Collecting Revenue Data from Public Pre-Kindergarten Programs

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INTRODUCTION

The past decade has seen an explosion of government-sponsored pre-kindergarten initiatives. As policy makers across the U.S. have come to recognize the importance of providing these services, they have struggled with the question of how to pay for them. Most public pre-kindergarten programs rely on a combination of local, state, and federal funds to fully support the initiative. Services are typically delivered in public school facilities, however, they may also be delivered off-site in early education programs in the larger community. The accounting structures for these programs can be extremely complex and seemingly simple tasks such as identifying the sources and levels of funding can be quite difficult. Within a given initiative, reported revenue and income can vary widely from program-to-program because of differences in services offered, local differences in types of funding available, variations in accounting, and the failure of school systems to maintain records that link discrete sources of funding to individual programs.

Capturing accurate and complete data on pre-kindergarten program revenue can take considerable time and energy and involve investigating multiple sources. Whereas the success or failure of the effort relies in large part on the program's willingness to cooperate, adequate preparation to collect the data is critical. This essay describes some of the strategies I have used to collect revenue data as part of larger investigations of child care and pre-kindergarten financing and expenditures. In this discussion, the term "pre-kindergarten initiative" refers to a municipal or state government-sponsored project, while "pre-kindergarten program" is used to refer to the collective pre-kindergarten services offered by an individual public school (usually as part of a larger initiative).

Before launching into my data collection strategies I would like make clear what my goals are when collecting revenue data. Ideally, I want data on all sources and amounts of revenue used to provide pre-kindergarten services (both on-and off-site), even if the service is also benefiting children not enrolled in the pre-kindergarten program—which is quite common in the context of public schools. In order to do this, in many instances a rule must be developed for allocating revenue according to who uses it or by operating component. For example, when the facility used by a program is also used by another entity. And when the pre-kindergarten program is operated by a non-public school based early childhood program that is part of a larger organization (e.g., programs run by Head Start, YMCAs, etc.). (Frequently, the larger organization has consolidated financial statements and does not identify discrete revenue sources for its various operational components.) Another level of complexity arises if the research

project seeks to allocate revenue by classroom. A method must be established for determining what proportion of each revenue component applies to each room.

The strategies described below have been effective in collecting program level data for services offered both within and outside of public school facilities. However, it is beyond the scope of this paper to address strategies for pro-rating or estimating revenue by operational component or individual classroom.

Collecting Revenue Data

I prefer to collect revenue data in a person-to-person interview with an individual (or individuals, as is more often the case) who is familiar with the program finances. I start the data collection process by educating myself about the program, its administrative components, and key funding sources. I then use that information to create a template for recording the revenue figures and to develop a data collection strategy. The template is simply a categorical listing of the major funding sources with space to record the amount of funding received from each source. Typically, the revenue data collection interview begins by reviewing the program's annual financial statement and recording values for the primary sources of funding—data most readily available. The process then continues with probing for additional data—sources of revenue that are not reported on the financial statement.

The greatest challenge in collecting revenue data is avoiding underestimations. Program revenue is often underestimated due to the underreporting or omission of some sources of funding. Sometimes the underreporting and omissions are a result of someone neglecting to report the information accurately or fully or merely forgetting to report it all. Other times it's a result of the program choosing to not directly account for a particular source of income. In the latter situation, it is often simply impossible to capture the data. However, one way to reduce the degree of underestimation due to neglect or forgetfulness is to become familiar with the sources of funding available for early education in the area where the program is located. It is also important to learn about the characteristics of the program being investigated and to identify reliable data sources (i.e., informants).

Know About and Understand the Universe of Early Education Finance

Government sponsored pre-kindergarten programs typically rely on a variety of public and private revenue sources to support both direct services provided to children and families, as well as program infrastructure.[*] Knowing about the various sources of funding available to the program under investigation and who is eligible to receive the funds and for what purposes greatly facilitates the collection of revenue data.

After collecting revenue data several times one becomes familiar with the major sources of funding to support pre-k. So the primary goal for me at this point is to identify sources unique to the state, county, and municipality where data are to be collected. I usually begin this exploration by reading the state or municipal mandate authorizing the pre-kindergarten initiative.

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[*] Program infrastructure includes all of the essential functions that support direct services, such as administrative costs, salaries and benefits, staff education, facility costs, quality assurance, etc.

That document will provide valuable information about major sources of funding to support the initiative, will outline required programmatic components, and may also identify additional sources of funding or program requirements. Next I consult the Internet sites for the various educational and child care services agencies in the area. Useful sources for gathering this information include: state and local public education departments, state and local departments of health and human services, state and local child care agencies, child care resource and referral agencies, directors of programs offering child care and related services, to name a few.

After identifying all *potential* sources of funding for pre-kindergarten services, I draft a data collection template, listing the major relevant revenue sources. How I choose to categorize and label those sources is guided by what variables I want to analyze, coupled with what I know about each of the revenue items. To illustrate, refer to the sample template below that contains a list of major categories of revenue for a government-sponsored pre-kindergarten program. This is actually the generic template I start with. Items are deleted or added based on what I learn about specific funding options for the programs being investigated.

REVENUE SOURCE	INCOME
State Pre-K funds	$
Local Pre-K funds	$
Title I	$
Even Start	$
Head Start	$
U.S.D.A. Food Program	$
Fees paid by State Department of Human Services (child care subsidy dollars)	$
Fees paid by Local Department of Human Services (child care subsidy dollars)	$
Other Federal contributions (not reported above)	$
Other state public funds (not reported above)	$
OTHER LOCAL PUBLIC FUNDS (NOT REPORTED ABOVE)	$

Items "a-h" identify general public revenue sources commonly used to support pre-kindergarten. Items "a-b" represents state and local funds designated for pre-kindergarten. (These funds typically derive from sales, income, and other taxes, as well as specific service fees (e.g., marriage license fee) levied by the government. Or as in the cases of Georgia and Florida, a state lottery.) In some instances, funds for either a state or local initiative might be a single revenue source. In others, they may represent categories of funding. For example, there may be several sources of local public funding earmarked for pre-kindergarten specifically. If possible, these should be captured individually, which would require breaking down this item by each of the funding sources. Items "c-f" are discrete revenue sources that the program can typically report separately.

Items "g-h" represent child care subsidy dollars (for low-income children) received from state and local departments of human services. (These funds usually derive from federal and state CCDF and TANF funds, as well as general state revenue.) In the context of pre-kindergarten, these funds are often used to provide extended day (or wrap-around) services so that the children have care both before and after the regular school day. Frequently, programs are not able to report state and local subsidy dollars separately. In those instances, these two

items should be combined to create one category. Items "i-k" are catch-all categories to capture public revenue received by sources not already reported. Often, one or more of these categories needs to broken down further depending on the specific funding available. For example, in North Carolina, Smart Start, WAGE$, and/or TEACH might each be captured separately as "other state public funds."

The latter part of the template addresses non-governmental funding. Because these sources usually represent a small portion of total revenue in government-supported programs, I prefer to record them categorically rather than by individual funding source. This is illustrated on the template below.

REVENUE SOURCE	INCOME
Fees paid by parents	$
Contributions from community groups, agencies, foundations, or businesses	$
Cash contributions from a corporate church sponsor	$
Cash contributions from a public university/college sponsor	$
Cash contributions from a private university/college sponsor	$
Special events and fund raising efforts	$
Private donations (and none of the above)	$
Other (specify)	$
TOTAL REVENUE	$

Item "l" captures any and all fees paid by parents, including co-payments, tuition, late fees, and other program service fees. Item "m" represents grants or other contributions from non-governmental entities. This includes funding from local community groups, foundations, businesses, and corporations. This funding is usually provided to a support specific pre-kindergarten activity (such as purchasing playground equipment or achieving accreditation) Items "n-p" represent contributions from program sponsors. Typically, this relates to programs that are actually housed in facilities owned and operated by a larger entity, such as a business, church, or college. "N" represents a non-educational entity that sponsors the program, such as a business or church. Items "o-p" represents contributions public and private educational sponsors respectively. Items "q-r" are intended to capture revenue received from development and fund raising activities, as well as other private donations.

Gather Information about the Program

The section above outlines the various general types of funding that may be available for pre-kindergarten. Further refining of the template requires knowing about specific components of the program under investigation. This is critical because it alerts you to the possibility that the program may be receiving federal or other state and local funding targeted to support those specific activities. Information about the program can also be used in an effort to ascertain that all revenue sources have been reported with reasonable accuracy. I have found it particularly useful to gather the following information about each program prior to collecting specific information about revenues:

Services provided
Administrative structure
Overall personnel structure
Number of staff
Child enrollment
Ages of children served
Length of program day/year
Space used (both on- and off-site)
Transportation provided
Food service provided
Special activities offered (e.g., training)
Unusual expenditures
Fees charged to parents
Number of subsidized children

Coupled with general information about the pre-kindergarten initiative, this program level information gives a general sense of the nature and scope of the services provided and presents a context for understanding the program revenue. This enables me to assess whether the revenue values reported are reasonable estimates. I can also use this information in an effort to refresh the interviewee's memory as I probe for additional sources or amounts of revenue.

Finalizing the Data Collection Template

While a large part of collecting revenue data is a matter of identifying sources and sorting out values, this requires working closely with a program administrator to categorize revenues and to gather complete information on each program. There is no right way to organize the revenue source template and to label the items, but keep in mind that the organization and labeling of the items can impact data collection. It is especially important to categorize variables and use labels that are understandable to the people being interviewed. This is usually accomplished through field-testing. After testing the template, I invariably end up changing the labels of certain items and/or breaking down some of the broad categories. So, for example, an actual template might replace items "a" and "b" above with the actual name of the pre-k funding initiative. It may also be necessary to add items to capture other specific state or local revenue sources.

I strongly recommend collecting discrete information on individual revenue sources for the larger dollar items whenever possible. (For example, collecting state pre-k funds and local pre-k funds separately as shown above.) This will enable you to readily group the items by various broad categories for analytical purposes (e.g., total local contributions, total state contributions, total federal contributions, total public revenue, total private revenue, etc.).

Identify Possible Informants

Collecting precise revenue data can be time-consuming and require interviewing several data sources. At first blush, it would appear that adequate information could be obtained from the school system central office and/or the school principal. This is a good beginning. As mentioned earlier, the interview begins by reviewing the revenue sources listed on financial

statements with a program administrator. However, further probing is necessary to ascertain that all revenue sources are accounted for.

I have found that the best way to identify possible informants of revenue sources is to refer to what I know about the variety of services offered by the program (and individual sites). Next, I attempt to identify who administers and oversees each service component (e.g., parent training; literacy initiative; transportation; etc.). Those individuals can usually lead me to the person who manages the finances for that given program activity.

Typically, I end up querying various individuals in the relevant state education office and the local central office, as well as various site-based administrators. These individuals might include early education specialists, fiscal managers, budget specialists, operations managers, and program directors, to name a few. I also speak with teachers and other staff (both on- and off-site) who work with the pre-kindergarten program. Individuals at each of these levels often have information about particular funding sources used to support the pre-kindergarten program as a whole as well as site specific components. After collecting data from these various people, I usually return to the school principal or other relevant chief administrator for final assurance that the information I've collected is valid.

While having multiple informants is usually necessary to successfully collect revenue data in public pre-kindergarten programs, it is imperative to develop a congenial relationship with someone at the education central office level who will champion your efforts. Ideally, this should be someone in a very high administrative position. It helps to do the same at the school-level as well.

Concluding Comments

I have found that the strategies outlined in this essay greatly increase the chances of program cooperation in data collection and reduce the incidence of underestimation of revenue for public pre-kindergarten programs. However, collecting these sorts of data remains a complicated task prone to underestimation and error. I welcome ideas about data collection strategies that you have found work well, as well as approaches for allocating revenue by classroom and operational component (for programs that share facilities or are a part of a larger organization).