



## MONITORING AND SUPPORTING LICENSE-EXEMPT CARE: CASE STUDIES

As Child Care and Development Fund (CCDF) Administrators make critical decisions regarding the monitoring and support of license-exempt (exempt) child care providers, they often look to other States to better understand how their monitoring and support systems are implemented. The National Center on Child Care Quality Improvement (NCCCQI) received information from six States (AR, AZ, IN, ND, NM, and UT) about their oversight of exempt providers. While this document is primarily focused on exempt homes, there is also some information about how these States oversee exempt centers.

Most States allow exempt providers to receive CCDF funding. And while exempt providers are not subject to the regulatory requirements set forth by the licensing agency, the *Child Care and Development Block Grant Act of 2014* (CCDBG Act of 2014) requires States and Territories to have health and safety requirements in 10 different topic areas for all providers participating in the CCDF subsidy program, as well as preservice and ongoing training on those topics. The CCDBG Act of 2014 also requires States and Territories to have monitoring policies and practices in place no later than November 19, 2016 to ensure that child care providers are in compliance with the health and safety requirements.

This issue brief is one of a series of three briefs that offer insights into how States and Territories have improved their systems with new requirements, monitoring policies, and support systems for exempt providers.<sup>1</sup> These issue briefs were developed based on several regional webinars and meetings that focused on monitoring license-exempt providers.

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<sup>1</sup> These issue briefs were originally produced by the National Center on Child Care Quality Improvement, a previous contract of the Office of Child Care. The National Center on Early Childhood Quality Assurance is disseminating the issue briefs. These briefs and additional materials about monitoring providers can be found on the Child Care Technical Assistance Network Web site at <https://childcareta.acf.hhs.gov/>.

13. [Links to State Documents and Contact Information](#)

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## 1. State Structure

State	Brief Overview of State Structure
Arizona	The Arizona Department of Economic Security (DES) is the CCDF Lead Agency, administers the subsidy program, and certifies homes for payment. The Arizona Department of Health Services (DHS), is responsible for regulating child care centers and group homes. The Arizona Department of Education (ADE), regulates the Child and Adult Care Food Program (CACFP). Each of these departments is administered at a statewide level.
Arkansas	All CCDF services are administered at a statewide level within the Arkansas Department of Human Services.
Indiana	The licensing and subsidy programs are administered at a statewide level by the Office of Early Care and Out of School Learning.
New Mexico	The licensing and subsidy programs are administered at a statewide level within the same division in the Children, Youth and Families Department.
North Dakota	The licensing and subsidy programs are county-administered and in different divisions within the Department of Human Services.
Utah	The licensing program is located within the Department of Health, and the subsidy program is within the Department of Workforce Services. Both programs are state-administered.

## 2. Exempt Care Basics

State	Overview of Exempt Care
Arizona	<ul style="list-style-type: none"> <li>■ FCC home providers caring for four or fewer children are exempt from licensing.</li> <li>■ Providers who wish to receive CCDF funding may become DES certified homes. The administrative rules for DES homes can be found in the <i>Arizona Administrative Code</i>, Title 6, Chapter 5, Article 52. (<a href="http://apps.azsos.gov/public_services/Title_06/6-05.pdf">http://apps.azsos.gov/public_services/Title_06/6-05.pdf</a>)</li> <li>■ Exempt homes receive a precertification visit and at least two visits annually. During the first year of certification, home providers receive three visits, one of which is unannounced, and at least two visits per year thereafter. Complaints may generate additional visits.</li> </ul>

State	Overview of Exempt Care
Arkansas	<ul style="list-style-type: none"> <li>■ FCC home providers must be licensed or registered before providing care and receive, at minimum, a local zoning and onsite inspection. FCC must be licensed when there are six or more children in care. Providers must have initiated background checks. The State can approve a license pending the completion of the checks. This allows staff 30 days to process a new application for licensure.</li> <li>■ If providers receive CCDF funding, they must be regulated (licensed or registered).</li> <li>■ Exempt homes (referred to as registered homes) receive three unannounced visits per year, with additional follow-up visits and progressive action steps if critical issues are present.</li> <li>■ There are currently 19 registered homes.</li> </ul>
Indiana	<ul style="list-style-type: none"> <li>■ FCC home providers caring for five or fewer unrelated children are exempt from licensing.</li> <li>■ Providers who wish to receive CCDF funding, including relative providers, must meet all eligibility standards before they can provide care and receive payment.</li> <li>■ Exempt homes are visited at least once annually.</li> <li>■ There are currently 233 exempt homes in the subsidy program.</li> </ul>
New Mexico	<ul style="list-style-type: none"> <li>■ Family home child care providers caring for four or fewer children are exempt from licensing.</li> <li>■ A provider (relative or nonrelative) who wishes to receive CCDF funding must be licensed or registered.</li> <li>■ Exempt homes are monitored at least once annually.</li> <li>■ There are 1,600 exempt homes in the subsidy program, both relatives and nonrelatives. There are also an additional 1,000 exempt homes that receive CACFP reimbursement, but are not in the subsidy program.</li> </ul>
North Dakota	<ul style="list-style-type: none"> <li>■ FCC home providers caring for 5 or fewer children, with no more than 3 children under 24 months in age, are exempt from licensing.</li> <li>■ Unlicensed providers may apply for a Child Care Self-Declaration if they wish to receive CCDF funding.</li> <li>■ Unlicensed providers only caring for relatives may apply for an approved relative status, which only requires a state background check.</li> <li>■ Exempt homes are monitored at least once annually.</li> <li>■ Approximately 260 exempt homes are in the subsidy program.</li> </ul>

State	Overview of Exempt Care
Utah	<ul style="list-style-type: none"> <li>Family home child care providers caring for four or fewer nonrelated children are exempt from licensing.</li> <li>Utah's Department of Workforce Services child care requirements further specify that "when there are children in care who are not siblings who are related to the provider, there can be no more than 8 children in care and no more than 2 of those children can be younger than 2-years-old."</li> <li>Exempt homes are monitored at least twice annually.</li> <li>There are currently 512 approved exempt homes in the subsidy program.</li> </ul>

### 3. Who Monitors Exempt Homes?

State	Staff or Agency with Responsibility for Monitoring License-Exempt Home Providers
Arizona	The CCDF Lead Agency, which administers the subsidy program, monitors exempt FCC homes.
Arkansas	Licensing Specialists within the Arkansas Department of Human Services, Division of Childcare and Early Childhood Education, monitor exempt homes with an average caseload of 1:63.
Indiana	<p>Indiana contracts for the monitoring of exempt homes and centers (not registered ministries) with The Consultants Consortium (TCC).</p> <p>The caseload for exempt homes is approximately 115. The caseload is high because verification of paperwork/administrative items is done in the office.</p>
New Mexico	<p>The CACFP-sponsoring agencies monitored registered homes' compliance with health and safety standards for more than 10 years. In 2013, New Mexico created 13 positions in the Child Care Services Bureau (which houses both licensing and subsidy) to monitor registered homes. There are now 16 full-time equivalents (FTEs), including a lead for each region. They are supervised by the regional managers for the child care subsidy program.</p> <p>Initially, the caseload was 300. Because the number of homes has decreased and the number of monitors has increased, they now have a caseload of 200. The lower caseloads allow child care specialists more time to provide technical assistance (TA) and support to registered homes, and it provides a cushion for staff turnover.</p> <p>The number of FTEs was determined by estimating the number of visits per year, including follow-up visits.</p>
North Dakota	County child care licensors monitor exempt home providers.

State	Staff or Agency with Responsibility for Monitoring License-Exempt Home Providers
Utah	The Utah Department of Workforce Services contracts with the Department of Health's Child Care Licensing program to process the initial approvals and conduct all health and safety inspections of exempt providers.

## 4. Background Information on Monitoring Processes and Enforcement

State	Explanation and/or History of Monitoring Processes, Enforcement, and Compliance
Arizona	<p>Arizona's enforcement model is an escalatory series of steps. They are: a verbal warning; probation (no new authorizations); suspension (contract terminated and authorizations cancelled); and revocation. The key question in these enforcement steps is, "Are children's health and safety at risk?" Probation decisions are made most often by Home Inspectors. Suspension and revocation decisions are made by a manager, usually in consultation with a supervisor.</p> <p>Providers have a right to appeal denial, suspension, or revocation of their certificate.</p>
Arkansas	<p>Arkansas began monitoring homes serving 5 or fewer children in the early 1990s. At the time, 1,500 homes were registered and received free training, TA, and CCDF. Originally, staff monitored only 10 percent of providers. In 1998, under new leadership, the Department became more accountable to parents and funding sources and transitioned to annual monitoring, and eventually to three visits per year.</p> <p>In 1998, there were 750 registered homes in the system, which were supported by existing licensing specialists—the registered homes became a part of their caseload. Eventually the Department was able to supplement with additional staff.</p> <p>There has been a large decrease in both licensed and registered homes over the past 15 years, partially due to zoning issues making it more difficult for homes to be licensed or registered. While this made caseloads more manageable, there are now fewer homes in high-need areas.</p> <p>The financial incentive of CCDF funding has been a driving force for licensed and registered homes to go through the process.</p> <p>Because the standards and monitoring are so similar, most providers are willing to become licensed. Currently there are only 19 registered homes.</p>

State	Explanation and/or History of Monitoring Processes, Enforcement, and Compliance
Indiana	<p>Indiana began contracting out the function of exempt monitoring in 2002. It previously contracted with the child care resource and referral (CCR&amp;R0 agency, which had local subcontracts.</p> <p>TCC conducts annual onsite inspections for most standards. Some standards are verified in-house, including CPR, first aid, and background checks. The inspector monitors the remaining standards onsite.</p> <p>A recertification packet is sent out 45 days before expiration.</p> <p>Arkansas issues citations for noncompliances using a Notice of Order (NOO) process. Providers have 18 days to correct any noncompliances under the NOO. Failure to do so results in decertification as a CCDF provider. Providers can reapply if decertified. However, the law was recently changed to allow for a 2-year revocation for certain conditions. Decertification and revocation are appealable actions with administrative hearings.</p> <p>A provider is ineligible for a period of not less than 2 years if he or she has made false statements or committed fraud.</p>
New Mexico	<p>Child Care Specialists visit registered homes 60 days prior to registration expiration; conduct a follow-up (if necessary) 30 days before expiration; and again, if necessary, at expiration. If there are still major health and safety concerns, the registration is not renewed.</p> <p>Visits are announced, but providers are often given a window of time during which the visit will occur.</p>
North Dakota	The process for monitoring includes a preapproval inspection and annual unannounced visits to verify compliance with minimum health and safety requirements.
Utah	<p>Utah schedules initial approval inspections to explain regulations and assess compliance with regulations before initial approvals are issued.</p> <p>Inspectors conduct initial unannounced inspections 60 – 180 calendar days after start dates of approval, and annual unannounced inspections 5 – 8 months after announced inspections. Announced inspections are conducted 60 – 120 days before approvals expire.</p>

## 5. Requirements for Exempt Homes

State	How Decisions Were Made Regarding the Detail and Rigor of Health and Safety Standards for Exempt Home Providers
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State	How Decisions Were Made Regarding the Detail and Rigor of Health and Safety Standards for Exempt Home Providers
Arizona	<p>The process for rule development is under the purview of the Governor's Regulatory Review Council and includes review by stakeholders, the public, and approval by the council. The standards for exempt FCC homes roughly parallels rules for licensed child care group homes.</p>
Arkansas	<p>Initially standards were basic, such as background checks and health and safety, but over the years, standards have become more similar to licensing requirements. Currently, the standards are very similar. Most homes have made the transition to licensing because it gives them the flexibility to serve more children.</p>
Indiana	<p>Indiana created Provider Eligibility Standards (PES) in response to reports of providers receiving CCDF funds and caring for children in unsafe environments.</p> <p>In 2002, Indiana added very basic standards as accountability for public funding. Over the past few years, the State has worked with the legislature and administration to put more standards in place for exempt homes, centers, and registered ministries. In 2009, they added supervision requirements and safe sleep trainings. The 2013 legislature passed comprehensive standards, including transportation, orientation, increased training, minimum age, daily activities, nutrition, group size, and ratios for all exempt providers receiving CCDF. Those standards have been phased in over 2 years.</p> <p>The standards are now closer to standards for licensed homes, and it is expected that the approximately 233 exempt homes may become licensed. Indiana was motivated to improve standards and inspection processes because it lacked information about the quality of care that was provided in exempt homes.</p>
New Mexico	<p>New Mexico recently finalized new regulations, which added definitions and expanded requirements. Changes include (but are not limited to) the following:</p> <ul style="list-style-type: none"> <li>■ Requiring substitute caregivers to meet all requirements, including training;</li> <li>■ Defining an emergency caregiver as someone who serves for 8 hours or less on behalf of the primary caregiver on an emergency basis;</li> <li>■ Requiring everyone in the home older than age 18 to have a complete background check;</li> <li>■ Requiring registered caregivers to submit incident reports;</li> <li>■ Increasing health and safety requirements including those related to trampolines, swimming pools, and fences; and</li> <li>■ Aligning some requirements with licensing requirements, including investigation of and response to complaints, and the reporting of and response to alleged abuse and neglect.</li> </ul>
North Dakota	<p>The standards for exempt homes are concentrated on basic health and safety.</p>



State	How Decisions Were Made Regarding the Detail and Rigor of Health and Safety Standards for Exempt Home Providers
Utah	There were multiple meetings between the licensing and subsidy agencies to determine the level of detail of the standards. Utah considered the new federal requirements, the standards for licensed providers, and the needs and possibilities of the caregivers. The State road tested and adjusted an initial set of policies, which led to the current set of requirements.

## 6. Differences in Needs, Cultural Diversity, and Levels of Compliance

State	Ways Exempt Home Providers Differ from Licensed Home Providers in Needs, Cultural Diversity, and Levels of Compliance
Arizona	There is a sense that exempt home providers are more likely than licensed providers to speak Spanish as their first language. The Lead Agency actively recruits exempt homes.
Arkansas	<ul style="list-style-type: none"> <li>■ Many registered home providers don't view themselves as professionals providing a service. They can be leery of the rules and the inspection process.</li> <li>■ Licensing Specialists provide a great deal of support to registered homes. For example, they will have a conversation with a home provider before looking in cabinets, letting the provider know that they are not being nosy or trying to invade their privacy, but are viewing these areas to identify any potential health or safety issues.</li> <li>■ Arkansas doesn't see a large difference in demographics or cultural diversity between exempt care and licensed homes. However, the registered home providers' level of understanding of the regulations is not as good because they have less experience with regulatory authority. There is more front-end work needed to explain the requirements and why they are necessary.</li> <li>■ Registered homes have kept more infants and toddlers than licensed homes, due partially to the fact that there is a complex ratio for licensed homes, while in registered homes all five of the children can be age 2 or younger.</li> </ul>
Indiana	Indiana has not experienced a significant difference in demographics or cultural diversity between exempt care and licensed homes. Many exempt home providers do not view themselves as early childhood professionals or as small businesses. This perspective, as well as a lack of experience with the regulatory process, results in a need for more front-end work with applicants to explain the requirements and why they are so important to children's health and safety.



State	Ways Exempt Home Providers Differ from Licensed Home Providers in Needs, Cultural Diversity, and Levels of Compliance
New Mexico	<p>There is a relatively high percentage of Spanish-speaking registered home providers throughout the State, compared to the percentage of licensed child care providers who speak Spanish. There are Child Care Specialists in every region who speak Spanish fluently.</p> <p>Licensed home providers' compliance levels tend to be higher than registered homes' compliance levels. Common violations include cleanliness, chemicals within reach of children, and leaving children unattended.</p> <p>Registered homes typically need more support than licensed homes. The Child Care Specialists walk registered homes through the regulations, explaining the requirements and providing support. They have found that registered providers are often motivated to improve and rely on the subsidy reimbursement.</p>
North Dakota	<p>North Dakota has an English as a Second Language group of exempt home providers that required a different orientation. Exempt home providers often require more guidance to comply with the standards.</p>
Utah	<p>Although there is a large variety in needs, cultures, and levels of education among licensed home providers, this group has a more established setting and system for caring. They are more business-oriented and determined to provide continuous care.</p> <p>Most exempt providers who are in the subsidy program are relatives, friends, or neighbors who are providing this service to help on a temporary basis.</p>

## 7. Qualifications, Experience, and Training for Inspectors

State	Ways Qualifications, Experience, and Training for Monitors of Exempt Home Providers Differ From Those for Licensing Staff
Arizona	<p>The job listing for a license-exempt program monitor suggests that a candidate should have knowledge of child care programs, early childhood development, age appropriate activities, and appropriate disciplinary and behavior management methods. There are knowledge, skills, and abilities identified for licensing staff that are typically met through experience as a teacher or child care provider, or through a Bachelor or Master's degree in child development or a related field.</p>
Arkansas	<p>The staff that monitor both licensed and exempt providers are required to have a Bachelor's degree and receive training in the use of TA and building a working relationship with registered providers. There is no formal staff training curriculum, but extensive on-the-job training with shadowing of experienced staff. Applicants for licensing specialist positions are ranked on experience in early childhood and investigations.</p>

State	Ways Qualifications, Experience, and Training for Monitors of Exempt Home Providers Differ From Those for Licensing Staff
Indiana	<p>Inspectors for exempt providers are required to have a high school diploma or General Equivalency Diploma (GED) and a minimum of a Child Development Associate (CDA) Credential™ or an Associate's degree in Early Childhood Education. New state licensing staff are required to have a bachelor's degree.</p> <p>New exempt provider inspectors receive orientation and training from state staff, which includes peer mentoring and shadowing of other inspectors for up to 3 months. New state licensing inspectors undergo orientation and training that include being paired with experienced state licensing staff for 2 or 3 months.</p>
New Mexico	<p>A child care licensing surveyor (for licensed programs) must have a high school diploma or GED and 2 years of experience in investigations, regulation, policy, statutory, and/or contract compliance.</p> <p>A Child Care Specialist for exempt providers must have a high school diploma or GED and 2 years of experience as a social or community coordinator and/or social worker assistant.</p> <p>Both position types are required to shadow a colleague in the field, and both positions have a training manual, though the training manual for Child Care Specialists is unique to that position.</p> <p>There are additional qualifications that are important, but less quantifiable. Ideally, a Child Care Specialist can calm a situation down rather than inflame it. They should be able to act tactfully, analyze situations, have good observation skills, build relationships, know when and how to draw the line, and understand that different providers may require different approaches. They should understand that it is difficult for registered home providers to have someone in a regulatory capacity in their home.</p>
North Dakota	<p>Monitors of exempt homes are the licensing staff. They receive training from regional staff when they begin their positions and attend a yearly licensure training.</p>
Utah	<p>There are no differences in qualifications. Utah's licensing specialists are required to have a degree in an early childhood field, to pass a comprehensive background screening check, and to have previous experience as a child care provider. After being hired, they receive general rule and program training. They are then assigned to a provider type and receive ongoing monthly training.</p>

## 8. Provider Training and Support

State	Types of Support and Training Provided to Exempt Home Providers
Arizona	<ul style="list-style-type: none"> <li>■ All documents, forms, and most training are available in both Spanish and English.</li> <li>■ Arkansas offers financial support to providers to meet certification standards, e.g., the purchase of smoke detectors, fire extinguishers, and cribs.</li> <li>■ The State offers preservice training on topics including developmentally appropriate practice, business management, and billing procedures.</li> <li>■ Arkansas pays the fingerprinting processing fees, first aid training, and CPR training for initial applicants.</li> <li>■ Experienced providers may serve as mentors to newer providers.</li> <li>■ Ongoing training on a wide variety of topics is available from the State at no charge to providers. Providers receive a quarterly newsletter of these professional development opportunities both by mail and via the CCR&amp;R Web site. A variety of community-based organizations provide training under contract with the Lead Agency. Training is delivered primarily in person during sessions between 2 and 8 hours in length.</li> <li>■ Additional support for DES certified homes is available through Arizona's QRIS.</li> </ul>
Arkansas	<ul style="list-style-type: none"> <li>■ Arkansas contracts with state universities and other partners for provider trainings and specialized TA.</li> <li>■ The CCR&amp;R agency has five regional offices and provides training, outreach, and referral services.</li> <li>■ The professional registry tracks training hours and lists upcoming training for the next year. Training is usually free and includes online and in-person training across the State. Online training typically includes some interaction and offers participants feedback and a certificate. Online training is not expected to completely replace in-person trainings.</li> </ul>
Indiana	<p>The Indiana Office of Early Childhood and Out-of-School Learning is working with the CCR&amp;R to develop new training, including online training, to assist providers in meeting the new CCDBG requirements. Exempt providers are required to have 12 hours of training annually. This includes age- and development-specific training, as well as training on safe sleep and child abuse and neglect.</p>

State	Types of Support and Training Provided to Exempt Home Providers
New Mexico	<ul style="list-style-type: none"> <li>■ New Mexico has 15 annual Regional Early Care and Education Conferences throughout the State. The Child Care Specialists, CCR&amp;R, and CACFP sponsoring agencies work together to coordinate the conferences and provide training. The conferences include a plenary presentation and several breakout sessions. Sessions are provided in Spanish in areas that are predominantly Spanish speaking.</li> <li>■ Child Care Specialists provide onsite TA to exempt providers.</li> <li>■ Registered home providers and substitute caregivers are required to have 6 hours of training annually, which they receive from the Training and Technical Assistance Programs or from the CACFP sponsoring agencies. Trainings are offered during the day, at night, and on Saturdays.</li> <li>■ Primary and substitute caregivers caring for infants must receive 2 hours of infant or toddler specific training within 6 months of registration.</li> <li>■ Registered home providers must also maintain current first aid and CPR certification.</li> </ul>
North Dakota	<ul style="list-style-type: none"> <li>■ County child care licensors offer orientation and are available for TA.</li> <li>■ Training is available from the local CCR&amp;R agencies.</li> <li>■ Exempt providers have access to:               <ul style="list-style-type: none"> <li>◆ All approved training, including almost 200 hours of free training available online;</li> <li>◆ The Let's Explore mini-consultation program that includes a variety of topics such as literacy, block play, and exploring nature. This is offered through Child Care Aware® and includes a resource packet valued at \$100;</li> <li>◆ A quarterly newsletter from DHS which includes information, resources, and tips; and</li> <li>◆ Start-up grants valued at \$800 - \$1,200 for those who wish to move toward licensing.</li> </ul> </li> </ul>
Utah	<p>Most of the support comes from the CCR&amp;R, Care About Childcare (CAC) offices. CAC makes their staff and computers available to all providers to process applications, trainings and to submit documents online. CAC also sends email blasts to all providers on a regular basis, and a newsletter with information about grants and training opportunities, and information on the licensure process.</p> <p>There is new provider training and orientation available online, and TA is provided by the licensing specialists.</p> <p>Providers receive their initial orientation online. CAC provides CPR and First Aid training in Spanish and English at a more accessible cost for family, friend, and neighbor (FFN) care providers, as well as ongoing training.</p>

## 9. Efforts to Retain Exempt Homes

State	Efforts Made to Retain Exempt Home Providers in the System
Arizona	Arizona's model relies on contracted organizations to recruit applicants and provide ongoing training.
Arkansas	<p>There was a significant drop in the number of registered providers in the early 2000s, from about 1,500 to approximately 800. Since then, the decline has been gradual. Arkansas has worked closely with the CCR&amp;Rs, which are the points of contact for new home providers. The CCR&amp;Rs have their finger on the pulse of the areas with the biggest needs and gaps. Arkansas monitors access issues closely on a county-by-county basis. The majority of new providers coming into the system choose to become licensed because they have the flexibility to serve more children.</p> <p>When a provider leaves the system, the licensing specialist asks their reason for leaving. Most of the time, with registered homes, it is because it is difficult to make a living caring for only 3 – 5 children. They either move to licensure or pursue a different career.</p>
Indiana	<p>Indiana started out with 1,700 – 2,000 exempt centers and homes. The numbers have decreased because providers have either become licensed or stopped taking CCDF, due in part to more stringent standards, including the requirement for criminal background checks.</p> <p>The CCR&amp;Rs are responsible for conducting outreach in communities, especially in rural counties where there is a shortage of child care. They utilize numerous strategies including looking through advertisements for child care. The CCR&amp;Rs attempt to engage exempt providers in the early childhood education (ECE) system by encouraging them to move toward licensure through a process known as the quality improvement continuum. The intent of the quality improvement continuum is to move providers from license exemption, to licensure, to QRIS enrollment, and eventually attainment of the highest rating level, Level 4.</p>
New Mexico	<p>When Child Care Specialists began monitoring registered home providers in October 2013, there were 3,600 providers. Currently there are 2,600 and the decrease has begun to level off.</p> <p>The Regional Operations Manager is tracking the reasons that registered home providers don't recertify. Some common responses include that they got another job, their grandchildren were no longer of age, they moved, they stopped claiming children with the food program, or they didn't want to follow health and safety standards.</p> <p>The Department is improving its communication with the CACFP sponsoring agencies, and the Child Care Specialists are now putting more time into providing support to registered homes.</p>
North Dakota	Monitoring led to a reduction in exempt home providers. Self-declaration numbers have decreased from 750 in 2009 to 220 currently. Free training from the CCR&R and TA from licensing staff were available. North Dakota has found it challenging to increase the supply and the quality of child care at the same time.

State	Efforts Made to Retain Exempt Home Providers in the System
Utah	There were multiple training meetings to reach out and provide support and orientation to exempt providers before the changes were made. That included information sharing and explaining licensure as an option to remain in the system.

## 10. Support for Changes

State	How the State Was Able to Obtain the Fiscal Resources Needed to Monitor and Support Exempt CCDF Providers
Arizona	Monitoring and supporting exempt CCDF providers is required by state statute.
Arkansas	<ul style="list-style-type: none"> <li>■ Due to economic issues in the State, it's difficult to get approval for additional staff, but a few additional licensing specialists were hired when the number of annual visits increased to three.</li> <li>■ CCDF is the primary source of funding for licensing. Arkansas has had to determine where to make cutbacks without hurting quality. Instituting an open-ended license that remains in place unless there are serious violations has helped to streamline processes and cut back on staff time. As long as providers have no serious violations, they do not need to do a formal license renewal.</li> <li>■ While Arkansas has not received additional funding, it has worked to build support for changes to its regulations. In the latest round of legislative changes, the State worked with the Arkansas Early Childhood Commission, legislature, early childhood providers, and advocates to make meaningful compromises in the process of changing regulations.</li> <li>■ The bottom line is that health and safety basics are no longer enough; there is now also a focus on child development and brain research.</li> <li>■ Arkansas is also partnering with field staff and making them aware of the changes. Staff are included in the process as early as possible and provide their input on minimizing the impact of new regulations.</li> </ul>

State	How the State Was Able to Obtain the Fiscal Resources Needed to Monitor and Support Exempt CCDF Providers
Indiana	<p>Indiana received legislative buy-in and fiscal resources in 2002 when health and safety standards were first developed for exempt programs as a response to concern about the quality of care being funded.</p> <p>Provider groups, representing both licensed and exempt providers, advocated in support of higher quality standards.</p> <p>The Office of Early Care and Out of School Learning engaged nontraditional partners such as business leaders.</p> <p>Several high profile situations, including a tragic child death within an exempt program, received significant media coverage that highlighted the need for improved standards.</p> <p>Indiana's CCDF Administrator invited legislators to tour both licensed programs and exempt child care programs so that they could personally experience the variance within the quality of care that was offered across provider settings. These tours informed lawmakers of the importance of quality care and encouraged them to support higher standards.</p> <p>Once new standards were in place, Indiana communicated early and often with providers regarding the upcoming changes. Providers received several letters and were offered webinars and face-to-face trainings. The state also trained the local CCR&amp;R staff because they knew that the CCR&amp;R would hear from providers and wanted to be sure that they were all sharing the same message.</p>
New Mexico	<p>When the USDA said that administrative CACFP funding could not be used for health and safety monitoring, the Department analyzed the cost to absorb the function and requested additional funding from the legislature, which was granted.</p>
North Dakota	<p>Small changes were made to the licensors' duties to allow them time to monitor the exempt providers.</p>
Utah	<p>Funding comes from the CCDF Grant and state matching funds.</p> <p>Child Care licensing has also absorbed some of the costs related to inspecting and handling exempt providers by restructuring their staff assignments and caseloads. FFN providers do not currently get charged for background screenings.</p>



## 11. Lessons Learned and Additional Information

State	Lessons Learned from Working with Exempt Providers
Arizona	N/A
Arkansas	<ul style="list-style-type: none"> <li>■ Implementing the registered home category has been helpful because it brought in a large number of home providers that the Department was able to cultivate professionally. Many of these have become valuable licensed home providers.</li> <li>■ The exempt registration process has cut down on complaints of illegally operating home operations.</li> <li>■ Because there are so few remaining registered homes, Arkansas may consider eliminating that type of provider category over the next few years and may consider expanding licensing regulations to have slightly reduced standards if licensed for five or fewer children.</li> </ul>
Indiana	<ul style="list-style-type: none"> <li>■ Use of available data, such as complaints received about nonregulated providers and accident and injury reports, are critical to clearly identifying the need for additional standards.</li> <li>■ The fact that these providers are receiving public funds is a strong argument for consistent quality standards to protect children's safety and promote early learning and school readiness.</li> <li>■ As standards increase, exempt provider inspectors are moving into more of a consultant role. For example, they may focus on topics such as nutrition and lesson plans, and work through how providers can come into compliance.</li> <li>■ Indiana recommends including these exempt providers in the overall quality improvement strategies.</li> </ul>

State	Lessons Learned from Working with Exempt Providers
New Mexico	<ul style="list-style-type: none"> <li>■ Pushback from providers: Getting buy-in from registered home providers has been more difficult than anticipated. Child Care Specialists commonly hear providers say “But this is the way I’ve always done it.” This has required patience, support, and clear explanations of the rationale behind requirements.</li> <li>■ Keeping up with visits: New Mexico’s goal was to make renewal visits 60 days prior to registration expiration. Due to vacancies, the visits are currently 30 days ahead.</li> <li>■ Length of visits and follow-up visits: Child Care Specialists were spending more time in the home than anticipated. This is because compliance was low and providers often required more support and explanation of requirements than was expected. Also, additional visits have been necessary to follow up on violations or provide additional TA.</li> <li>■ Providers not home: Because registered providers were sometimes not home at the time of the visit, Child Care Specialists had to do announced visits, providing a window of time for the visit.</li> <li>■ Number of Staff: New Mexico underestimated the number of staff needed due to the additional support and training needs of registered providers. This included the travel time needed to reach providers.</li> <li>■ Collaboration and alignment with multiple entities: Collaboration needed improvement, including with CACFP, the Background Check Unit, Child Care Assistance, the Family Nutrition Bureau, and the Data Unit.</li> <li>■ Retention of Providers: The loss of registered providers was more significant than anticipated.</li> </ul>
North Dakota	<ul style="list-style-type: none"> <li>■ Monitoring has led to fewer corrective actions.</li> <li>■ The State has a better understanding of the type of care that it is purchasing.</li> <li>■ Lower quality providers who refused to meet standards have dropped from the subsidy system.</li> <li>■ The increase in standards for self-declaration has helped some providers see the self-declaration as a stepping stone to licensing, and there has been an increase in the number of providers who have moved from self-declaration to licensing.</li> </ul>
Utah	<p>Exempt providers generally care about the service they provide. It is important that licensors are patient and able to dedicate time and effort to connect, understand, and guide them. These providers are able to comply with the requirements as long as there is a helping hand to guide them.</p> <p>They are primarily grandmothers or other relatives. They are not very technology-oriented and require the help and support of other younger relatives, friends, and/or agencies to be able to comply with all of the applications and other processes. Communication must be accurate but simple, easy to understand, and short.</p>

## 12. Information about License-Exempt Centers

State	Information about License-Exempt Centers
Arizona	N/A
Arkansas	<ul style="list-style-type: none"> <li>An exemption for church-operated programs was developed in 1980 as a compromise. These programs can opt to not be licensed but are certified as religious exempt and have to meet all the same standards. The difference between licensed and religious exempt is in name only.</li> </ul>
Indiana	<ul style="list-style-type: none"> <li>Indiana has about 415 faith-based providers (registered ministries) and 305 exempt centers that primarily provide before- and after-school care. The number of exempt centers will likely remain stable.</li> <li>If registered ministries receive CCDF, they have to meet higher eligibility standards.</li> <li>State licensing staff monitor the registered ministries.</li> </ul>
New Mexico	N/A
North Dakota	N/A
Utah	<p>Efforts with exempt centers are just beginning.</p> <p>SB12 passed during the 2015 legislation process in Utah, which requires exempt educational institutions to have background checks done by the Department of Health, Child Care Licensing program. This bill also gives Child Care Licensing the authority to collect aggregated children's information and to conduct complaint investigations.</p> <p>In order for exempt centers to receive CCDF subsidies, they have to receive an exempt status from Child Care Licensing, have background screenings and fingerprints, and submit CPR and First Aid certifications and program schedules and rates.</p>

## 13. Links to State Documents and Contact Information

State	Links and Contact Information
Arizona	<ul style="list-style-type: none"> <li>Arizona Department of Economic Security, <a href="https://www.azdes.gov/main.aspx?menu=128&amp;id=2670">https://www.azdes.gov/main.aspx?menu=128&amp;id=2670</a></li> <li><i>Administrative Rule for DES Homes</i> (Title 6, Chapter 5, Article 52), <a href="http://apps.azsos.gov/public_services/Title_06/6-05.pdf">http://apps.azsos.gov/public_services/Title_06/6-05.pdf</a></li> </ul>

State	Links and Contact Information
Arkansas	<ul style="list-style-type: none"> <li>Arkansas Department of Human Services, Division of Child Care and Early Childhood Education, Child Care Licensing <a href="http://humanservices.arkansas.gov/dccece/Pages/ChildCareLicensing.aspx">http://humanservices.arkansas.gov/dccece/Pages/ChildCareLicensing.aspx</a></li> <li><i>Minimum Licensing Requirements for Registered Child Care Family Homes</i> <a href="http://humanservices.arkansas.gov/dccece/licensing_docs/2014%20A4%20RCCFH%20Final%20Filing.pdf">http://humanservices.arkansas.gov/dccece/licensing_docs/2014%20A4%20RCCFH%20Final%20Filing.pdf</a></li> </ul>
Indiana	<ul style="list-style-type: none"> <li>Indiana Family and Social Services Administration, <a href="http://www.in.gov/fssa/2552.htm">http://www.in.gov/fssa/2552.htm</a></li> <li><i>IC 12-17.2-3.5 Provider Eligibility Standards</i>, <a href="http://www.in.gov/fssa/carefinder/2734.htm">http://www.in.gov/fssa/carefinder/2734.htm</a></li> </ul>
New Mexico	<ul style="list-style-type: none"> <li>New Mexico Children, Youth and Families Department, Office of Child Development <a href="http://cyfd.org/child-care-services">http://cyfd.org/child-care-services</a></li> <li><i>Title 8 Social Services Chapter 17 Non-Licensed Child Care Part 2 Requirements Governing Registration of Non-Licensed Family Child Care Homes</i>, <a href="http://164.64.110.239/nmregister/xvi/xvi03/8.17.2new.htm">http://164.64.110.239/nmregister/xvi/xvi03/8.17.2new.htm</a></li> </ul>
North Dakota	<ul style="list-style-type: none"> <li>North Dakota Department of Human Services, Early Childhood Services <a href="http://www.nd.gov/dhs/services/childcare/info/">http://www.nd.gov/dhs/services/childcare/info/</a></li> <li><i>Chapter 75-03-07.1 Self-Declaration Providers Early Childhood Services</i>, <a href="http://nrckids.org/default/assets/File/StateRegs/ND/75-03-07_1.pdf">http://nrckids.org/default/assets/File/StateRegs/ND/75-03-07_1.pdf</a></li> <li><i>North Dakota's Self Declaration Provider Review</i>, <a href="http://www.nd.gov/eforms/Doc/sfn01595.pdf">http://www.nd.gov/eforms/Doc/sfn01595.pdf</a></li> </ul>
Utah	<ul style="list-style-type: none"> <li>Utah Care About Childcare, Office of Child Care, <a href="http://careaboutchildcare.utah.gov/">http://careaboutchildcare.utah.gov/</a></li> <li>Utah Child Care Licensing, Utah Department of Health, <a href="http://childcarelicensing.utah.gov/">http://childcarelicensing.utah.gov/</a></li> <li>Utah Department of Workforce Services, Office of Child Care, <a href="https://jobs.utah.gov/occ/index.html">https://jobs.utah.gov/occ/index.html</a></li> <li>Utah Department of Health, Bureau of Child Development, <a href="http://childdevelopment.utah.gov/">http://childdevelopment.utah.gov/</a></li> <li><i>Requirements for DWS Approved Child Care Providers</i>, <a href="http://childcarelicensing.utah.gov/DWS_FFN_Requirements.htm">http://childcarelicensing.utah.gov/DWS_FFN_Requirements.htm</a></li> </ul>

**National Center on Early Childhood Quality Assurance**  
 9300 Lee Highway, Fairfax VA, 22031  
 Phone: 877-296-2250 | Email: [QualityAssuranceCenter@icfi.com](mailto:QualityAssuranceCenter@icfi.com)