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**Licensing Workload  
Assessment**

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## ACKNOWLEDGMENTS

The number of licensing staff required to effectively implement a licensing program and the determination of an appropriate workload for staff in each category of human care providers are among the most critical administrative issues addressed by licensing agencies. The **National Association for Regulatory Administration (NARA)** believes that a "Consumer Protection Through Prevention" approach to licensing requires that states and provinces have the appropriate staff resources necessary to implement the licensing statute.

To assist states and provinces in determining the number of staff required to effectively regulate out-of-home care providers, NARA initiated the development of a workload assessment process in 1990. In September of 1993, NARA published the results of this project as a Technical Assistance Bulletin entitled: "**Licensing Workload Process**," as a working document to be refined as states reported their experiences in its use.

The "**Licensing Workload Assessment**" is the culmination of the revision process of that first document. We wish to acknowledge the efforts of Harold S. Gazan (MI), At Large Member of the NARA National Council, who served as the primary author of this document. We also want to thank the other members of the NARA National Council, NARA Members and NARA Staff who contributed to this document: Karen E. Kroh (PA), President, Carolynne H. Stevens (VA), Vice President, Susan Zamecnik (VT), Secretary, Nicholas R. Scalera (NJ), At Large Member, J. Patrick Byrne (NJ), Richard Fiene, Ph.D. (PA), and Pauline D. Koch (DE), Executive Director.

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## LICENSING WORKLOAD ASSESSMENT

### Introduction

How many staff are required to effectively regulate a particular category of human care providers? How does one develop an appropriate workload formula for determining first-line licensing resources needed to implement a licensing program? These are questions, often posed by licensing administrators, that are difficult to answer since states and provinces differ widely in their statutory definitions and requirements, and in the policy and procedural expectations of their licensers. A comparison of workloads by states/provinces, therefore, would not be meaningful given these statutory and procedural differences. There are other factors also that make comparisons difficult such as the administrative tasks expected to be carried out by licensers, the length and scope of the regulations, the methods of handling enforcement issues, demographic differences, geographical differences, and many other variables.

At the same time, the **National Association for Regulatory Administration (NARA)** believes that a "Consumer Protection Through Prevention" approach to licensing cannot be fully achieved unless a state or province has the appropriate staff resources needed to implement the intent of that state's licensing statute. While the variables are many, certain tasks are essential to maintaining an effective regulatory program. **The licensing process must emphasize the prevention of harm through risk reduction.** There should be sufficient time allotted on-site to observe program activities and patterns of interaction between program participants and staff (e.g. children and staff in a child care center, or residents and staff in an adult assisted living facility). A workload formula must take into account program complexities and allow for ample time for licensing staff to observe the various components of a multi-faceted program.

**NARA** also believes ample time should be allowed for ongoing staff training and development. Licensing staff must be experts in the area(s) in which they work. They need to be kept informed of major developments in research and of innovations in program design and implementation. A comprehensive workload formula will enable individual states and provinces to develop an individualized workload standard that is appropriate to their own needs, program idiosyncrasies, and demographical and geographical factors.

Many and varied elements enter into such a determination. Determining workload standards for licensing activities is often a subject of debate, particularly among those who have responsibility for budget planning. Often, the people responsible for budget planning do not have a keen understanding of the imperative role of licensing for ensuring quality care. Their approach to answering the question of what is an adequate workload size may be simplistic and, therefore, inadequate.

The development of a workload standard needs to take into account the following factors: statutory requirements; community expectations; length and scope of the regulations to be enforced; the number and frequency of license renewals; the number and frequency of licensing complaint and monitoring inspections; the agency's policies for responding to new applicants, complaints, and renewals; supplementary tasks; level of secretarial support; degree of automation and computerization of licensing processes; the expectations regarding new staff orientation and ongoing staff development activities; travel distances and time; and the number of enforcement actions pursued.

This Technical Assistance Bulletin contains a workload formula that provides a conceptual framework and scheme for quantifying more objectively the elements that comprise a particular licensing program. It is designed to enable the licensing program manager to convert the data elements of a particular program into a work demand/resource need formulation.

## **Elements of The Workload Formula.**

The workload formula will require data collection to occur over a period of time in order to determine the time elements required to carry out certain key tasks to be identified by the particular state or province. It is suggested that a minimum of three months be used, but, using an every other month approach over a 12-month period of time would provide for a better sampling approach. While most key tasks are generally uniform across states/provinces, each jurisdiction will need to identify those key tasks that are relevant to its statutes and policy requirements. There is a caution with regard to the conducting of a time study. If the agency is already short staffed and licensers are carrying, as a result, heavy workloads, there is a tendency to use short-cuts, resulting in certain activities not being carried out. Some staff in these circumstances may be using portions of their lunch break or working into the evening to carry out their workload. The time study needs to take all of these factors into account.

The steps outlined below are considered basic for developing a workload standard for a particular state or province.

### **Step I: Determining Workload Size for the State or Province**

One must first determine the agency's work-demand. Workload size is determined by tabulating the total number of facilities that are required to be regulated during the fiscal year (a 12-month period). These should be categorized by natural groupings, such as adult community homes and facilities, assisted living centers, child care centers, child care residential facilities, drug and alcohol treatment facilities, or child placing agencies. Nomenclatures will vary from state to state, depending upon the definitions established by statute or by agency policy. Additionally, such factors as size (number of persons served) and the complexity of programs or services provided also should be considered. These factors need to be weighted in some manner; generally one should use a stratified sampling method.

To project what the workload may be for a future fiscal year (for budget planning purposes), one needs to analyze the statistics for that category of regulated facilities or programs for each of the last five years. Observe what the trend line is for each category of licensee. Observe whether the trend line is increasing or decreasing, and to what extent. Evaluate what factors (external and internal) may have contributed to the increase or decrease, or any other anomalies in the trends. Based upon an analysis of five years of data, one can project with some degree of accuracy as to what the licensing workload or need/demand will be for the coming budget year.

Essentially, the completion of this step will enable one to quantify by designated categories the number of facilities that will need to be regulated during a designated 12-month period (fiscal year).

**Example:** To illustrate the various steps in the licensing workload formula, let us assume the following: Green Valley State currently licenses 500 child (day) care centers. Five years ago, the state had 400 licensed centers, and the average net growth over the five years has been about 20 new centers a year. Based on that trend line, one can project that during the budget year of "X", there will be **520 centers** in need of regulation. Additionally, the data analysis indicated that along with the net increase of 100 centers over the five-year period, there was a replacement average of approximately 10 centers per year or 50 centers (ten new centers replaced ten centers that had closed.) This statistic is important, due to the fact that the regulatory activities involved for a first-time applicant are always greater than those for a renewal applicant. The use of the Green Valley State as a hypothetical state for purpose of illustrating the formula will continue, following the explanation of the next step in the formula. (For those states that have to plan for a two-year budget cycle, they will need to project what the workload will be for each year of the budget period.)

**Step II: Determining the Total Number of Person Days Required to Regulate The Workload.**

This aspect of the formula requires the use of data accumulated through a work-based time study, which can be conducted by the staff themselves in a two-step fashion. First, a sample of line staff and first line supervisors, identify all of the tasks and activities that are carried out in fulfillment of their licensing roles. Second, these staff should record the number of minutes/hours that are spent in carrying out each activity or task by keeping a log for four to six weeks. The results of their time study should be tabulated by a central office person. From this information and data, the licensing program manager must then identify the key activities that go into the conducting of field investigations. For each activity listed below, the administrator or manager calculates the average amount of time in units of hours that are required to complete appropriately the activity for each category of regulated entities (e.g. child day care center).

**A. Time Required to Conduct Field Investigations and Related Activities.** (Identify the activities required to be completed and the number of hours required to carry-out the tasks satisfactorily.)

1. Number of on-site inspections for a first-time applicant.

2. Number of renewal on-site inspections of a licensee on regular status; or number of annual on-site inspections of a licensee on a non-expiring license.
3. Number of renewal on-site investigations of a licensee on provisional or probationary status.
4. Average number of on-site complaint investigations.
5. Average number of follow-up or monitoring on-site investigations.
6. Average number of follow-up investigations to a warning letter.
7. Consultation and technical assistance activities. These are difficult to separate out because they occur as an ongoing part of the licensing investigative or inspection process. However, there are occasions when a governing board or the chief administrator of an agency or a facility may desire to seek consultation around specific aspects of the program. New programs often require considerable technical assistance. One should include in the formula at least four hours of technical assistance for each new licensee; and at least two hours of technical assistance for each licensee that has received a warning letter; and at least one hour of technical assistance for any license renewal investigation.

**B. Time Required to Handle Office-Based and Supplementary Activities:**

Each licenser is expected to carry out in a professionally competent manner the following activities:

1. Write accurate, clear, objective and comprehensive investigation reports and maintain records and logs (whether manually or by computer) as required to document activities.
2. Communicate (by telephone, e-mail, FAX, or in person) with applicants, other government officials, licensees, colleagues, superiors. A licenser may also be responsible for coordination of other inspections (environmental health, fire safety, etc.), or with other agencies; a licenser may need to respond to inquiries for information.
3. Attend meetings and represent the agency in a professional and knowledgeable manner.
4. Compose letters, prepare informational packets and respond to requests; do filing and logging.

Again, each agency will have its own expectations. In some agencies, licensers may have access to secretarial staff who may carry out certain

functions. In other agencies, each licenser may be expected to be computer literate and may not have access to secretarial support. The degree of automation that an agency has will also be a significant factor.

### **C. Total Number of Work Days Required to Accomplish Step II.**

Total the number of hours required to carry out the activities listed in Step II (A & B).

**Example continued:** Green Valley State has 500 child care centers at the present time and is expected to gain an additional 20 centers. Many of these centers offer a full range of services including before and after-school care, infant/toddler care, late evening and weekend care, etc. Some have large capacities exceeding 60 children. We will further assume that the hours required to conduct the various types of on-site investigations were based on a time-study (the hours used in this example are considered to be realistic as they are based on actual experiences).

- Handling new applicant, on-site investigations: average time spent handling new applicants - meetings on-site, meetings with board members, program director, etc. 12 hours x 30 new applicants = 360 hours. (Keep in mind that there is a net gain of 20 centers, but there are also an additional ten new centers replacing ten centers that closed for various reasons.) Total number of hours involved in carrying out this activity is: **360 hours.**
- Conducting annual, on-site, renewal licensing investigations: requires 11 hours on site for the 200 centers with a licensed capacity of 60 children or more:  $11 \times 200 = 2,200$  hours; requires eight hours on site for the 300 centers with a capacity of 59 children or fewer.  $8 \times 300 = 2,400$  hours. 50 centers have an infant/toddler program. An additional two hours is required for these centers.  $2 \times 50 = 100$  hours. Ten centers have a night-time program. To evaluate the night-time component requires an additional 2 hours of on-site, at night investigation.  $2 \times 10 = 20$  hours. (It is suggested that you subdivide the category of child day care centers into various groupings, such as size, whether infant/toddler care is included, whether there is night-time or weekend care, etc. Each grouping would have its own average length of time required

on-site to conduct a comprehensive investigation.) The total number of hours for this activity is: **4,720 hours**.

- Conducting on-site investigations in response to complaints. The agency has received an average of 125 complaints per year over the past five years. Based upon a trend analysis, it is determined that there has been a 5 per cent annual increase in the number of complaints requiring investigations. It is expected, therefore, that there will be 131 complaints that will need to be investigated in "X" budget year.  $4 \text{ hours} \times 131 =$  **524 hours**.
- Conducting follow-up visits: 65 centers are presently on a provisional license, each requiring a follow-up investigation (provisional licenses for Green Valley State are for a 6 month duration);  $8 \text{ hours} \times 65 \text{ visits} =$  **520 hours**.
- Conducting follow-up visits to warning letters and conducting monitoring visits to ensure progress toward achieving compliance to a warning letter, or to determine ongoing compliance with certain licensees. 60 warning letters have been sent with each requiring an average of three on-site visits:  $3 \text{ hours} \times 180 \text{ visits} =$  **540 hours**.
- Providing consultation and technical assistance:  $4 \text{ hours} \times 30 \text{ new licensees} = 120 \text{ hours}$ ; 2 hours of consultation & technical assistance to all licensees who are expected to receive a warning letter during the year or are to be placed on a provisional license (this is above and beyond the 1 hour that is generally provided):  $2 \times 60 = 120 \text{ hours}$ ; one hour for all ongoing licensees:  $1 \times 500 = 500 \text{ hours}$ . Total number of hours to complete this activity is **740 hours**.
- Time involved in carrying out office-based activities: According to the time study conducted by the Green Valley State, it was determined that for each three hours spent engaged in field investigative and related activities, one hour is required to handle office-based activities.

The grand total number of hours to carry-out the field-based activities in the Green Valley State is 7,404. The formula calls for one hour of office-based activities to support every three hours of time spent in field-based activities. Therefore, the number of office based activity hours is: 7,404 divided by 3 =

2,468 hours. The total number of hours to complete Step II for the projected workload of Step I is:  $7,404 + 2,468 = 9,872$  hours divided by 8 hours (representing one work day) = **1,234 work days required to carry-out licensing functions (Step II).**

**Step III: Determining the Total number of Person Days Involved in Activities Other Than Direct Licensing Activities.**

- A. Staff Meetings. This category includes regularly scheduled supervisory conferences (one on one between the licenser and his or her supervisor), meetings with upper management, staff development activities (e.g. conference attendance, staff training, or formal study programs).
- B. Travel time to and from the facilities to be investigated or to meetings. Travel is a time consuming factor, and one that is sometimes not accurately taken into account when determining a workload formula. There are several ways in which time spent in travel can be calculated. One method is to include this activity in the time study using a stratified sampling approach. It is important to include in the sample rural, urban and suburban areas in proportion to the distribution of the licensees. Travel involves not only the investigative activities of a licenser, but includes attending meetings, appeal hearings, administrative staff meetings, staff development activities, and many other related tasks. Another method is to have staff keep track of the actual miles driven by category (urban, suburban and rural) and to calculate the number of travel hours required. Ultimately, it is important to determine the average number of days that a licenser spends engaged purely in travel within a year's time.
- C. Appeal Hearings. When adverse actions are appealed, a considerable amount of time is required to prepare for and to attend the hearing (meetings with the attorney, responding to discovery requests, meetings with witnesses, writing reports, etc.). Each state or province will need to determine the average amount of time required to prepare for an appeal hearing and to attend and participate in the hearing. This figure is multiplied against the number of hearings that is expected to be held during the projected budget year (also based on a 5 year trend analysis).
- D. Special Assignments or Tasks. These activities may include:
  - 1. Serving on a rules revision committee.
  - 2. Serving on a special task force or advisory committee.

3. Assisting a colleague in conducting a team investigation (night-time visits, unscheduled visits during evening or week-end hours).
4. Serving as a liaison for the division or unit with another state agency; performing a special assignment.
5. Serving on a policy analysis or policy development committee.

**Example Continued:** The Green Valley State, based upon its time studies and activity analyses, has determined the following formula for the above activities:

- Staff Meetings (as defined above): Each licenser spends an average of two days per month or 24 person days per year committed to these activities. The agency has had six licensers over the past three years.  $6 \times 24 = 144$  **total work days.**
- Travel Time: The Green Valley State keeps track of mileage driven. Green Valley State is a rural state with two thirds of the centers located in non-urban areas. Staff drove a total of 106,000 miles the previous year in carrying out their responsibilities. One third of this mileage (35,333 miles) is considered urban or city driving, another third of this mileage is considered suburban driving, and the final third is considered rural/highway driving. The formula calls for 35,333 divided by 25 miles per hour = 1,413 hours; 35,333 divided by 45 miles per hour = 785 hours; 35,334 divided by 55 miles per hour = 642 hours. Total travel time is: 2,840 divided by 8 hours = **355 work days.**
- Appeal Hearings. The Green Valley State has projected that there will be nine appeal (administrative or judicial) hearings held in the coming budget year. Based upon past experience, Green Valley State uses a formula of seven days to be spent on average for each appeal hearing. Total Time:  $9 \times 7 = 63$  **work days.**
- Special Assignments: The Green Valley State experienced an average of 16 hours per licenser per year engaged in these activities. With six licensers employed, the total is: **12 Work Days.**

E. The total number of work days involved in Step III is: 574 work days. As the agency had six licensers during the past three years, the 574 figure must be divided by 6 for purposes of

this formula.  $574 \text{ divided by } 6 = 96 \text{ work days per licenser is spent engaged in these activities.}$

**Step IV. Determining The Total Number of Work Days Available in a Calendar Year.**

- A. There are 260 work days per year (52 weeks x 5 days per work week = 260).
- B. One must then subtract: 1) Holidays, 2) personal leave days, and 3) vacation days.
- C. One must subtract sick leave days by determining the average usage of all licensers per year.

**Example continued:** Green Valley State's civil service system recognizes 10 holidays, and grants two personal leave days per year. Licensers average a usage of 14 vacation days per year (amount per employee varies based upon longevity), and averaged a usage of eight days of sick leave. This totals 32 work days, to be subtracted from 260 days leaving **228 available work days per employee.**

**Step V. Determining the Work Force Required to Meet the Workload**

To determine the number of staff that will be required to carry out the anticipated workload for "X" year, one must complete the following calculations:

- Take the total number of work days required to complete Step III and subtract it from the total number of available work days based upon Step IV.
- Take the answer from the above calculation and divide that into the total number of work days required to carry out the workload (the conclusion of Step II). The answer will be the number of licensers that are required to carry out the workload of 520 child day care centers.

**Example continued:** Green Valley State - The answer to Step III is 96 work days. The answer to Step IV is 228 available work days. Subtract 96 from 228 and the answer is 132 work days available to carry out the work/need demand of Step II, which is 1,234 work days. Divide 1,234 by 132 (available work days) = **9.35 licensers are required to achieve the workload of 520 child care centers.** That means the Green Valley State will need to add three and a third licenser positions to the already

authorized staffing allocation of six if it is to implement fully the intent of that state's statute and to maintain the necessary threshold of protection.

**Conclusion:**

Each licensing agency needs to develop its formula based upon a time study that is done over a period of time to ascertain the accuracy and objectivity of the formula. Ongoing data collection is also needed, of course, to further buttress certain components within the formula. The amount of time spent on adverse actions may be less; the amount of time spent on committee assignments, in supervisory conferences and ongoing training may differ from state to state.

Any legislative body that mandates by law the licensure of an enterprise that is concerned with the protection of society's most vulnerable citizens needs to be willing to appropriate the resources required to fully carry out the intent of that statute. It is hoped that this formula may be of assistance to managers and administrators of human care licensing programs.

## APPENDIX

### Charts Depicting the Formula Using the Green Valley State Illustration

**Step I: Determining Workload Size.**

At the close of 1992, there were 400 licensed child care centers.

<u>Year</u>	<u># Licensed at End of Year</u>	<u># of New Centers</u>	<u># of Centers Not Renewed</u>
1993	420	32	12
1994	440	30	10
1995	466	38	12
1996	480	21	07
1997	500	<u>30</u> 151	<u>10</u> 51
<b>Projection for Budget Year:</b>		<b>520 centers plus 30 new applicants</b>	

**Step II: Determining the Total Number of Person Days Required to Regulate the Workload.**

**A. Field Investigations & Related Activities:**

<u>Activity</u>	<u># of Hours Required</u>
1. Number of on-site inspections for new applicants (30 applicants x 12 hours each)	360
2. Number of renewal on-site inspections	
• 200 centers with population of 60 children or more (200 x 11 hrs. each)	2,200
• 300 centers with a population of 59 or fewer children (300 x 8 hrs. each)	2,400

<ul style="list-style-type: none"> <li>• 50 centers have an infant/toddler program component requiring an additional 2 hours of on-site inspection (50 x 2)</li> <li>• 10 centers have a night-time component, requiring an additional 2 hours of on-site inspection during night-time hours.</li> </ul>	100 20
3. On-site Complaint Investigations (131 complaints x 4 hours each)	524
4. Conducting Follow-up visits (65 centers x 8 hours each)	520
5. Conducting follow-up visits to Warning Letters and additional monitoring inspections. 60 warning letters each requiring an average of three visits @ three hours per visit; this equates to 180 visits x 3 hours each.	540
6. Providing consultation and technical assistance	
<ul style="list-style-type: none"> <li>• New Licensees (30 x 4 hours each)</li> <li>• Ongoing licensees (500 x 1 hour each)</li> <li>• Warning Letter recipients (60 x 2)</li> </ul>	120 500 120

**Total number of Hours for Field Investigations: 7,404**

**B. Office-Based Activities**

Based upon the hypothetical example, we will assume that the time study conducted by the Green Valley State determined that approximately three hours of time engaged in field related activities requires a licenser to spend one hour engaged in office-based activities such as writing reports; engaging in telephone conferences with fire safety and environmental health inspectors, or other government officials; responding to mail, maintaining files, and handling other office based activities. The total number of field investigation hours is 7,404. This number is divided by three which equals 2,468 hours. That number represents the number of hours required to carry-out office-based activities.

**Total number of office based hours: 2,468**

**Step II Total number of person days required to regulate the workload is  $7,404 + 2,468 = 9,872$  divided by 8 hours (work day) = 1,234 work days.**

**Step III. Determining the Total Number of Person Days Involved in Activities Other Than Direct Licensing Activities and Related Office Activities.**

<u>Activity</u>	<u># of Hours</u>
1. Staff Meetings/Supervisory Conferences. (Six staff x 16 hours per month x 12 months)	1,152
2. Travel Time. Based upon an analysis of the previous years' total number of miles driven (taken from travel logs/invoices). Total miles driven was 106,000 miles. One third are urban miles, one third are suburban miles and one third are rural miles:	
• 35,333 x 25 mph =	1,413
• 35,333 x 45 mph =	785
• 35,333 x 55 mph =	642
3. Appeal Hearings. Based on previous years' experience, it is expected that there will be nine administrative or judicial hearings, each requiring seven days of preparation and attendance (preparation includes meetings with counsel, taking depositions, etc.) $9 \times 56 =$	504
4. Special Assignments (Each licenser averages about 16 hours per year engaged in special assignments) $16 \times 6$	<u>96</u>
<b>Total number of hours for carrying-out Step III Activities:</b>	<b>4,592</b>

**4,592 divided by 8 hours = 574 work days which is divided by six staff which equals 96 work days per licenser.**

**Step IV: Determining the Total Number of Work Days Available in a Calendar Year.**

The Green Valley State Civil Service System allows for the following:

1. Paid Holidays	10 days
2. Paid vacation days	14 days
3. Average sick usage per employee	<u>8 days</u> 32 days

**Total number of days available:** There are 260 work days per calendar year (52 weeks x 5 work days) from which one subtracts the 32 days not available per the above chart.  $260 - 32 = 228$  **available work days per employee.**

**Step V: Determining the Work Force Required to Meet the Workload.**

1. The formula at this point requires one to subtract the results of Step III from the results of Step IV: Step III resulted in 96 days which is to be subtracted from 228 days (Step IV)  $228 - 96 = 132$  days available for staff to achieve the Green Valley State's Work Load.
  2. Now take the results of Step II and divide by the 132 days available per worker: 1,234 work days divided by 132 days available per worker = 9.35 workers required.
  3. The Green Valley State currently has six licensers; the budget request will be for **an additional 3.33 staff.**
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