board (IRB) packages	x	x
Data collection, entry, cleaning, and coding	x	x
Data analysis	x	
Reporting (e.g., funder-required & evaluation-specific reports)	x	
Review and acceptance of reports		x
Travel required by the evaluation (e.g., to and from data collection and reporting activities)	x	
Interfacing for project and contract management	x	x
Development of evaluation capacity building/training activities	x	
Participation in training/capacity building	x	x
TRAVEL		
Travel expenses for staff and/or evaluators should be included as a line item in the budget. *Travel costs vary from project to project. Projects across multiple sites around the country will likely need larger travel budgets compared to those located in one site. Proximity of the evaluator can also affect travel costs. There may be travel costs associated with data collection, capacity building activities, communication and dissemination plans. Ideally travel should be estimated in association with specific tasks such as data collection or reporting. Detailed travel estimates should include separate line items or a breakout for airfare, ground transportation, lodging, and per diem/meals/incidentals.*		
Airfare	x	x
Ground transportation	x	x
Lodging	x	x
Per diem/meals/incidental travel costs	x	x
OTHER DIRECT COSTS		
Other costs associated with the evaluation should be detailed in the budget.		
Communications—postage, telephone calls, etc.	x	x
Printing and copying—including both task-specific and general duplication	x	x
Supplies and equipment that must be purchased or rented for the evaluation	x	x

Considerations For Developing Evaluation Budgets

- Start by thinking about the expectations of the evaluation. This can include requirements set forth by funding agencies (e.g., evaluation requirements articulated by the Notice of Funding Opportunity) as well as expectations of program staff and other internal or external stakeholders.

- Consider the expected level of engagement from stakeholder groups, including your board of directors, senior leadership, program and evaluation personnel, and others. How much time will different groups need to devote to planning, implementation and dissemination of evaluation findings, and how much time and effort will be needed to ensure buy-in and uptake?

- Consider whether the evaluation approach will require capacity building (i.e., training, technical assistance, and coaching). If so, estimate the internal and external costs associated with evaluation capacity-building activities with attention to the modes of delivery of activities and their intensity.

- Think about who the key partners (evaluation firm[s], consultants, program partners, capacity-builders, etc.) should be for this work to move forward.

- Consider existing evidence regarding the program from past evaluations and how that base of evidence can be advanced. What approach makes most sense for evaluating your program in terms of overall design and targeted level of evidence?

- Develop or request from your evaluation contractor a detailed budget worksheet and estimated time and costs on a weekly, monthly or annual basis (as appropriate) for all items and cost categories relevant to your evaluation needs. The timeframe reflected in the budget worksheet may need to be extended to cover relevant preparation and follow-up periods as well as the timeframe of the evaluation itself.

- Get multiple eyes on the estimated budget to make sure you have covered all the bases.

- Plan for contingencies that may arise over the course of the evaluation. Be prepared to revise and adjust the budget as you move forward from planning to implementation. Often budgets need to be revisited due to realities on the ground over the course of project timeline.

- Plan to ensure that evaluation processes and findings are used to inform and improve your work.