
Key Indicator Methodology

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Licensing Key Indicators

- **Licensing Key Indicator (LKI)** are specific rules (aka regulations) that statistically predict overall compliance with all the licensing rules. Full compliance with the **LKI** predicts full compliance with all rules, while any non-compliance with **LKI** predicts non-compliance with the rules. **LKI's** are not necessarily those rules that are most frequently out of compliance, nor place clients at the greatest risk, although they can be. An example of this approach is the *13 Indicators of Quality Child Care* (Fiene, 2002).
 - NARA supports, and offers consultation, to design research-based, LKI tools.
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Weighting Assessment

- **Weighting Assessment (WA)** is a risk-assessment methodology that incorporates a Likert process of weighting that identifies rules that place clients at the greatest risk. The risk factors could include but are not limited to mortality, morbidity, physical and/or psychological harm. An example of this approach is *Stepping Stones to Caring for our Children* (AAP/APHA/MCHB/NRC, 2013).
 - NARA supports, and provides consultation, to design Licensing Weighting tools used to make licensing enforcement decisions.
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Differential Monitoring

- ***Differential Monitoring (DM)*** is the targeted inspection of facilities based upon the results of the above two approaches: **LKI** and **WA**. If a facility has any **LKI** non-compliance, or the **WA** indicates high risk to clients, then this would trigger more frequent inspections. Likewise, if a facility has full **LKI** compliance, and no high risk non-compliance under the **WA**, less frequent inspections are warranted.
 - Several states use this approach (NARA, 2012) as delineated in the *Child Care Licensing Study (2011)*.
 - NARA supports, and provides consultation, to design differential monitoring tools based on both the **WA** and the **LKI**.
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Impact on Licensing

- **LKI, WA, and DM** all have an impact on how state agencies license and inspect facilities. The monitoring will be more targeted and lead to cost efficiencies and overall effectiveness. Rather than having a paradigm of one size fits all, by utilizing **LKI, WA, and DM**, a regulatory agency will reward those programs with a history of high compliance with fewer inspections, while targeting those facilities with a history of high non-compliance with more comprehensive and additional inspections.
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Summary

- **LKI** = research-based, statistical predictor rules. How many rules to inspect, all or just key indicators?
 - **WA** = greatest risk rules. What type of license is issued? What enforcement action is taken? How frequently do you inspect the facility?
 - **DM** = targeted inspections based upon previous compliance history with **LKI and WA**.
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Where Licensing Fits Within Program Monitoring & Quality Improvement

$$\text{CO} \leq \text{PO} \leq (\text{PD} + \text{PC} + \text{PQ}) \pm \text{PM}^*$$

- **CO** = Child Outcomes
- **PO** = Provider Outcomes
- **PD** = Professional Development/Training System
- **PC** = **Program Compliance/Licensing System**
- **PQ** = Program Quality/QRIS System
- **PM** = Program Monitoring System Costs

* Fiene (2011). Early Childhood Program Quality Indicator Model (ECPQIM), paper presented at NARA Seminar, 2011.

References

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