Do Abbreviated Inspections Really Work? Validating Washington's Differential Monitoring Risk Assessment Licensing Systems for Early Care and Education Programs

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Introduction

In the human services field and particularly early care and education (ECE), there is interest in validating licensing and program monitoring systems to make certain that the systems operate as they are intended to operate. A conceptual framework has been developed by Zellman and Fiene (2012) that has been used by states to validate their respective licensing and monitoring systems as well as Quality Rating and Improvement Systems (QRIS) since it was originally proposed.

The literature on ECE validation has been dominated by validating QRIS in state agencies. There has not been as many validation studies undertaken in the licensing field. In fact, the results from Washington is leading the way in utilizing this new validation conceptual framework. It is rather timely because the differential monitoring approaches of licensing key indicators and risk assessment rules have been gaining considerable traction in many licensing jurisdictions because of the re-authorization of the Child Care and Development Block Grant (CCDBG) and the encouragement within the regulations for state CCDF agencies to utilize differential monitoring.

The validation conceptual framework as designed by Zellman & Fiene (2012) delineate four approaches to validation: Standards, Measures, Outputs, and Outcomes. This paper will address Standards validation; Measures validation; and Outputs validation as employed in the state of Washington.

Methodology

Several cohorts from Washington State's Department of Children, Youth and Families child care Risk Assessment Licensing Decision Making Tiers System (RALDMTS) were used to validate their risk assessment rules. The validation involves two key components: 1) Validation of the measurement strategy used to determine the licensing decision making for child care centers and family child care homes; 2) Validation of the licensing system in juxtaposition to the program quality measures (ERS & CLASS) as part of their QRIS – Quality Rating and Improvement System utilized in Washington.

As stated in the above paragraph, the data set involves several cohorts drawn from licensing reviews in 2019 – 2020. The data reported in this report are from late 2019 through early 2020 and involved 385 sites. It was driven by the QRIS visiting and assessment schedule.

Licensing/regulatory compliance data are very different from other data in how they get distributed and therefore should be analyzed. Licensing/regulatory compliance data are grouped into 4 basic buckets:

- Full regulatory compliance
- Substantial regulatory compliance
- Mid-range
- Non-optimal regulatory compliance

Obviously full regulatory compliance means 0 violations or 100% compliance with all rules. Substantial regulatory compliance means 1-3 violations with all rules, while low compliance means 10 or move violations with all rules. A middle regulatory compliance range means 4-9 violations with all the rules.

The Washington State System combines the use of risk assessment and licensing decision making matrices. In the past, risk assessment matrices have been used to determine the frequency of monitoring and licensing visits and scope of reviews based upon individual rule severity/risk factors.

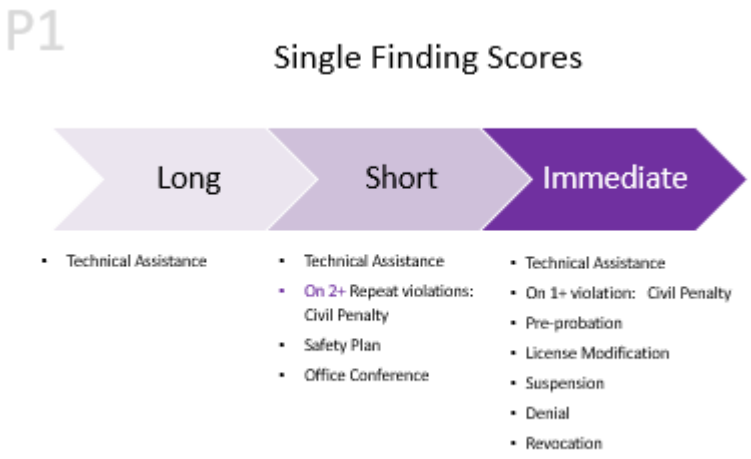
These data have not been aggregated to determine what type of licensing decisions should be made based upon prevalence, probability or regulatory compliance history data.

Washington State's HB 1661 redesigned the FLCA process as a way to appeal and forgive non-immediate health and safety risks rather than simply being a report of compliance findings. As a result, weights were used to assign risk categories to regulations in accordance to the mandate definition of immediate health and safety regulations:

- **Weights 8, 7 and some 6 = immediate concern**
- **Weights 4, 5 and most 6 = short term concern**
- **Weights 1, 2, and 3 = long term concern**

Single violations of regulations can be considered independently or based on how many times it has been violated over a four-year period when considering licensing actions. For example, a violation within the short-term concern category could be subject to a civil penalty when violated the second (or potentially the 3rd) time in a four-year period. Whereas, a violation in the immediate concern category could be subject to a civil penalty or more severe action upon the first violation. (See Graphic for Step 1).

Step 1:



A more difficult task is assigning initial thresholds for the overall finding score. It is this second step (Step 2) where we need to consider probability and severity side by side as depicted in Chart 1 below which is generally considered the standard Risk Assessment Matrix in the licensing research literature:

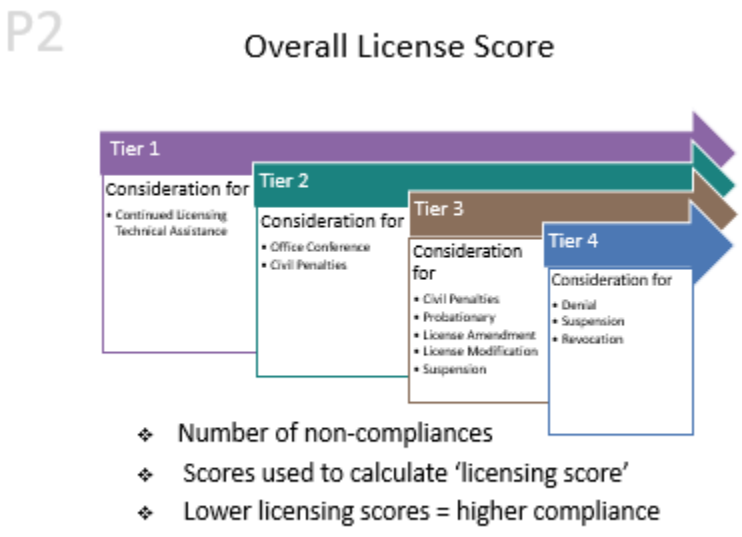
Step 2:

Chart 1 – Risk Assessment Matrix

		Probability/	Prevalence		
	Levels	High	Medium	Low	Weights
Risk/	High	*9*	*8*	*7*	*7-8*
Severity	Medium	*6*	*5*	*4*	*4-6*
	Low	*3*	*2*	*1*	*1-3*
	# of Rules	*8 or more*	*3-7*	*2 or fewer*	

The next step (Step 3) is to build in licensing decisions using a graduated Tiered Level system as depicted in the following figure. In many jurisdictions, a graduated Tiered Level system is used to make determinations related to monitoring visits (frequency and scope) and not necessarily for licensing decisions.

Step 3:



Step 4 involves combining steps 1 and 2 into a revised risk assessment matrix as depicted in the following chart:

Step 4:

Risk Assessment (RA) Matrix Revised

	Levels	High	Medium	Low
Risk/Severity	**Immediate**	**9**	**8**	**7**
	Short-term	**6**	**5**	**4**
	Long-term	**3**	**2**	**1**
			Probability	
	Regulatory Compliance (RC): # of Rules out of compliance and In compliance	**8+ rules out of compliance. 92 or less regulatory compliance.**	**3-7 rules out of compliance. 93 – 97 regulatory compliance.**	**2 or fewer rules out of compliance. 98 – 99 regulatory compliance.**

The last step (Step 5) is to take steps 3 and 4 and combine them together into the following charts which will provide guidance for making licensing decisions about individual programs based upon regulatory compliance prevalence, probability, and history as well as rule risk/severity data.

Step 5:

Licensing Decision Making Matrix*

Tier 1 = (1 – 2) RA Matrix Score
Tier 2 = (3) RA Matrix Score
Tier 3 = (4 – 5) RA Matrix Score
Tier 4 = (6 – 9) RA Matrix Score

***Regulatory Compliance (RC)(Prevalence/Probability/History + Risk/Severity Level**

Tier 1 = ((RC = 93 – 97) + (Low Risk)); ((98 – 99) + (Low Risk)) = Tier 1

Tier 2 = (RC = 92 or less) + (Low Risk) = Tier 2

Tier 3 = ((RC = 93 – 97) + (Medium Risk)); ((98 – 99) + (Medium Risk)) = Tier 3

Tier 4 = (RC = (92 or less) + (Medium Risk)) = Tier 4; ((93 -97) +(High Risk)) = Tier 4; ((98 – 99) + (High Risk)); ((92 or less) + (High Risk)) = Tier 4+

Results

The data were well distributed and fit into the four (0 - 3) buckets as described in the Methodology Section above. Based upon comparing the licensing data to the "Tiers" and "Actions" variables, the licensing decision making system has been validated with high correlations between the licensing data, the Tiers, Risk Assessment Matrix, and the proposed Actions (see Charts 2 and 3).

With the comparisons between the licensing data and the Environmental Rating Scales (ERS), the licensing data showed the typical "regulatory compliance law of diminishing returns" where the ERS scores were highest with the substantial regulatory compliance range rather than the full regulatory compliance level. In other words, there is not a linear relationship between moving from low to full regulatory compliance and program quality. Programs that are in substantial regulatory compliance and not full regulatory compliance had higher program quality scores. Obviously, the low regulatory compliance programs had also low program quality scores. There is a linear relationship between regulatory compliance and program quality in moving from low regulatory compliance to the middle and substantial regulatory compliance levels (see Chart 4). On the basis of the results of this study, the Washington State DCYF's Risk Assessment Licensing Decision Making Tiers System has been validated at both the measures and output levels. In a previous analysis, the standards that make up the DCYF's Risk Assessment Licensing Decision Making Tiers System have also been validated (see Stevens & Fiene, 2018).

Chart 2: Tiers By Proposed Actions

	Tiers	**1**	**2**	**3**	**4**
Proposed	**None**	312	0	0	0
Actions	**Tech Assist**	14	43	5	0
	Safety Plan	0	1	2	1
	Civil Penalty	0	4	15	4

$R = .80$; $p < .0001$

Chart 3: Risk Assessment Matrix (RAM) By Regulatory Compliance (RC) Levels & Licensing Decision Tiers Correlations

	Tiers	Actions	Immediate	Short Term	Long Term	RC
RAM	.52*	.50*	.62*	.66*	.41*	.88*

* P < .01

Chart 4: Regulatory Compliance Levels By Program Quality Scores (ERS Average Scores)

Licensing Bucket	Legend	Compliance	Programs	ERS Aver Score
0	Full	0 violations	82	4.07*
1	Substantial	1-2 violations	69	4.28*
2	Middle	3-10 violations	163	4.17*
3	Low	11+ violations	71	3.93*

* P < .01

Conclusion

This Washington Validation study is similar to a validation study completed in the state of Georgia (Fiene, 2014) in which their Core Rule Assessment system was validated. The licensing decisions made were very consistent with the overall data distributions in both state studies.

The Washington Risk Assessment and Licensing Decision Making Tiered System was clearly validated at both the measures and output levels with the high correlations between RAM, RC, ERS, and QRIS scores. And the Tiered system corresponded with the actions to be taken based upon the results of the Tiered system.

This study provides the first empirically based validation of both the key indicator and risk assessment methodologies at the measures and output validations as used within a differential monitoring or abbreviated inspection approach. It has clearly demonstrated the efficacy of these approaches when used in conjunction with each other. The study should provide guidance for future research in the early care and education regulatory science field.

References

Fiene (2014). ***Validation of the Georgia Core Rule Licensing System***. Georgia Department of Early Care and Learning.

Stevens & Fiene (2018). ***Research Agenda for Washington State Validation*.** Olympia, Washington: Department of Children, Youth, and Families.

Zellman & Fiene (2012). ***Validation of Quality Rating and Improvement Systems for Early Care and Education and School-Age Care, Research-to-Policy, Research-to-Practice Brief OPRE 2012-29.*** Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.