

**STATE OF NEW HAMPSHIRE
CHILD CARE LICENSING UNIT**

**PERFORMANCE AUDIT
FEBRUARY 2022**



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To The Fiscal Committee Of The General Court:

We conducted this performance audit of the Child Care Licensing Unit (CCLU) to address the recommendation made to you by the joint Legislative Performance Audit and Oversight Committee. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The purpose of the audit was to determine whether the CCLU's licensing functions were effective and efficient during State fiscal years 2018 to 2021.

Office of Legislative Budget Assistant

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February 2022

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ABBREVIATIONS AND GLOSSARY

ARPA	American Rescue Plan Act
CARES Act	Coronavirus Aid, Relief, And Economic Security Act
CAP	Corrective Action Plan
CCDBG	Child Care And Development Block Grant
CCDF	Child Care And Development Fund
CCLU	Child Care Licensing Unit
Critical Rules	Rules identified in He-C 4002.06, which were determined to be most critical because non-compliance with those rules had the highest likelihood of jeopardizing the health, safety, or well-being of children in care, or the operations of the child care program.
DHHS	New Hampshire Department Of Health And Human Services
EEC	Employment Eligibility Card
FTE	Full-Time Equivalent
IT	Information Technology
License Capacity	The number and ages of children, specified on a child care program’s license or permit, allowed to be on the premises at any one time.
LC	Licensing Coordinator

LC Manual	Licensing Coordinator Policy And Procedure Manual
Monitoring Visit	An unannounced visit by a Licensing Coordinator to assess a child care program's compliance with licensing rules and laws.
NAEYC	National Association For The Education Of Young Children
OCC	Federal Office Of Child Care
Permit	Six-month permit issued to new child care programs which allows them to begin operating and enrolling children. Once operational, the program receives an unannounced visit to assess compliance with licensing rules, after which they are issued a full license for the balance of the three-year license period.
SFY	State Fiscal Year
SOF	Statement Of Findings
SVR	Site Visit Report

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**STATE OF NEW HAMPSHIRE
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EXECUTIVE SUMMARY

The Child Care Licensing Unit (CCLU) was generally effective in ensuring child care programs in the State were compliant with licensing requirements and issued new licenses timely, even during the COVID-19 pandemic. The CCLU was charged with ensuring children attending licensed child care programs were in a safe and healthy environment, and were provided with care, supervision, and appropriate activities to meet their needs. To achieve this, it provided consultation and assistance to help programs understand licensing regulations, conducted on-site visits to ensure compliance with laws and rules, and issued licenses to child care programs. There were over 1,000 licensing rules the CCLU could review when conducting visits to child care programs.

We found the CCLU maintained complete licensing files, developed a comprehensive orientation program for new staff, and was responsive to, and routinely participated in, discussions with the child care community. Over 80 percent of child care programs responding to our survey reported the licensing, relicensing, and monitoring processes were clear and at least 88 percent reported CCLU staff were professional, knowledgeable, fair, and responsive. However, we found more robust monitoring activities and formalization of its processes could increase efficiency and ensure it continues to operate effectively.

Oversight Of Licensing Rules

We found the CCLU ensured violations of critical rules, those which could jeopardize the health, safety, or wellbeing of children, or the operations of the program, were corrected before issuing a new license and conducted unannounced monitoring visits annually as required. Programs that were required to correct violations of critical rules submitted a corrective action plan, which were usually approved before the CCLU issued a license. However, the CCLU needed a formal tracking process to ensure plans were submitted timely and violations of non-critical rules were corrected timely.

Oversight Of Timeliness

The CCLU ensured quick turnaround for new child care programs applying for an initial license, which was consistent with its priority to ensure new programs opened as quickly as possible. On average, the CCLU issued permits to the new child care programs we reviewed, in 29 days. Over half of the programs responding to our survey reported their initial license application was processed within one month, with three-quarters reporting their license was processed within two months.

While two-thirds of initial permits we reviewed were issued in half the time allowable by statute, the CCLU did not always convert permits to full licenses timely, or consistently meet relicensing time limits. Half of permits we reviewed were not converted to full licenses before the permit expired, and less than 20 percent of renewal applications were processed within the time limits established in statute. Despite these shortcomings, programs remained open to ensure children were not displaced while the application was being processed. The CCLU's enabling statute did not establish time limits for processing licensing and relicensing applications; therefore, time limits

applicable to all agencies prevailed. These time limits did not consider some steps in the licensing process that were time consuming, some of which were partly outside of the CCLU's control, and often contributed to delays. Additionally, CCLU rules and internal interpretation of some laws may have given CCLU additional time that may not have been statutorily allowed.

Effects Of The COVID-19 Pandemic

The child care industry in New Hampshire was already facing challenges before COVID-19; however, the pandemic exacerbated these challenges. Program closures, both temporary and permanent, affected the supply of child care spaces. By November 2021, 100 child care programs had closed since the start of the pandemic, although some programs reopened under new ownership or relocated to a different area of the State. Additionally, over ten percent of respondents to our survey reported they were considering closing their program in the next three years, and our survey data indicated programs were operating at almost 21 percent less than their licensed capacity.

Shifts in some parents' work place schedules, layoffs, and transition to remote learning at the beginning of the pandemic, as well as health concerns regarding placing children in large group settings or with providers at a higher risk of contracting COVID-19, also brought changes to the demand for certain types of child care programs. These demands are likely to remain unclear for some time.

The COVID-19 pandemic also affected the timeliness of some CCLU activities. Not surprisingly, relicensing applications took longer to process when New Hampshire was in a state of emergency than before the emergency declaration. On average, relicensing took three weeks longer during the state of emergency than for periods when New Hampshire was not under an emergency declaration, with renewed licenses we reviewed being issued, on average, in 127 days versus 107 days, respectively. However, the effects of the pandemic were not all negative, as we found the CCLU issued permits to new applicants 12 days quicker during the emergency declaration than before.

As child care supply and demand stabilizes, the CCLU will need to adjust its practices. The Observations contained in this report are intended to help the CCLU improve its efficiency, while maintaining its effectiveness.

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RECOMMENDATION SUMMARY

Observation Number	Page	Legislative Action May Be Required	Recommendations	Agency Response
1	23	No	Track and monitor permits to ensure action is taken before they expire.	Concur
2	26	Yes	<p>Develop a process to track when child care programs file their renewal applications and consult with legal counsel to review whether the current interpretation of “timely” application conforms with laws and rules.</p> <p>Management may also wish to consider seeking legislative change if the statutory definition of “timely” could result in unnecessary closure of existing child care programs.</p>	Concur
3	28	Yes	<p>Develop policies and procedures, and monitor phases in the relicensing process to ensure renewal applications are processed within 60 days and consult with legal counsel to review whether current rules and practices conform with statute.</p> <p>Management may also wish to consider seeking legislative change to establish a time limit for processing license renewal applications that better aligns with the length of time required to complete each step in the renewal process.</p>	Concur

Recommendation Summary

Observation Number	Page	Legislative Action May Be Required	Recommendations	Agency Response
4	31	No	<p>Develop rules, policies, procedures, and a tracking process to ensure violations of non-critical rules are corrected timely.</p> <p>Review rules to clarify whether non-critical rule violations must be corrected before a license can be issued.</p>	Concur
5	32	No	<p>Develop formal processes to track and monitor when corrective action plans are due and when follow-up should occur.</p>	Concur
6	34	No	<p>Adopt rules for conducting criminal background check investigations and establish policies and procedures outlining the factors to be considered during those investigations. Consider establishing a requirement for child care programs to timely notify the Child Care Licensing Unit (CCLU) when anyone requiring a background check is arrested, charged, or convicted of a crime, or receives a finding of child abuse or neglect.</p>	Concur
7	37	No	<p>Continue working towards implementing a standardized tool for conducting child care program visits to ensure they are done consistently and effectively.</p>	Concur
8	39	No	<p>Identify the data necessary to evaluate CCLU performance and determine whether the new information technology (IT) system can collect and report that data. If data elements cannot be collected by the new IT system, identify alternate methods to collect these data.</p>	Concur

**STATE OF NEW HAMPSHIRE
CHILD CARE LICENSING UNIT**

BACKGROUND

The Child Care Licensing Unit (CCLU), located within the Department of Health and Human Services' (DHHS) Bureau of Licensing and Certification, worked to ensure children attending licensed child care programs in New Hampshire were in a safe and healthy environment and were provided with care, supervision, and developmentally appropriate activities to meet their physical and emotional needs. To support these goals, CCLU staff provided consultation and technical assistance to help programs understand licensing regulations; issued licenses to child care programs; conducted on-site visits and investigations to ensure compliance with laws and rules; and initiated disciplinary action, when necessary.

Child Care Licensing In New Hampshire

Most child care facilities must be licensed before they begin operating. New applicants submitted an application packet to the CCLU including fire, health, and zoning approvals from the municipality where the program was located; forms authorizing background checks for all staff working at the program or who resided in the home, if a home-based program; a listing of all household members or facility personnel who may have unsupervised contact with children in care; health forms; and proof of professional development requirements. Any incomplete application packets were returned to the applicant. The CCLU was required by State law to review the application and notify the applicant of any errors or omissions within 30 days of receipt.

Once the CCLU received a complete application packet, it had 60 days to approve or deny the application. The Licensing Coordinator (LC) assigned to that geographic area contacted the applicant to schedule an initial licensing visit to evaluate whether the facility followed licensing rules. If the program complied with all requirements, the program was issued a six-month permit, during which time the CCLU made an unannounced visit to ensure the program continued to be compliant. If it was compliant, the CCLU issued a full license to the program for the remainder of the three-year licensing period.

Licenses were valid for three years from the date the permit was issued, unless the CCLU revoked or suspended it, or the licensee voluntarily surrendered it. Licenses were not transferable and had to be surrendered if ownership changed or revised if the program changed location. A program was required to submit its application for renewal at least three months before their current license expired. As long as a renewal application was submitted in this timeframe, the existing license did not expire until the CCLU took action on the application. As part of the relicensing process, CCLU staff conducted an unannounced relicensing visit to ensure the program was in compliance with all licensing rules. If the CCLU was satisfied the program complied with the minimum standards, it renewed the license.

Licensing Exemptions

Statute allowed some exemptions to child care licensing requirements. License-exempt programs were not licensed or regulated by the CCLU. However, if a license-exempt program was caring for a child who was receiving State child care support, the child care provider and all household

members were required to have a records check and to have their names compared against the sex offender and abuse and neglect registries, and the program was required to receive an annual announced monitoring visit by the CCLU. License-exempt programs included:

- private homes providing regular care for the provider's children and up to three additional children, or the provider's children and those related to or living with the provider;
- kindergartens, nursery schools, or any other programs operated by a school system or institution of higher education;
- child care offered in conjunction with religious services attended by the parent, or those benefiting the general public at a shopping center, ski area, bowling alley, or other setting where the parents or custodians of the children were on the premises or in the immediate vicinity and were readily available;
- programs offering athletic, crafts, music, or dance instruction;
- after-school or summer recreation programs run by a municipality; and
- recreation programs such as before and/or after school, vacation, or summer youth programs offered by a school or religious group, the Boys and Girls Clubs of America, Girls Incorporated, the YMCA, or the YWCA.

Criminal Background Checks

In 2014, Congress reauthorized the Child Care and Development Block Grant (CCDBG) Act, which expanded the requirements for conducting criminal background checks. Child care programs were required to submit authorizations to conduct background checks for: 1) the program owner; 2) all program personnel 14 years and older, who will not have unsupervised contact with the children; 3) all household members ten years and older, for home-based programs; and 4) all other individuals ten years and older, not enrolled in the program but will have unsupervised contact with the children. The reauthorization required individuals working in child care to have a background check every five years. However, if the individual had previously completed a background check but had not been working in the child care field for more than 180 days, they were required to complete a new background check before they could work in a child care setting.

A background check consisted of a: 1) Federal Bureau of Investigation fingerprint check; 2) search of the National Crime Information Center's National Sex Offender Registry; 3) search of the New Hampshire criminal, sex offender, and child abuse and neglect registries; and 4) search of criminal, sex offender, and abuse and neglect registries for each state where the individual resided during the previous five years. An individual was ineligible for employment with a child care program if they refused to consent to a background check, knowingly made a materially false statement in connection with the background check, were registered or required to be registered on any sex offender registry or had been convicted of certain felonies or violent misdemeanors.

Monitoring Visits

Federal laws and regulations required unannounced visits to licensed child care programs to assess compliance with licensing rules at least annually. While State laws required annual monitoring

visits, only one visit during the licensing period was required to be unannounced. In practice, LCs conducted all annual monitoring visits as unannounced. During monitoring visits, LCs reviewed program records to ensure the program had authorization, immunization, and other records for all children enrolled in the program; all staff working with children had a valid background check; staff training and certifications were current; child-to-staff ratios were met; and all applicable rules, including safety and sanitation standards, were met.

Based on 78 programs we reviewed that had monitoring visits during the audit period, we found the CCLU ensured programs had at least one unannounced visit each calendar year. The COVID-19 pandemic and the state of emergency declared by the Governor in March 2020 impacted the CCLU's ability to conduct in-person visits. When we adjusted to account for programs that only missed a monitoring visit when New Hampshire was under a state of emergency, we found 77 programs (99 percent) received an unannounced visit annually.

Programs who disagreed with the findings of a monitoring visit could request informal dispute resolution through the CCLU within 14 days of receiving the Statement of Findings (SOF). However, programs could not request informal dispute resolution if the CCLU instituted a fine, issued a conditional license, suspended or revoked a license, or refused to issue or renew a license. However, they had a right to an administrative hearing in those instances. The CCLU used progressive sanctions to ensure compliance, and rules outlined sanctions that could be applied for non-compliance.

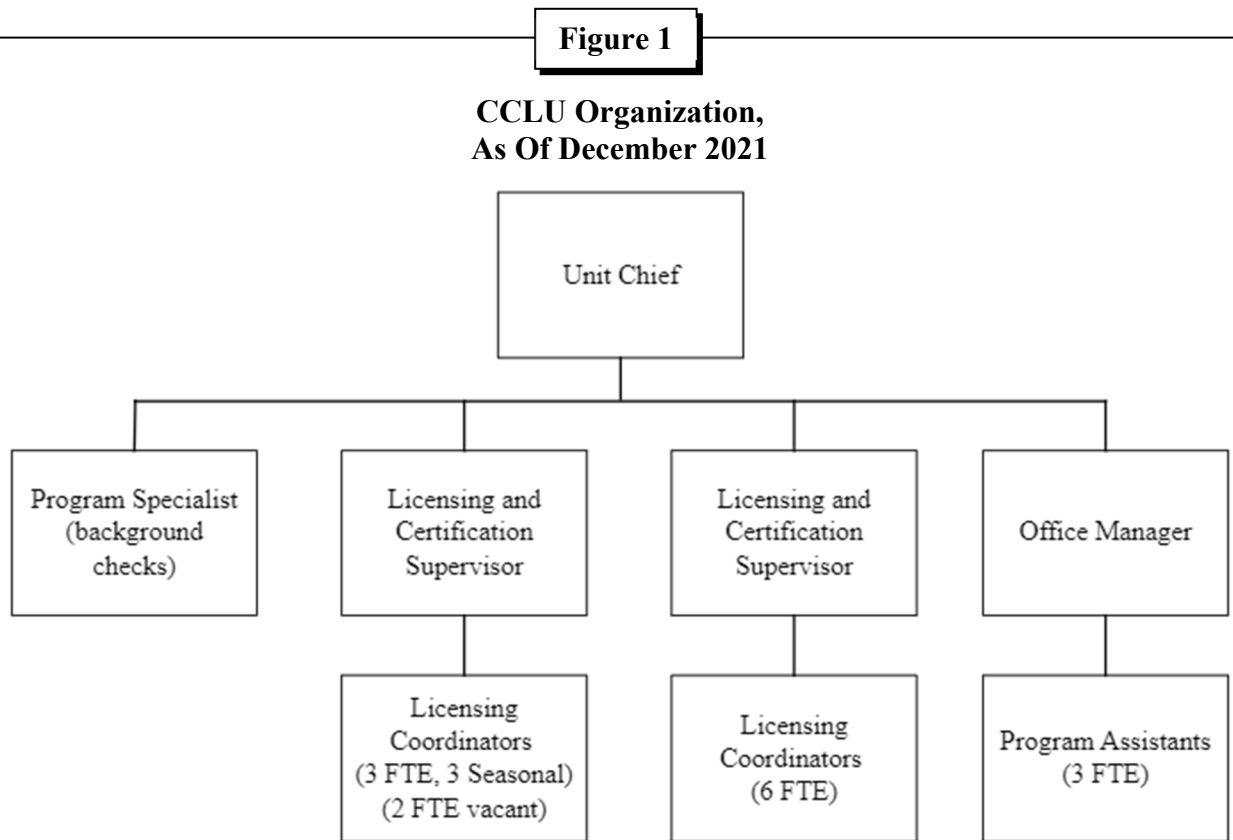
Corrective Action Plans

Rules required the CCLU to issue a SOF after each licensing and monitoring visit, which detailed all rule violations found during the visit, and notified programs of the need to submit a Corrective Action Plan (CAP) to correct violations of critical rules. Critical rules were identified as those with which non-compliance had the highest likelihood of jeopardizing the health, safety, or well-being of the children being cared for, or the operations of the program. Programs were required to correct critical rule violations as soon as possible and develop a CAP to ensure future compliance. Programs were required to submit CAPs to the CCLU within three weeks of the date the SOF was issued. If the violation required a more complex correction, for example work that may have required the program to hire a contractor, the CCLU required the program to outline their proposal and timeline in the CAP and include interim measures the program implemented to protect the health and safety of children until work could be completed. Programs were required to submit proof work was completed, and LCs generally followed up at the next visit. According to CCLU staff, the CCLU could not issue a new or renewed license to any program until it had corrected all violations of critical rules. Programs were required to correct violations of non-critical rules within 30 days from the date of the SOF, unless the CCLU approved an extension.

CCLU Staffing

As of December 2021, the CCLU was staffed by 19 full-time equivalent (FTE) and three seasonal personnel, including a Unit Chief, two supervisors, five full-time support staff, 11 year-round LCs, and three seasonal LCs who oversaw licensing for youth recreation camps. LCs were assigned to geographical regions and oversaw all child care programs in their area, with responsibility for

licensing, conducting monitoring visits, and investigating complaints. Figure 1 shows the CCLU's organization as of December 2021.



Source: LBA analysis of CCLU staffing information.

CCLU Funding

The federal government supported low-income families in obtaining adequate child care through its Office of Child Care (OCC). The OCC administered the Child Care and Development Fund (CCDF), which supported low-income working families by providing access to affordable, high-quality early care and after-school programs. Funding was available to families in New Hampshire through the State scholarship program.

In 1990, Congress passed the CCDBG Act which was meant to provide child care assistance to low-income families through child care subsidies. The CCDF was created in 1996 when Congress combined CCDBG funds with funds provided under the Personal Responsibility and Work Opportunity Reconciliation Act to establish a new structure for consolidating child care funding. The 2014 reauthorization of the CCDBG Act added improved child care health and safety standards, including new background check requirements, required annual monitoring of child care providers, and required renewal visits for licensed providers.

The CCLU received a portion of CCDF funds to support its licensing and monitoring functions. State general funds were used to satisfy the matching requirements of the grant. The CCLU also

received funds from Medicaid and the Social Services Block Grant, and generated agency income by issuing employment eligibility cards to child care workers. It also collected fines which were deposited to the State general fund. Table 1 shows CCLU revenues and expenditures from State fiscal year (SFY) 2018 to 2021.

Table 1

**CCLU Revenue And Expenditures,
SFYs 2018 To 2021**

	2018	2019	2020	2021
Revenue				
Federal Funds	\$1,040,705	\$1,144,780	\$1,086,855	\$1,032,478
Agency Income	25,130	117,250	116,845	77,360
General Funds	513,501	475,323	483,820	461,508
Total Revenue	\$1,579,336	\$1,737,353	\$1,687,520	\$1,571,346
Expenditures				
Personnel	\$ 910,315	\$ 987,823	\$ 966,439	\$ 940,428
Personnel Benefits	579,129	651,915	645,148	568,785
Transfers To Other Agencies	29,400	39,735	31,590	17,887
Equipment	0	0	41	2,000
Travel	45,446	44,974	28,061	26,950
Current Expenses	11,130	10,948	11,675	9,697
Other	3,916	1,958	4,566	5,599
Total Expenditures	\$ 1,579,336	\$1,737,353	\$1,687,520	\$1,571,346

Source: LBA analysis of CCLU Statements of Appropriation.

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**STATE OF NEW HAMPSHIRE
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STATE OF THE CHILD CARE INDUSTRY

The Child Care and Development Block Grant required states to designate a lead agency that was responsible for developing and implementing strategies to build the capacity of child care services and improve the supply and quality of child care programs. The lead agency could fund initiatives to collect data on the supply of and demand for child care services in the state. New Hampshire's lead agency was the Department of Health and Human Services (DHHS), with its Bureau of Child Development and Head Start Collaboration taking the lead on most childcare related initiatives in the State. While it was not responsible for building capacity, the Child Care Licensing Unit (CCLU) supported these initiatives through its licensing and monitoring functions.

Licensed Child Care Capacity In New Hampshire

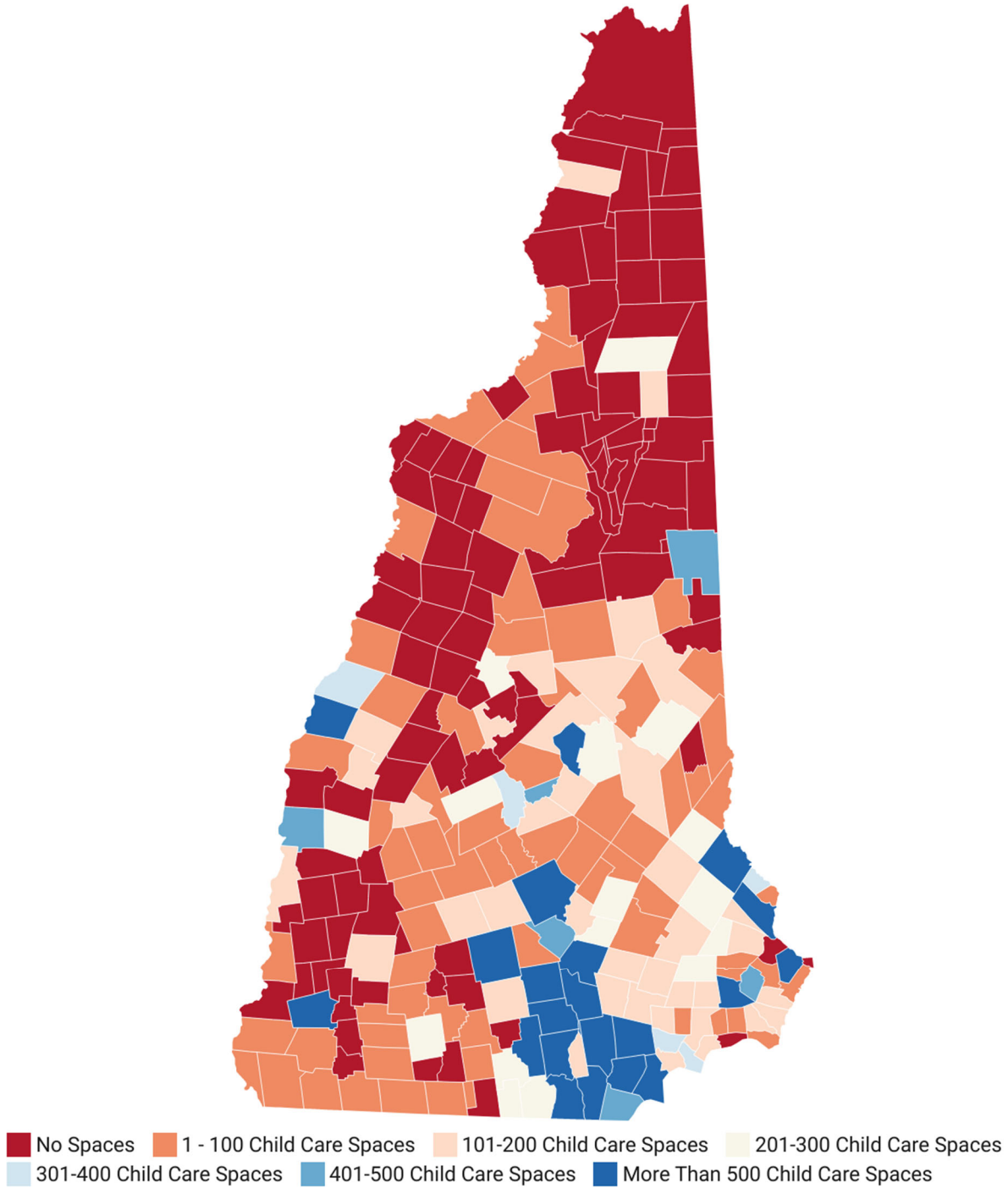
According to CCLU data, at the end of State fiscal year (SFY) 2021, there was a maximum license capacity of almost 45,800 child care spaces, across 762 facilities statewide. License capacity referred to the number of children specified on the license or permit allowed to be on the premises of the child care program at any one time. Figure 2 shows a map of the maximum number of licensed child care spaces by municipality, as of June 30, 2021. There were no licensed child care spaces (i.e., no licensed child care programs operating) in municipalities colored in red, while the municipalities colored in dark blue had more than 500 licensed child care spaces. Thirteen municipalities had more than 1,000 child care spaces and three had more than 2,500 spaces.

New Hampshire licensed seven categories of child care programs:

- Family Child Care Home – operated in the home where the provider lived. One provider could care for up to six preschool children, plus up to three school-age children enrolled in a full-day school program. A provider could not care for more than two children under 24 months or more than four children under 36 months. The six children included any foster children residing in the home and all children related to the provider under ten years old.
- Family Group Child Care Home – operated in a home where the provider lived. One provider and one assistant could care for up to 12 preschool children, plus up to five school-age children enrolled in a full-day school program. The program could not care for more than four children younger than 36 months. The 12 children included any foster children residing in the home and all children related to the provider under ten years old.
- Group Child Care Center – a center-based program that cared for preschool children and up to five school-age children.
- Infant/Toddler Program – a center-based program that cared for five or more infants and toddlers under three years old.
- Preschool Program – a center-based program that provided care in a structured program for children three years and older not attending a full-day school program. Preschool programs could care for children up to five hours per day.

Figure 2

**Licensed Child Care Spaces By Municipality,
As Of June 30, 2021**



Source: LBA analysis of unaudited CCLU data. Map created with Datawrapper.

- School Age Program – a center-based program that could care for six or more children aged four years and eight months or older who were enrolled in a kindergarten or full-day school program. School age programs could care for children up to five hours before or after school, and all-day during school holidays and vacations.
- Night Care Program – a home- or center-based program that provided care during the evening or nighttime hours. Children could only attend for a total of 12 hours in a 24-hour period, except in an emergency.

Net Loss In The Number Of Licensed Child Care Programs During The Audit Period

The number of child care programs fluctuated each year as new programs opened while others closed or reopened under new ownership, relocated, or consolidated multiple locations. As shown in Table 2, during SFY 2018, there was a total of 882 licensed child care programs in operation at some time during the year. Each year saw a net loss of approximately three percent, and by SFY 2021 there were 800 programs operating during the year, a loss of approximately nine percent over the audit period.

Home-based programs experienced a bigger loss than center-based programs. In SFY 2018, home-based programs made up almost 20 percent of all programs, but by SFY 2021 only 17 percent of programs were home-based. The majority of the loss of licensed home-based programs occurred between SFY 2018 and SFY 2019, when there was a net loss of 26 home-based programs (15 percent of home-based programs operating in SFY 2018). After SFY 2019, net losses of home-based programs decreased, while net losses of center-based programs increased.

Table 2

Change In Licensed Child Care Programs¹ By State Fiscal Year

SFY	Center-based Programs	Home-based Programs	Total Programs	Percent Change From Prior Year ²
2018	708	174	882	N/A
2019	703	148	851	-3.5
2020	686	143	829	-2.6
2021	661	139	800	-3.5
Percent Change SFYs 2018 to 2021²	-6.6	-20.1	-9.3	N/A

Notes:

¹ Total number of programs that operated with a valid permit or license during the SFY. Number may not reflect actual number of programs in operation on any given date during the SFY.

² A negative number indicates a net loss in child care programs.

Source: LBA analysis of unaudited CCLU data.

Every county experienced a net loss of child care programs during the audit period, except for Carroll County, which did not have a change in the number of licensed programs. Hillsborough County experienced the biggest loss, at almost 14 percent. Overall, there was not a significant change in the distribution of child care programs across the counties during the audit period.

Reasons For Program Closures

Neither the DHHS nor the CCLU routinely collected or maintained information on why child care programs closed. However, we were able to collect 233 reasons from 229 programs that closed during the audit period. As shown in Table 3, the majority of closures during the audit period were due to the program closing and reopening either through a transfer of ownership of the child care program, relocating, or consolidating multiple locations. State law and CCLU rules prohibited child care licenses from being transferred and required them to be surrendered if there was a change of ownership or location. As a result, even if a new owner made no changes to the program, the existing program had to close and the new program needed to apply for a new license.

Table 3

**Reasons Why Licensed Child Care Programs Closed,
SFYs 2018 To 2021**

Closure Reason¹	Count	Percent
Re-Opened ²	83	36.2
Low Enrollment	28	12.2
Retirement	26	11.4
COVID-19 Factors ³	20	8.7
Personal/Health	14	6.1
Career Change	13	5.7
Provider Moved	10	4.4
Lost Use Of Building	10	4.4
Became License-Exempt	8	3.5
Staffing Shortage	7	3.1
Revoked/ Surrendered	5	2.2
Public Pre-School Option	3	1.3
Financial Reasons - Non COVID-19	2	0.9
Other	4	1.7

Notes:

¹ The reasons collected were not from all the programs that closed, nor were they from a random sample. Therefore, percentages may not accurately reflect the universe of all closed programs.

² Includes programs that closed but a new program re-opened in its place, re-opened in a new location, or consolidated its operations with another of its locations.

³ COVID-19 Factors include: financial stress, inability to comply with additional requirements, and unspecified COVID-19 reasons.

Source: LBA analysis of CCLU files and information.

Programs reported COVID-19 factors as the fourth most common reason for closure. These factors included financial stress, difficulty meeting requirements such as additional space per child and enhanced cleaning, health concerns, and unspecified COVID-19 factors. Some after-school programs also closed when schools started remote learning and did not reopen. Two programs opened as remote learning centers and closed once students returned to in-school learning.

When comparing the time periods before the emergency declaration and after, programs closing and re-opening was the main reason for program closures during both periods. Additionally, even before the pandemic, programs were already having issues with low enrollment, citing it as the second most common reason for closure. While New Hampshire was in a state of emergency, low enrollment was cited as the fourth most common reason for closure, with only eight percent of programs citing it as a reason they were closing, compared to 14 percent before the state of emergency. Staffing shortages also appeared to affect both time periods almost equally, as approximately three percent of programs cited this as a reason for closing during both periods.

Less Impact On Licensed Child Care Capacity During The Audit Period

Even though New Hampshire experienced a nine percent loss, as previously shown in Table 2, in the number of licensed child care programs operating from SFYs 2018 to 2021, the loss of license capacity was not as significant. As shown in Table 4, license capacity decreased by less than three percent, or 1,218 licensed child care spaces, during the audit period. Additionally, even though the number of licensed programs decreased each year, the number of licensed child care spaces increased between the end of SFYs 2018 and 2020. The State only experienced a decrease in the number of licensed child care spaces between SFYs 2020 and 2021, which coincided in part with the state of emergency.

Table 4

Change In Licensed Child Care Capacity¹ By State Fiscal Year

	Center-based Programs	Home-based Programs	Total Programs	Percent Change From Prior Year²
2018	46,208	2,020	48,228	N/A
2019	46,828	1,716	48,545	0.7
2020	47,011	1,664	48,675	0.3
2021	45,369	1,641	47,010	-3.4
Percent Change²	-1.8	-18.3	-2.5	N/A

Notes:

¹ Total number of child care spaces identified on the permit or license as the license capacity for programs operating during the SFY. Number may not reflect actual license capacity of programs in operation on any given date during the SFY or actual number of available child care spaces.

² A negative number indicates a net loss.

Source: LBA analysis of unaudited CCLU data.

Despite a net loss in programs, three counties experienced a net gain of licensed capacity during the audit period: Strafford (1.2 percent), Merrimack (3.3 percent), and Belknap (13.5 percent). The other counties experienced net losses between 1.3 percent (Sullivan) and 16.3 percent (Coos).

Although the data above represented the maximum number of *licensed* child care spaces that were available each fiscal year, the *actual* number of available child care spaces and children enrolled in licensed programs was unknown. According to CCLU staff, programs could have children who attended part-time, which allowed programs to enroll more children than the maximum capacity listed on their license, as long as capacity was not exceeded in actual operation. In other words, a program could enroll two different children to fill one licensed child care space as long as they did not exceed their licensed capacity on any given day. For example, the program could enroll one child who attended two days per week and another child who attended the other three days. Forty-eight of the child care programs that responded to our survey (23 percent) indicated the number of children enrolled in their program was higher than the capacity on their license, potentially due to part-time enrollments. Conversely, programs could enroll fewer children than their licensed capacity, either by choice or due to circumstances beyond their control. The 205 child care programs that responded to our survey self-reported data that indicated the total enrollment of children in those child care programs was almost 21 percent *less* than the total licensed capacity.

Impact Of The COVID-19 Pandemic On Child Care Nationally And In New Hampshire

In January 2020, the emergence of the COVID-19 virus was being closely watched worldwide. By March 2020, the World Health Organization had declared COVID-19 a pandemic, and the federal government declared a national state of emergency. As a result, on March 13, 2020, the Governor declared a state of emergency which would last until June 11, 2021. The emergency declaration and subsequent emergency orders limited how some businesses, including child care programs, could operate.

Nationally, the child care field had been facing challenges before the COVID-19 pandemic due to high operating costs that made it expensive for parents and unprofitable for programs, low wages for workers that lead to high turnover, and a lack of access to programs that resulted in half of Americans living in a child care desert. These challenges were exacerbated by the economic shutdown and health concerns, and resulted in program closures, staffing shortages, and uncertainty about future demand for child care.

According to a National Center for Children in Poverty report, *Constraints on New Hampshire's Workforce Recovery*, issued in February 2021, prior to the pandemic, the existing child care capacity in New Hampshire addressed approximately 60 percent of the formal child care need for pre-school children. The remaining needs were met through informal arrangements including unlicensed providers, family, or friends. During the pandemic, programs closed or were forced to reduce capacity to remain compliant with COVID-19 social distancing protocols, significantly reducing child care capacity. By October 2020, capacity had not returned to pre-pandemic levels. For families with school-aged children, the pandemic suddenly required parents to supervise remote learning. As programs closed and schools shifted to remote learning, many families needed to find other alternatives such as coordinating flexible work schedules, informal networks of friends and family, in-home care, or left the workforce all together.

Program Closures

According to national reports regarding the impact of COVID-19 on the child care industry, throughout the country, many programs were forced to temporarily close at the start of the pandemic or chose to do so voluntarily. However, operating costs such as rent and insurance continued to accrue. With no enrollment and, consequently, no tuition coming in, many programs were forced to permanently close. Even programs that were initially able to stay open may have been forced to close due to lower enrollment that did not produce adequate tuition to offset operating costs. According to a national survey conducted by the National Association for the Education of Young Children (NAEYC) in the summer of 2021, programs that remained open reported operating at an average enrollment rate of 71 percent of their license capacity, with only 48 percent of enrolled children attending on an average day.

In New Hampshire, 100 licensed child care programs had closed since the start of the pandemic,. While some turnover is expected, of those for which we were able to determine a reason for closure, 23 percent specifically cited COVID-19 as at least one factor in their decision. Additionally, 12 percent of respondents to our survey of child care programs reported they were thinking of closing their program within the next three years, with 12 percent citing COVID-19 as a reason. Similarly, 21 percent of New Hampshire respondents to the NAEYC survey said they were considering leaving or closing their program within the next year, with an additional 14 percent saying “maybe” they would close. Nationally, more than one-third of respondents said they were considering leaving or closing their program.

Shortage Of Child Care Workers

According to a U.S. Department of Treasury report, *The Economics of Child Care Supply in the United States*, published in September 2021, child care workers were among the lowest paid in the country, ranking in the bottom two percent of all professions. According to the federal Bureau of Labor Statistics, in 2020 the average hourly wage for child care workers nationally was \$12.88, or roughly \$26,800 per year. Wages for child care center directors nationally was nearly twice that, at \$24.78 per hour, or \$51,500 annually. Child care worker salaries in New Hampshire closely mirrored national wages, as the average child care worker wages in New Hampshire was \$12.46, or roughly \$25,900 per year, while the average hourly wage for child care administrators was \$24.00, or roughly \$49,900 per year.

During the COVID-19 pandemic, across the nation, some child care workers were forced to find other employment when child care programs were closed, and others were unable to return to work due to a need to stay home with their own children while schools were closed or due to concerns for their own health in a high-exposure environment like child care. The NAEYC survey found 78 percent of respondents nationally, and 80 percent of the respondents from New Hampshire, identified wages as the main recruitment challenge because the pay was so low that potential applicants were either relying on unemployment benefits or were recognizing they could earn more money working just about anywhere else. Seventy percent of the New Hampshire respondents said it was more difficult to recruit and retain qualified staff now than it was before the pandemic, and 72 percent said low wages was the most common reason workers left.

Eighty percent of the NAEYC survey respondents from child care centers nationally, reported staffing shortages of up to 15 positions. Similarly, 87 percent of respondents from New Hampshire child care centers reported staffing shortages of at least one position. Impacts of staffing shortages on child care programs included longer waiting lists, inability to open classrooms, and reducing operating hours. Fifty percent of national survey respondents, and 57 percent of New Hampshire respondents, impacted by staffing challenges reported serving fewer children. Rules required strict child-to-teacher ratios; therefore, each teacher position a program could not fill resulted in multiple children it could not enroll.

The child care community in New Hampshire echoed the concerns raised in the NAEYC survey. We listened to recordings of all the meetings of New Hampshire child care providers occurring two times a month from June to November 2021, during which staffing issues were frequently identified as the foremost challenge facing the child care community. Child care programs participating in these meetings reported struggling with both recruitment and retention, including issues such as staff stress and burnout, struggles in hiring executive directors, losing new staff to jobs that paid more, concerns over how increasing the starting pay for new hires could impact existing staff and the program's sustainability, and concerns that larger programs increasing pay for their employees could harm programs that could not afford to increase wages. Members of the New Hampshire child care community we spoke to also expressed concern that workers could find easier, higher-paying jobs that offered benefits in fields that did not require a post-secondary degree, certifications, or continuing education.

Uncertainty About Future Demand For, And Availability Of, Child Care Programs

At the beginning of the pandemic, nationally, high unemployment and workplace transitions to remote work reduced or eliminated the need for child care for many families. Conversely, school closures and health concerns for older relatives who previously provided care increased the need for formal child care for other families. In October 2020, a U.S. Chamber of Commerce Foundation survey of four states found two-thirds of parents had changed their child care arrangements since the start of the pandemic and were likely to change them again within the year. As child care programs closed and child care needs changed, families found alternatives, such as hiring nannies or finding providers in their neighborhood. Additionally, an increasing availability of public preschool programs offered free, high-quality programming, reducing child care needs for some families.

According to a report published by the Carsey School of Public Policy at the University of New Hampshire, the demand for child care in the State is likely to remain unclear in light of business closures and ongoing health concerns. Factors that could increase the demand for child care in New Hampshire include more parents becoming re-employed out of the home, concerns about children's socioemotional development, and reduced reliance on higher-risk informal caregivers such as grandparents. However, factors that could reduce the demand for formal child care include parents who are still unemployed, increased flexibility for parents who are able to work from home, a preference for in-home care, and ongoing health concerns about having children in large centers. One child care provider in New Hampshire told us that many programs had believed that when the worst of the pandemic passed, things would improve. However, many programs were still struggling and expressed concerns they may need to close. As the situation continues to evolve, it

is unclear what the demand for child care will be going forward, or how successful New Hampshire's child care programs will be in overcoming the challenges that have only worsened since the start of the pandemic.

Federal Support For The Child Care Industry During The COVID-19 Pandemic

As part of the federal response to the COVID-19 pandemic, Congress made various federal funds available to the child care industry. As of May 2021, a total of \$142 million was allocated to New Hampshire, which was distributed by the DHHS Bureau of Child Development and Head Start Collaboration to help support New Hampshire's child care industry as a whole, as well as to directly support programs impacted by the pandemic. The CCLU did not directly receive any funding and did not distribute these funds to child care programs. No new funding has been authorized since May 2021. Funding included:

- American Rescue Plan Act (ARPA) – A one-time emergency funding source awarded by the federal Office of Child Care (OCC). Approximately \$77.4 million was awarded to New Hampshire, through two funding streams:
 - ARPA Stabilization Funds – New Hampshire received approximately \$47.7 million, which must be expended by September 30, 2023. At least 90 percent of funds were required to be distributed as subgrants to qualified child care programs. The DHHS awarded these funds through the Child Care Achieving Stabilization Sub-Grant Program and awards were based on a program's average monthly operating expenses and license capacity. These funds were intended to keep programs operating during the pandemic and could be used to cover loss of income, operating expenses, supplies, staff development or training, improvements or repairs, and staff or children mental health. However, programs were required to allocate at least 25 percent of their award towards employee incentives (e.g., increased wages, one-time bonuses, etc.). The State could use up to ten percent of these funds for administrative purposes, to build supply of child care providers, or for technical assistance activities.
 - ARPA Discretionary Funds – Approximately \$29.7 million was awarded to New Hampshire; however, the funds have not yet been spent. The State has flexibility to use these funds to strengthen the child care system. DHHS plans to use a portion of these funds for pilot projects to determine the impact of these changes to child care programs that accepted children enrolled in the State scholarship program. One pilot project will focus on paying child care providers based on the number of scholarship children enrolled in the program rather than on the number of days the child was in attendance. The other pilot project will focus on increasing the income eligibility level for families to qualify for the State scholarship program. Other discretionary funds were reserved for improving the statewide child care information system and other changes to strengthen the child care system in New Hampshire. DHHS sought input from stakeholders including child care providers, families, businesses, legislators, other State entities, and community members on priorities. Based on this input, DHHS identified priorities including recruitment and retention incentives, education and professional development support, building a

pipeline to the child care field, increasing access to child care by increasing State financial assistance to families, and providing grants and guidance for programs starting up in under-served areas.

- Coronavirus Response and Relief Supplemental Appropriations Act – Approximately \$19.9 million was awarded to New Hampshire by the OCC so child care providers could continue to maintain or resume program operations during the pandemic. The DHHS allocated over \$14 million directly to 572 child care programs to help stabilize their operations. The remaining \$5 million were reserved for critical supports identified by stakeholders (e.g., workforce development, additional emergency provisions, etc.). All funds must be expended by September 2022.
- Governor’s Office for Emergency Relief and Recovery – Approximately \$38.1 million was distributed by the Governor’s Office to the DHHS from New Hampshire’s award of the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) passed in March 2020. These funds were distributed to various programs to further support the child care system, supplement emergency child care programs, and to improve the State’s child care information system.
- CCDF CARES Act – Approximately \$7 million was awarded by the OCC to New Hampshire. These funds were distributed across several expense categories, including disaster billing, helping to pay the family portion of cost sharing for the State scholarship program, free access to online training modules for child care workers, and to improve the child care information system.
- Personal Protective Equipment and Health and Safety Supplies – Federal, State, and private organizations provided approximately \$1.5 million in funding and resources to distribute equipment and supplies to child care programs.

**STATE OF NEW HAMPSHIRE
CHILD CARE LICENSING UNIT**

CHILD CARE LICENSING UNIT FUNCTIONS

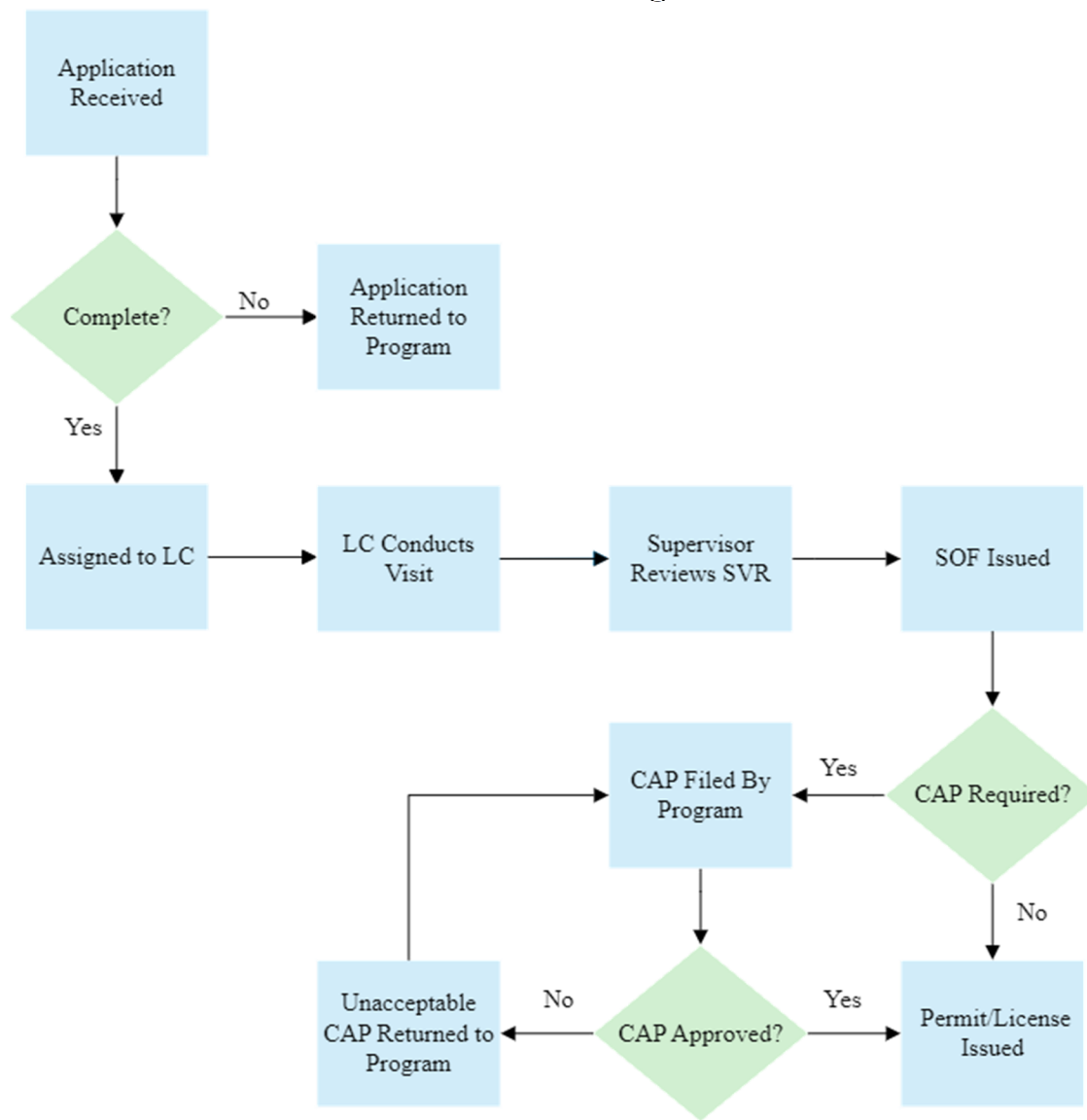
Child care programs were required to file an application and supporting documentation to apply for an initial license, and every three years thereafter to renew their license. While requirements for initial and renewal license applications differed slightly, the process used by the Child Care Licensing Unit (CCLU) to issue a license was the same. The CCLU had 30 days from receipt of an application to review it and request any missing information. If the application was incomplete, the CCLU returned the entire application and requested the program resubmit it once it was complete. The CCLU had 60 days to approve or deny an application once a completed application was received. If approved, programs applying for an initial license first received a six-month permit, and those applying for a license renewal received a renewed license. Figure 3 shows the licensing process.

When the CCLU received a completed application, the Licensing Coordinator (LC) assigned to the region where the child care program was located conducted an announced visits to determine whether the program was following licensing rules and laws. After each visit, the LC completed a Site Visit Report (SVR) detailing the visit and any violations that may have been found. All SVRs associated with licensing actions were required to be reviewed by a supervisor.

Once the SVR was approved, the CCLU issued a Statement of Findings (SOF) to the child care program, notifying it of any rule violations found during the visit. If the LC did not find any violations, the CCLU issued the permit or license with the SOF. However, if the LC found violations of critical rules, rules which, if violated were most likely to jeopardize the health and safety of children or the program's operations, the CCLU required the program to submit a Corrective Action Plan (CAP) to identify how it had corrected the violation and steps it would take to ensure future compliance. Programs were required to submit a CAP to the CCLU within three weeks of the date the SOF was issued. Once received, the CAP was reviewed by the LC, who would either approve it and request support staff to issue the permit or license, or notify the program that the CAP was unacceptable and a new CAP must be submitted. The CCLU could not issue a permit or license until critical rule violations were corrected and the CAP was approved.

Figure 3

CCLU Licensing Process



Source: LBA analysis of CCLU licensing process.

Initial License Applications

After an initial application was approved, the CCLU issued a six-month permit to the child care program. Before the permit expired, the CCLU was required to conduct an unannounced visit, known as a permit-to-full visit, to determine whether the program was following licensing rules during operations. If the visit did not find violations, or if the violations were corrected and a CAP was approved, the CCLU issued a full license for the remainder of the three-year licensing period.

CCLU policy established initial licensing visits as the top priority for LCs and, on average, our review of 27 initial license applications filed during the audit period found LCs conducted the

initial visit within 15 days of receiving the application and issued a six-month permit to new child care programs in 29 days. The CCLU conducted initial visits and issued six-month permits more quickly during the state of emergency. On average, the initial visit occurred 10 days and the permit was issued 23 days after the application was received during the state of emergency, compared to 22 days and 35 days, respectively, when the application was filed outside of the emergency declaration.

The CCLU, however, was slower to conduct permit-to-full visits and convert permits to full licenses during the state of emergency; but programs remained open. On average, permit-to-full visits occurred 171 days after the permit was issued during the state of emergency, compared to 142 days for applications filed outside of the emergency declaration. Additionally, the license was issued 69 days after the permit-to-full visit during the state of emergency, compared to 37 days for applications filed during other times.

Observation No. 1

Take Action Before Six-month Permits Expire

New child care programs were issued a six-month permit before being granted a full license, which could be extended by the CCLU under certain circumstances. However, the CCLU did not always extend the permit or issue a full license before the permit expired. As a result, child care programs may have been operating without a valid license or permit. According to child care programs that responded to our survey, those without a current license faced the potential loss of insurance coverage or financial assistance.

Statute allowed the CCLU to issue a permit, in lieu of a license, to a newly established facility, but required that at “the end of the permit period, the department shall renew the permit for good cause, issue a license for the balance of the license period, or deny the license.” CCLU policy required an LC to conduct an unannounced permit-to-full visit to convert the permit to a full license approximately four months after the six-month permit was issued. If the program demonstrated compliance with rules or provided an acceptable CAP for rule violations found during the visit, the CCLU issued it a full license. CCLU policy allowed the LC to extend the permit for three or six months if there were no children enrolled in the program during the permit period, or if there were circumstances beyond the LC’s control that prevented them from conducting a visit during the permit period.

The CCLU did not always issue a full license or extend the permit before it expired. We reviewed a random sample of program files, 16 of which had been issued a full license after initially being issued a six-month permit during the audit period. Eight licenses we reviewed (50 percent) were issued *after* the six-month permit expired. Three of the licenses had a permit-to-full visit conducted during the state of emergency, which may have contributed to the delay in those instances. The licenses were issued an average of 76 days after the permits expired, with one license issued 185 days after. The permit-to-full visits were conducted, on average, more than five months after the six-month permit was issued, leaving less than one month for the license to be issued before the permit expired. On average, the license was issued 51 days after the permit-to-full visit occurred.

In addition, we found three programs appeared to be operating on expired permits. All three programs had been issued extensions due to the state of emergency, but the extensions had already expired when we reviewed the files and there was no evidence the permits had been further extended, or that permit-to-full visits had occurred. An emergency order issued by the Governor deferred the requirements for reexamination of child care programs until no later than 120 days after the state of emergency was lifted, which was on June 11, 2021. Therefore, all deferred visits should have been conducted no later than October 9, 2021.

The CCLU's information technology (IT) system did not track deadlines or generate reminders to conduct a visit or alert LCs that a permit would be expiring. Instead, LCs tracked these deadlines on their own using manual processes. CCLU management stated that the new IT system being implemented in the near future would have better capabilities to monitor and track CCLU activities.

Recommendations:

Until the new IT system is implemented, we recommend CCLU management ensure that a full license is issued, or the permit is extended, before the existing permit expires by developing a formal process to track and monitor when six-month permits are set to expire. The process should be formalized in written policies and procedures and include methods to identify programs:

- **approaching four months after their permit has been issued, and conducting a permit-to-full visit at those programs in accordance with CCLU policy;**
- **approaching their permit expiration date when a license has not been issued; and**
- **for which a permit-to-full visit cannot be conducted or a full license cannot be issued before the permit expires, and establish a process for resolving these situations.**

When the new IT system is implemented, we recommend the CCLU assess whether it adequately monitors and alerts the appropriate staff of when six-month permits are nearing their expiration date. If it does not, management should implement processes to ensure adequate tracking and monitoring of when permit-to-full visits should occur and when full licenses should be issued.

Auditee Response:

We concur.

CCLU management will ensure that a full license is issued, or a permit is extended before expiration in the current environment and after the implementation of the new system. Within 30 days, management will communicate with licensing coordinators to ensure the above. In addition, a written policy will be created and implemented.

License Renewals

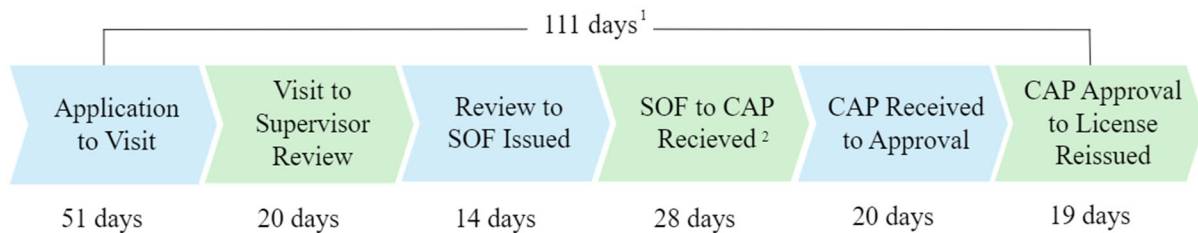
Child care programs were required to submit license renewal applications at least three months before their current license expired. If a program filed its renewal application timely, its license would not expire until the CCLU acted on the application, which by law, had to occur no later than 60 days after the completed application was received.

We found the CCLU’s definition of “timely” filing of a renewal application may not have been consistent with State law, allowing a less stringent definition of timely filing. Additionally, the CCLU took longer than the allowable 60 days to process a renewal application, especially when a CAP was required. On average, the CCLU issued renewal licenses 111 days after the application was received. Figure 4 shows the phases of the license renewal process and the average number of days between each phase.

Nineteen of the license renewal applications we reviewed (24 percent) were filed during the state of emergency and took longer to process than applications filed at other times. On average, renewal visits occurred 76 days after the application was received during the state of emergency, compared to 43 days when New Hampshire was not in a state of emergency. Renewal licenses were issued 127 days after the application was received during the state of emergency and 107 days outside of the emergency declaration.

Figure 4

Average Days Between License Renewal Phases



Notes:

¹ The average number of days to complete each phase of the relicensing process will not add up to the average number of days to complete the entire renewal process.

² When a CAP was not required, the renewal license was issued with the SOF.

Source: LBA analysis of processing time for a sample of 76 license renewal applications filed between July 1, 2017, and June 30, 2021.

Observation No. 2

Improve Procedures To Ensure Programs File Renewal Applications Timely

Some child care programs that did not file their renewal application timely may have been operating without a valid license. According to State law and CCLU rules, if the renewal application was timely filed, a child care license would not expire until the CCLU took action on the application. However, the CCLU used a definition of “timely” that appeared to be more permissive than that allowed by both statute and rule. Using a different definition of “timely” did not appear to create a problem if the CCLU renewed the license before the existing one expired. However, if the CCLU did not, the program was technically operating without a valid license until a renewal license was issued.

RSA 170-E:9 required a child care program to file for renewal of its license “no later than 3 months prior to the expiration date of the license....” However, the statute did not establish timeframes for processing licensing applications. Therefore, this aspect of child care licensing was governed by RSA 541-A. Under RSA 541-A:30, I, if “a timely and sufficient application has been made *in accordance with agency rules for renewal of a license* ... the existing license shall not expire until the agency has taken final action upon the application for renewal.” [emphasis added] The term “timely” was not further defined in RSA 541-A:30. However, CCLU rule He-C 4002.05 stated a renewal application must be submitted “[n]o less than 3 months prior to the expiration date of the current license.... In accordance with RSA 541-A:30, I, an existing license shall not expire until the department takes final action upon the renewal application, provided a licensee submits a timely application in accordance with this section.” Therefore, if a child care program did not file a renewal application at least three months before its license expired, and the CCLU did not renew the license before the license expired, the existing license would expire. However, according to CCLU management, if a program submitted a renewal application before the expiration of their existing license, that license would not expire and the program could continue to operate.

The CCLU’s enabling legislation and rules presented a potential conflict with application processing time limits in RSA 541-A, which required the CCLU process applications within 60 days. This created a *de facto* requirement that the CCLU issue a renewal license at least 30 days before the existing license expired and would negate the need for a provision that an existing license would not expire until the CCLU made a decision on the application. This conflict may have been overlooked when an amendment to RSA 541-A in 2018 reduced the time limit for processing applications from 120 days to 60 days.

Of 79 renewal applications we reviewed, 29 applications (37 percent) were filed less than 90 days (i.e., three months) before the existing license expired. Twelve applications were filed less than 60 days before the expiration and six applications were filed less than 30 days before, including one program that filed an application 17 days *after* its license expired. The CCLU renewed 27 of these licenses, 21 of which (78 percent) were issued after the existing license had already expired. On average, these licenses were reissued 59 days after the previous license expired.

According to CCLU management, if a child care program filed an untimely renewal application, it could be cited as a violation in the SOF and if it became a repeat violation, a fine could be issued.

He-C 4002.05 (a), which required a renewal application to be filed three months before the expiration of the license, was identified as a critical rule. CCLU rules allowed fines to be assessed for repeat violations of critical rules. Additionally, CCLU rules allowed fines to be assessed for each day that a program operated without a license “after failing to submit a timely application for renewal of a license and the license has expired....” The only SOF we found that cited a violation for untimely filing of an application was the program that filed an application after its license expired. It was also noted as a repeat violation. The program was not sanctioned or fined for either the repeat violation or for operating a child care program without a valid license.

CCLU management stated that it strives to keep child care programs operating without interruption to families. Closing down a program for, on average, 59 days because of a late application would seem antithetical to this intention. However, allowing an application to be considered timely if it is submitted any time before the previous license expired is contrary to the CCLU’s own statute and administrative rule and could result in some programs operating without a valid license, which could potentially result in loss of insurance coverage or financial assistance.

Recommendations:

We recommend CCLU management develop processes to ensure programs file their renewal applications on time as required by statute and rule. When formalizing processes in written policies and procedures, CCLU management should consider:

- **tracking when renewal applications are received;**
- **developing a process to identify renewal applications that are not filed timely; and**
- **determining when sanctions should be imposed on programs that do not file applications timely.**

We recommend CCLU management review its current practices and interpretations of a “timely” application and consult with legal counsel about whether its practices conform to statute and rule. CCLU management may also want to consider seeking legislative change to its statute and rule if it believes the definition is too strict and may result in unnecessary closure of existing programs.

Auditee Response:

We concur.

We will review our current practices and interpretations of a timely application and consult with legal counsel to determine if legislative change is necessary. In order to ensure programs file their applications on time as required by statute and rule, CCLU management will communicate with licensing staff to ensure licensing applications are acted on as required. In addition, a written policy will be created and implemented within 6 months.

Observation No. 3

Ensure Compliance With License Renewal Time Limits

The CCLU did not process license renewal applications within the time limit established in State law. RSA 541-A:29 established general time limits for all agencies to act on applications unless they “conflict with specific time limits provided for by other provisions of law...” in which case the time limits established in those other laws were effective. RSA 170-E governed the CCLU’s activities; however, it did not establish time limits within which child care applications must be processed; therefore, RSA 541-A applied. Under RSA 541-A:29, II, an agency was required to approve or deny an application within 60 days “after receipt of the application...or of the response to a timely request [for additional information] made by the agency....”

The CCLU did not process license renewal applications within 60 days of receipt of the application. We reviewed 77 renewal applications where the CCLU conducted a visit and found 76 had been issued a renewal license. Of the renewal licenses that had been issued, 62 licenses (82 percent) were issued more than 60 days after the application was received, although six of these were processed before the program’s previous license expired.

Sixty days may not be sufficient time for the CCLU to process license renewal applications. On average, the CCLU issued license renewals 111 days after the application was received, with the longest renewal taking 269 days to be issued. The longest step in the license renewal process was between the CCLU’s receipt of the application and the renewal visit, but when a CAP was required, the length of time between the request for a CAP and its approval was almost as long.

CAPs Contributed To Delays In Processing Renewal Applications

It was not uncommon for renewal visits to find critical rule violations that required the program to submit a CAP. Of the 77 renewal visits we reviewed, 38 programs (49 percent) were required to submit a CAP. This extended the licensing process to an average of 138 days, compared to an average of 86 days when a CAP was not required (see Figure 5). CCLU administrative rule provided child care programs three weeks (21 days) from the date the SOF was issued to submit their CAP. However, 17 of the 38 CAPs reviewed (45 percent) were filed more than 21 days after the SOF was issued. On average, as shown in Figure 5, CAPs were received 28 days after the SOF was issued.

Because approximately half of renewal visits required a CAP to be submitted, adding an average of 52 days to the renewal process, LCs would have needed to conduct renewal visits within a week of receiving the application to ensure licenses were renewed within the statutory time limit. In practice, however, LCs did not conduct a renewal visit until an average of 51 days after the application was received. This may have been due to how the CCLU prioritized renewal visits. Of the nine types of visits that the CCLU conducted, renewal visits were prioritized as number seven.

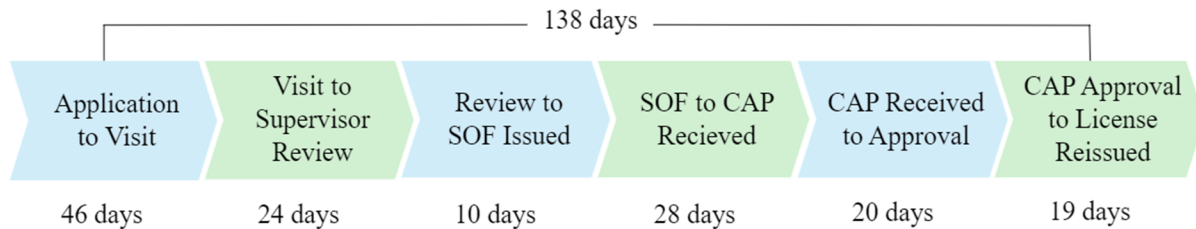
Figure 5

**Average Days Between License Renewal Phases,
With And Without A CAP¹**

No CAP Required^{2,3}



CAP Required⁴



Notes:

¹ The average number of days to complete each phase of the relicensing process will not add up to the average number of days to complete the entire renewal process.

² When a CAP was not required, the renewal license was issued with the SOF. The “Supervisor Review to SOF Issued” phase is, therefore, not included.

³ Processing time for 39 license renewals that did not require a CAP.

⁴ Processing time for 38 license renewals that required a CAP.

Source: LBA analysis of a sample of renewal applications filed between July 1, 2017, and June 30, 2021.

Potential Conflict Between CCLU Rule And Statute Allowing It To Request “Additional Information” On Applications

RSA 541-A:29, I, required the CCLU to, “[w]ithin 30 days of receipt, examine the application... notify the applicant of any apparent errors or omissions, [and] request any additional information that the agency is permitted by law to require....” RSA 541-A:29, II, required an agency to make a decision on an application within 60 days of receipt of the application or a “request made by the agency pursuant to paragraph I....” Accordingly, statute appeared to specify the additional information that triggered the start of the 60-day time limit was the information required to complete the application. Therefore, the CCLU was required to review a renewal application and request any omitted information within 30 days and, once a complete application was received, it had 60 days to issue a renewed license or deny the application.

However, CCLU rule He-C 4002.12(d) appeared to expand the definition of “additional information,” as it specified that an “outstanding [CAP] for violations of rule or statute shall be considered additional information...” when processing a license application. Consequently, according to CCLU management, the 60-day time limit to process an application started when the CCLU requested a CAP by issuing a SOF to the program. However, we found the request for additional information through a CAP did not occur within 30 days of the application. Of the 38 licensing visits we reviewed where a CAP was required, we found the SOF was not issued until, on average, 80 days after the application was received, as shown in Figure 5.

Statutory Change In Time Limit To Process Applications Was Not Updated In CCLU Rules

RSA 541-A:29 was amended in 2018 and reduced the number of days agencies had to process applications from 120 days to 60 days. However, CCLU rules still reflect the 120-day time limit. According to CCLU management, LCs should be using the 60-day time limits, but some may still be using the 120-day standard. The CCLU is in the process of updating its rules and this time limit has been changed in its proposed rules.

Recommendations:

We recommend CCLU management develop formal policies and procedures to ensure that renewal license applications are processed within 60 days. When developing a process, management should consider methods to track when renewal applications are received, when renewal visits occur, and when renewal licenses are issued. Management should also develop a process to monitor compliance with the 60-day time limit and identify applications that may be nearing or exceeding the limit.

We recommend CCLU management review He-C 4002.12 (d) and consult with legal counsel about whether its practices conform to statute.

CCLU management may also want to consider seeking amendment to RSA 170-E to establish a time limit for processing license renewal applications that better aligns with the length of time required to complete each step in the renewal process.

Auditee Response:

We concur.

We will review our current practices and interpretations of a timely application and consult with legal counsel to determine if rule He-C 4002.12(d) conforms with statute, and if other statutory changes are required or beneficial. We appreciate your observation that we may need to allow additional time in our rule so we can complete the renewal process and so providers will receive their renewed license prior to the current license expiration. CCLU management will communicate with licensing staff to ensure licensing applications are acted on as required in rule and statute. In addition, a written policy will be created and implemented within 6 months.

Observation No. 4

Ensure Violations Of Non-critical Rules Are Corrected Timely

The CCLU did not have a process to ensure child care programs corrected non-critical rule violations within the required 30-day deadline. Additionally, because of a lack of consistency in its rules, the CCLU may have issued licenses contrary to its rules by not ensuring non-critical rule violations included on the SOF were corrected before issuing a license.

He-C 4002.06 (b) identified all rules that were considered to be critical rules. Any CCLU rules not identified as critical rules were, therefore, considered non-critical rules. After each visit, the CCLU issued an SOF to the child care program, identifying the violations found during the visit and notifying the program whether a CAP was required. The SOFs contained violations of both critical and non-critical rules. Pursuant to He-C 4002.06 (a), the CCLU “shall not issue a new, renewed, or revised license or permit to any program which has not corrected violations identified on a [SOF].” He-C 4002.06 required the CCLU to issue an SOF after each licensing or monitoring visit, and required child care programs to complete a CAP for “each violation included on the [SOF]...” within three weeks of the date the SOF was issued, with some exceptions. However, CCLU rules also specified that non-critical rule violations must be corrected within 30 days of “the date of verbal or written notification...” unless upgraded to critical status. Therefore, although He-C 4002.06 did not require non-critical rule violations to be included on an SOF, it appeared to require all rule violations that were included on an SOF to have a CAP and be corrected before a license or permit could be issued, unless the violation was specifically excluded from the requirement. In practice, the CCLU included *all* rule violations on the SOF, but did not require programs to address non-critical rule violations through a CAP.

We reviewed 44 SOFs from licensing visits that required a CAP and found evidence in 42 files that the CCLU approved a CAP, indicating it was satisfied the program corrected the critical rule violations and implemented a plan to ensure future compliance, before issuing a license to the program. However, we did not find evidence in the files we reviewed that non-critical rule violations were corrected before a license was issued. We reviewed 27 SOFs from licensing visits that identified only non-critical rule violations and, therefore, the CCLU did not require a CAP. When a SOF identified only non-critical violations, we found the license was generally issued on the same date as the SOF, but not more than five days after the SOF was issued, indicating the CCLU did not ensure non-critical rule violations were corrected prior to issuing a license.

Additionally, we did not find evidence in the files we reviewed that non-critical violations were corrected timely. Even though CCLU rules required programs to correct non-critical rule violations within 30 days of notification, there did not appear to be procedures in place to ensure they were timely corrected, and the CCLU did not require child care programs to notify the CCLU when or how non-critical rule violations had been corrected. According to eight of the ten (80 percent) LCs responding to our survey, if follow-up on non-critical rule violations occurred, it was generally at the next visit, which could be a year or more after the violations were identified.

Recommendations:

We recommend CCLU management develop rules for programs, and policies and procedures for CCLU staff, to ensure violations of non-critical rules are timely corrected. CCLU management should consider how programs must demonstrate they have corrected non-critical violations. Management should also consider developing a process to monitor and track compliance with the 30-day time limit and a process to address non-compliance.

We also recommend CCLU management review He-C 4002.06 to clarify whether non-critical rule violations must be corrected before a license can be issued. As part of its review, the CCLU should consider whether non-critical violations should be included on the SOF and whether they should require a CAP.

Auditee Response:

We concur.

This issue will be corrected once our new rule is adopted, as a corrective action plan will be required for all rule citations and there will no longer be a difference between critical and non-critical. Historically, non-critical violations were provided on a separate form, not on a statement of findings. The language in the rule was not changed to reflect the change to the process.

Observation No. 5

Implement A Formal Process For Tracking When CAPs Are Due

The CCLU did not have written processes to track and monitor when CAPs were due, nor did it have policies and procedures regarding when follow-up should occur. CCLU rules required programs to submit a written CAP if the LC found a critical rule violation during a visit, unless the violation was corrected during the visit. Rules required programs to submit a CAP within three weeks of when the SOF was sent to the program.

In our review of 133 monitoring and licensing visits which required a CAP, we found 55 (41 percent) were not submitted within the three-week timeframe. Eighteen CAPs (14 percent) were not submitted to the CCLU until at least 60 days after the SOF was sent to the program, with eight (six percent) submitted more than 90 days after the SOF was sent. One CAP was not submitted until 454 days after it was due.

Rules stated the CCLU “shall not issue a new, renewed, or revised license or permit to any program which has not corrected violations identified on a [SOF].” However, of the 44 SOFs from licensing visits we reviewed that required a CAP, two programs were issued a license before their CAP was approved.

If a CAP was not received, the LC may have informally contacted the program, or the CCLU sent a letter to the program indicating the CAP was overdue. We were able to collect information on when the CCLU sent a follow-up letter for 18 visits where a CAP was overdue. We found for ten

visits the CCLU did not send a follow-up letter until at least 30 days after the CAP was initially due. One program did not receive a letter indicating the CAP from its monitoring visit was overdue until almost one year (345 days) after the CAP was due.

The CCLU did not have written policies or procedures outlining when or how follow-up should be conducted. Additionally, processes in place to track when CAPs were due were informal and conducted manually. The CCLU's IT system did not contain features that supported tracking of when CAPs were due, or to alert staff when a CAP was overdue. Support staff made a note on the hardcopy SVR when the CAP was due and placed the document into a folder for the LC. LCs were responsible for monitoring the due date and instructing support staff to send a letter to the program if the CAP was not received. According to CCLU management, it is in the process of implementing a new IT system which would include features to better monitor CCLU activities and alert staff of upcoming activities.

Recommendations:

Until the new IT system is implemented, we recommend CCLU management develop a formal process to track and monitor when CAPs are due by:

- **establishing timeframes for when follow-up should occur;**
- **establishing a process to identify CAPs nearing or exceeding these timeframes;**
- **determining whether to centrally assign responsibility for tracking and monitoring of when CAPs are due and when follow-up should occur; and**
- **formalizing the process in written policies and procedures.**

When the new IT system is implemented, we recommend the CCLU assess whether it adequately monitors and alerts the appropriate staff of when CAPs are nearing or exceeding their due date. If it does not, management should implement processes to ensure adequate tracking and monitoring of when CAPs are due.

Auditee Response:

We concur.

We do have an internal process. However, we recognize that this process needs to be strengthened. Licensing coordinators will be provided with a written process and licensing supervisors will ensure it is completed weekly. We will assess the new system to ensure it adequately monitors and alerts the appropriate staff when due dates are coming up and have been exceeded.

Conducting Criminal Background Checks

Federal law required criminal background checks for all child care staff working in child care programs, including prospective staff, and household members over age 18 for licensed home-based providers every five years. State law also allowed more frequent background checks under certain circumstances. Federal laws and regulations made an individual ineligible for employment by a child care program if they were registered or required to be registered on any sex offender

registry or had been convicted of certain felonies or violent misdemeanors. Federal regulations allowed states discretion to consider other crimes that could make an individual ineligible for employment in a child care program and required states to establish policies and procedures for conducting background checks.

The CCLU required a supervisor review all background checks that returned a conviction of a crime which did not automatically disqualify the individual from employment in child care, or if there was a finding of abuse or neglect. However, the CCLU did not have criteria for determining whether a conviction posed a threat to the safety of children. Additionally, there was no requirement for child care programs to timely notify the CCLU if their staff had been charged or convicted of a crime that could potentially endanger children between background checks.

Observation No. 6

Improve Criminal Background Check Process

The CCLU's background check investigation process could not ensure the consistency of employment eligibility decisions. Although the CCLU had policies requiring staff to automatically make requests for additional information when background check results included certain offenses during specified time periods, it did not have established criteria for how that additional information should be used to make employment eligibility decisions. While we found evidence a supervisor made an employment eligibility determination for each background check investigation we reviewed, we did not find any recorded explanation of the factors considered when making those decisions. Additionally, although child care workers were required to complete background checks and were only eligible for employment if the CCLU had determined that they did not pose a threat to the safety of children, there was no requirement for child care programs to timely notify the CCLU if an employee had been arrested, charged, or convicted of an offense between background checks. This may have created a risk that individuals potentially posing a threat to children were allowed to remain employed with child care programs.

No Documentation Of How Some Employment Eligibility Decisions Were Made

Statute identified all offenses which, if convicted, automatically made an individual ineligible for employment in child care. Statute also identified offenses which did not automatically make an individual ineligible but, if convicted, the CCLU was required to investigate, "in accordance with rules [it] adopted..." to determine whether the individual posed a threat to the safety of children. However, the CCLU did not adopt rules for the background check investigation process. Although the CCLU had policies and procedures describing how support staff should process background checks, there were no policies describing how the employment eligibility decision-making process should be conducted or documented.

If a background check returned results that did not automatically make the individual ineligible to work in child care, CCLU policy identified the types of criminal convictions, and the timeframes for those convictions, that required support staff to automatically request court records. It also required other convictions to be given to a supervisor for review. Additionally, the policy required support staff to automatically request information from both the Division for Children, Youth and

Families and the individual if there was an abuse or neglect finding. Supervisors could direct staff to request additional information from the courts or the individual. The background check results, and any additional information received, were reviewed by a CCLU supervisor, who then made an employment eligibility determination. However, the CCLU did not have any policies describing the criteria supervisors should have considered when making eligibility determinations or how those decisions should have been documented. The CCLU's Unit Chief signed all notices finding an individual ineligible to work in child care but was generally not part of the review process.

Statute made any individual who refused to consent to a background check, or who knowingly made a false statement in connection with a background check, ineligible for employment with a child care program. According to CCLU staff, if an individual did not respond to a CCLU request for additional information, they were automatically found ineligible for employment in child care. Of the background check investigations we reviewed, we found three individuals who did not respond to the CCLU's request for additional information, and all were found ineligible to work in child care.

The CCLU lacked policies or procedures defining if and when to seek additional information from individuals requiring a background check to work for a child care program. We reviewed 21 background check investigations and found 18 (86 percent) resulted in a determination that the individual was eligible to work in child care. When conducting background check investigations, statute required the investigation process to include an opportunity for the individual to present evidence on their own behalf to demonstrate they did not pose a threat to the safety of children, but did not specify how this evidence should be provided. We found eight (38 percent) of the investigations we reviewed did not include evidence that the CCLU requested a response from the individual. In each instance, the CCLU requested information from the court where the charges were prosecuted and, after reviewing the documents provided by the court, the individual was determined to be eligible to work with children.

The background check investigations we reviewed did not demonstrate the reasons applicants were determined to be eligible for employment. It was not clear from the record how the determinations were made or what factors were taken into consideration. The CCLU did not have a policy establishing criteria or guidelines to determine whether an individual with a criminal record posed a threat to the safety of children. Records were reviewed by one person, and we did not find any information in the files identifying the specific factors supporting the eligibility decisions. Without a policy or written record, the CCLU could not ensure employment eligibility decisions were appropriate or consistent.

In contrast, we found three other northeast states had a committee or dedicated unit within the licensing agency, sometimes including legal counsel, responsible for conducting background check investigations and making employment eligibility decisions.

No Requirement To Notify CCLU Of Convictions Between Background Checks

Once the CCLU had determined an individual did not pose a threat to the safety of children, and was therefore eligible for employment, it issued the individual an employment eligibility card (EEC). The EEC was valid for five years, provided the individual did not leave employment with

a child care program for more than 180 consecutive days and did not have a subsequent conviction that would make them ineligible to work in child care.

Background checks were required to be completed every five years, but statute permitted the CCLU to require additional background checks based on reliable information that the individual had received a subsequent conviction. If the CCLU received confirmation from law enforcement that a child care worker had been subsequently charged with an offense that would automatically make them ineligible to work in child care or an offense that was harmful to children, it was required to take action to ensure the individual was removed from the child care program while charges were pending. However, there was no accompanying requirement for child care programs to timely notify the CCLU if a child care worker was charged with an offense between background checks. According to CCLU staff, the CCLU may only learn of an arrest if it was in the news or if staff lived in the same area and heard about it.

The CCLU's license application form required the child care program to indicate whether, to the best of their knowledge after questioning all parties, anyone required to have a background check had a history of criminal convictions, juvenile delinquency adjudications, or findings of child abuse or neglect, or any pending charges or investigations. However, programs only filed a renewal application every three years. Additionally, statute required licensed child care programs to have on file for every individual with an EEC, a signed statement from the individual stating that, since the day their background check was completed, they had not been convicted of any crime and had not had a finding in any state for abuse, neglect, or exploitation. These requirements did not appear to create an obligation to provide the CCLU with timely notification that a child care worker had been charged, arrested, or convicted of an offense that could potentially make them ineligible to work in child care between mandatory background checks. Without such a requirement, there was a risk that child care programs could knowingly employ individuals posing a threat to the safety of children, potentially for years.

Several other northeast states either had a requirement in statute or rule to notify the licensing agency when a child care worker had been arrested, charged, or convicted of a crime, or the licensing agency was automatically notified in their IT system when a child care worker was arrested in their state. A statutory or rule requirement placed the burden of notification on the child care program, while an automatic system notification ensured timely notification of all in-state charges but would not have provided notification of out-of-state charges or convictions. However, either approach could increase the likelihood the licensing agency was notified of charges or convictions between background checks, and, therefore, could increase the safety of children in child care programs.

Recommendations:

We recommend the CCLU adopt rules for conducting background check investigations, as required by RSA 170-E:7, IV.

We also recommend CCLU management establish policies and procedures outlining factors that should be considered in making employment eligibility decisions when background checks return convictions and findings that do not automatically make an individual

ineligible to work in child care. In developing policies and procedures, management should consider developing a process to document the factors considered in making the decision, and the basis for the decisions made. Once policies and procedures are implemented, management should consider periodically reviewing employment eligibility decisions for appropriateness and consistency.

Finally, we recommend CCLU management consider establishing a requirement for child care programs to timely notify the CCLU whenever anyone requiring a background check is arrested, charged, or convicted of a crime or receives a finding of child abuse or neglect.

Auditee Response:

We concur.

CCLU will create policy and procedures based on statute and federal requirements. Unless circumstances arise that requires us to go through the public hearing process prior to the adoption of the initial proposal submitted in December 2021, this change will be added to rules no later than 18-24 months, depending on when the current rule in process is effective.

Observation No. 7

Finalize And Implement A Standardized Tool For Conducting Visits

During the audit period, the CCLU did not have a standardized tool for LCs to use when conducting visits at child care programs. Without a standardized tool, the CCLU could not ensure LCs were consistent in reviewing program compliance with licensing rules at all visits. As a result, there may have been inconsistent treatment among programs.

CCLU management and staff stated the lack of a standardized tool could create a risk that LCs were not checking for compliance with all CCLU rules, or ensuring compliance was documented consistently, and stated a checklist would help improve consistency. While eight of the ten LCs (80 percent) responding to our survey reported items LCs looked for during monitoring visits were consistent, five LCs reported inconsistencies could occur because some LCs may have focused more on certain areas than others.

The CCLU struggled to develop a usable checklist because there were over 1,000 licensing rules for child care programs to comply with. In mid-2020, when the state of emergency briefly prevented the CCLU from conducting visits, LCs began developing a standardized visit tool, which was 19 pages and included each CCLU rule. The tool had not been implemented, as both CCLU management and staff stated it was not practical to use because of its length. According to CCLU management, it is in the process of condensing and revising its rules. Once the revised rules are adopted and a new IT system is implemented, a standardized tool would be incorporated into the new IT system and LCs would be able to document their visits directly in the system.

During the audit period, LCs had an SVR form to document their visits and matrices to log the information they were required to look for in the staff and child records. But, in the absence of a

standardized tool to document program compliance with the rules, LCs relied on their training, experience, and knowledge of the rules to know what to look for during their program visits. Some LCs developed their own checklists to use as a reminder of important items to look for. LCs also attempted to maintain consistency by reaching out to each other to ask questions and for advice on handling situations. CCLU supervisors helped to promote consistency by reviewing work done by all LCs, regardless of whether they were an LC's direct supervisor.

Although LCs tried to be consistent and were using the same rules as their guide, not all LCs looked for the same things during visits. LCs reported there were different issues that each focused on and different approaches in how they conducted their visits. CCLU management stated programs had reported they did not feel visits were consistent among LCs. According to one child care provider who oversaw multiple programs across the State, they worked with multiple LCs who all focused on different areas of the rules and program operations. Some LCs used a checklist during their visit while some did not, and the provider had noticed more violations were cited when the LC used a checklist. Some child care providers who worked with multiple LCs, commented on our survey questions that LCs could interpret rules differently, and they had experienced inconsistencies in how rules were interpreted across visits. Some providers commented they had been cited for rule violations by LCs that other LCs had not cited, even though there had been no changes to their child care program.

Four northeast states we spoke with reported using standardized tools during visits. Most reported using a checklist that contained broad categories, with the understanding that specific details could be found in the regulations. One child care agency embedded the checklist in their database, which included mandatory items that were always checked and other items that were randomly selected for each visit. Staff could also add items to their checklist.

Recommendation:

We recommend CCLU management continue working towards developing a standardized tool that will help ensure consistent and effective visits to child care programs. Given its resources, management will have to consider the risks of not inspecting for every rule at every visit against the costs in time and effort to review potentially over 1,000 rule-based requirements at every program.

Auditee Response:

We concur.

CCLU management had heard from the child care provider community and licensing staff of the need for a monitoring tool and we have been working towards that for several years. However, as you identified, it is difficult to develop a tool due to the number of rules. CCLU management will review the design of the draft standard monitoring tool to create one that can be implemented and can be practical, with child care provider input. We will develop this tool to align with the rule to be adopted Spring 2022. The tool will be developed with input from community within 10-13 months.

Observation No. 8

Ensure Management Data Are Adequate For Decision-making

The CCLU's IT system did not support data collection in a way that allowed management to adequately monitor its activities. To make effective management decisions, address risk, and evaluate performance, an entity needs relevant, accurate, timely, and reliable information. Additionally, management must communicate this information to staff responsible for achieving these objectives as well as managers responsible for monitoring CCLU objectives. The CCLU could not measure efficiency for some processes because it did not have comprehensive data, although it is in the process of implementing a new IT system, which management anticipates will greatly enhance its ability to generate management data.

Tracking Statutory Compliance With Processing Time Limits

State law required the CCLU to process license applications within 60 days of receipt. However, the CCLU did not have a method to track how long it took to issue a six-month permit, a full license, or a renewal license, as the IT system did not contain fields to capture the date it received the application, nor a field to capture the date the permit or license was sent to the child care program. These data were critical for monitoring compliance with statutory time limits for processing applications. Management and staff reported permits and licenses were issued within the required time limits. In practice, the CCLU issued 25 of the 27 six-month permits we reviewed (93 percent) within the required time limits; however, 82 percent of renewal licenses we reviewed (62 of 76 renewal licenses issued) were not issued within 60 days. On average, licenses were not issued until 111 days after the CCLU received the renewal application.

Requesting Additional Information From Child Care Programs

State law required the CCLU to request any additional information needed to process a child care license application within 30 days of receiving it. However, its IT system did not track the date the application was received, preventing the ability to determine whether it requested additional information from child care programs regarding their applications timely.

Tracking When CAPs Were Due

CCLU rules required programs submit a CAP within three weeks of when the SOF was sent to the program. The CCLU's IT system did not capture the date the SOF was sent to the program, nor did it capture the date the CAP was due. As discussed in Observation No. 5, tracking CAPs was a manual process and as a result, the CCLU was not able to determine that 55 of the 133 CAPs we reviewed (41 percent) were not submitted within the three-week timeframe.

Measuring Unit Performance

Information was not readily available for CCLU management to determine steps in the process that took longer than expected or to identify potential bottlenecks in its processes. For example:

- **Measuring Unit Performance In Meeting Processing Timelines** — There were no data readily available to management to monitor its performance over time. For instance, there were no data available for management to assess the overall number or percent of six-month permits, initial licenses, or renewal licenses that were processed within statutory time limits; the average time it took to process each type of license; or whether processing time was improving or declining over time. While CCLU management and staff anecdotally reported meeting processing time limits, we found renewal licenses were not issued within 60 days 82 percent of the time. Additionally, full licenses were not issued before the permit expired in half of the cases we reviewed.
- **Conducting Licensing Visits** — The *Licensing Coordinator Policy and Procedure Manual* (LC Manual) stated LCs were to conduct licensing visits two months before the license expired “so the renewal license can be issued before the current license expires.” Additionally, the LC Manual stated, “visits should be planned to allow for time to process a [SOF] and receipt of a [CAP] before the license expires.” Two months may be sufficient time to issue a license where the licensing visit did not require the program to file a CAP. However, our review of 38 license renewals that required a CAP found it took, on average, over three months to issue a license after the licensing visit was conducted.
- **Transmitting SOFs After Visits** — The LC Manual stated that LCs should respond to all visits, including sending SOFs to programs, within 30 days. The LC Manual stated this timeframe “includes processing by the support staff and supervisory review.” While the CCLU’s IT system captured the date of the visits, it did not capture the dates for other events that would have been needed to assess compliance with these policies. Our analysis of 293 licensing and monitoring visits found 136 SOFs (46 percent) were issued more than 30 days after the visit.

Recommendations:

We recommend the CCLU establish a process to begin identifying data necessary to evaluate its performance, what data are currently available, and what additional data may be needed. Once the CCLU identifies these data elements, we recommend it determine whether the new IT system can collect the necessary data and how data can be reported. If the CCLU determines some data elements cannot be collected by the new IT system, it should identify alternate methods to collect those data.

Auditee Response:

We concur.

We have been actively reviewing our quality assurance to ensure data is adequate for decision making. Where we identified concerns, we are constantly looking at ways to use the data we currently have, and improve the data reporting in the new system under development.

**STATE OF NEW HAMPSHIRE
CHILD CARE LICENSING UNIT**

OTHER ISSUES AND CONCERNS

In this section, we present issues we considered noteworthy, but did not develop into formal observations. The Child Care Licensing Unit (CCLU), Department Of Health And Human Services (DHHS), and the Legislature may wish to consider whether these issues deserve further study or action.

Review The Process For Making Employment Eligibility Decisions When Out-of-State Criminal Background Checks Are Not Received Timely

The CCLU may have made some employment eligibility decisions without receiving the background check results for individuals who lived out of State, as required by State and federal laws. This created a greater risk that individuals who were potentially ineligible may have been allowed to work with children.

In 2014, the federal Child Care and Development Block Grant (CCDBG) Act changed how background checks were to be conducted by requiring a search of the criminal, sex offender, and child abuse and neglect registries in each state a child care worker resided during the preceding five years, a Federal Bureau of Investigation fingerprint based criminal record check, and National Sex Offender Registry check. While the CCLU received the results of national and New Hampshire checks before making an employment eligibility decision, according to CCLU management, there were many barriers to conducting background checks for individuals who resided in other states. Additionally, many other states were also having difficulty complying with this requirement. The CCDBG requirements were codified in New Hampshire State law, which also required the CCLU to determine whether individuals working in child care posed a threat to the safety of children.

The CCDBG required states to make employment eligibility decisions within 45 days from submission of all information required to complete background checks. To ensure compliance with that time limit, CCLU staff had an internal 30-day target for making employment eligibility decisions. CCLU staff reported it could not always ensure other states would respond to requests for out-of-state background checks in a timely manner. According to CCLU staff, if an out-of-state background check result had not been received within 30 days, an employment eligibility decision was made without those results. If convictions or findings were identified through any of the other required background check components, a supervisor would conduct a review and would make an employment eligibility decision based on the available information. However, if the other background check did not identify any convictions or findings, and out-of-state background checks were not received within 30 days, CCLU support staff would notify the child care program that the individual was eligible for employment. If the CCLU later received the out-of-state background checks and it included convictions or findings, it would conduct an investigation and make an employment eligibility determination based on that investigation. If the individual was deemed ineligible to work, the CCLU would require the child care program to remove the individual from the premises immediately.

Similarly, the child care licensing agency in New York reported it made employment eligibility decisions based on available information if it had not received results from other states within 45 days. The agency stated it had confirmed with the federal Office of Child Care (OCC) that this practice satisfied the CCDBG requirement. According to the OCC, it did not have the authority to grant states exceptions to the 45-day time limit. However, it stated it would not penalize states that made a good faith effort to request information from other states. Therefore, federal regulations allowed states to make employment eligibility decisions if out-of-state background checks were not received by the end of the required 45 days, and to develop their own procedures for that process. However, the CCLU did not develop written procedures for handling instances when out-of-state background check results were not received within 45 days. Further, it is not clear whether the OCC allowed employment eligibility decisions to be made *before* the end of the 45-day timeframe.

It may not have been possible for the CCLU to consider out-of-state background check results *and* make employment eligibility decisions within 45 days if other states did not return background check results in a timely manner. Making employment eligibility decisions without out-of-state background check results, when they were not timely received, was in accordance with the CCLU's goal of keeping child care programs operating without interruption to families, which required programs to be staffed. However, it was possible for an individual to have out-of-state offenses making them ineligible to work in child care that may not have been picked up through other background check methods, creating a risk that individuals potentially posing a threat to the safety of children were allowed to work with children.

We suggest CCLU management develop policies and procedures for making employment eligibility decisions when out-of-state criminal records checks are not received timely. When developing a process, management should consider:

- clarifying with the federal Office of Child Care whether CCLU's practice of making an eligibility decision between 30 and 44 days satisfies the CCDBG requirements;
- establishing a timeframe, consistent with federal regulations, for when employment eligibility decisions should be made if out-of-state background checks have not been returned;
- identifying the CCLU staff position needed to approve the decision;
- identifying the information that should be considered when making the employment eligibility decision;
- determining how the decision should be documented; and
- establishing the process for handling instances when subsequent out-of-state information indicates an individual may not be eligible to work in child care.

Auditee Response:

We concur.

Management will develop written policies and procedures for ensuring compliance with the timelines established in federal regulations for making eligibility determinations when out of state background checks have been requested but not received, to include staff responsible for those

determinations. Policies and procedures will also be developed for the information to be considered when making employment eligibility determinations, how the decision will be documented, and how to handle instances when subsequent out of state information indicates an individual may not be eligible to work in child care.

Consider Tracking The Reasons Child Care Programs Closed

Federal laws and regulations regarding the CCDBG required each state to designate a lead agency that would be responsible for developing and implementing strategies to build the capacity of child care services and improve the supply and quality of child care programs. While it was not the State's lead agency, the CCLU was in the ideal position to capture some information that may help improve capacity and supply of the child care network statewide.

According to CCLU management, it was often asked about the reasons child care programs closed or whether the CCLU could do more to support programs to help them remain open. However, it did not collect or maintain this information. When a program closed, licensing coordinators (LC) completed a "closing sheet" that captured the date the program closed and the CCLU was notified of the closure, and other information. However, it did not require the LC to capture reasons *why* the program closed.

LCs were assigned to specific regions, allowing them to build rapport with programs they oversaw. Throughout the year, LCs maintained regular contact with child care programs assigned to them by providing technical support, conducting annual monitoring visits, or addressing other concerns. Programs that closed usually contacted their LC to inform them of their intent to close; therefore, LCs were in the ideal position to collect this information. Understanding why programs closed, whether trends exist in specific areas, and whether the CCLU could further support programs to prevent them from closing could provide the CCLU and DHHS a better understanding of the child care landscape and assist in developing strategies to improve the supply of child care services.

While the CCLU did not systematically collect this information, we were able to determine why 229 programs closed during the audit period from our comprehensive review of child care program files. We have shared these data with the CCLU. While this was approximately half of the programs that closed during this time period, the spreadsheet could be used as a starting point for the CCLU to continue collecting this information on an ongoing basis.

We suggest the CCLU consider requiring LCs to inquire why programs are closing and develop a process to collect and periodically analyze this information.

Auditee Response:

We concur.

CCLU management will collaborate with the Lead Agency in how to collect and record the reason why a program closed, to enable the Lead Agency in meeting their federal requirement to develop and implement strategies to build capacity of child care services and improve the supply and quantity of child care programs.

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**STATE OF NEW HAMPSHIRE
CHILD CARE LICENSING UNIT**

**APPENDIX A
SCOPE, OBJECTIVE, AND METHODOLOGY**

Scope & Objectives

In May 2021, the Fiscal Committee of the General Court adopted a joint Legislative Performance Audit and Oversight Committee recommendation to conduct a performance audit of the Child Care Licensing Unit (CCLU). We held an entrance conference with the Department of Health and Human (DHHS) Services in the same month.

Our audit was designed to answer the following question:

Was the CCLU’s licensing process efficient and effective during State fiscal years 2018 to 2021?

Specifically, we evaluated the CCLU’s procedures for:

- processing applications for new licenses and license renewals, and
- conducting monitoring visits.

We also considered the unprecedented effects of dealing with the COVID-19 pandemic on child care programs and the CCLU during the audit period when measuring program performance.

Methodology

To gain an understanding of the CCLU, child care licensing, and issues facing the child care industry we:

- reviewed relevant State and federal laws, CCLU administrative rules and federal regulations, and Executive and Emergency Orders issued by the Governor affecting child care regulations;
- reviewed CCLU policies, procedures, the Child Care And Development Fund Plan For New Hampshire, and other guidance;
- interviewed CCLU and DHHS personnel, contacted external stakeholders, and listened to recordings of all meetings of the child care community between June and November 2021 hosted by Early Learning NH that occurred two times per month;
- reviewed audits, evaluations, and guidance from other states and national organizations;
- conducted a review of CCLU files and data; and
- reviewed similar practices in nearby states.

File Review

We reviewed hardcopy and electronic records contained in the My License Office computer system to determine compliance with federal and State laws, rules and regulations, and CCLU policy and procedures.

Using data we received from the CCLU as of August 16, 2021, we determined 1,091 child care programs were active at some point during the four-year audit period. These consisted of programs that had a license as of the date we received the data; were operating on a six-month permit; the application was received but still pending; programs that were open at some point during the audit period but had closed; programs' whose license had been revoked; and applications that had been received, but were subsequently withdrawn. We excluded the programs whose applications were still pending and applications that were withdrawn from our population.

We also excluded some closed programs from our population based on whether the activities we wanted to review (i.e., whether 1) initial licenses were issued timely, 2) renewal licenses were issued timely, 3) monitoring visits were conducted annually, and 4) supervisory review was conducted as required) could have occurred during the audit period for the program. Therefore, closed programs whose licenses expired more than three years before the start of our audit period were excluded from our population.

We judgmentally selected a sample size of 100 files to review, and we randomly selected files based on the percent each category represented of the population. Our sample was not designed to be statistically representative, and we did not intend to project the results to the general population of programs licensed by the CCLU. We collected data between September 21 and October 26, 2021.

Determining Why Child Care Programs Closed

To supplement the information we collected from our file review regarding the reasons programs closed, we conducted an additional review of all hardcopy files located at the CCLU office for programs that closed between January 1, 2017, and November 30, 2021. For this review, we collected data on the program type, city and county where the program was located, and program capacity. We also attempted to determine the reason the program decided to close.

We compared the programs we collected through this review with data on programs that closed during the audit period provided by CCLU. We transmitted the file to the CCLU and requested it provide any additional information on the reasons programs closed.

Surveys

In November 2021, we sent a link to a web-based survey via email to 582 licensed child care programs with an email address on file with the CCLU as of August 16, 2021. Programs could respond anonymously to the survey. We received 205 complete responses, for a 35 percent response rate. We combined and simplified similar answers to open-ended questions and presented them in topical categories; multi-part responses were counted in multiple categories where applicable. The results of this survey can be found in Appendix C.

We conducted a separate email survey sent to the 10 licensing coordinators employed by the CCLU as of November 12, 2021. We received 10 surveys in return for a completion rate of 100 percent. The responses to this survey are not included in the appendix to this report because some comments may be attributed to respondents due to the small survey population.

Internal Control Considerations

Internal control is defined as a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved. Auditing standards require we identify and determine which, if any, internal control principles are significant to the audit. We identified the following internal control principles that we considered the most significant to the audit objective.

1. Design And Operate Control Activities Through Policies To Achieve Objectives – requires CCLU management to establish appropriate control activities, at various levels, to ensure it achieves its objectives. We found the CCLU did not have adequate rules or policies in some key areas, and some rules needed clarification (Observations No. 2, No. 3, No. 4, No. 6, and No. 7).
2. Use Quality Information To Achieve The Entity's Objectives And Communicate The Results – requires CCLU management to identify relevant and reliable information necessary to assess whether it achieved its objectives and communicates these results to staff and stakeholders. We found the CCLU's data systems did not support data collection that would have allowed management to assess its overall compliance with established time limits, or to measure its own efficiency (Observation No. 8).
3. Establish And Operate Monitoring Systems And Remediate Deficiencies – requires CCLU management to establish activities to monitor its internal control system and ensure the CCLU achieves desired results. We found the CCLU did not have a systemic process to monitor whether activities occurred within time limits established in laws, rules, or its own internal policies (Observations No. 1, No. 2, No. 3, No. 4, and No. 5).

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STATE OF NEW HAMPSHIRE
CHILD CARE LICENSING UNIT

APPENDIX B
AGENCY RESPONSE TO AUDIT



Lori A. Shibinette
Commissioner

Melissa A. St. Cyr, Esq.
Chief Legal Officer

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LEGAL AND REGULATORY SERVICES
CHILD CARE LICENSING UNIT

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February 2, 2022

The Honorable Karen Umberger, Chairperson
Joint Legislative Fiscal Committee
Legislative Office Building
Concord, NH 03301

Dear Representative Umberger:

The Department of Health and Human Services appreciates the work of the Office of Legislative Budget Assistant, Audit Division in reviewing the operations of the Department's Child Care Licensing Unit (CCLU) to determine whether the CCLU's licensing functions were effective and efficient during State fiscal years 2018 to 2021.

The audit process and report provides clear observations and recommendations for the CCLU to improve its operations by developing and implementing formal procedures, amending its administrative rules, and seeking legislative changes. The Department concurs with all of the audit's observations, and over the next eighteen months, it will work towards implementing all of the audit's recommendations.

The CCLU has already begun a systematic review and analysis of its current processes to align with the recommendations in the audit. The CCLU is committed to improving operations, and will initiate and complete the statutory changes, rule changes, policy and procedure changes, and workflow review changes required to implement the audit's recommendations within eighteen months.

The Bureau of Child Development and Head Start Collaboration (BCDHSC), within the Division of Economic and Housing Stability, thanks the audit team for referencing the work of BCDHSC in providing support to NH child care programs, creating an environment that resulted in a 3.25% program closure rate – much lower than the national average.

The auditors should be commended for their thorough, collaborative, and fair review of the CCLU and their continued professionalism throughout the audit process.

Sincerely,

A handwritten signature in black ink that reads "Melissa Clement".

Melissa Clement, Chief
Child Care Licensing Unit
Bureau of Facility Licensing and Certification
Department of Health and Human Services

*The Department of Health and Human Services' Mission is to join communities and families
in providing opportunities for citizens to achieve health and independence.*

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**STATE OF NEW HAMPSHIRE
CHILD CARE LICENSING UNIT**

**APPENDIX C
SURVEY OF LICENSED NEW HAMPSHIRE CHILD CARE PROGRAMS**

In November 2021, we sent a link to a web-based survey via email to 582 licensed child care programs with an email address on file with the Child Care Licensing Unit (CCLU). We received 205 complete responses, for a 35 percent response rate. We combined and simplified similar answers to open-ended questions and presented them in topical categories; multi-part responses were counted in multiple categories where applicable. Some totals in the following tables may not add up to 100 percent due to rounding or where respondents could provide multiple responses to a question.

Question 1. What type of child care program do you operate?		
Answer Options	Count	Percent
Home-based (includes Family Home and Family Group programs)	35	17.1%
Center-based	170	82.9%

respondent answered question **205**
respondent skipped question **0**

Question 2. What county is your program located in?		
Answer Options	Count	Percent
Belknap	10	4.9%
Carroll	8	3.9%
Cheshire	14	6.8%
Coos	6	2.9%
Grafton	11	5.4%
Hillsborough	65	31.7%
Merrimack	29	14.1%
Rockingham	34	16.6%
Strafford	19	9.3%
Sullivan	9	4.4%

respondent answered question **205**
respondent skipped question **0**

Question 3. What is the maximum child capacity approved on your program's most current license?	
Comments	Count
1-9 children	11
10-19 children	32
20-29 children	18
30-39 children	11
40-49 children	23
50-59 children	14
60-69 children	21
70-79 children	13
80-89 children	7
90-99 children	7
110-119 children	14
120-139 children	12
140-159 children	14
180-199 children	3
More than 200 children	5

provided comment **205**
respondent skipped question **0**

Question 4. How many children are currently enrolled in your program?	
Comments	Count
1-9 children	19
10-19 children	30
20-29 children	27
30-39 children	17
40-49 children	31
50-59 children	18
60-69 children	8
70-79 children	8
80-89 children	15
90-99 children	8
110-119 children	10
120-139 children	6
140-159 children	4
160-179 children	1
180-199 children	1
More than 200 children	2

provided comment **205**
respondent skipped question **0**

Question 5. Do you currently have a waitlist for child care spaces?		
Answer Options	Count	Percent
Yes	159	77.6%
No	46	22.4%

respondent answered question **205**
respondent skipped question **0**

Question 6. How many children are currently on your waitlist?	
Comments	Count
1-9 children	53
10-19 children	45
20-29 children	12
30-39 children	12
40-49 children	12
50-69 children	11
70-99 children	4
100-199 children	6
More than 200 children	4

provided comment **159**
respondent skipped question **46**

Question 7. How many years has your program been operating?	
Comments	Count
0-2 years	17
3-5 years	11
6-9 years	13
10-19 years	52
20-29 years	50
30-39 years	30
40-49 years	19
50-59 years	10
More than 60 years	3

provided comment **205**
respondent skipped question **0**

Question 8. Are you currently considering closing your program?		
Answer Options	Count	Percent
No	180	87.8%
Yes, within the next year	5	2.4%
Yes, within the next two years	4	2.0%
Yes, within the next three years	16	7.8%

respondent answered question **205**
respondent skipped question **0**

Question 9. How likely is it that you will close your program within the timeframe you selected?		
Answer Options	Count	Percent
I am considering my options; it is possible that I will close my program	19	76.0%
It is likely that I will close my program	3	12.0%
I will definitely close my program	3	12.0%
	respondent answered question	25
	respondent skipped question	180

Question 10. Why are you considering closing your program?		
Comments	Count	
Staffing issues	10	
High costs of operating child care program/unprofitable	10	
Retirement	7	
Career is emotionally/physically/mentally challenging	4	
Low/uncertain enrollment	3	
Issues related to COVID-19	3	
Considering a career change	2	
Frustration with licensing/CCLU	2	
Challenging behaviors from children	2	
Considering relocating	1	
Free preschool available in town	1	
Town planning/zoning regulations	1	
	provided comment	25
	respondent skipped question	180

Question 11. Did you apply for your initial license (includes purchasing an existing child care program) between July 2017 and June 2021?		
Answer Options	Count	Percent
Yes, I applied for my initial license between July 2017 and June 2021	18	8.8%
Yes, I purchased an existing program and applied for my initial license between July 2017 and June 2021	9	4.4%
No, I did not apply for my initial license between July 2017 and June 2021	178	86.8%
	respondent answered question	205
	respondent skipped question	0

Question 12. From the time you submitted your initial license application, how timely did the CCLU process your application?		
Answer Options	Count	Percent
Within two weeks	9	33.3%
Within one month	6	22.2%
Within two months	7	25.9%
More than two months	1	3.7%
I don't remember	4	14.8%
<i>respondent answered question</i>		27
<i>respondent skipped question</i>		178

Question 13. What factors contributed to the delay in processing your initial license application?		
Comments	Count	
As a new owner I had to re-apply for already existing approvals from previous owner of program, which had not run out the approval for fire, health, zoning and a few more I don't remember. Also new director was already an employee and had to re-send all of her existing documents, already on file with licensing. Visit by licensing because we were taking over an already existing business. Then of all ridiculous things, applications from the zoning board which was not meeting because of covid, had to be filled out and then snail mailed. No faxes, or scans were acceptable from zoning to me then from me to licensing.	1	
<i>provided comment</i>		1
<i>respondent skipped question</i>		204

Question 14. Please state your agreement with the following statements:					
Answer Options	Agree	Disagree	Don't Remember	N/A	Response Count
The licensing coordinator adequately explained the initial licensing process to me.	20 (74.1%)	5 (18.5%)	2 (7.4%)	0 (N/A)	27
The licensing coordinator was helpful in answering my questions during the initial licensing process.	21 (77.8%)	4 (14.8%)	2 (7.4%)	0 (N/A)	27
The licensing coordinator was helpful in explaining violations found during the initial licensing visit.	17 (85.0%)	1 (5.0%)	2 (10.0%)	7 (N/A)	27
The amount of time given to correct violations found during the initial licensing visit was adequate.	19 (90.5%)	1 (4.8%)	1 (4.8%)	6 (N/A)	27
The process of obtaining my initial license was clear.	22 (81.5%)	3 (11.1%)	2 (7.4%)	0 (N/A)	27
The process of obtaining my initial license was simple.	18 (66.7%)	8 (29.6%)	1 (3.7%)	0 (N/A)	27

respondent answered question **27**
respondent skipped question **178**

Question 14. If you disagreed with any of the above statements, please explain.	
Comments	Count
Received incorrect information	2
Rules were not explained well enough	2
The forms were not up-to-date	1
Answers received throughout licensing process were dependent on the person giving them	1
Submitting items as they are completed rather than submitting the whole package at once would allow issues to be addressed sooner	1
Not enough time provided to correct violations	1
Initial license process took about a year because licensing coordinator did not come for visit while program was in session	1
Working through the process with CCLU was great, but working with the town was challenging	1
An extension to prevent closing during licensing process after purchasing existing program would have made it less stressful	1
Process has a lot of steps/paperwork and takes a lot of work	1
Respondent did not ask for or receive advice during the process	1
Items changed since previous license issued to existing program	1

provided comment **9**

Question 15. Did your program renew its license between July 2017 and June 2021?		
Answer Options	Count	Percent
Yes	171	83.4%
No	31	15.1%
We have begun the process to renew our license, but have not yet received a renewed license	3	1.5%
<i>respondent answered question</i>		205
<i>respondent skipped question</i>		0

Question 16. From the time you submitted your most recent license renewal application, how timely did the CCLU process your renewal application?		
Answer Options	Count	Percent
Within two weeks	14	8.1%
Within one month	39	22.7%
Within two months	38	22.1%
More than two months	23	13.4%
I don't remember	58	33.7%
<i>respondent answered question</i>		172
<i>respondent skipped question</i>		33

Question 17. What factors contributed to the delay in processing your most recent license renewal application?		
Comments	Count	
Don't know	11	
Issues related to COVID-19	9	
CCLU staffing issues	4	
Program did not have an assigned licensing coordinator	1	
Program did not submit all correct documents	1	
<i>provided comment</i>		23
<i>respondent skipped question</i>		182

Question 18. Was your most recent license renewal issued before or after your previous license expired?		
Answer Options	Count	Percent
Before my license expired	112	65.5%
After my license expired	38	22.2%
I don't know	21	12.3%
<i>respondent answered question</i>		171
<i>respondent skipped question</i>		34

Question 19. What factors contributed to your most recent license renewal being issued after your previous license expired?	
Answer Options	Count
Issues related to COVID	16
Don't know	10
The renewal visit was late	7
A CCLU issue	6
A Corrective Action Plan was required	2
Receiving license renewals after the previous license expired is common	2
The program was in the process of moving and was waiting for their building to be renovated	1
	provided comment 40
	respondent skipped question 165

Question 20. Was there any impact on your program caused by your most recent license renewal being issued after your previous license had expired?		
Answer Options	Count	Percent
Yes	4	10.5%
No	34	89.5%
	respondent answered question 38	
	respondent skipped question 167	

Question 21. What was the impact on your program caused by your most recent license renewal being issued after your previous license had expired?	
Comments	Count
Insurance requires current license to issue policies	2
Respondent participated in a program that required a current license and had to leave the program	1
Child care assistance program for providers caring for children of military personnel requires a current license	1
	provided comment 4
	respondent skipped question 201

Question 22. Thinking about your most recent license renewal, please state your agreement with the following statements:					
Answer Options	Agree	Disagree	Don't Remember	N/A	Response Count
The licensing coordinator adequately explained the license renewal process to me.	128 (82.1%)	19 (12.2%)	9 (5.8%)	15 (N/A)	171
The licensing coordinator was helpful in answering my questions during the license renewal process.	147 (93.0%)	6 (3.8%)	5 (3.2%)	13 (N/A)	171
The licensing coordinator was helpful in explaining violations found during the license renewal visit.	120 (89.6%)	9 (6.7%)	5 (3.7%)	37 (N/A)	171
The amount of time given to correct violations found during the license renewal visit was adequate.	117 (90.0%)	6 (4.6%)	7 (5.4%)	41 (N/A)	171
The process of obtaining my renewal license was clear.	153 (90.0%)	13 (7.6%)	4 (2.4%)	1 (N/A)	171
The process of obtaining my renewal license was simple.	140 (82.4%)	25 (14.7%)	5 (2.9%)	1 (N/A)	171
<i>respondent answered question</i>					171
<i>respondent skipped question</i>					34

Question 22. If you disagreed with any of the above statements, please explain.	
Comments	Count
The process can be confusing and complicated/the instructions are not clear	10
The renewal process or experience with the licensing coordinator was positive	6
CCLU takes a long time to process paperwork but sets short deadlines for programs to respond	5
CCLU stopped sending out renewal packets but did not notify programs of that change	4
The licensing coordinator did not explain the process	4
The fingerprinting and background check processes are confusing	3
Violations cited and interpretation of rules are subject to the licensing coordinator who conducts the visit	3
The process is time-consuming	3
The process is always changing	3
Respondent did not agree with the licensing coordinator's interpretation of the rules	3
CCLU is not a partner/ally to child care programs	2

Respondent had a good experience with the previous licensing coordinator, but not with their current licensing coordinator	2
State of emergency caused delays and made things more difficult	2
Respondent did not ask for help	2
It can be difficult to coordinate all of the town and CCLU visits	2
The renewal visit was late	2
The last visit was a bad experience	2
The CCLU can be difficult to work with	2
Respondent requested licensing coordinator not conduct the visit during her medical leave, but she came during that time anyway	1
CCLU was late sending renewal application	1
Violations could have been fixed during the visit, but respondent was not given the chance	1
CCLU website is not easy to use/it is difficult to find forms	1
Not enough CCLU staff	1
Respondent did not know who their licensing coordinator was	1
There should be a renewal link on the website instead of generic paperwork	1
Licensing coordinators have become more helpful/friendly during the last 5 years	1
Licensing coordinator gave incorrect information on how to address violations	1
Industry-wide issues caused by the state of emergency were cited as program violations	1
<i>provided comment</i>	43

Question 23. Did your program receive a monitoring visit between July 1, 2017 and June 30, 2021?		
Answer Options	Count	Percent
Yes	200	97.6%
No	5	2.4%

respondent answered question **205**
respondent skipped question **0**

Question 24. Please state your agreement with the following statements about your most recent monitoring visit:					
Answer Options	Agree	Disagree	Don't Remember	N/A	Response Count
My licensing coordinator adequately explained the monitoring process to me.	175 (91.1%)	12 (6.3%)	5 (2.6%)	6 (N/A)	198
My licensing coordinator was knowledgeable about licensing rules and laws.	181 (91.4%)	17 (8.6%)	0 (0.0%)	0 (N/A)	198
My licensing coordinator was respectful of my program's operations when conducting the monitoring visit.	185 (93.4%)	12 (6.1%)	1 (0.5%)	0 (N/A)	198
The amount of time my licensing coordinator spent conducting the monitoring visit was adequate.	191 (96.5%)	7 (3.5%)	0 (0.0%)	0 (N/A)	198
My licensing coordinator gave me adequate time to express my concerns during the monitoring visit.	179 (92.3%)	12 (6.2%)	3 (1.5%)	4 (N/A)	198
My licensing coordinator informed me of any violations at the conclusion of the monitoring visit.	172 (94.5%)	8 (4.4%)	2 (1.1%)	16 (N/A)	198
The Statement of Findings was transmitted to me in a timely manner.	157 (80.9%)	32 (16.5%)	5 (2.6%)	4 (N/A)	198
The monitoring process was fair.	173 (87.8%)	23 (11.7%)	1 (0.5%)	1 (N/A)	198

respondent answered question **198**
respondent skipped question **7**

Question 24. If you disagreed with any of the above statements, please explain.	
Comments	Count
It takes a long time to receive the Statement of Findings after the visit	15
Monitoring visits are disruptive/stressful for staff and children	7
Every licensing coordinator interprets the rules differently	6
Licensing coordinator was unprofessional/uncaring/unapproachable	5
Respondent disagreed with a violation/rule interpretation	4
Licensing coordinator did not explain the process to established programs	3
It takes a long time to get a response from the CCLU	3

Respondent feels visits are for licensing coordinators to find violations, rather than to provide support	2
Licensing coordinator spends a lot of time looking through paperwork and not seeing what is going on at the program	1
The most recent visit was positive, but previous visits were not	1
Respondent was not made aware of all violations during the visit	1
Respondent has always had good experiences with licensing coordinators	1
Wording of violation on the Statement of Findings did not accurately depict the events that occurred	1
At the end of the visit, the licensing coordinator reported the violations found to staff, rather than the director	1
Programs should be able to fix non-critical mistakes without penalty	1
Respondent does not agree with many of the rules	1
CCLU is not a partner in child advocacy	1
The 2020 visit was very different from the 2019 visit as it relates to rules and regulations	1
It takes a long time to receive the Statement of Findings, but programs do not get much time to correct violations	1
Respondent had no violations	1
Respondent felt the licensing coordinator came to the visit with a specific concern and that was the only thing she focused on	1
Licensing coordinators often review respondent's program against Early Childhood Education rules, even though they are a school-age program	1

provided comment **43**

Question 25. Between July 1, 2017 and June 30, 2021, has your program had a monitoring visit that found any type of violation?		
Answer Options	Count	Percent
Yes	154	77.8%
No	44	22.2%

respondent answered question **198**
respondent skipped question **7**

Question 26. Thinking back to your most recent monitoring visit in which violation(s) were found, please state your agreement with the following statements:					
Answer Options	Agree	Disagree	Don't Remember	N/A	Response Count
The licensing coordinator clearly explained the violation(s) to me.	140 (92.1%)	10 (6.6%)	2 (1.3%)	3 (N/A)	155
The licensing coordinator gave me the opportunity to explain how/why the violation(s) occurred.	130 (86.1%)	17 (11.3%)	4 (2.6%)	4 (N/A)	155
The Statement of Findings clearly explained the violation(s) found.	137 (90.1%)	14 (9.2%)	1 (0.7%)	3 (N/A)	155
The amount of time I was given to develop a Corrective Action Plan was adequate.	127 (86.4%)	18 (12.2%)	2 (1.4%)	8 (N/A)	155
The amount of time I was given to correct the violation(s) was adequate.	133 (89.9%)	14 (9.5%)	1 (0.7%)	7 (N/A)	155
The process for submitting a Corrective Action Plan was clear.	136 (92.5%)	10 (6.8%)	1 (0.7%)	8 (N/A)	155
The process used to approve my Corrective Action Plan was clear	123 (84.8%)	18 (12.4%)	4 (2.8%)	10 (N/A)	155

respondent answered question **155**
respondent skipped question **50**

Question 26. If you disagreed with any of the above statements, please explain.	
Comments	Count
It takes a long time to receive the Statement of Findings after the visit/respondent still has not received a Statement of Findings	7
No confirmation that corrective action plan has been approved is ever received	7
Every licensing coordinator has a different interpretation of the rules and what is a violation/inconsistent interpretation of rules from visit to visit	7
Respondent disagreed with violation or interpretation of a rule	6
There is not enough time provided to correct violations	5
Violations cited on Statements of Findings need to be more specific, so that programs can know how to fix them	3
The emergency orders (issued during the state of emergency) regarding CPR and fingerprinting requirements made it difficult for programs to come into compliance once the orders were lifted	3

CCLU works at their own pace, but programs must adhere to deadlines	3
Program experienced unavoidable delays in trying to correct their violations	2
Sometimes the corrective action plan will only be approved if the wording is stated the way CCLU wants it to be stated	2
Some licensing coordinators are disrespectful/confrontational/dishonest	2
Licensing coordinators won't listen to program's explanations of why things happened	2
Instructions for writing/submitting a corrective action plan are unclear	2
Licensing coordinators don't understand that sometimes things have to be adjusted temporarily	1
It can be difficult to process/explain violations during the visit while also watching children	1
The most recent visit was positive, but previous visits were not	1
Some violations are difficult to correct for a program located in a school	1
Respondent has been trying to dispute a violation but has not heard back from the licensing coordinator for more than a month	1
Wording of violation on the Statement of Findings did not accurately depict the events that occurred	1
Relationship between CCLU and programs is not a partnership	1
If violations are corrected during a visit, there shouldn't be a penalty	1
Licensing coordinator gave respondent incorrect information on how to correct a violation	1
Program was penalized because respondent left classroom to assist the licensing coordinator during the visit	1
Respondent had no violations	1
COVID-19 made things harder	1

provided comment 47

Question 27. During your most recent monitoring visit in which violation(s) were found, what type of violation(s) were identified		
Answer Options	Count	Percent
Non-critical violations only	67	43.5%
Critical violations only	16	10.4%
Both critical and non-critical violations	63	40.9%
I don't remember	8	5.2%

respondent answered question 154
respondent skipped question 51

Question 28. Why did your program not receive a monitoring visit between July 1, 2017 and June 30, 2021?	
Answer Options	Count
Because of the program's opening date	3
Unsure, perhaps because of COVID-19	1
Program's license was renewed in August 2021 and had a visit that month	1
<i>provided comment</i>	5
<i>respondent skipped question</i>	200

Question 29. Did you request a waiver of any CCLU rule between July 1, 2017 and June 30, 2021?		
Answer Options	Count	Percent
Yes	99	48.3%
No	106	51.7%
<i>respondent answered question</i>	205	
<i>respondent skipped question</i>	0	

Question 30. What type of rule did you request to have waived?	
Answer Options	Count
Teacher qualifications/allow assistant teachers to be alone with children	62
Allow additional school-aged children/increase hours for school-aged children while schools were operating remotely	17
Increase the number of children allowed	7
Center director qualifications	5
Allow additional children in specific age groups/allow age groups not licensed for	4
Teacher/child ratio	3
He-C 4002.32 (Requirements for Child Care Personnel in Center Based Programs)	3
Allow outdoor/portable plumbing for toileting/hand-washing	3
Playground alternative	2
Allow use of smoke detector instead of fire alarm during fire drills	1
Video monitoring	1
Allow doors to be kept locked for safety issues	1
Diapering	1
Hand sanitizer use	1
<i>provided comment</i>	99
<i>respondent skipped question</i>	106

Question 31. Was your waiver request granted?		
Answer Options	Count	Percent
Yes	95	96.0%
No	1	1.0%
I submitted multiple waiver requests. Some were granted, some were not granted.	3	3.0%

respondent answered question **99**
respondent skipped question **106**

Question 32. Please state your agreement with the following statements:					
Answer Options	Agree	Disagree	Don't Remember	N/A	Response Count
The process to request a waiver is clear.	87 (87.9%)	11 (11.1%)	1 (1.0%)	0 (N/A)	99
The reasons for approving or denying the waiver request were clearly explained.	85 (94.4%)	4 (4.4%)	1 (1.1%)	9 (N/A)	99
My waiver request was processed timely.	91 (91.9%)	8 (8.1%)	0 (0.0%)	0 (N/A)	99
The CCLU's waiver request process was fair.	91 (91.9%)	6 (6.1%)	2 (2.0%)	0 (N/A)	99

respondent answered question **99**
respondent skipped question **106**

Question 32. If you disagreed with any of the above statements, please explain.	
Comments	Count
The waiver process was difficult/confusing	6
The waiver process was easy/quick	5
Waiver process took too much time	3
Respondent disagreed with waiver decision/need for waiver	3
Ease of waiver process in response to COVID-19/emergency orders may not be representative of the standard waiver process	3
Licensing coordinator helped respondent through the waiver process	1
If multiple programs have to a request a waiver for any given rule, that rule should be looked at more closely to determine if changes can be made	1
No one has ever explained the process/respondent had to figure the process out on their own	1

provided comment **17**

Question 33. Please state your agreement with the following statements:					
Answer Options	Agree	Disagree	Don't Remember	N/A	Response Count
Licensing coordinators I dealt with were professional.	194 (94.6%)	11 (5.4%)	0 (0.0%)	0 (N/A)	205
Licensing coordinators I dealt with were knowledgeable.	191 (93.2%)	14 (6.8%)	0 (0.0%)	0 (N/A)	205
Licensing coordinators I dealt with were fair.	179 (87.7%)	24 (11.8%)	1 (0.5%)	1 (N/A)	205
Licensing coordinators I dealt with responded to my calls/emails in a timely manner.	189 (93.1%)	14 (6.9%)	0 (0.0%)	2 (N/A)	205
Supervisors I dealt with were professional.	124 (93.9%)	5 (3.8%)	3 (2.3%)	73 (N/A)	205
Supervisors I dealt with were knowledgeable.	124 (95.4%)	3 (2.3%)	3 (2.3%)	75 (N/A)	205
Supervisors I dealt with were fair.	119 (92.2%)	7 (5.4%)	3 (2.3%)	76 (N/A)	205
Support staff I dealt with were professional.	140 (92.7%)	8 (5.3%)	3 (2.0%)	54 (N/A)	205
Support staff I dealt with were knowledgeable.	131 (86.8%)	17 (11.3%)	3 (2.0%)	54 (N/A)	205

respondent answered question **205**
respondent skipped question **0**

Question 33. If you disagreed with any of the above statements, please explain.	
Comments	Count
Every licensing coordinator interprets the rules differently	8
Respondent had no issues with any CCLU staff/has had good experiences	7
Respondent had good experiences with some CCLU staff and bad experiences with other CCLU staff	6
Support staff don't know the answers to respondent's questions/give incorrect information	6
CCLU staff could be more helpful	5
Respondent had a bad experience with a licensing coordinator and reported it, but there was no recourse	4
Respondent has never dealt with a supervisor/don't know who they are	3
CCLU responses are not timely	3
Some ways that the rules are written or interpreted are unfair	3
Licensing coordinators should be more knowledgeable	3
Experience with licensing coordinators has recently improved	2

Licensing coordinators' respond timely/response time has recently improved	2
Respondent's licensing coordinator has recently changed	2
Respondent had a licensing coordinator who was unprofessional/unpleasant, but that person no longer works for CCLU	2
Programs have to respond in a timely manner, but the CCLU does not	2
Support staff seem short/annoyed when respondent calls	2
Respondent requested a meeting to discuss responses	1
The rules can be confusing	1
If something is required it should be a rule, not a recommendation	1
Critical rule violations were corrected at time of the visit	1
Respondent was not informed that their licensing coordinator changed	1
CCLU needs more staff	1
Licensing coordinators are not rude, but can be short/curt via communications	1
Respondent's waiver for immediate continuance of care took two months to be processed	1
Criminal record checks and fingerprinting were not timely during the past year	1
Respondent feels it is unfair to be cited for violations based on the accusations of a disgruntled ex-employee	1

provided comment **51**

Question 34. Please provide any additional comments you have about the licensing and monitoring process.	
Answer Options	Count
Licensing coordinators are professional/knowledgeable/helpful/supportive/kind/fair/respectful/listening/trying to improve programs	37
Experiences with CCLU/staff have always been positive	11
Licensing coordinators respond timely	10
Licensing coordinators interpret the rules differently/cite violations that other licensing coordinators never cited	8
Appreciate the opportunity to learn and to collaborate with CCLU	7
Work the CCLU does is hard, but they are trying/doing the best they can	6
Visits are disruptive/stressful	6
Fingerprinting/background check process is frustrating and slow	6
The rules can be difficult to understand and comply with/respondent disagrees with some of the rules	6
Visits/relationships with licensing coordinators have become a more positive experience over the last few years	5
The rules/process should be supportive rather than punitive	5
The rules need to be clearly defined so everyone (CCLU and providers) interprets them the same way	5

CCLU is slow to return paperwork/loses paperwork	5
Lack of partnership/CCLU and providers need to work together	4
It takes too long to receive Employment Eligibility Cards	3
Statements of Findings should also give positive comments	3
Programs should not be penalized for violations of new rules/violations that are corrected during the visit	3
Staff requirements are a burden/make it difficult to hire and retain staff	3
Respondent's previous licensing coordinator was great, but the current licensing coordinator is not	3
Respondent's current licensing coordinator is great, but the previous licensing coordinator was not	2
Respondent feels supported by the CCLU	2
CCLU responds timely	2
Appreciate CCLU Unit Chief's support/respondent feels she listens and responds to providers' needs	2
Frequent licensing coordinator changes/not informed of licensing coordinator changes before visits	2
Experienced program directors should have more autonomy	2
Some licensing coordinators can be overly strict/nitpicky in their interpretation of the rules	2
Licensing coordinators need more training	2
There have been miscommunications/licensing coordinator provided incorrect information	2
Licensing coordinators don't have experience working in early childhood education/running a daycare	2
License renewal visits should be scheduled so directors can prepare and ensure they are able to give the licensing coordinator their full attention	2
Monitoring visits should be scheduled to reduce disruption and ensure ratios can be maintained while staff speak with licensing coordinator	2
Support staff are professional/kind/helpful	1
Program receives adequate attention	1
Respondent has always felt comfortable asking CCLU for help/support	1
CCLU staff are nice	1
CCLU is trying to be empathetic to the issues in the field	1
Licensing coordinators have made efforts to be available for technical assistance	1
Licensing coordinator misused their authority	1
There is a great need for childcare in every town	1
Newer licensing coordinators have suffered because of the treatments given by the older licensing coordinators	1
Programs are suffering	1
The process is one-size-fits-all that does not reflect the variety in the child care industry	1
Would be helpful if licensing coordinator checked in occasionally to offer preventative services rather than issuing violations at in-person visits	1

Licensing coordinators may not have the support they need to adequately support programs	1
Respondent's Statement of Findings did not reflect what the licensing coordinator said at the visit and cited the program for doing what the licensing coordinator told it do	1
Licensing coordinator was not helpful	1
CCLU has no idea of the full extent of the situation in the field	1
CCLU leaders have not provided guidance to deal with the pandemic	1
Licensing coordinator came to the visit with a violation and only focused on that issue and would not discuss it with the program	1
The process for change is too slow and the changes are not always in the best interests of the programs or children	1
Licensing coordinators should look at the program, not just paperwork	1
An appeals board would help to make the process more fair	1
Many licensing coordinators come off as authoritative, rude, and demanding/don't understand that the children are the program's priority	1
Respondent does not feel like they can disagree with a licensing coordinator when they have to continue to work with them	1
Licensing coordinators are not aware of the things that Child Care Aware is doing/planning	1
Visits take too long	1
Respondent would like a license document with the gold state seal	1
Passive scrutiny	1
CPR/first aid training should count towards staff development hours	1
CCLU is understaffed/staff are overwhelmed	1
Things are getting worse, not better	1
The approved professional development courses are more appropriate for less experienced/educated staff	1
Respondent had experience with licensing coordinators in which they were unprofessional and their report of the incident was not accurate	1
Many of the rules do not apply to school-aged children	1
If a program does not have any violations, monitoring visits should occur yearly, not every six months	1
Respondent disagreed with a violation	1
The way that Statements of Findings are written makes the violation seem worse than it was	1
Respondent is worried that asking about a rule will put their program on CCLU's "radar"	1
Licensing coordinators do not consider the quality of the program or extenuating circumstances	1

provided comment **108**
respondent skipped question **97**

Question 35. If you would like to receive a link to our report when it becomes public, please provide the email address where you would like to receive the link.		
Answer Options	Count	Percent
Yes	116	56.6%
No	89	43.4%
	205	
<i>respondent answered question</i>		
<i>respondent skipped question</i>	0	

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