Regulatory Compliance Scale, Key Indicators, Risk Assessment, Differential Monitoring, and Program Quality

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This research abstract will expand the Regulatory Compliance Scale (RCS) conceptually to demonstrate how it relates to the key indicator and risk assessment methodologies as well as the infusion of program quality into rule development (Fiene, 2025a). The RCS has been pilot tested and demonstrated to be a viable alternative for measuring regulatory compliance with rules/regulations in the human services (Fiene, 2023, 2025b). The RCS moves regulatory compliance from a nominal based measurement strategy to an ordinal based measurement strategy. This change helps to enhance its statistical modeling capabilities which will mirror how more program quality systems operate: accreditation systems, such as the National Association for the Education of Young Children (NAEYC, 2025) and other program quality scales: the Environmental Rating Scales (Harms, Clifford, & Cryer , 2023). It also aligns more closely with the theory of regulatory compliance (Fiene, 2019, 2022) in which a quality infusion component has been added to rule development and implementation.

To depict this relationship of regulatory compliance, key indicators, risk assessment, and program quality, the below table (Table 1: Regulatory Compliance Scale Plus) does a side-by-side comparison of these components. The first column shows how key indicators would play out at both the licensing and quality levels. The second column presents the regulatory compliance scale and shows how the infusion of quality builds upon full regulatory compliance. The third column shows how risk assessment interfaces with the regulatory compliance scale in which low risk rules would be generally at a substantial compliance level with medium risk rules being at a partial compliance level and lastly high-risk rules being at a low compliance level. The fourth column suggests when differential monitoring (DM), in which targeted or abbreviated inspections are utilized focusing on key risk indicator rules, can be used in place of a comprehensive review (CR) when all rules are assessed. In studies (Fiene, 2025c), it has been demonstrated that key indicator rules predict either full or substantial compliance with all rules and are generally of a low overall risk; while risk assessment rules, especially those determined to be high risk rules, are usually always in compliance.

Recently, the Regulatory Compliance Scale and the risk assessment methodology have been combined with the Uncertainty-Certainty Matrix (UCM) in making licensing decisions (Fiene, 2025d). This combinatory effort has resulted in a more robust measurement strategy that helps to support moving from a nominal to ordinal measurement strategy. The UCM is used in determining the accuracy of each rule's regulatory compliance which enhances the reliability of the Regulatory Compliance Scale (RCSplus).

The purpose of this research abstract is to demonstrate the interface amongst the various methodologies (key indicators and risk assessment) utilized within a differential monitoring approach in making licensing decisions (Fiene, 2025a), as well as showing how the key indicator methodology can be used for both licensing as well as quality indicator development (Fiene, 2022, 2023).

Table 1: Regulatory Compliance Scale Plus (RCSplus)

Key Indicators	Regulatory Compliance Scale	Risk Assessment	Differential Monitoring
Quality Indicators	7+ = Exceeds Compliance		Yes
Licensing Indicators	7 = Full Compliance		Yes
Licensing Indicators	5 = Substantial Compliance	Low Risk (1-3)	Yes
	3 = Partial Compliance	Medium Risk (4-6)	No
	1 = Low Compliance	High Risk (7-9)	No

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