

Tiered Licensing for Child Care:

Options for the Phase One Core Inspection Tool for
Licence Renewals

September 2015

Early Years Division

Purpose

1. Review the methodological approach for developing the “core” inspection tool
2. Share findings from the completed analyses
3. Outline options and a recommendation for the licensing provisions to be included in the core inspection tool for phase 1
4. Outline strategies for updating the core inspection checklist as regulations are changed under the *Child Care and Early Years Act (CCEYA)*
5. Outline a strategy for the ongoing re-evaluation of the core checklist

Background

- The current (September 2015) licensing checklist includes 295 questions.
- Under tiered licensing, a core inspection checklist will be used for Tier 1 and Tier 2 programs during their annual licence renewal.
- The core renewal inspection checklist will include:
 - The “core” checklist questions;
 - A sample of 5 randomly selected “non-core” questions;
 - Any checklist questions that were not in compliance at the last renewal inspection and any monitoring inspections since that time; and
 - Any checklist questions that were “in progress” at the last licence renewal (i.e. checklist questions introduced in September 2015 that have a one year transitional period for compliance)

Background (contd.)

- The core renewal inspection checklist will be expanded during inspections as per the following business rules:
 - Where a non-compliance is observed with a provision that has an “extreme” risk weighting, the relevant checklist section will expand;
 - Where two “extreme” non-compliances are observed, the full checklist will expand;
 - Where a non-compliance with any other “core” checklist question is observed, the relevant checklist sub-section will expand; and
 - PAs will have the flexibility to change from a core to a full inspection at any time during the by providing a rationale (e.g. change in supervisor/ownership, open serious occurrence/complaint, observed non-compliance with non-core checklist question, etc).

Methodology

- Consistent with the methodology approved in March 2015, the following activities were carried out to determine the “core” checklist questions:

Analysis 1: Risk Severity Assessment

- Risk assessment is an approach for identifying the level of risk when provisions are violated
- Ratings of risk severity for the licensing provisions included in the March 2015 inspection checklist were obtained through surveys of:
 - 41 program advisors, senior program advisors, regional managers and corporate managers;
 - 57 child care operators/supervisors representing different regions and program types (e.g. First Nation, Francophone, before/after school programs, for-profit/non-profit, etc.).

Analysis 2: Key Indicator System

- The Key Indicator System is a statistical approach to identify a subset of licensing provisions that are predictors of compliance using all licensing provisions.
- Three years of licensing renewal inspection data (i.e., 2012, 2013, and 2014) were used to determine the key indicators

Methodology (contd.)

Analysis 3. Non-compliance Likelihood Index

- The Non-compliance Likelihood Index calculates how likely non-compliance occurs for each provision in the March 2015 checklist.
- The likelihood indices were obtained through an analysis of the average non-compliance rate per provision across 2012, 2013, and 2014 calendar years. The final index is based on the pooled results across three years

Analysis 4: Identification of provisions frequently cited at monitoring visits

- Monitoring visit data from March 2015 – July 2015 was analyzed to identify the provisions that are frequently cited at monitoring visits to identify areas where operators may have compliance issues during the licensing period

Analysis 5: Identification of new and revised provisions under CCEYA

- Inspection checklists (pre- and post-CCEYA proclamation) were compared to identify new, significantly revised and removed provisions

Analysis 6: Identification of provisions not applicable to renewal

- Provisions in the September 2015 checklist that are not applicable at renewal (i.e. only applicable at time of application or licence revision) were identified by corporate staff and managers

1. Risk Severity Assessment – Summary of Findings

- The risk ratings are based on the survey results from licensing staff on the March 2015 (DNA) checklist.
- Both median and percentage distribution across four risk levels were used to determine the risk rates. Standard deviation and margin of errors were used to examine and manage variation in responses. The rating with the highest percentage was used as the final risk rating for the provision.
- 53 licensing provisions had a relative large margin of errors (e.g., almost equal number respondents rated the requirement as Extreme and High risk). For these requirements, a second survey was conducted among senior PAs and regional/corporate managers. The project working group was also consulted for provisions that continued to have high variation after the second survey.
- Out of the 279 provisions,
 - 32 (12%) were rated as “Extreme”
 - 68 (24%) “High”
 - 98 (35%) “Moderate”
 - 81 (29%) “Low”

2. Key Indicator System – Summary of Findings

- Phi coefficient (ϕ) was calculated for each provision based on the copy-righted key indicator methodology (Fiene, 2014; 2015). The magnitude of the Phi coefficient was used to determine whether the provision is a key indicator (i.e., predictive of overall compliance).
- A total of 275 provisions were included in the analysis of Key Indicator System (note: 4 provisions specific for centres designated to children with special needs were not included in this analysis).
- Key indicators were generated using renewal inspections conducted in 2012, 2013, and 2014, respectively.
 - A. 29 provisions (11%) were key indicators across all three years;
 - B. 6 provisions (2%) were key indicators for two years;
 - C. 6 provisions (2%) were key indicators for one year; and
 - D. 234 provisions (85%) were not a key indicator for any of the three years
- Three options of Key Indicator System were identified based on above results:
 - Option 1: 29 key indicators (A)
 - Option 2: 35 key indicators (A+B)
 - Option 3: 41 key indicators (A+ B+C)
- Further validation was conducted to examine the agreement ratio between the full checklist and the Key Indicator System of the above three options. The agreement ratios were all at 0.90 and above, and therefore all three key indicator options were validated. Dr. Fiene reviewed the key indicator results and recommended Option 1 to be considered as the final Key Indicator System.

2. Key Indicator System – Summary of Findings (cont'd)

- The 29 key indicators include:
 - 8 provisions (28%) rated as extreme risk;
 - 10 provisions (34%) rated as high risk;
 - 8 provisions (28%) rated as moderate risk; and
 - 3 provisions (10%) rated as low risk
- It is critical to note that the key indicator analysis is based on the March 2015 checklist and does not reflect compliance with the September 2015 checklist. Among the 29 key indicators calculated based on 2012-14 data
 - 24 provisions remained unchanged in the September 2015 checklist
 - 2 provisions were dropped out of the September 2015 checklist, which were rated as low risk; and
 - 3 indicators were changed and merged into new provisions in the September 2015 checklist
- Slide 16 outlines strategies for updating the key indicator analysis for full implementation (July 2016) and on an ongoing basis to reflect continuous regulatory changes under the CCEYA.

3. Likelihood Index – Summary of Findings

- Compliance rates were calculated for each provision using 2012, 2013, and 2014 licensing renewal inspection, respectively.
- Average compliance rates were then calculated based on the mean of the three years.
- Five likelihood levels were used based on the distribution of the average compliance rates.
 - High ($\leq 90\%$)
 - Medium-High (90.01% - 95%)
 - Medium (95.01% - 97%)
 - Medium-Low (97.01% - 99%)
 - Low (99.01%-100%)
- Out of the 279 provisions,
 - 4 (1%) were classified as “High”
 - 16 (6%) “Medium-High”
 - 19 (7%) “Medium”
 - 66 (24%) “Medium-Low”
 - 174 (62%) “Low”

4. Monitoring Visits - Findings

- A total of 2 provisions were identified as being frequently cited (above 10%) with non-compliance at monitoring visits, but are not part of key indicators or provisions with extreme or high risk ranking

FIELD_LABEL(v6.0)	FIELD_DESC(v6.0)	Non-Compliance Rate
1. Licensing Inspection Summary Displayed	The operator shall ensure that the Licensing Inspection Summary is posted in a conspicuous place in the day nursery at or near an entrance commonly used by parents	16%
7.1 Daily Written Records	There is a daily record of incidents affecting the health, safety or well-being of any child or staff member.	11%

5. New/Changed CCEYA Provisions - Findings

- A total of 89 provisions were newly introduced as a result of Tier 1 regulatory changes under the CCEYA.
- An additional 6 provisions from the previous checklist were significantly changed as a result of the regulation changes.

Nature of CCEYA Change	Number of Provisions
Total Number of Unchanged provisions	200
Total Number of New or Changed Provisions	95
New provision	89
Significantly changed provisions	6

6. Provisions Not Applicable to Renewals - Findings

- A total of 44 provisions were identified as not being applicable to licence renewal inspections (i.e. applicable only at the time of new application and licence revision)

Checklist Section	Number of N/A Provisions
Building, Equipment and Playground - Child Care Centres*	41
Emergency Preparedness	1
Other Legislation and Ministry Policy	2
Total Number of Not Applicable Provisions	44

* One new application item is also a key indicator (i.e., 3.1 Secure Storage/Hazardous Materials)

Note: 11 additional provisions related to policies and procedures are not applicable to renewal if no updates were made during the licensing period. The inspection software will be able to conditionally add/exclude these items to the renewal checklist based on the licensee's confirmation that updates have/have not taken place.

Phase 1 Core Checklist – Option 1

Provisions to be <u>Included</u> in the Core Checklist	Provisions to be <u>Excluded</u> in the Core Checklist
A) 24 key indicators	Provisions with “low” and “moderate” severity
B) 81 provisions that have “extreme” and “high” severity, but not included in A)	44 provisions that are not applicable to licence renewals, including 16 “extreme” or “high” risk items (F), which are included in B)
C) 2 provisions that are frequently cited at monitoring visits, but not included in A) or B)	
D) 95 new and significantly revised provisions under Tier 1 CCEYA regulatory changes	

Total number of checklist questions for phase one = A + B + C + D - F = 24 + 81 + 2 + 95 - 16 = 186

Considerations:

- provides a 37% reduction in the number of checklist provisions (295-186=109 provisions), the smallest reduction of the options considered
- mitigates the most perceived risk by including both “high” and “extreme” risk provisions

Phase 1 Core Checklist – Option 3

Provisions to be <u>Included</u> in the Core Checklist	Provisions to be <u>Excluded</u> in the Core Checklist
A) 24 key indicators	Provisions with “high,” “moderate” and “low” severity
B) 18 provisions with “extreme” severity, but not included in A)	44 provisions that are not applicable to licence renewals, including 2 “extreme” risk items (F), which are included in B)
C) 2 provisions that are frequently cited at monitoring visits, but not included in A), B), or C)	
D) 1 provision on compliance with terms and conditions (rated as “high), but not included in A) to C)	
E) 95 New and significantly revised provisions under Tier 1 CCEYA regulatory changes	

Total number of checklist questions for phase one = A + B + C + D + E - F = 24 + 18 + 2 + 1 + 95 – 2 = 138

Considerations:

- consistent with Dr. Fiene’s recommendation to include only “extreme” provisions along with key indicators
- provides a 54% reduction in the number of checklist provisions (295 -138 = 157 provisions), which represents a greater time savings than option 1
- may be perceived by the public as reducing the ministry’s oversight with “high” risk provisions being excluded

Phase 1 Core Checklist – Other Option Considered

Provisions to be <u>Included</u> in the Core Checklist	Provisions to be <u>Excluded</u> in the Core Checklist
A) 24 key indicators	Provisions with “low” and “moderate” severity
B) 18 provisions with “extreme” severity, but not included in A)	Provisions with “high” severity and “low to medium likelihood”
C) 0* provisions with “high” severity + “medium high” and “high” likelihood, but not included in A) or B)	44 provisions that are not applicable to licence renewals, including 2 “extreme” risk items (G), which are included in B)
D) 2 Provisions that are frequently cited at monitoring visits, but not included in A), B), or C)	
E) 1 provision on compliance with terms and conditions (rated as “high), but not included in A) to C)	
F) 95 New and significantly revised provisions under Tier 1 CCEYA regulatory changes	

Total number of checklist questions for phase one = A + B + C + D + E + F – G = 24 + 18 + 0 + 2 + 1 + 95 – 2 = 138

Considerations:

- provides a 54% reduction in the number of checklist provisions (295 -138 = 157 provisions), the same results as option 2

Development of the Core Checklist for Full Implementation

- The core checklist developed for phase 1 will not include up to date key indicator and risk assessment results and will need to be redeveloped for full implementation (July 2016) .
- The same approach selected for developing the core checklist for Phase 1 will be used to develop the core checklist for full implementation.
- The following analyses will be undertaken to develop the updated core checklist:
 - Risk assessment on new and significantly revised provisions under Tier 1 CCEYA regulatory changes with licensing staff (November 2015);
 - Key indicator analysis of September 2015 – April 2016 licensing data;
 - Identification of new and significantly revised provisions under Tier 2 CCEYA regulatory changes

Re-Evaluation of the Core Checklist

- Ongoing evaluation will be required to ensure that the core checklist is methodologically sound as regulations change under the CCEYA. This will involve ensuring that regulatory changes and changing compliance trends are reflected in the core checklist.
- The following strategy is proposed:
 - Randomly select **10% (or 5%?)** centres (**~500/ 250?**) from all three tiers to conduct full inspections each year for the first three years of implementation
 - Re-evaluate key indicators based on the sample every year for the first three years
 - Conduct risk assessments on any new/revised provisions