



NATIONAL CENTER ON  
Early Childhood Quality Assurance

# Trends in Child Care Licensing

Preliminary Findings from the 2017 Child  
Care Licensing Study

Presented on September 26, 2018  
NARA Licensing Seminar

A photograph of a young child with dark hair, smiling and sitting on a green lawn. The child is wearing a red dress with white floral patterns and a white belt. Their arms are raised in the air. To the right of the child, a large white flower lies on the grass. The background is a soft-focus green landscape.

# Welcome!

# Presenters

- ◆ Sheri Fischer, National Center on Early Childhood Quality Assurance (ECQA Center)
- ◆ Tara Orlowski, National Association for Regulatory Administration (NARA)



# NATIONAL CENTER ON Early Childhood Quality Assurance



# Child Care Licensing Studies

- ◆ Partnership between ECQA Center and NARA
- ◆ Began in 2005
- ◆ Studies conducted 2005, 2007, 2008, 2011, 2014, 2017 (in process)
- ◆ Purpose is to track changes in child care licensing policies and practices, and requirements for providers

# Components of the Licensing Studies

- ◆ Licensing Policies
  - Facility monitoring, enforcement of regulations, licensing program staffing
  - Results of NARA survey of all licensing agencies
- ◆ Licensing Regulations for Child Care Facilities
  - Requirements that programs must meet
  - Compiled from regulations posted on the National Database of Child Care Licensing Regulations
  - Data collection still in process
- ◆ Comparing 2017 data to 2014 Licensing Study
  - Also some comparisons to the *2005, 2007, 2008, and 2011 Child Care Licensing Studies*

# Source of Data on Slides

- ◆ Findings are preliminary
- ◆ The data on all slides come from unpublished analysis of the *2017 NARA Child Care Licensing Programs and Policies Survey*.
  - Cited as Unpublished data, 2018
- ◆ Analysis was conducted by the ECQA Center in Aug. - Sept. 2018.

# Survey Respondents

## ◆ As of August 31, 2018

- 49 states, including District of Columbia
- 1 U.S. Territory
- 2 surveys incomplete

## ◆ Most data based on 50 responses

- 2014 survey had 53 responses (2 territories and DC)



# Overview of Presentation

- ◆ Number of Facilities, Exemptions, and Licensing Thresholds for Homes
- ◆ Inspections and Monitoring
- ◆ Enforcement Strategies
- ◆ Technology and Consumer Information
- ◆ Monitoring License-Exempt Providers in Subsidy Program



## Number of Facilities, Exemptions, and Licensing Thresholds for Homes

# Definitions

- ◆ **Licensing or regulatory requirements:** Requirements necessary for a provider to legally provide child care services in a state or locality, including registration requirements established under state, local or tribal law.
- ◆ **Child care center:** A provider licensed or otherwise authorized to provide child care services for fewer than 24 hours per day per child in a non-residential setting, unless care in excess of 24 hours is due to the nature of the parent(s)' work.
- ◆ **Family child care home (FCCH):** One individual who provides child care services for fewer than 24 hours per day, as the sole caregiver, in a private residence other than the child's residence, unless care in excess of 24 hours is due to the nature of the parent(s)'s work.
- ◆ **Group child care home (GCCH) :** Two or more individuals who provide child care services for fewer than 24 hours per day per child, in a private residence other than the child's residence, unless care in excess of 24 hours is due to the nature of the parent(s)' work.

(US DHHS, 2011)

# Most Common Licensing Exemptions for Centers

- ◆ Facilities where parents are on the premises (e.g., child care services in a shopping mall or health club)
- ◆ Preschool programs operate by public schools or approved by the state department of education
- ◆ Facilities with a small number of children in care
- ◆ Recreation programs, instructional classes, and/or club programs
- ◆ Summer day camps
- ◆ Facilities operating a small number of hours per day or week
- ◆ Child care services provided during religious services

(ECQA Center, 2015a)

# Exemption for Religious Organizations

12 states have various licensing exemptions for child care programs operated by religious organizations:

- ◆ 6 states exempt these programs from all licensing requirements
- ◆ 3 states exempt child care programs operated by educational institutions affiliated with religious organizations
- ◆ 3 states exempt these programs from some licensing requirements and processes

(ECQA Center, 2015a)

# States Licensing FCCH & GCCH

Using the 2011 CCDF Rule definitions:

- ◆ 44 states license FCCHs
  - 7 states do not license FCCHs
    - AZ, ID, IN, LA, NJ, OH, and SD
    - Most of these states license GCCH providers.
- ◆ 38 states license GCCHs
  - 13 states do not license GCCHs
  - AR, GA, KY, LA, MA, ME, NC, NJ, SD, VA, VT, WA, and WI
- ◆ LA, NJ, and SD do not have mandatory licensing for any home-based providers

(Unpublished data, 2018)

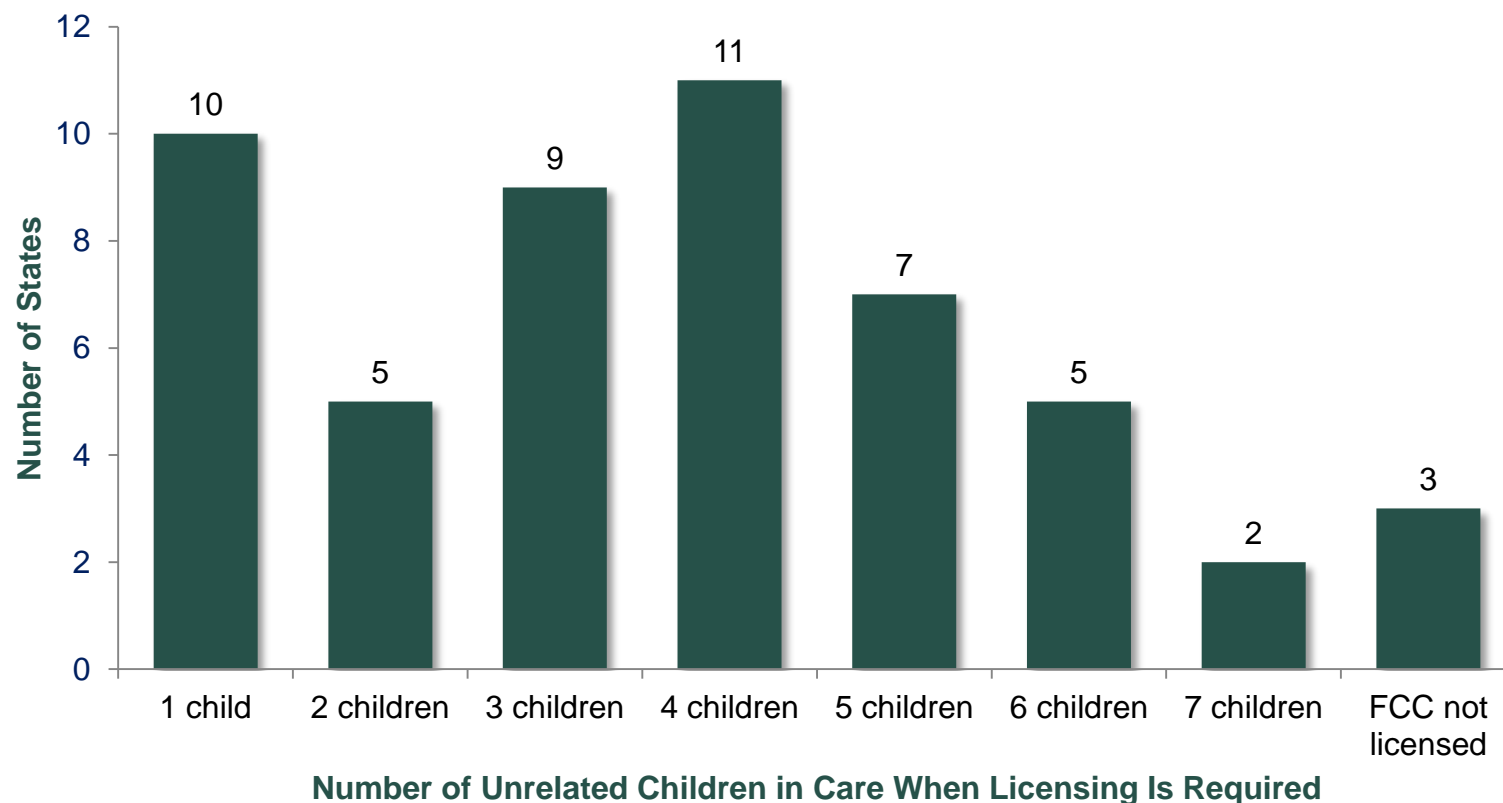
# Licensing Threshold for FCCH

- ◆ 10 states require FCCH providers to be licensed if there is just one child in care that is not related to the provider
  - AL, CT, DC, DE, KS, MA, MD, MI, OK, and WA
- ◆ Most states set the licensing threshold at 3 or 4 children that are not related to the provider.

(Unpublished data, 2018)



# Threshold for Licensing Family Child Care



N = 50 states and District of Columbia  
(Unpublished data, 2018)



# Number of Facilities and Capacity

- ◆ 226,872 licensed facilities (centers and homes)
  - 12 percent decrease in the total number of licensed facilities (since 2014)
  - Homes have seen a more significant decrease than centers (31%)
  - N = 50 responses
- ◆ Total Licensed Capacity: 9.2 million slots
  - Increased by 111,484 since 2014 (1%)
  - N = 46 responses

(ECQA Center, 2015a, b, c; Unpublished Data, 2018)

# Number of Licensed Facilities

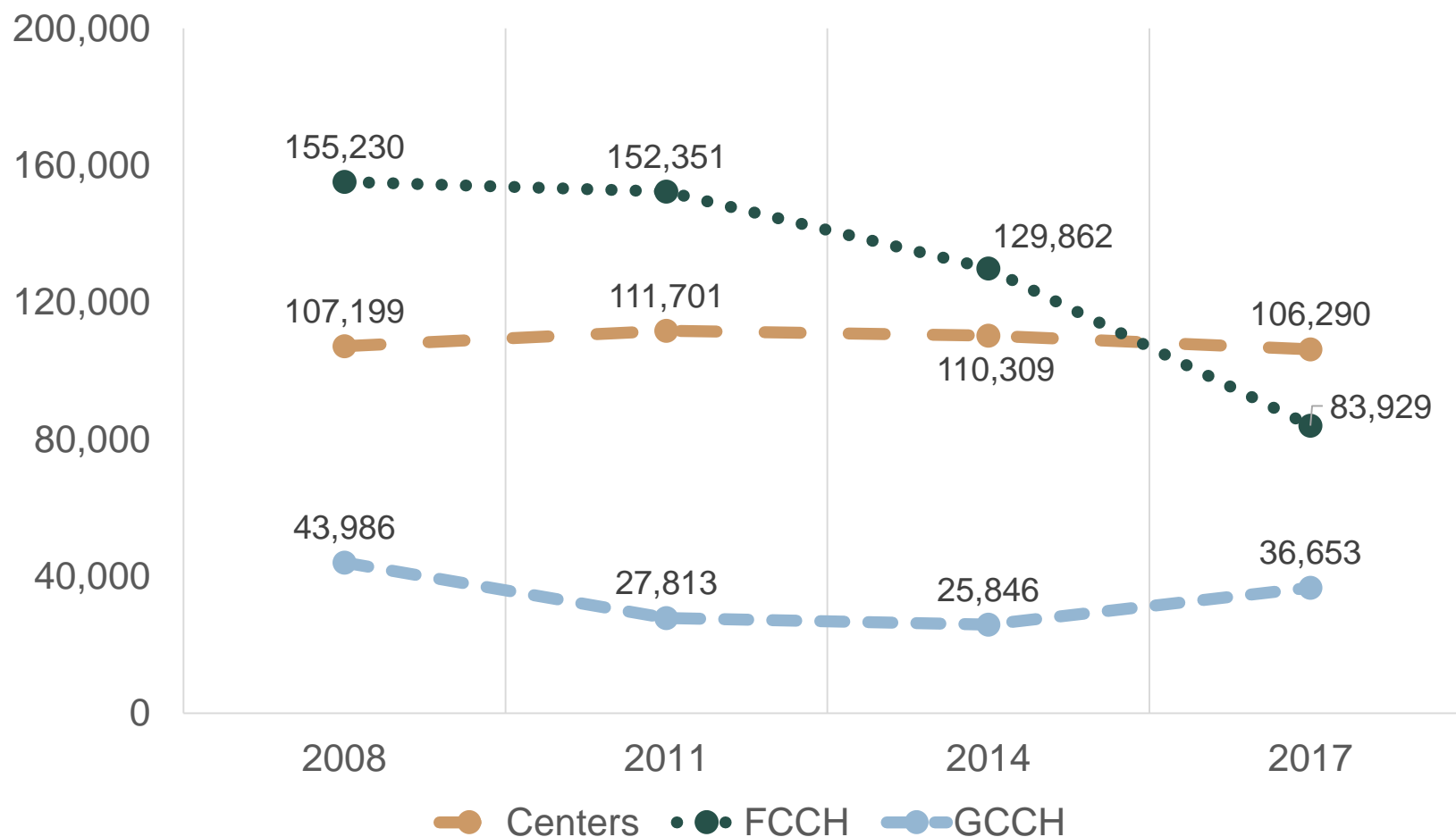
	Centers	FCCH	GCCH	All Facilities
2017	106,290	83,929	36,653	226,872
2014	107,200	109,709	37,789	254,698
Difference	-910	-25,780	-1,136	-27,826
Percentage	-0.86%	-30.72%	-3.10%	-12.27%

2017 – N = 50 responses

2014 – N = 53 responses

(ECQA Center, 2015a, b, c; Unpublished Data, 2018)

# Number of Licensed Facilities 2008-2017



# Licensed Capacity

	Centers	FCCH	GCCH	All Facilities
2017	8,045,147	827,207	335,643	9,207,997
2014	7,726,604	1,060,029	309,880	9,096,513
Difference	+318,543	-232,822	+25,763	+111,484
Percentage	+3.96%	-28.15%	+7.68%	+1.21%

2017 – N = 46 responses

2014 – N = 53 responses

(ECQA Center, 2015a, b, c; Unpublished Data, 2018)

# Discussion

- ◆ Have you seen the number of providers increase or decrease in your states?
- ◆ Have you seen a more significant decrease in homes or centers?
- ◆ Has it affected capacity?
- ◆ What has caused the changes?



# Inspections and Monitoring



# Licensing Caseloads

- ◆ Average caseload: 82 centers and homes
  - 97 in 2014
  - 103 in 2011
- ◆ Caseloads range from 26 to 182 (300 in 2014)
- ◆ NARA recommends
  - Licensing agencies calculate workload standards to account for local variables
  - Average caseload should not exceed 50-60
  - More research needed to determine appropriate caseloads

(Unpublished data, 2018; ECQA Center, 2015a, b, c; NARA and Lapp-Payne, 2011)



# Types of Inspections

- ◆ All states that license centers, FCCH, and GCCH conduct an inspection prior to issuing a license.
  - 80 percent of states conduct an announced inspection at that time
- ◆ 48 states conduct routine compliance inspections
  - 2 states – no response
  - 2 states – reported no inspection (1 conducts renewal inspections)
  - All states' report doing routine inspections unannounced.

(Unpublished data, 2018)

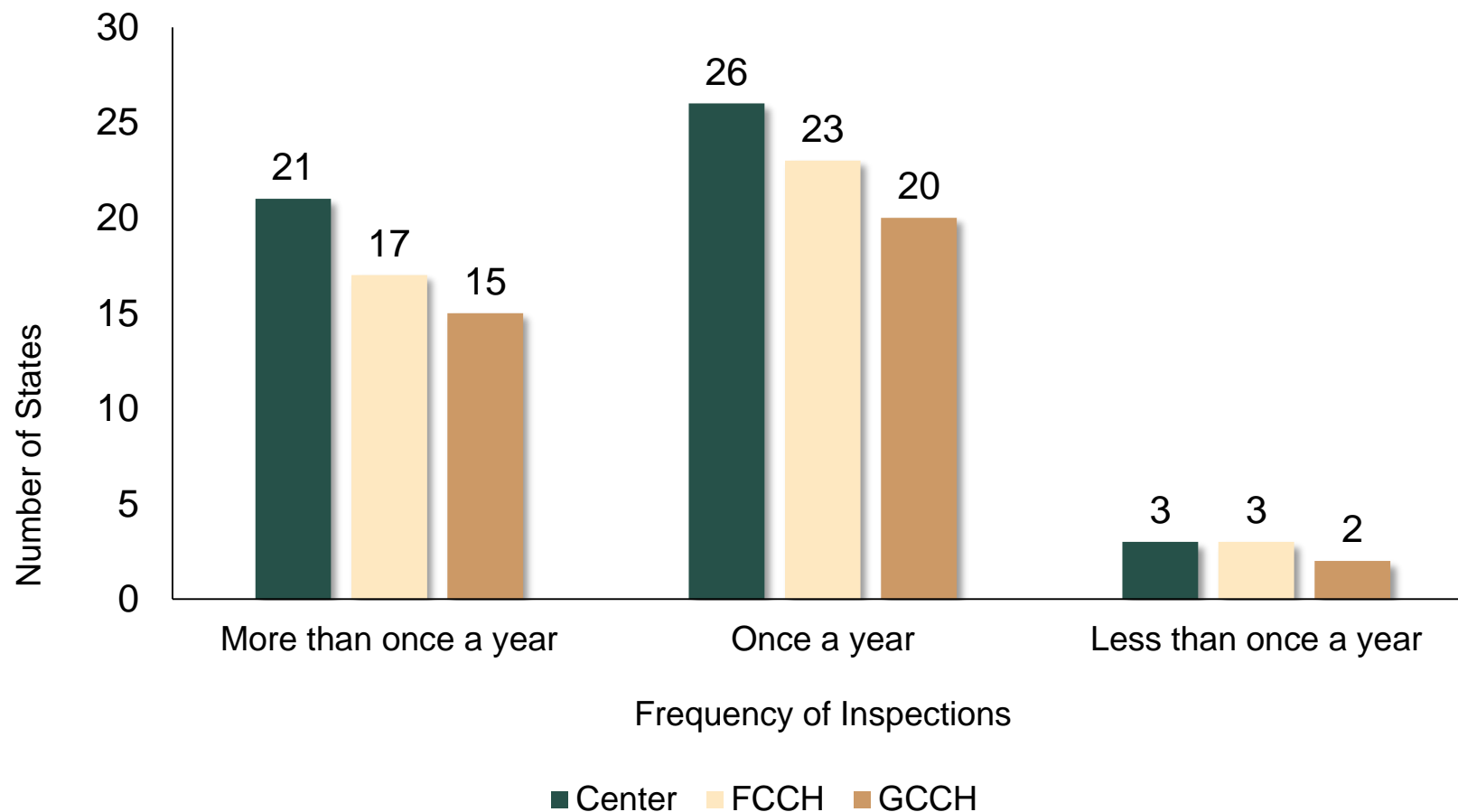


# Frequency of Inspections

- ◆ Most states inspect once a year
  - Number of states that inspect less than once a year has decreased since 2014
  - Inspections are the minimum number of times licensing staff are required to visit a program as set by law/statute/policy.

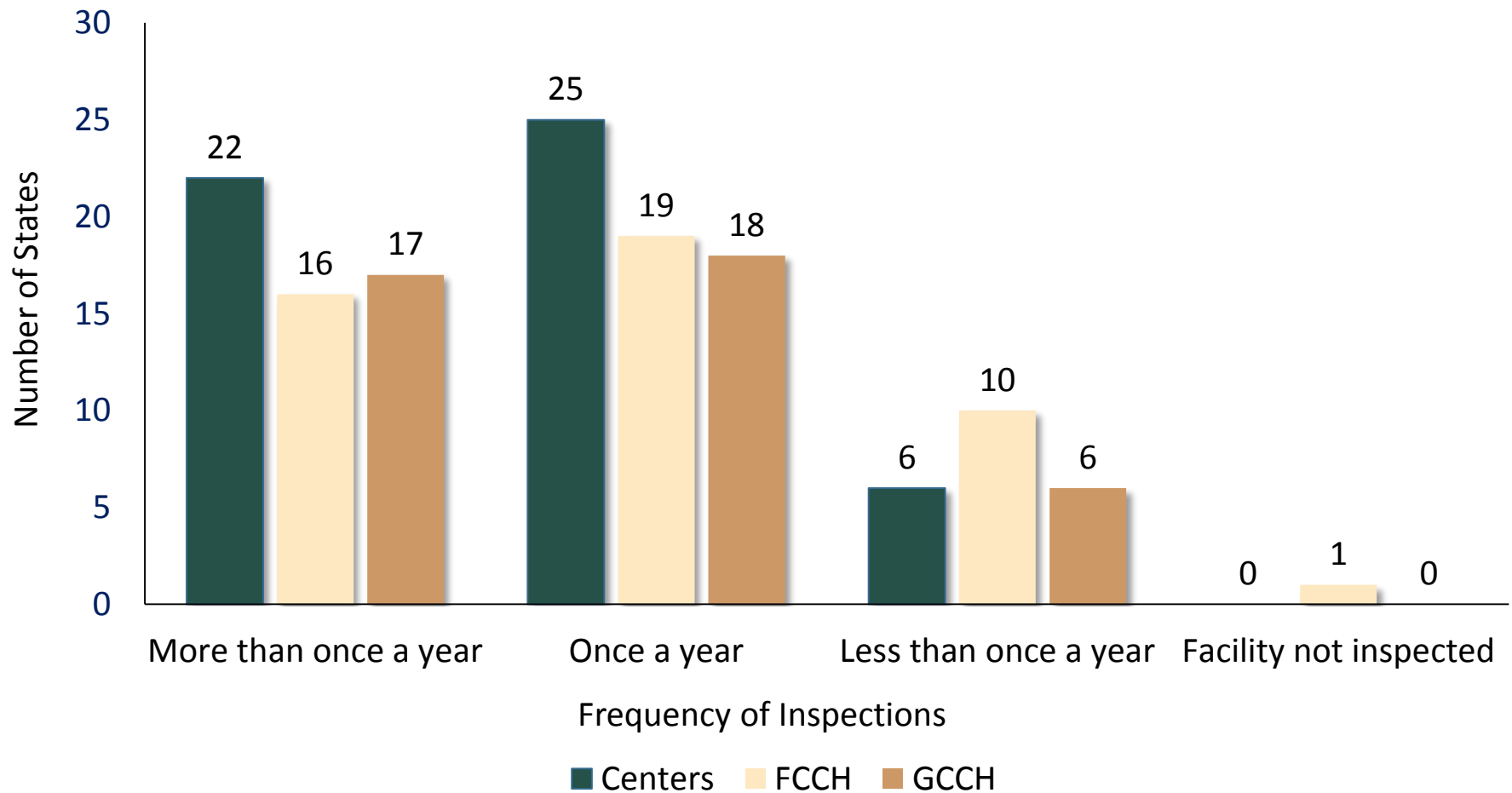
(Unpublished data, 2018)

# Frequency of Inspections, 2018



(Unpublished data, 2018)

# Frequency of Inspections, 2014



(ECQA Center, 2015a, b, c)

# Licensing Renewal

- ◆ Two-thirds of states renew licenses every 1-2 years
  - 40 percent – 1 year
  - 28 percent – 2 years
- ◆ Most states conduct unannounced inspections for license renewal
- ◆ Eight states have non-expiring licenses

(Unpublished data, 2018)

# Monitoring Based on Compliance History

- ◆ Increase monitoring frequency for programs with low levels of compliance;
- ◆ Identify providers in need of technical assistance;
- ◆ Recognize programs with strong compliance records with abbreviated inspections; and
- ◆ Use staff resources efficiently.

(National Center on Child Care Quality Improvement, 2014)

# Differential Monitoring

- ◆ 33 percent of states report using “differential monitoring”
  - Method for determining the frequency of monitoring based on an assessment of a facility’s level of compliance with regulations
  - Used to determine the number of inspections needed for a particular facility
    - More if there are serious or numerous violations
    - Fewer if compliance history is strong (less common)
- ◆ Up from 25 percent in 2014

(ECQA Center, 2015a, b, c; Unpublished data, 2018)

# Abbreviated Inspections

- ◆ 67 percent of states report using abbreviated compliance forms that shorten the list of requirements that are checked in programs during inspections.
  - 69 percent of states in 2014
  - 55 percent in 2011
- ◆ Method to reward strong compliance history
- ◆ Most states switch to full set of regulations if issues are found in during inspection

(ECQA Center, 2015a, b, c; Unpublished data, 2018)

# Choosing Rules for Abbreviated Inspections

- ◆ Most states chose the requirements reviewed during abbreviated inspections based on
  - a consensus about rules considered most critical to protecting children's health and safety, and
  - an assessment requirements that lead to risk of harm for children.
- ◆ Nine states reported using a set of key indicators that could statistically predict overall compliance

Unpublished data, 2018)



# Risk Assessment of Rules

- ◆ 62 percent of states have conducted a process to identify licensing requirements that pose the greatest risk of harm to children if violated
  - 42 percent have assigned a risk level/weight to all requirements.
  - Remaining states have identified categories of high-risk requirements or identified the highest risk requirements.
- ◆ 53 percent reported having done this process in 2014

(Unpublished data, 2018)

# Uses of Risk Assessment

Use of Risk Assessment of Requirements	Percentage of States
Determining frequency of inspections based on risk level of violations	48%
Determining enforcement actions based on risk level of violations	48%
Categorizing violations	45%
Monitoring the high risk rules during abbreviated inspections	45%

(Unpublished data, 2018)

# Discussion

What are some strategies you've used to increase efficiency or effectiveness in your licensing program?

- ◆ For example, use of technology, differential monitoring, changes to licensing caseload, frequency of monitoring, or frequency of unannounced visits?



# Enforcement Strategies



# Enforcement Actions

Most common enforcement actions are

- ◆ revocation of a license,
- ◆ emergency/immediate closure of a facility
- ◆ denial of a license,
- ◆ non-renewal of a license,
- ◆ conditional license, and
- ◆ civil fines.

(Unpublished data, 2018)

# Illegally Operating Providers

All states respond to complaints received by the public regarding providers operating illegally.

- ◆ States work with local law enforcement agencies,
- ◆ monitor listings where providers advertise, and
- ◆ seek to educate the public with campaigns about the importance of licensing.

(Unpublished data, 2018)

# Licensing Provides TA

- ◆ Nearly all states report providing TA during monitoring activities to help facilities achieve compliance with regulations.
- ◆ 66 percent of states report that they provide TA to assist facilities in improving quality and exceeding minimum licensing regulations.
- ◆ No change since 2014

(ECQA Center, 2015a, b, c; Unpublished data, 2018)

# Discussion

- ◆ What new strategies are you employing to enforce compliance?





A photograph of a young child with dark skin and curly hair, sitting on a green lawn. The child is wearing a light blue t-shirt with a blue elephant graphic and white shorts. They are surrounded by colorful plastic blocks (pink, yellow, blue, green, red) and are looking up with a joyful expression. The background is a blurred green lawn with trees.

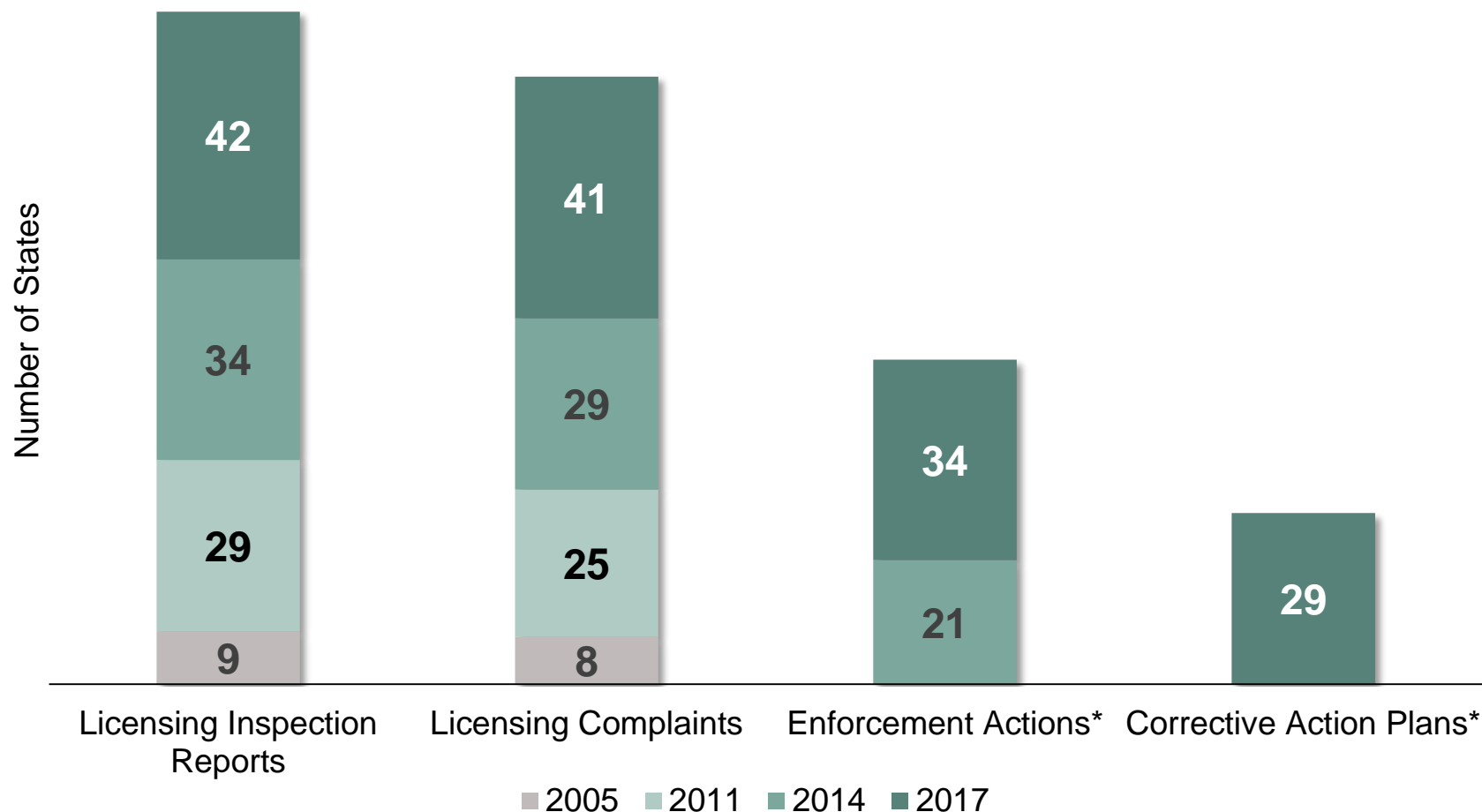
# Technology and Consumer Education

# Use of Technology

- ◆ 34 states report using portable devices to help staff efficiently inspect and monitor at least one type of licensed facilities, such as
  - Laptops, portable digital assistants, and tablets with specific software for capturing information during licensing inspections.

(Unpublished data, 2018)

# Licensing Information Posted on the Internet



(ECQA Center, 2015a, b, c; NCCCQI, 2013a, b, c; Unpublished data, 2018)

\*Data not collected in previous studies..

# Discussion

- ◆ Do you post the results of inspections on the Web?
- ◆ What have been some of the challenges?





## Monitoring License-Exempt Providers in Subsidy Program



# CCDF Monitoring Requirements

- ◆ *For Licensed CCDF Providers*
  - States must conduct one pre-licensure inspection for health, safety, and fire standards; and annual, unannounced inspections.
- ◆ *For License-Exempt CCDF Providers (except those serving relatives) –*
  - State must conduct annual inspections for compliance with health, safety, and fire standards. The law does not require that these monitoring visits be unannounced, but ACF recommends that States consider unannounced visits for license-exempt providers since experience shows they are effective in promoting compliance.

(Child Care and Development Fund, 45 C.F.R. § 98.42 (2016).)

# Monitoring License-Exempt CCDF Providers

## ◆ VERY PRELIMINARY

- 24 states responded “yes” that the licensing agency conducts inspections
- 25 responded “no” and wrote in responses:
  - States identified other agencies that are conducting the monitoring visits, such as the CCDF lead agency, department of education, health department, etc.
  - 8 states responded that license-exempt providers are not participating in the subsidy program

(Unpublished data, 2018)

# Staff Monitoring License-Exempt CCDF Providers

## ◆ VERY PRELIMINARY

- Of the 24 states where the licensing agency is doing these inspections
  - Most report that licensing staff are assigned both licensed and license-exempt providers in their caseloads
  - 50 percent hired new staff
  - 50 percent have mixed caseloads of licensed and license-exempt centers and homes
  - 54 percent report that caseloads increased

(Unpublished data, 2018)



# Discussion

- ◆ Is your licensing agency doing the inspections of license-exempt providers receiving subsidy payment?
- ◆ What is the state's approach to monitoring?
- ◆ How have staff been trained?





# Questions and Reflections

# New Resource about Caseloads

**Licensing Caseloads**

**NATIONAL CENTER ON  
Early Childhood Quality Assurance**

---

## Licensing Caseloads: Finding the Right Ratio of Licensors to Providers

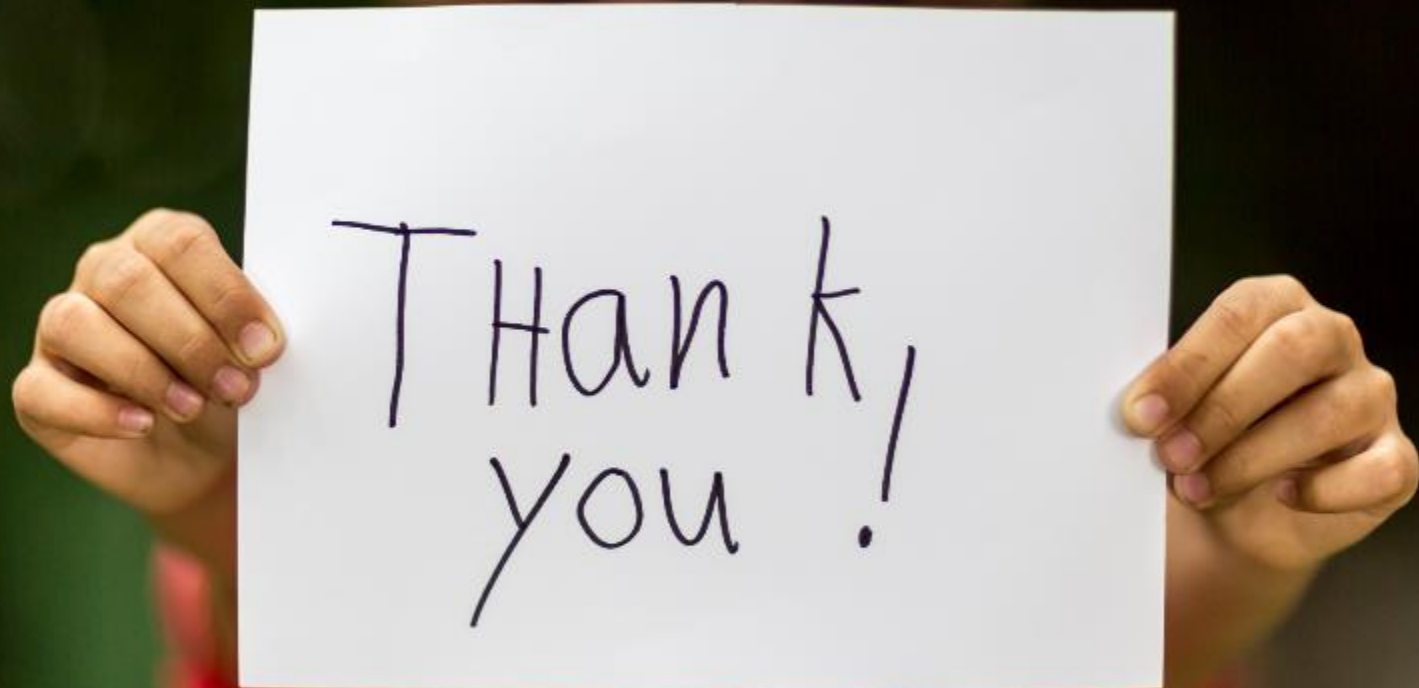


Child Care and Development Fund (CCDF) regulations require states and territories to ensure that the ratio of inspectors to providers is sufficient for timely inspection.<sup>1</sup> We know that this ratio will differ among states, territories, and tribes, depending on a variety of factors. But what are these factors? And how can they help you understand the right ratio of inspectors to providers in your state, territory, or tribe? *How many child care providers can a licensor effectively monitor?* We'll explore these questions in this brief.

<https://childcareta.acf.hhs.gov/resource/licensing-caseloads-finding-right-ratio-licensors-providers>

# Resources

- ◆ Child Care Licensing Tools and Resources  
<https://childcareta.acf.hhs.gov/child-care-licensing-tools-and-resources>
- ◆ *Caring for Our Children*  
<http://nrckids.org/CFOC>
- ◆ CCDF Reauthorization Resources  
<http://www.acf.hhs.gov/programs/occ/ccdf-reauthorization>



# References

American Academy of Pediatrics, American Public Health Association, National Resource Center for Health and Safety in Child Care and Early Education. (2011) *Caring for Our Children: National Health and Safety Performance Standards; Guidelines for Early Care and Education Programs. 3rd Edition.* Retrieved from <http://nrckids.org/CFOC>

Child Care and Development Fund, 45 C.F.R. § 98 (2016). Retrieved from <https://www.ecfr.gov/cgi-bin/text-idx?SID=4f7ade0a312b92f614ef180b7bbbec06&mc=true&node=pt45.1.98&rgn=div5>

NARA and Amie Lapp-Payne. (May 2011). *Strong Licensing: The Foundation for a Quality Early Care and Education System: Preliminary Principles and Suggestions to Strengthen Requirements and Enforcement for Licensed Child Care.* Retrieved from [http://www.naralicensing.drivehq.com/publications/Strong\\_CC\\_Licensing\\_2011.pdf](http://www.naralicensing.drivehq.com/publications/Strong_CC_Licensing_2011.pdf)



# References

National Center on Child Care Quality Improvement (NCCCQI). (2014). *Contemporary Issues in Licensing: Monitoring Strategies for Determining Compliance - Differential Monitoring, Risk Assessment, and Key Indicators*. Retrieved from

<https://childcareta.acf.hhs.gov/resource/contemporary-issues-licensing-monitoring-strategies-determining-compliance-differential>

NCCCQI. (2013a). Trends in Child Care Center Licensing Requirements and Policies for 2011. Retrieved from <https://childcareta.acf.hhs.gov/resource/research-brief-1-trends-child-care-center-licensing-regulations-and-policies-2011>

NCCCQI. (2013b). *Trends in Family Child Care Home Licensing Requirements and Policies for 2011*. Retrieved from <https://childcareta.acf.hhs.gov/resource/research-brief-2-trends-family-child-care-home-licensing-requirements-and-policies-2011>

NCCCQI. (2013c). *Trends in Group Child Care Home Licensing Requirements and Policies for 2011*. Retrieved from <https://childcareta.acf.hhs.gov/resource/research-brief-3-trends-group-child-care-home-licensing-regulations-and-policies-2011>

# References

National Center on Early Childhood Quality Assurance (ECQA Center). (2015a). *Research Brief #1: Trends in Child Care Center Licensing Regulations and Policies for 2014*. Retrieved from <https://childcareta.acf.hhs.gov/resource/research-brief-1-trends-child-care-center-licensing-regulations-and-policies-2014>

ECQA Center. (2015b). *Research Brief #2: Trends in Family Child Care Home Licensing Regulations and Policies for 2014*. Retrieved from <https://childcareta.acf.hhs.gov/resource/research-brief-2-trends-family-child-care-home-licensing-regulations-and-policies-2014>

ECQA Center. (2015c). *Research Brief #3: Trends in Group Child Care Home Licensing Regulations and Policies for 2014*. Retrieved from <https://childcareta.acf.hhs.gov/resource/research-brief-3-trends-group-child-care-home-licensing-regulations-and-policies-2014>

U.S. Department of Health and Human Services. (2011). *Child Care and Development Fund (CCDF) Final Rule (45 CFR 98.2)*. Retrieved from <http://www.gpo.gov/fdsys/pkg/CFR-2011-title45-vol1/pdf/CFR-2011-title45-vol1-part98.pdf>.



**National Center on  
Early Childhood Quality Assurance**

9300 Lee Highway

Fairfax, VA 22031

Phone: 877-296-2250

Email: [QualityAssuranceCenter@ecetta.info](mailto:QualityAssuranceCenter@ecetta.info)

**Subscribe to Updates**

[http://www.occ-cmc.org/occannouncements\\_sign-up/](http://www.occ-cmc.org/occannouncements_sign-up/)



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**