

# Holy Grail of Regulatory Science

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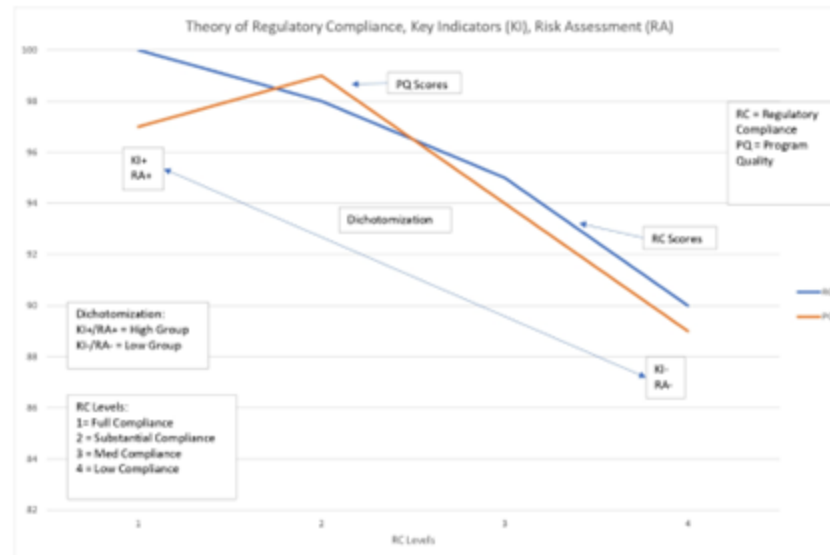
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**The holy grail of regulatory science is identifying the "Right Rules". This presentation will provide a regulatory compliance theory of diminishing returns and its supportive methodologies in doing just that.**





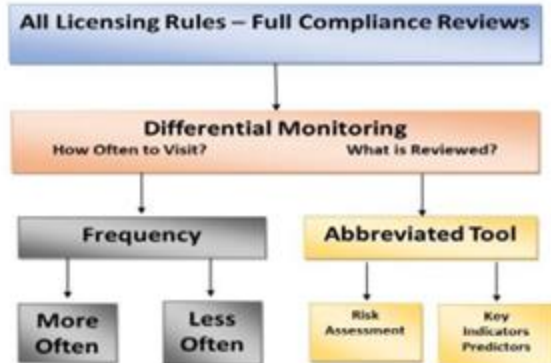
## Regulatory Compliance's Differential Monitoring Approaches

Monitoring Strategies for Determining Compliance

July 2014

There are a variety of methods that many States are using, often in combination, in their monitoring and enforcement of licensing rules and regulations. This report explores these methods:

- **Differential Monitoring:** A regulatory method for determining the frequency or depth of monitoring based on an assessment of a facility's history of compliance with rules;
- **Full and Abbreviated Compliance Reviews:** Conducting an inspection by monitoring all rules (full review) or a selected set of rules (abbreviated review);
- **Risk Assessment:** An approach that focuses on identifying and monitoring those rules that place children at greater risk of mortality or morbidity if violations or citations occur; and
- **Key Indicators:** An approach that focuses on identifying and monitoring those rules that statistically predict compliance with all the rules.



*Note:* This graphic is adapted from a graphic developed by Dr. Richard Fiene and used in: Fiene, R. (2013). *Differential monitoring logic model and algorithm (DM/AMA)*. A new early childhood program quality indicator model (ECPOIME) for early care and education regulatory agencies. Middletown, PA: Research Institute for Key Indicators.

The relationship among these methodologies is often confused, partly because of varying definitions. The graphic below explains the relationship of the methodologies with differential monitoring as the overarching approach and risk assessment and key indicators as types of abbreviated compliance.

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Relationship of Key Indicators and Risk Assessment and Weighting in Differential Monitoring Matrix			Key Indicators	Key Indicators
			Yes	No
			Differential Monitoring	Uniform Monitoring
Weighting	Yes	Differential Monitoring	<b>Substantial Regulatory Compliance</b>	<b>Risk Assessment</b>
Weighting	No	Uniform Monitoring	<b>Full Regulatory Compliance</b>	<b>Comprehensive Review</b>



## Uncertainty-Certainty Matrix (UCM) Regulatory Compliance Logic Model

UCM Matrix Logic		Decision (D) Regarding	Regulatory Compliance
		(+) In Compliance	(-) Not In Compliance
<b>Actual State (S) of</b>	(+) In Compliance	Agreement	Disagreement
<b>Compliance</b>	(-) Not In Compliance	Disagreement	Agreement

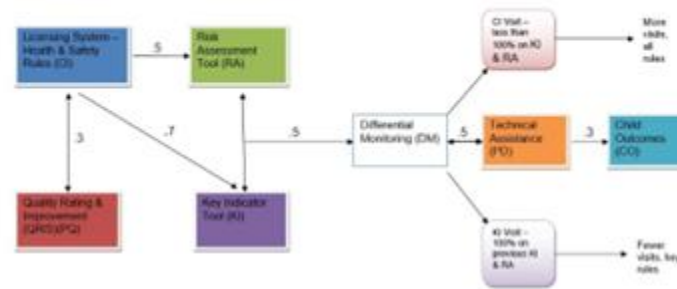


## Regulatory Compliance Scales and Program Monitoring Systems

<u>Scoring Level</u>	<u>Individual Rule</u>		<u>Aggregate Rules</u>	<u>Individual Rule</u>
<u>Scale</u>	Instrument based	<u>Scale</u>	Differential	Integrated
7	Full Compliance	7	Full Compliance	Exceeds Compliance
-	---	5	Substantial	Full Compliance
-	---	3	Mediocre	Substantial
1	Out of Compliance	1	Low	Mediocre/Low



## ***Regulatory Compliance Improvement and Indicator Model***



$$\sum CI \times \sum PQ \Rightarrow \sum RA + \sum KI \Rightarrow \sum DM + \sum PD \Rightarrow CO$$





## **References:**

Fiene, R. (2023). *Licensing Measurement and Monitoring Systems: Regulatory Science Applied to Human Service Regulatory Administration*, National Association for Regulatory Administration, Licensing Curriculum, Fredericksburg, Virginia.

Fiene, R. (2022). Regulatory Compliance Monitoring Paradigms and the Relationship of Regulatory Compliance/Licensing with Program Quality: A Policy Commentary. *Journal of Regulatory Science 10, no. 1, 1-7*. <https://doi.org/10.21423/JRS-V10A239>

Fiene, R. (2019). A treatise on theory of regulatory compliance, *Journal of Regulatory Science, 7, no. 1, 1-3*. <https://doi.org/10.21423/JRS-V07FIENE>



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