

Phone conversation between Invest in Kids (Executive Director Lisa Merlino) and GiveWell (Elie Hassenfeld and Simon Knutsson) on October 19, 2010

GiveWell: What is the precise role that Invest in Kids (IIK) plays in the implementation of its Incredible Years (IY) programs?

Invest in Kids: The goal of IIK is first to identify the programs to implement. After we have identified, the next stage is introduction, i.e. partnering with communities and giving them the information they need to introduce it. Part of that phase is ensuring that the program is a good fit for the community. We advocate, but we don't sell the program, so if we go to a community and have a conversation but they don't want to implement the program, we understand and move on to the next community (though this doesn't happen often). The locals are the experts about their community so that is the best method.

The third stage is implementation. Once the community has decided to implement IY, we help them identify all the key stakeholders necessary for implementation. Once we've had these conversations and the community is ready, we train the necessary leaders. We train teachers to implement IY and we train the leaders of the IY parent groups. We are the only ones in Colorado who have IY certified trainers to do that level of training.

In the first year, we observe and visit the classrooms a lot to oversee what the teachers are doing, and whether they're implementing the program with fidelity. Each of the consultation visits is directed to fidelity. These visits occur monthly in the classrooms (in the first year) and 3 times during each 14 week long group-based parenting course. We use fidelity checklists in each visit.

We're also providing before and after evaluation through the OMNI Institute of all the group leaders and children. In the beginning of September, we got the most recent OMNI Institute evaluation. We'd be happy to share the report with you.

In the second year, we visit the teachers implementing IY and parent group leaders about half the number of times we did before. In the third year, we continue to evaluate (through the OMNI Institute) but don't do the one-on-one consultation any more, but we provide optional training for the teachers and parent group leaders.

The last, fourth, stage is ensuring the long-term sustainability of the program. We work with different groups to advocate for the value added of IY in these communities to sustain them long term.

GiveWell: So IIK staff paid by IIK is doing the training and the consultation, and IIK pays for the evaluations by the OMNI Institute?

Invest in Kids: Yes.

GiveWell: Does Invest in Kids require children to be of a certain age to participate in its IY programs?

Invest in Kids: Our school program is appropriate for age 3–8, but we choose to only focus on ages 3–5. There are situations where we work in a 1st grade, but that's very rare. We prioritize younger children. IY has been found to work for all incomes, but we prioritize low-income students. For the parent program, there is no child age requirement; parents may have several children of different ages.

GiveWell: Why do you focus on only 3–5 year olds for the school program, and not 6–8 year olds?

Invest in Kids: Our focus is on prevention, and we think we can make a stronger and more sustained impact the younger the child, so we've chosen to dedicate our resources to the youngest children first.

GiveWell: How much do you spend on the Nurse-Family Partnership (NFP) program vs. IY, and what is your spending broken down between your different IY programs?

Invest in Kids: I can give you the percentage of our total expenditure associated with our programs as a whole. Our 2010 projected budget is \$1.3 million, of which NFP accounted for 21%; IY 45%; Good Behavior Game, which we're phasing out, 13%; administration costs are 10%; and fundraising costs are 11%. Since this is the 2010 budget, it is a bit of a projection through the end of the year, but we're currently in line with the projection.

GiveWell: What is the cost to IIK per person served and total costs per person served (including costs to IIK, individuals, government, and other organizations), for each of IIK programs (NFP, IY, and preferably broken down among the different IY programs)?

Invest in Kids: Since we're an intermediary organization we don't serve individual children in IY and clients in NFP, so I've always hesitated to communicate that there's a certain IIK-cost per person served because there are costs above and beyond the pure IIK cost, and we currently don't have all the data necessary to make a precise determination of the holistic cost.

With that said, we're committed to this work. We had a finance committee meeting where we talked about trying to run the numbers in a way that lends itself to creating a precise estimate.

Right now, you can calculate the approximate cost to IIK per children served by taking our total budget in 2010 and dividing it by the approximate number of children we served through

teachers and parents. In 2010, we're projected to spend \$590,000 on IY, and we are projected to serve, through parent and teachers, about 5,000 children (about 4,600 children through our IY school program and 400 parents in our IY parenting program). This calculation results in approximately a cost to IIK of \$120 per child served in our IY programs. We could do similar rough math on the NFP numbers. But that also wouldn't take into account that a full-time nurse in the field is being paid by someone other than IIK.

GiveWell: So you don't have information on aggregate costs, inclusive of all entities that support the program financially?

Invest in Kids: I could send it to you for NFP in Colorado since I've put together the aggregate information. Basically, you'd take the total amount spent on NFP in Colorado, about \$13.3 million this year and that would include all the direct service cost and the money IIK receives for administrating the program and divide by the number of families in Colorado that benefit (2,700). And that results in \$4,792 to serve a family one year.

I can do the same type of math for IY. I know what the classrooms pay for training, consultation, and evaluation, but it wouldn't include things such as the time cost of the teacher that is adding the IY program in class.

I think the state health department has a report that has the financial breakdown that could provide better information on the total cost of NFP.

IIK doesn't pay for but facilitates the buying of materials for IY (books, manuals, food, and childcare), which are ongoing costs associated with participation in IY that IIK doesn't cover.

We could send you a sample budget of what it costs a community to implement IY.

We also think our IY teacher program helps reduce attrition because teachers are in crisis mode when we come in and we help them manage. We don't have data on this, but anecdotally, we think it's true.

GiveWell: What is your room for more funding? I.e. how much money could you productively use, and what would you do at different levels of additional funding?

Invest in Kids: For NFP, we really could not absorb a tremendous amount of funding. We could absorb \$50,000–\$100,000 annually more than we have and that would be our limit. This is because we got the needed funding including in the legislation we helped get passed. This year, we try to fundraise \$70,000 more for NFP.

This issue is harder to assess for IY because there's a lot of growth potential. We are currently working with the National Implementation Research Network (NIRN) at University of North Carolina at Chapel Hill to consider our IY growth model.

The big question is whether our approach to growth should be building IIK as an organization or building local capacity in the field. It may not be IIK that needs money but the local school districts. Our growth model is dependent on our ability to grow local capacity.

But, the bottom line is, if we got another \$100,000, we'd engage another community or district. Now, we are turning people away. With those funds, I'd be able to hire another master's level consultant which would allow us to grow the IY program appropriately. We could spend that amount overnight with the demand for IY that we're seeing. For every such full-time employee, which would cost us close to \$80,000 per year, we would serve maybe 35–50 more classrooms. We'd be able to go to a community that wants the IY program but doesn't receive it and tell them they can have it today.

GiveWell: How many communities have you had to turn away due to lack of capacity?

Invest in Kids: It depends on the definition of community. More often than not, the places where we have demand that we're not filling are communities we're already in. These are communities that want more of the services. We feel the rub in communities we're in and want to grow faster than we can accommodate. And since 2002, we haven't gone out and sold the IY program to some of our neediest communities because we don't have the capacity to make good on it. These are places we're not present in at all.

GiveWell: These consultants you mentioned that each costs you around \$80,000 per year. What services do they provide?

Invest in Kids: They do training and visits for the IY programs. Not all such consultants are certified trainers, but most are, and all do consultation. And, they work in a whole community so that they can have the larger political conversation with all of the key players. They present the outcomes from the OMNI evaluations of IY to that community.

GiveWell: What is the limit of how much funding you need?

Invest in Kids? Before making that decision, I'd consider whether we have the funding to employ those people long term. We don't want to hire someone this year that we can't retain next year.

Then, ideally, we could absorb 3–5 more staff members who would be liaisons to the neediest communities in our state. Right now, we have 4 full-time-equivalent consultants and I don't think we're likely to ever go beyond 10.

GiveWell: Can you share audited financials?

Invest in Kids: Yes, and I can send you the IRS Form 990 for year 2009.

GiveWell: Where does the money come from to run IY?

Invest in Kids: We work with communities. Two of our major players are two counties that we provide with support to make sure they're successful in getting IY included in some federal grants. We help them with grant writing. Also, some of the funders that fund us also fund the locals costs, so that the communities can get IY. IIK's reputation helps funders be confident in supporting the program.

So our reputation helps with foundations and government grants, and we're also helpful to communities by assisting in writing the grants.

We also help communities with presentations and advocacy to use available local funds for the program. In one part of the state, they've put a lot of Temporary Assistance for Needy Families (TANF) funds into it. We've met with the director in charge of that funding stream to encourage him to use TANF funds to fund The Incredible Years.

GiveWell: Are there times when communities want to run IY but can't find the money?

Invest in Kids: There are times when communities want to do it but don't have the money or don't prioritize the funds to run it well. For example, they want to send staff to training but don't want to pay for the evaluation. And, that's where we largely absorb more costs than we otherwise would (rarely, but it happens). We'll say to those communities, "We'll lower the cost to you to use our services, or we'll work with you to find a funder." We do this because we don't want to deliver the program half baked. If they wanted, a community could buy the program off the internet and implement it themselves.

GiveWell: What role does IIK play in the implementation of the NFP program?

Invest in Kids: A lot of our work is focused on lobbying at the state level.

In terms of implementing the program, we do all the pre-implementation work. Once nurses are approved with our support, the NFP National Service Office trains them, and when they come back we work with them. We do all the nursing consultation; we do monthly consultations with

every NFP nurse in the state for their professional development. The evaluations of the NFP program are done by the NFP National Service Office, and we use their evaluations.

GiveWell: So IIK provides no training of nurses and no evaluations, but does all the nursing consultation?

Invest in Kids: Yes.