



Michigan Department of Education  
**Key Indicator Maintenance and Monitoring**

## **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**

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> <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>• Is the project resulting in the desired outcome?</li> <li>• Have we efficiently distributed our resources in implementing the project?</li> <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. Therefore 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 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 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**

In addition to the maintenance activities described above, NARA recommends that MDE improve consistency between regulatory requirements, compliance record instruments, and electronic data storage methods; and examine licensing practices to ensure that compliance with each rule is thoroughly measured and recorded.

Like most regulations, Michigan's rules are divided into smaller elements such as sub-rules, clauses, sub-clauses, etc. During inspections, compliance with each element of each rule is measured and documented on compliance records, which are used by MDE to populate and maintain inspection data in electronic format. NARA found several inconsistencies between the rules, the compliance record, and inspection data when identifying Michigan's key indicator regulations.

Key indicator development involves analyzing the relationship between compliance with each part of a rule and an overall state of compliance or noncompliance. The system's precision is lessened when inspection data is not captured or maintained at the most specific level possible. For example, Rule 400.1907(1)(b) was identified as a Key Indicator. The rule reads:

- (1) Prior to initial attendance, the caregiver shall obtain the following documents:
- (b) A child in care statement/receipt using a form provided by the department and signed by the parent certifying the following:
  - (i) Receipt of a written discipline policy.
  - (ii) Condition of the child's health.
  - (iii) Receipt of a copy of the family and group child care home rules.
  - (iv) Agreement as to who will provide food for the child.
  - (v) Acknowledgment that the assistant caregiver is 14 to 17 years of age, if applicable.
  - (vi) Acknowledgment that firearms are on the premises, if applicable.
  - (vii) If the child care home was built prior to 1978, then the caregiver shall inform the parents of each child in care and all assistant caregivers of the potential presence of lead-based paint or lead dust hazards, unless the caregiver maintains documentation from a lead testing professional that the home is lead safe.

Clauses (i)-(vii) are separated in the regulations and on the compliance record, but were grouped under subrule (1)(b) in the electronic dataset. Absent such grouping, the

strength of association between compliance with each clause and overall compliance could have been determined, providing a more specific predictor of compliance.

NARA recommends that MDE 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 overall regulatory compliance, NARA believes that the number of inspections where no violations were found is inordinately high. This was originally thought to be a result of weak inter-rater reliability, which means that different regulators are measuring compliance with the same regulations in different ways. Weak inter-rater reliability, however, is usually evidenced by inconsistent inspection findings; the MDE data suggests that most inspectors find no violations during licensing inspections. Again, this may be because most settings are compliant with most or all of the rules, but it can also result from other factors, including but not limited to the licensing agency's position relating to recording violations, the scope of compliance measurement during inspections, and the degree of familiarity between a licensed setting and an inspector.

All licensing agencies should develop an official position as to the circumstances where an identified noncompliance will be recorded as a violation versus when noncompliance will be used as a vehicle for technical assistance. For example, Rule 400.8146(1) requires Child Care Centers to provide a written information packet to each parent. Suppose that an inspector reviews 20 child records and finds that the packet was provided in 19 cases but not provided in one case - should the inspector cite the finding as a violation of Rule 400.8146(1), or find the center to be in overall compliance with the rule and provide technical assistance to prevent recurrence of the circumstances that led to the single instance of noncompliance? The answer depends on how the licensing agency has decided to address such situations, and whether inspectors have been trained on and understand agency policy. Licensing agencies that elect to provide technical assistance in lieu of citations will invariably produce inspection reports with fewer violations. Moreover, if the licensing agency has not established an official position, inspectors may default to technical assistance instead of citations.

Low violation inspections may also result from the scope of compliance measurement. Scope generally includes factors such as the number of records reviewed during an inspection (the more records reviewed, the greater the chances that a violation will be identified), the breadth of the physical site portion of inspections (e.g. is every window in a center checked for weather tightness in accordance with R 400.8380(3), or are windows only checked where there is evidence damage?), and the number of techniques applied when measuring compliance with each rule (e.g. when measuring compliance with R 400.8140 (Relating to Discipline), do inspectors rely solely on reviewing the center's discipline policy, or are staff also interviewed to determine if the policy is

actually being applied?). The broader the scope of an inspection, the greater the chance of identifying one or more violations during the inspections.

Finally, the number of violations identified during an inspection can be impacted by the relationship between a setting and the inspector. When the same inspector consistently conducts licensing inspections at the same settings, the authority relationship between inspector and setting may become compromised over time. For example, an inspector who has reviewed a setting's policies and procedures during an inspection and found them to be compliant may believe that review of the policies during a subsequent inspection is unnecessary. A more extreme example is that an inspector may come to trust a setting such that assertions of compliance by the setting are considered to be sufficient evidence of compliance. This is not to say that rapport between inspectors and settings is undesirable – indeed, rapport is critical to a balanced authority relationship between inspector and setting – but rapport should be established through fair and equitable treatment of a setting and through inspector conduct as opposed to individual relationships.

NARA recommends that MDE review its inspection policies and inspector training practices to ensure that expectations relating to citations versus technical assistance are clearly established and understood; that the scope of inspection methods is sufficient to determine rule compliance; and that the integrity of the inspection process is not compromised by overfamiliarity between inspectors and settings. Capturing comprehensive compliance data supports the identification of key indicator rules. Although NARA is certain that the indicator regulations identified in *Child Care Licensing Key Indicator Report* are the best predictors of overall compliance, a review of inspection policies and inspector training practices is recommended before conducting the next indicator reanalysis.

## **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. To ensure the long-term effectiveness of MDE's Key Indicator System, MDE should:

- Conduct ongoing monitoring activities to determine if the Key Indicator System is achieving Michigan's desired goals/objectives;
- Recalculate the key indicator rules at least every three years;
- Use the results of ongoing monitoring and key indicator recalculation to make system-wide revisions to the Key Indicator System as appropriate;
- Compare regulatory requirements, compliance record instruments, and electronic data storage methods to ensure that inspection information is captured in the most detailed and consistent manner possible, and
- Review inspection policies and inspector training practices to ensure that rule violations are appropriately captured.

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.