



## Background

On July 20, 2016, the National Association for Regulatory Administration (NARA) provided the *Child Care Licensing Key Indicator Report* to the Michigan Department of Education (MDE) as part of the development of a Key Indicator System for that agency’s use.

There are several recommended maintenance activities agencies should perform in order to ensure maximum effectiveness of a Key Indicator System in the long term; some are applicable to all Key Indicator Systems, while others are unique to the system used by a given agency.

This document provides recommended general and specific maintenance activities the MDE should perform to protect the integrity of its Key Indicator System.

## Recommended Maintenance Activities – All Key Indicator Systems

In order to achieve the intended full benefits of a Key Indicator System, the system should be subject to ongoing *monitoring*, *periodic reanalysis*, and *periodic revision*.

## Monitoring

The foundation of effective evaluations is largely the direct result of proper monitoring. Ongoing monitoring of a Key Indicator System enables an agency to recognize successes and failures in a timely manner, ensure quality of its efforts and service provision, and degree of compliance with identified goals.

It is important to note that ongoing monitoring is different from project monitoring. Project monitoring typically focuses on specific tasks necessary to achieve a desired objective, whereas ongoing monitoring attempts to link the project with programmatic efforts and organizational goals. Ongoing monitoring is an active endeavor that requires the involvement of stakeholders at all levels to define, review, and determine if the results meet the desired goals/objectives. The table below illustrates the different types of questions asked when conducting project monitoring versus ongoing monitoring.

Project Monitoring	Ongoing Monitoring
<ul style="list-style-type: none"> <li>• How are activities progressing- are they ahead, behind or on-schedule?</li> <li>• How much of the budget have you spent to date?</li> </ul>	<ul style="list-style-type: none"> <li>• Is the project resulting in the desired outcome?</li> <li>• Have we efficiently distributed our resources in implementing the project?</li> </ul>

Project Monitoring	Ongoing Monitoring
<ul style="list-style-type: none"> <li>• Is your team working on activities that are in-scope or out-of-scope?</li> <li>• Have any new or potential risks been identified/resolved?</li> </ul>	<ul style="list-style-type: none"> <li>• What is the level of satisfaction with the project’s outcome among internal and external stakeholders?</li> <li>• Is the project sustainable in its current form?</li> </ul>

Ongoing monitoring can and should result in simple, small-scale adjustments to project implementation, which may include programmatic fine-tuning, increasing training and technical assistance, redistributing resources to support weak spots within the project, modifying priorities, and identifying future large-scale initiatives.

It becomes very difficult for an agency to determine if the desired results of a project are being met and to what degree without the data from these evaluations. This is why it is important to recognize that ongoing monitoring is not simply a measure of tracking projects. Instead, agencies must monitor the achievement and/or progress of the overall desired results as they align to the agency’s goals.

**Periodic Reanalysis**

Key Indicators should be recalculated at least every three years or upon revision of the regulations for which the system is used. Time, circumstance, the addition of new rules, and the modification or deletion of other rules all have the potential to change which regulations are the best statistical projectors of overall compliance. For example, whether a licensed setting conducted fire drills was found to be a predictor of overall compliance in Michigan’s Family Child Care Homes, Group Child Care Homes, and Child Care Centers. It is possible that, because of additional training, outreach, or simple practice, that fire drill-related noncompliance drops such that it is rarely identified – which could potentially lessen the its degree of association with overall compliance. Meanwhile, an emerging trend of noncompliance in another area may become a better predictor of overall compliance. It is for this reason that regularly-scheduled recalculation is recommended.

**Periodic Revision**

Periodic revision involves combining the results of ongoing monitoring with key indicator recalculation to make system-wide revisions to the Key Indicator System as a whole. The (potential) identification of new indicators and the ongoing, small-scale adjustments to the system should be used to make comprehensive revisions to the agency’s Key Indicator System policies and procedures, training and technical assistance, and stakeholder communications, e.g. announcing system revisions as a means to ensure the integrity of the system and to demonstrate that stakeholder input is considered when making systematic improvements.

## **Recommended Maintenance Activities – Michigan Department of Education**

Through the process of identifying Michigan’s key indicator regulations, NARA identified several inconsistencies between the regulations, compliance record, and inspection data. Each section of each set of regulations is broken into subsections, which in turn are broken into paragraphs, subparagraphs, etc. Key indicator development involves analyzing the relationship between each part of a regulation and an overall state of compliance or noncompliance. When a measure includes more than one item, it is difficult for an analysis to determine the exact cause of the noncompliance requiring the inspector to measure all items. NARA recommends that Michigan compare its regulatory requirements, compliance record instruments, and electronic data storage methods to ensure that information is captured in the most detailed and consistent manner possible before conducting the next indicator reanalysis.

Indicator identification also found that no regulatory violations were identified during most of the licensing inspections conducted. This was the case in inspections of each type of setting. While a high number of inspections with no violations can indicate a general state of high regulatory compliance, it can also result from weak inter-rater reliability between regulators, which means that different regulators are measuring compliance with the same regulations in different ways. Weak inter-rater reliability can lead to misidentification of indicators<sup>1</sup> and other difficulties unrelated to Key Indicator Systems. NARA strongly recommends that MDE examine the inter-rater reliability of its regulators and take steps to correct any systematic contributions to inconsistency in identifying regulatory violations.

### **Recommendations Summary**

The Michigan Department of Education has taken a significant step to enhancing the protections of children in care by creating and implementing a Key Indicator System. Applying the maintenance and monitoring recommendations set forth in this document will align Michigan’s child care licensing program operations with the standards of excellence in regulatory administration and ensure that the full benefits of the key indicator system are realized.

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<sup>1</sup> NARA used alternative methods to ensure the validity of the indicators identified in the July 20, 2016 report, and the identified indicators are consistent with national findings; as such, NARA is confident that the identified indicators are accurate predictors of overall compliance.