



Monitoring Practices Used in Child Care and Early Education Licensing

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Introduction

Within the child care and early education (CCEE) system, CCEE licensing agencies establish regulations that CCEE programs^a must meet in order to operate legally. Licensing agencies use inspections to monitor whether CCEE programs (including center-based programs, family child care homes, and group child care homes) are meeting those regulations. The Child Care and Development Fund (CCDF)^b final rule^c (based on the Child Care and Development Block Grant Act of 2014) requires states and territories to inspect licensed and license-exempt programs that receive CCDF funds (CCDF, 45 C.F.R. §98, 2016). The act also requires licensed CCDF programs to receive a pre-licensure inspection and at least one annual unannounced inspection, and license-exempt programs to receive an annual inspection. Beyond these minimum requirements set forth by CCDF, states and territories have autonomy in deciding how often programs are inspected and what CCEE licensing regulations programs must meet. These decisions require licensing agencies to consider the most efficient and effective use of their limited resources.

In this brief, we describe some of the approaches licensing agencies use to monitor CCEE programs, including monitoring for full compliance and differential monitoring. We then report on the different combinations of differential monitoring strategies that states use, including abbreviated inspections and determining the frequency of inspections based on a program's compliance history. Finally, we describe some of the methods states use to inform the selection of regulations included in abbreviated inspections.

Monitoring Approaches

Most CCEE licensing agencies use a combination of approaches to monitor regulations, including full compliance monitoring, where all regulations are monitored on a set schedule; and differential monitoring, where the depth and frequency of inspections vary based on different factors, including a program's history of compliance with licensing regulations. Figure 1 displays some strategies used to monitor child care centers across all 50 states and the District of Columbia, based on data gathered from CCEE licensing administrators through the 2017 Child Care Licensing Study (National Center on Early Childhood Quality Assurance, 2020; National Association for Regulatory Administration, 2020).^d Although Figure 1 is specific to child care centers, findings are similar for family child care homes (Appendix A) and group child care homes (Appendix B). Each monitoring strategy highlighted in Figure 1 is defined and described in more detail in the following sections.

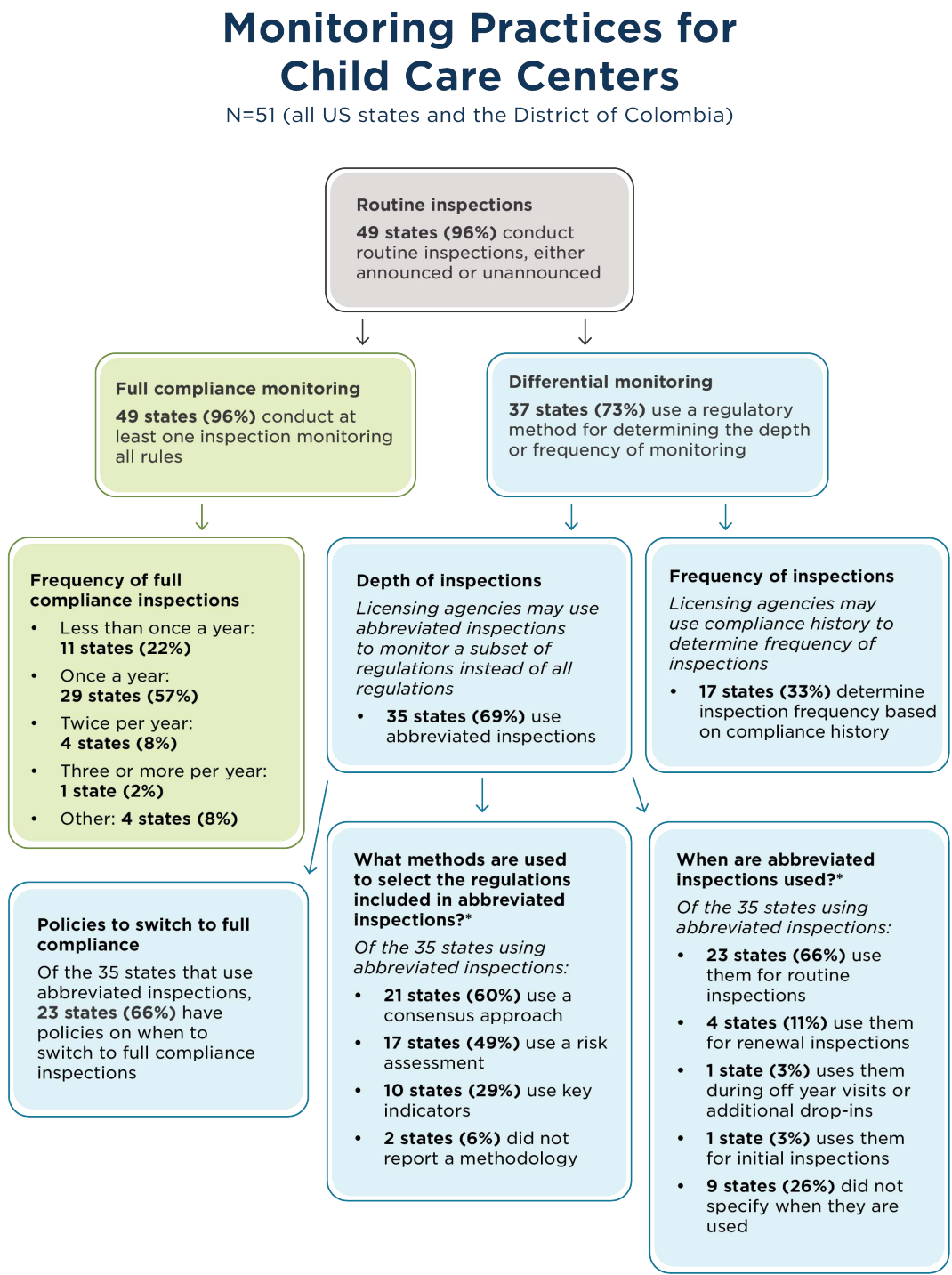
^a We use the term child care and early care programs to include child care centers, family child care homes, and group child care homes.

^b "The CCDF is a federal and state partnership program authorized under the Child Care and Development Block ... to provide financial assistance to low-income families to access child care so they can work or attend a job training or educational program" ([Office of Child Care, 2016](#)).

^c "In September 2016, the Office of Child Care published a final rule based on the CCDBG Act [of 2014] that provided additional details and clarifications on the law's requirements. The final rule provides clarity to states on how to implement the law and administer the program in a way that best meets the needs of children, families, and child care providers" ([Child Care Technical Assistance Network, n.d.](#)).

^d The findings presented in this brief are based on Child Trends' analysis of the 2017 Child Care Licensing Study. The analysis was limited to data gathered from all 50 states and DC. The data presented in this brief may not represent current monitoring practices, as state practices may have changed since 2017.

Figure 1. Monitoring Practices for Child Care Centers in 2017



Source: Authors' analysis of the 2017 Child Care Licensing Study (Fischer & Orlowski, 2020).

* Respondents were allowed to select more than one response; therefore, responses will not sum to 100%.

In 2017, almost all states reported conducting routine inspections for center-based programs^e (96%, 49 states; Figure 1), family child care homes^f (98%, 43 states; Appendix A), and group child care homes^g (95%, 36 states; Appendix B).^h The two states that did not conduct routine inspections reported conducting inspections as part of the licensing renewal process (ID and MT). In some states, renewal inspections may be considered routine inspections. Routine inspections may consist of full compliance or differential monitoring.

Full compliance monitoring

CCEE licensing agencies may conduct full compliance inspections in which they assess compliance with all regulations. In 2017, most states reported conducting at least one full compliance inspection per year for center-based programs (96%, 49 states), family child care homes (FCCH; 95%, 42 states), and group child care homes (GCCH; 97%, 37 states).

Differential monitoring

CCEE licensing agencies may also employ differential monitoring strategies to determine the frequency or depth of inspections, based on a program's history of compliance with licensing regulations (National Center on Child Care Quality Improvement, 2014). The depth of an inspection refers to the number of regulations being monitored in a given visit. A program's compliance history may be defined using the number, severity, or repetition of violations, as well as the results of any investigations.

In 2017, three quarters of states reported using at least one differential monitoring strategy when monitoring centers (73%, 37 states), family child care homes (77%, 34 states), and group child care homes (76%, 29 states; Fisher & Orlowski, 2020). There are several reasons why states use differential monitoring strategies, including to:

- Increase monitoring for CCEE programs that have low compliance with licensing regulations.
- Recognize CCEE programs that have strong compliance with licensing regulations.
- Use resources more efficiently (National Center on Child Care Quality Improvement, 2014).

Differential monitoring strategies can enhance efficiency among licensing staff while lessening the burden on CCEE providers. These strategies may also grant licensing staff more time to engage in other licensing activities such as providing technical assistance, trainings, and other provider supports.

Depth of inspections. The first differential monitoring strategy is to use *abbreviated inspections* that monitor a select set of licensing regulations rather than all regulations. In 2017, 35 states (69%) reported using

What is differential monitoring?

Differential monitoring is an umbrella term used to describe alternative approaches to monitoring every program using all licensing regulations at the same frequency. Instead of monitoring every program at the same frequency for all licensing regulations, differential monitoring strategies specify variations in the frequency or depth of monitoring inspections. For example, programs with a history of strong compliance may receive fewer inspections or may be monitored using an abbreviated list of regulations.

^e Fifty-one states, including DC, license child care centers. Therefore, all reported percentages for child care centers use 51 as a denominator.

^f Forty-four states, including DC, license family child care homes. Therefore, all reported percentages for family child care homes use 44 as a denominator.

^g Thirty-eight states, including DC, license group child care homes. Therefore, all reported percentages for group child care homes use 38 as a denominator.

^h Although licensing agencies may also conduct routine inspections for license-exempt programs, this brief is focused on licensed programs and does not cover inspection requirements for licensed exempt providers.

abbreviated inspections (Fischer & Orłowski, 2020). States that use abbreviated inspections may have policies about when to switch from abbreviated inspections to full compliance inspections. For instance, some may use a program’s compliance history to determine when to switch from abbreviated to full inspections, or vice versa (see example in text box below). Of the 35 states that reported using abbreviated inspections in 2017, 23 states (66%) had policies on when to switch to full compliance visits that monitor all licensing regulations.

In **Florida**, child care programs that have not had any serious violations for two consecutive years are eligible for abbreviated inspections (NCCCQI, 2014). However, if violations are found during the abbreviated inspection, the child care program is no longer eligible to be monitored using the abbreviated inspection and must complete a full compliance inspection.



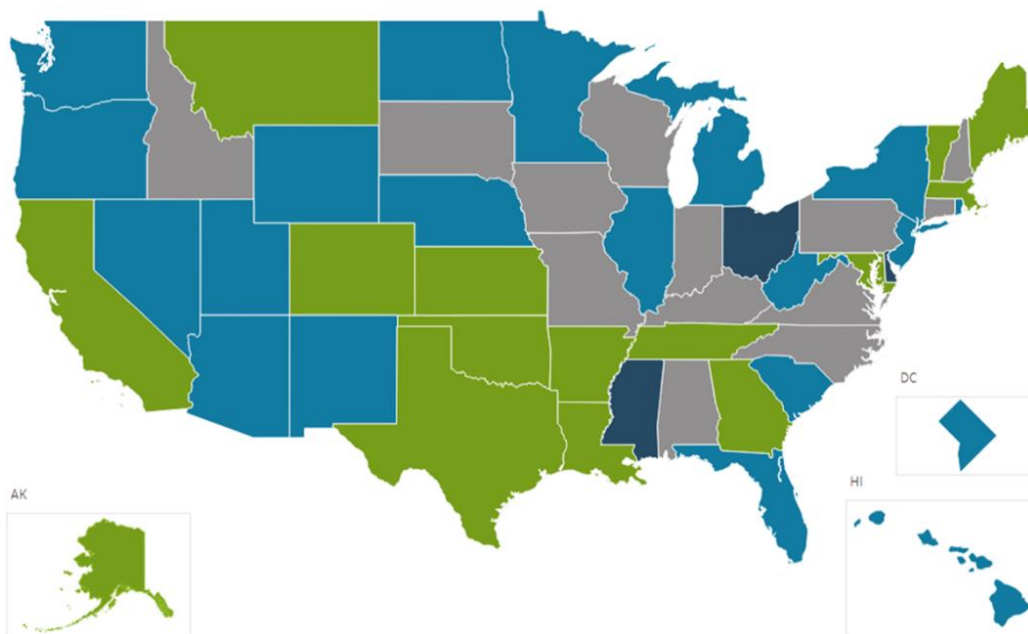
Frequency of inspections. The second differential monitoring strategy is to use a program’s compliance history to determine the *frequency of inspections*. Programs with a history of strong compliance may be inspected less frequently, whereas programs with a history of low compliance may be inspected more frequently. In 2017, 17 states (33%) reported using compliance history to determine inspection frequency for centers (Fischer & Orłowski, 2020).

Which states use differential monitoring strategies?

In 2017, most states (75%) reported using at least one differential monitoring strategy (with centers, FCCH, or GCCH): 20 states (39%) used abbreviated inspections, 3 states (6%) used compliance history to determine the frequency of inspections, and 15 states (29%) used both strategies.

Figure 2. States’ Use of Differential Monitoring Strategies in 2017 (n=51)

- Use abbreviated inspections
- Use compliance history to determine frequency of inspections
- Use abbreviated inspections and compliance history to determine inspection frequency
- Do not use differential monitoring strategies



Source: Authors’ analysis of the 2017 Child Care Licensing Study (Fischer & Orłowski, 2020).

How do states select their abbreviated list of regulations?

States may use one or more methods to select the regulations included in an abbreviated inspection: a consensus approach, a risk assessment approach, or a key indicators approach.

A **consensus approach** is used when a group of individuals selects regulations that they agree are the most critical to include in all inspections. Of the 35 states that reported using abbreviated inspections in 2017, 21 states (60%) reported using a consensus approach.

A **risk assessment approach** is used when states identify regulations that, if violated, place children at a greater risk of injury or death. The selection of these regulations may be informed by various methods, including an internal process that seeks agreement among licensing staff and other experts,ⁱ a review of research and resources, the solicitation of feedback from providers and other stakeholders, work with an external consultant, or the use of a statistical methodology to determine which regulations are most critical to protecting children from injury or death (Fischer & Orłowski, 2020). Of the 35 states that reported using abbreviated inspections in 2017, 17 states (49%) reported using a risk assessment approach.

Georgia used a risk assessment approach to designate 74 of the full 456 licensing regulations as “core rules” (Fiene, 2014; NCCCQI, 2014). These rules were selected using a review of research literature, CCEE center director and staff input gathered through focus groups, and licensing agency staff expertise. Each of these regulations was assigned a risk level (low, medium, high, extreme). Every year, all licensed programs receive one visit at which all regulations are examined and at least one visit at which only core regulations (and previous violations) are examined. The number of core rule categories cited, and their assigned risk level, are used to determine a program’s overall compliance level, which impacts the program’s eligibility for Georgia’s Quality Rating and Improvement System, Georgia’s pre-k program, and other services (Fiene, 2014).



A **key indicators approach** is used when states employ a statistical methodology to select a subset of regulations that best predicts overall compliance. Of the 35 states that reported using abbreviated inspections in 2017, 10 states (29%) reported using a key indicators approach.

Michigan used data from 3,826 inspections of licensed child care settings to identify key indicators—the subset of regulations that best predict compliance with all regulations (National Association for Regulatory Administration, 2016). A statistical analysis was conducted to identify the key indicators that best predicted membership in high-compliance (top 25% of compliance) and low-compliance (lowest 25% of compliance) groups. The analysis identified 26 key indicators for family child care homes, 17 for group child care homes, and 27 for child care centers.

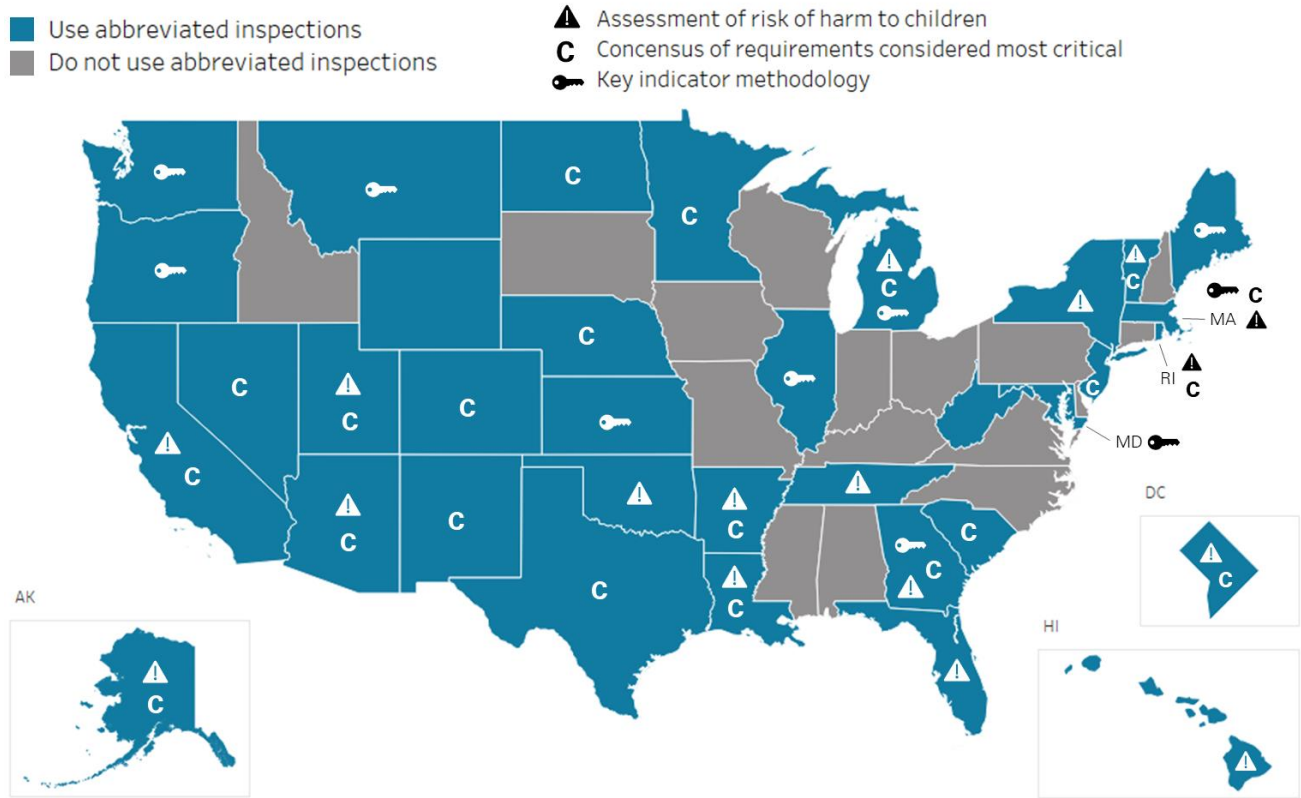


States may use one methodology or a combination of methodologies to select the subset of regulations included in an abbreviated inspection. Of the 35 states that reported using abbreviated inspections, nine states reported using the consensus approach (26%), whereas another nine used a combination of the

ⁱ The 2017 Child Care Licensing Study survey asked respondents to report whether they used a consensus approach to select regulations that are most critical to include in all inspections. However, a consensus approach may also be used to select regulations that (if violated) would pose the greatest harm to children.

consensus and risk assessment approaches (26%; Figure 3). Seven states used the key indicators approach (20%), five used a risk assessment (14%), and three used all three methods (9%). Two states (6%) reported using abbreviated inspections but did not report an approach to selecting the regulations.

Figure 3. Methods Used to Select Abbreviated Set of Regulations in 2017 (n=51)

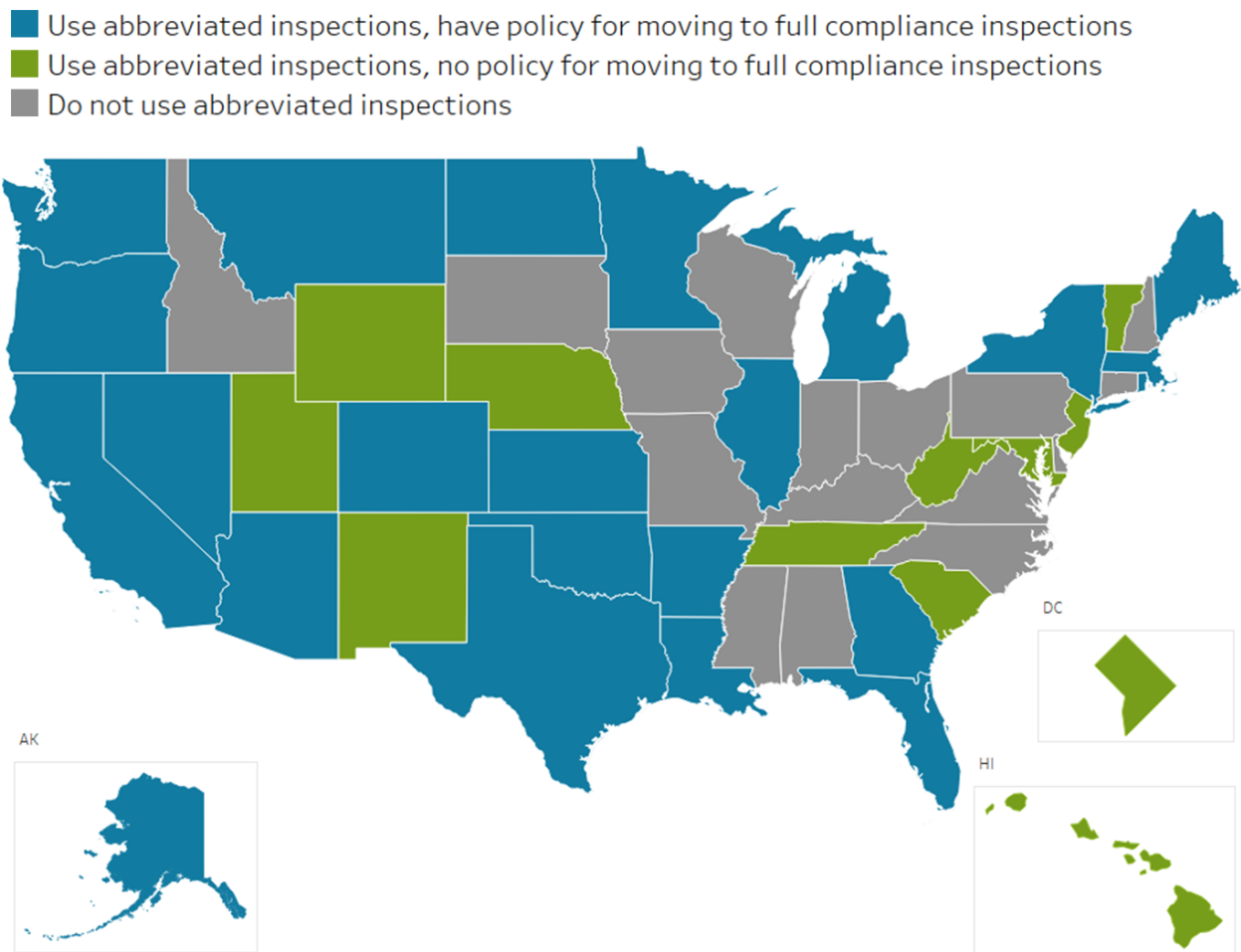


Source: Authors' analysis of the 2017 Child Care Licensing Study (Fischer & Orłowski, 2020).

Which states have a policy on when to switch from abbreviated to full inspections?

Of the 35 states that reported using abbreviated inspections, 23 states (66%) reported having a policy for when to switch from abbreviated inspections to full inspections (Figure 4).

Figure 4. Policy Used to Switch Programs from Abbreviated Inspections to Full Compliance Inspections in 2017 (n=51)



Source: Authors' analysis of the 2017 Child Care Licensing Study (Fischer & Orlowski, 2020).

Conclusion

State licensing agencies use various approaches to monitor CCEE programs. In 2017, most states conducted routine inspections (96%) and full compliance inspections at which all regulations are monitored (96%). However, most states (75%) also employed differential monitoring strategies to help them determine the frequency and depth of inspections.

Thirty-five states (69%) conducted abbreviated inspections at which only select regulations are monitored.

States used several methods to select the subset of regulations included in abbreviated inspections, including a consensus on which rules are most critical, a selection of rules that protect children from the greatest risk of harm, or a selection of key regulations that best predict overall compliance with all regulations. Most states that reported using abbreviated inspections (66%) also had a policy for when to switch from abbreviated inspections to full inspections.

About one third of states (35%) used compliance history to determine the frequency of inspections. In these states, programs with history of low compliance may receive more frequent inspections, and programs with a history of high compliance may receive less frequent inspections.

These differential monitoring strategies can help licensing agencies increase monitoring for CCEE programs that have low compliance, recognize CCEE programs that have strong compliance, and allow licensing staff to spend more time on other responsibilities, such as providing technical assistance, training, and other CCEE provider supports.

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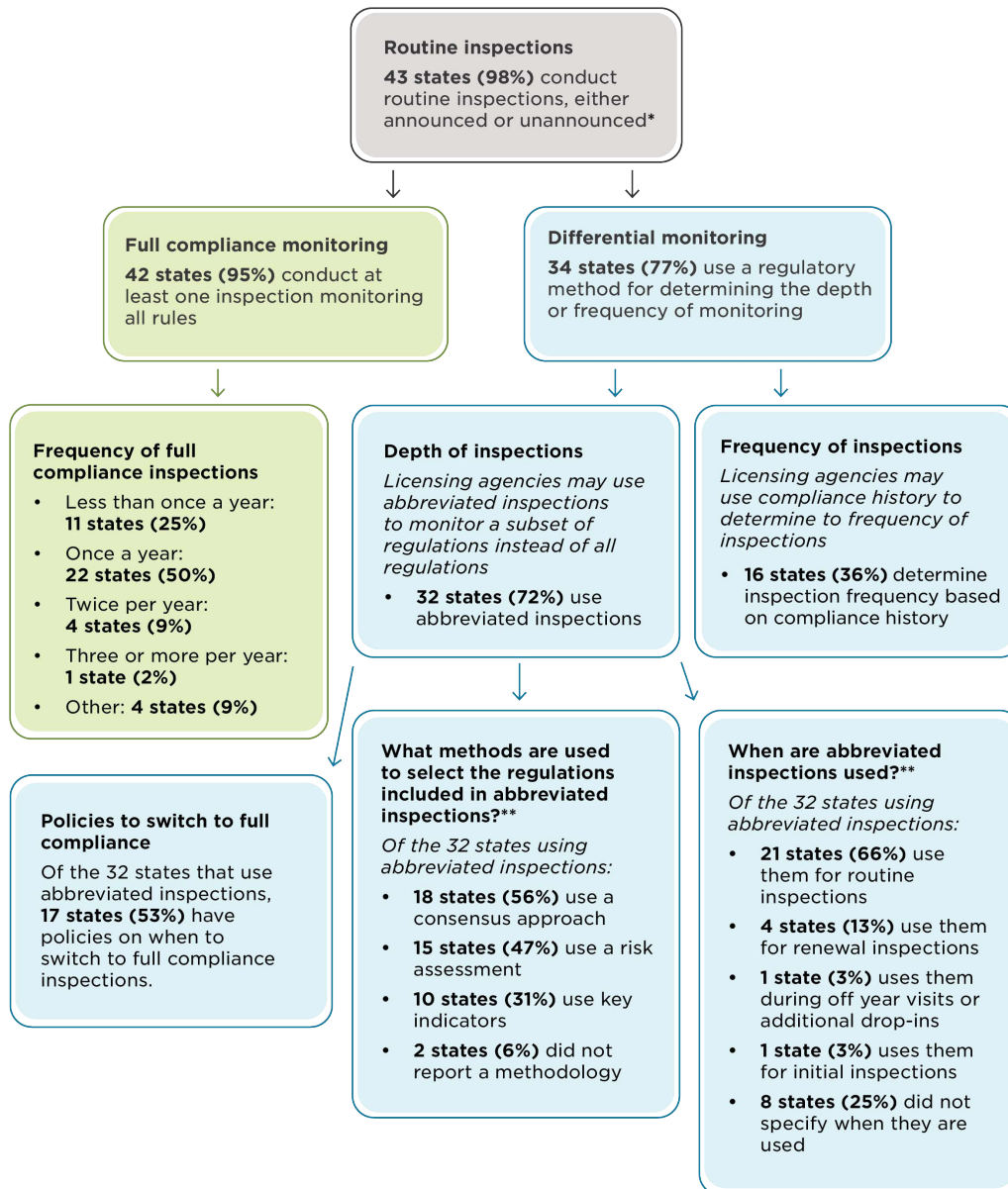
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Appendices

Appendix A. Monitoring Practices for Family Child Care Homes in 2017

Monitoring Practices for Family Child Care Homes (FCCH)

N=44 (all US states and the District of Columbia that license FCCH)



Source: Authors' analysis of the 2017 Child Care Licensing Study (Fischer & Orlowski, 2020).

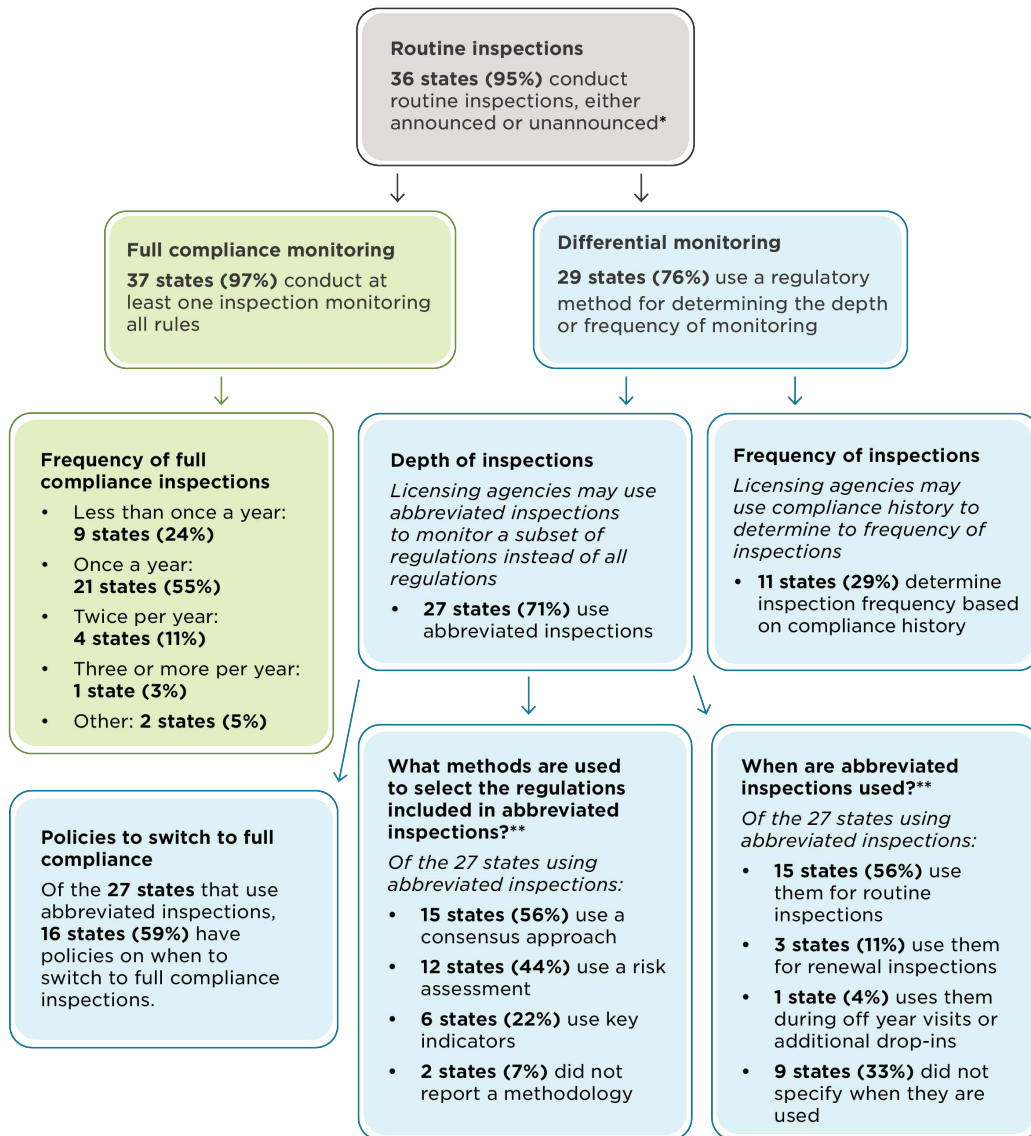
*The state that did not conduct routine inspections reported conducting licensing renewal inspections (MT).

** Respondents were allowed to select more than one response; therefore, responses will not sum to 100%.

Appendix B. Monitoring Practices for Group Child Care Homes in 2017

Monitoring Practices for Group Child Care Homes (GCCH)

N=38 (all US states and the District of Columbia that license GCCHs)



Source: Authors' analysis of the 2017 Child Care Licensing Study (Fisher & Orlowski, 2020).

* The two states that did not conduct routine inspections reported conducting licensing renewal inspections (ID and MT).

** Respondents were allowed to select more than one response; therefore, responses will not sum to 100%.

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