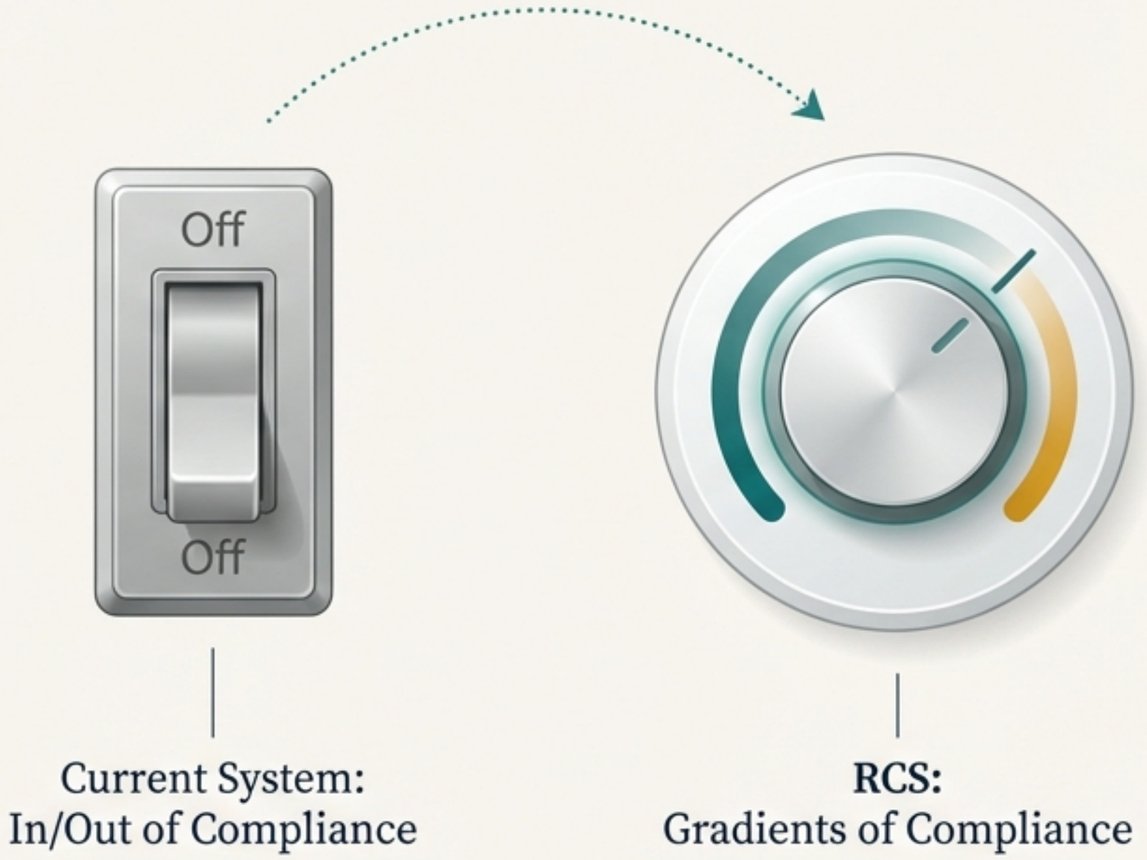
Measuring What Matters: Moving Beyond Pass/Fail in Regulatory Compliance

Introducing the Regulatory Compliance **Scale (RCS):** A New Paradigm for Licensing and Quality Improvement



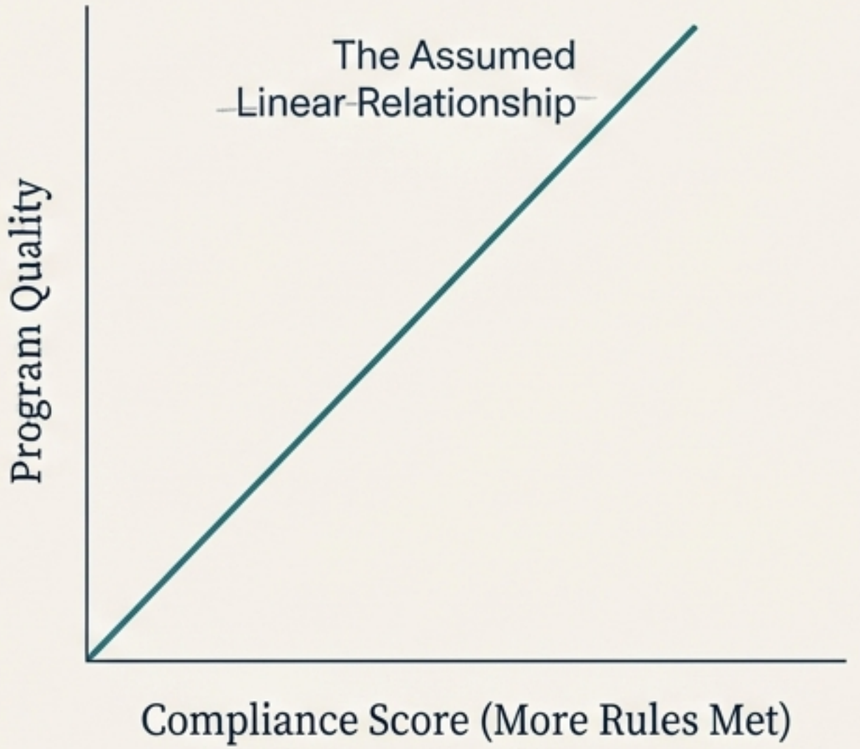
Based on the work of Dr. Richard Fiene, Penn State's Edna Bennett Pierce Prevention Research Center. April 2025.

The Current System Is Absolute. Our understanding of quality is not.

Regulatory compliance measurement is dominated by a nominal, ‘all or none’ system. A rule is either in full compliance or it is out. There are no gradients.

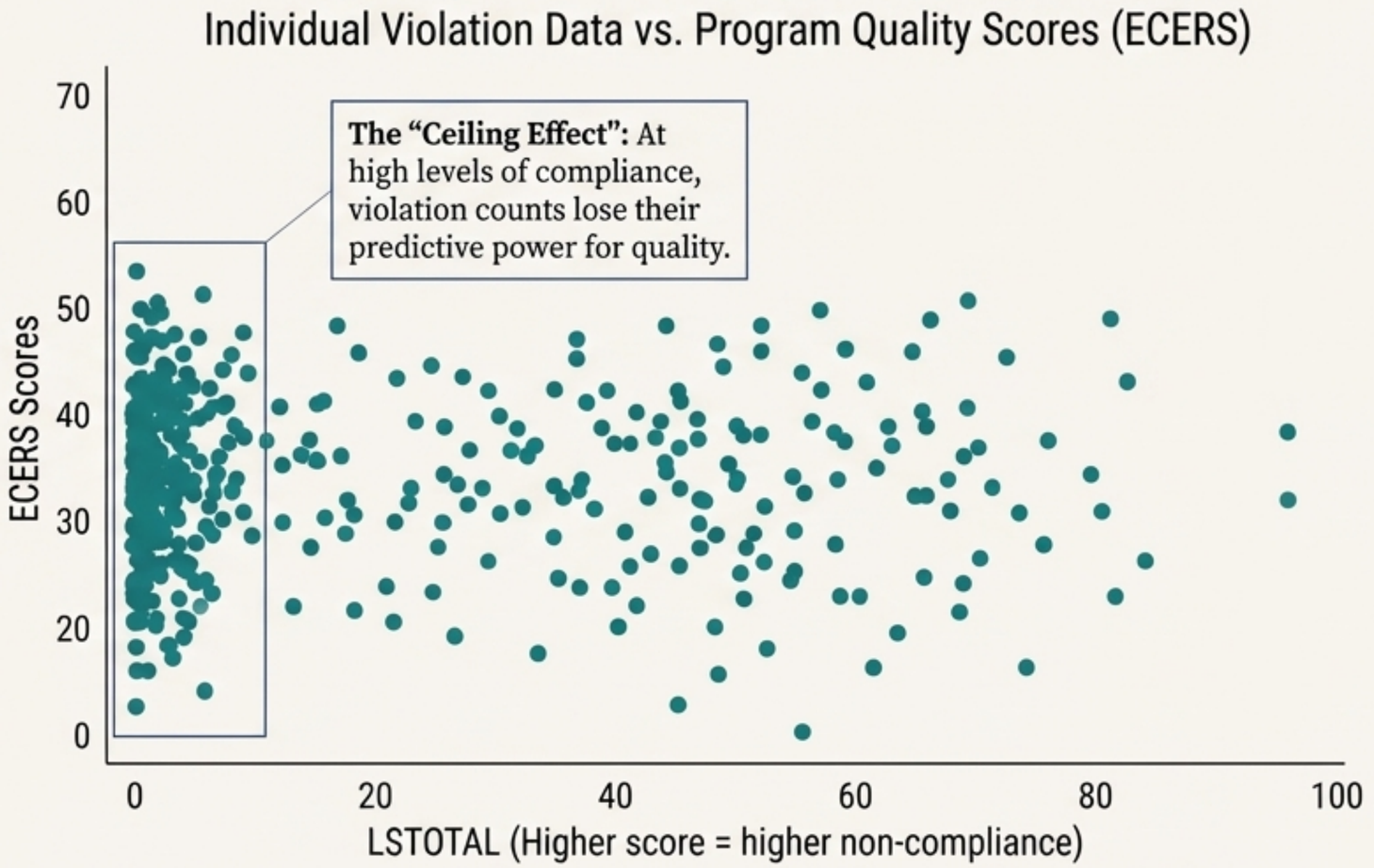
This absolute approach creates a significant challenge: it assumes a simple, linear relationship between the number of rules met and the actual quality of a program.

However, decades of research demonstrate this assumption is flawed. Simply counting violations fails to capture the nuances of program quality and can misrepresent a program’s true performance.



The Data Reveals a ‘Ceiling Effect’: More Compliance Doesn’t Always Mean Higher Quality

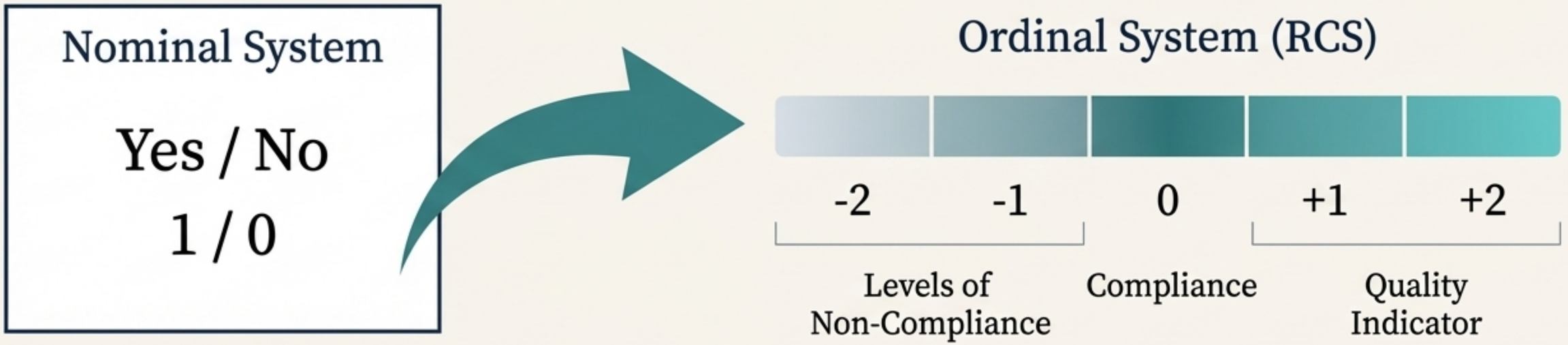
When we plot raw violation data against established quality scores (like ECERS), the expected linear relationship disappears. There is not a significant correlation. Many programs with few or no violations cluster together, making it impossible to distinguish between them on quality.



The Solution: An Ordinal Scale to Measure Gradients of Compliance

We propose a new paradigm: The Regulatory Compliance Scale (RCS). This moves measurement from a nominal (Yes/No) system to an ordinal one that accounts for degrees of compliance.

Instead of a `1` or `0` for each rule, the RCS uses a `-2, –1, 0, +1, +2` format, similar to accreditation systems. This allows us to account for severity, prevalence, and even add a Quality Indicator (QI) element to basic compliance.



The Regulatory Compliance Scale (RCS) Defined

The RCS groups programs into four distinct, logical categories based on violation counts. This framework allows for a more nuanced understanding of performance, moving beyond a simple violation count to a meaningful compliance level.

The Regulatory Compliance Scale (RCS) Framework

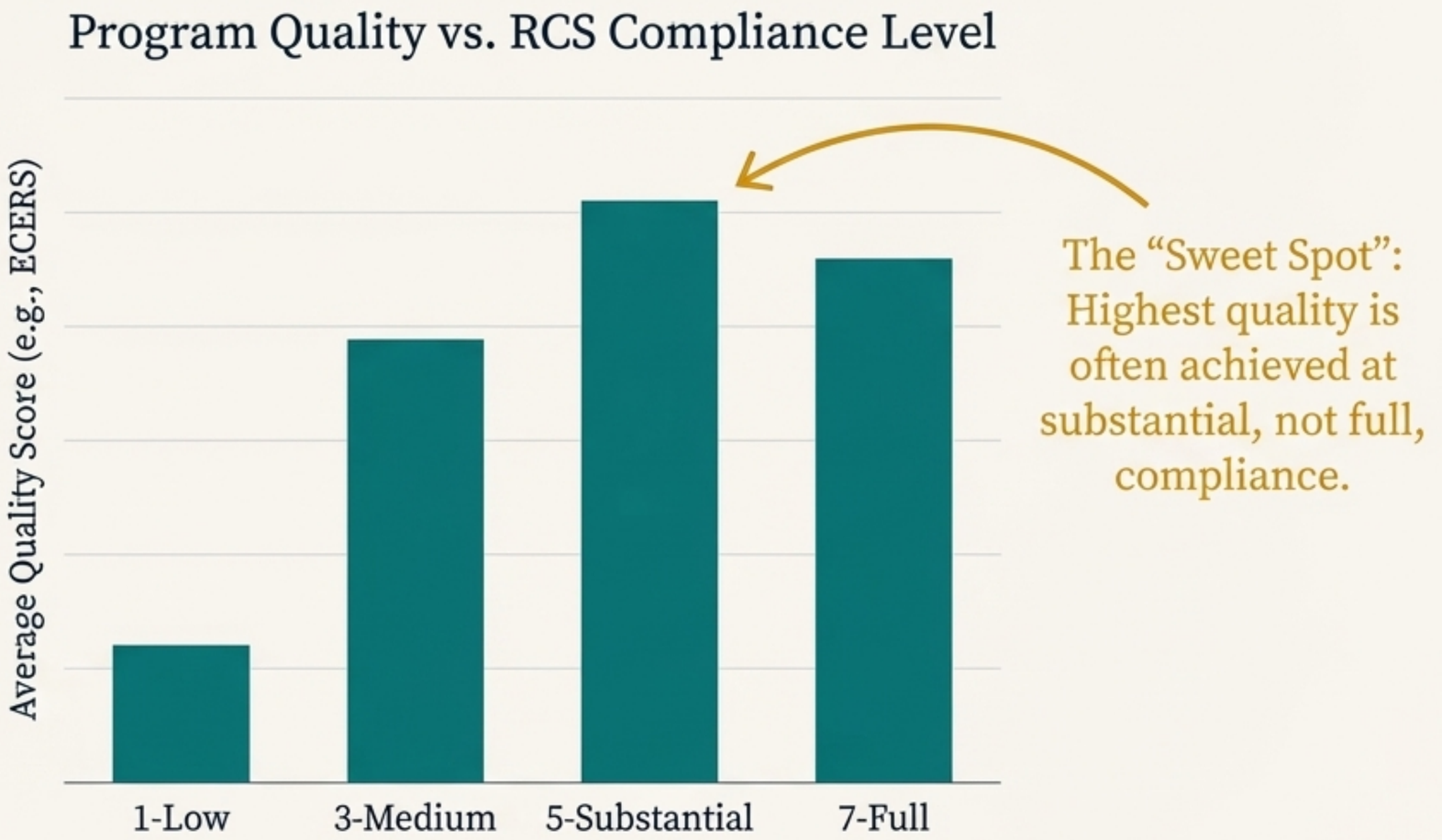
Scale Level	Compliance Level	Violation Count (Unweighted Model)	Risk Level
7 (A)	Full Compliance	0 violations	None
5 (B)	Substantial Compliance	1-2 violations	Low
3 (C)	Medium Compliance	3-10 violations	Medium
1 (D)	Low Compliance	11+ violations	High

These thresholds are based on 40 years of research into regulatory compliance data distributions.

How the RCS Reveals the True Relationship with Quality

When the same data is grouped using the RCS categories, a clear, non-linear pattern emerges.

This confirms the Theory of Regulatory Compliance: "Substantial Compliance" is often the sweet spot for quality—sometimes even outperforming "Full Compliance".



The Original RCS Model Is Validated Across Multiple Jurisdictions and Methods

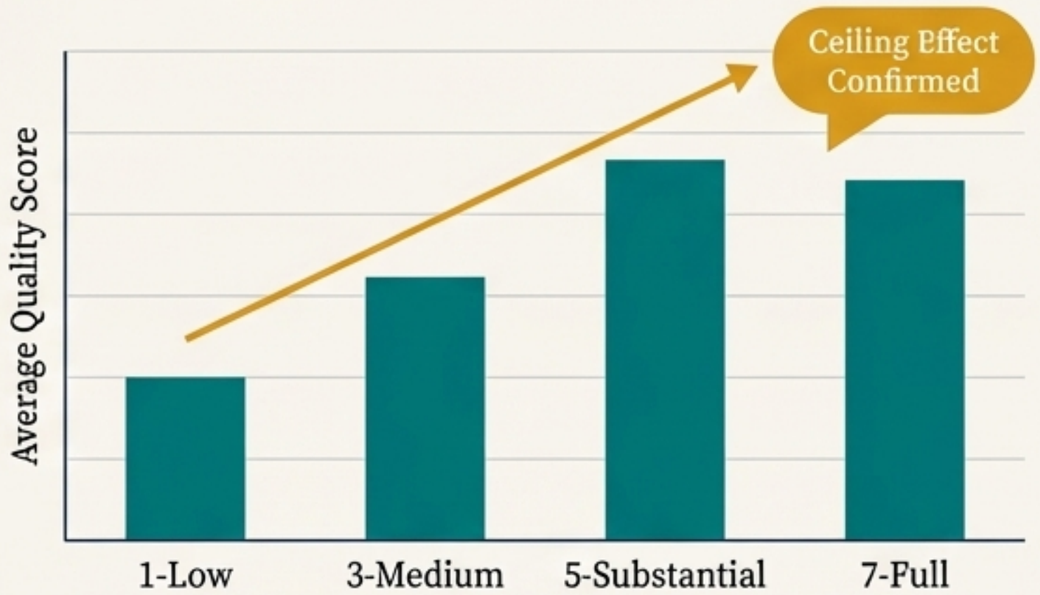
To ensure its efficacy, the original RCS model was tested against five alternate models, including some based on the Fibonacci sequence, across multiple jurisdictions in the US and Canada. Analyses using both correlations and ANOVAs consistently demonstrated that the original RCS model is the most effective and reliable.

RCS Model Comparison

Jurisdiction	Original RCS	Model 3	Model 5	Fibonacci Model
Jurisdiction 1	✓	✓	✓	
Jurisdiction 2	✓	✓	✓	
Jurisdiction 3	✓			✓
Jurisdiction 4	✓		✓	✓
Jurisdiction 5	✓	✓	✓	

Original RCS (RCS0) demonstrates consistently strong, significant correlations with quality metrics.

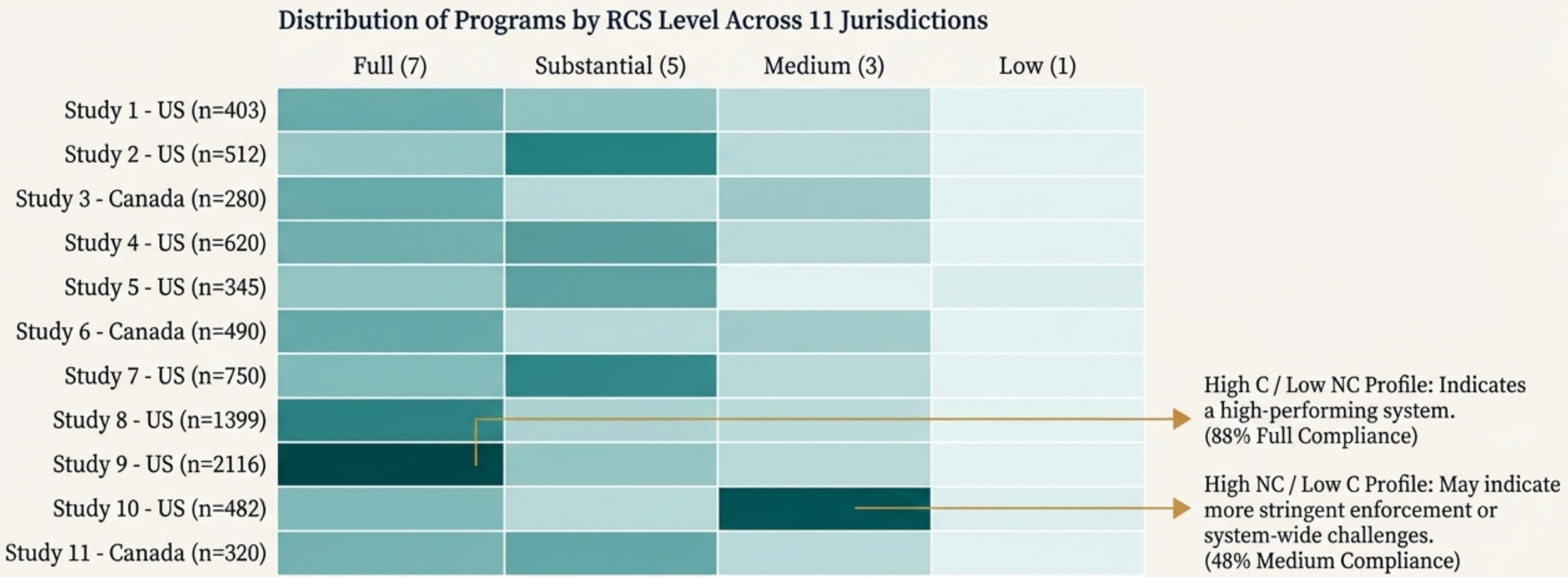
Ceiling Effect Confirmed via ANOVA



ANOVA results confirm the ceiling effect phenomenon is present across jurisdictions ($p < .05$), validating the RCS's structure.

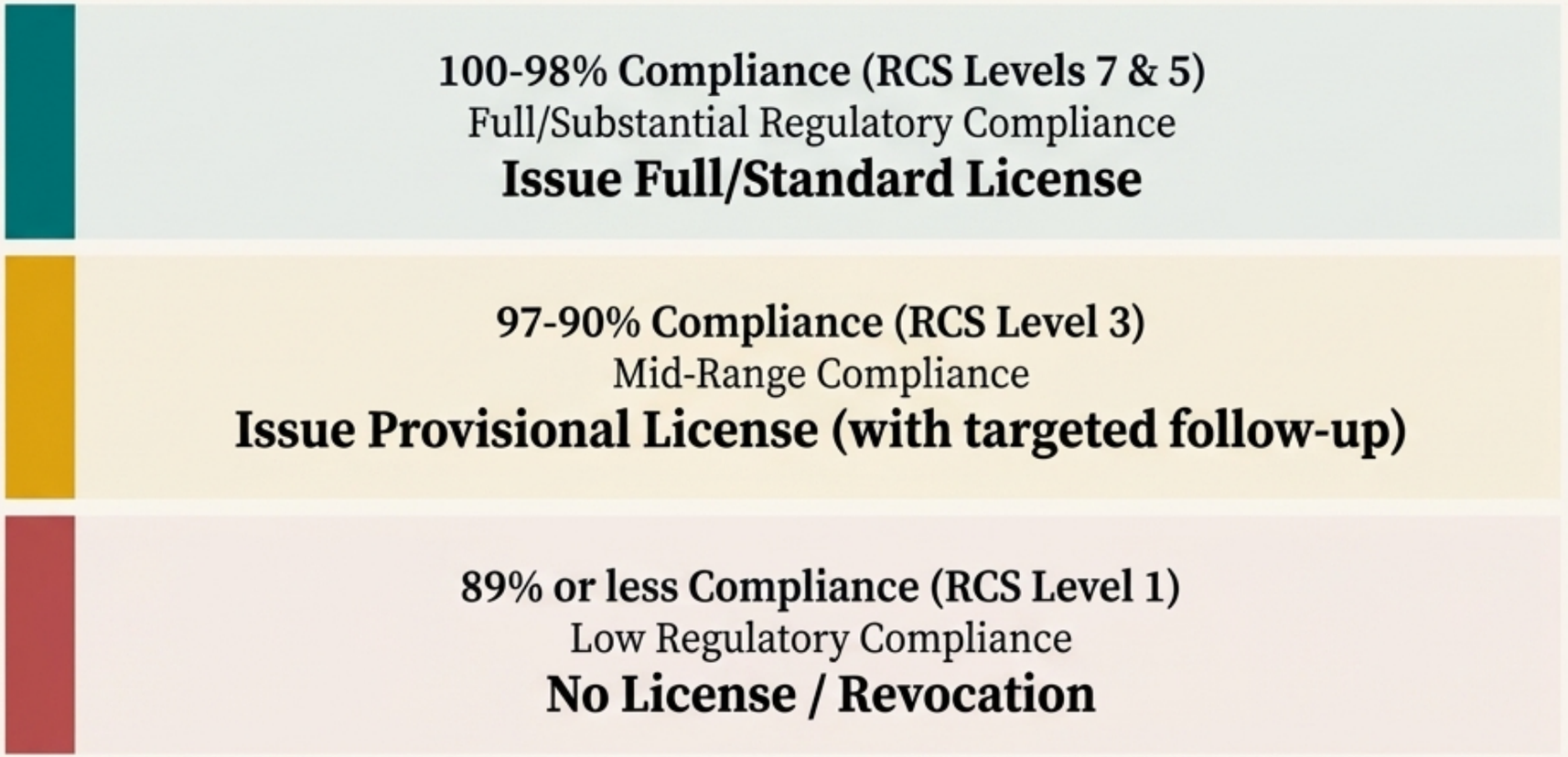
A Decade of Data: How 11 Jurisdictions Compare Using the RCS

Data from 11 studies across the US and Canada (2013-2023) show significant variation in compliance profiles. The RCS provides a standardized lens to understand these differences, highlighting systems that may be overly stringent or have high percentages of low-performing programs.



From Measurement to Action: A Proposed Scale for Licensing Decisions

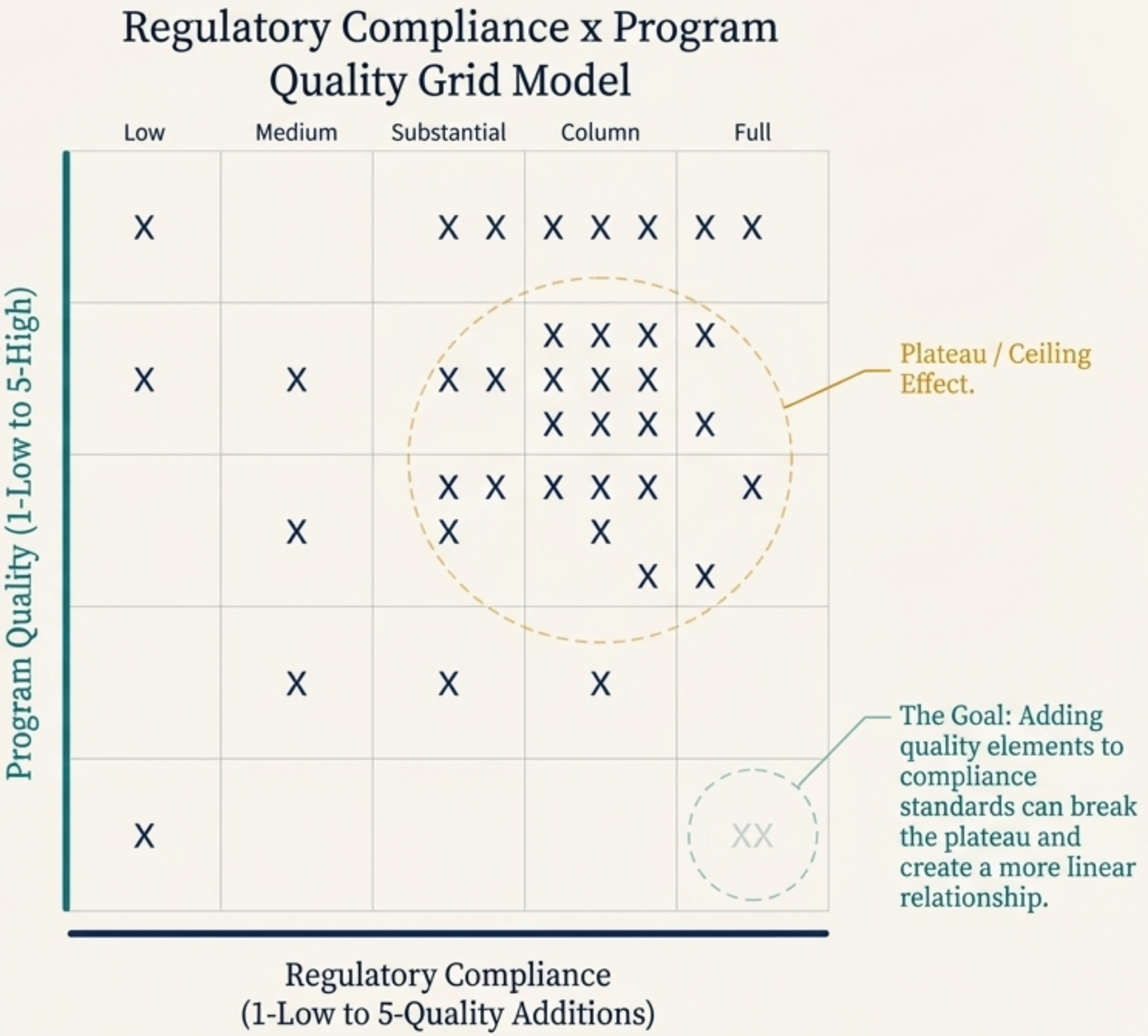
The RCS provides an empirical foundation for tiered licensing decisions. By moving away from a single cut-off, jurisdictions can create a more responsive system that issues licenses commensurate with a program's demonstrated level of compliance.



Jurisdictions can adjust these thresholds based on their specific data distributions and regulatory goals.

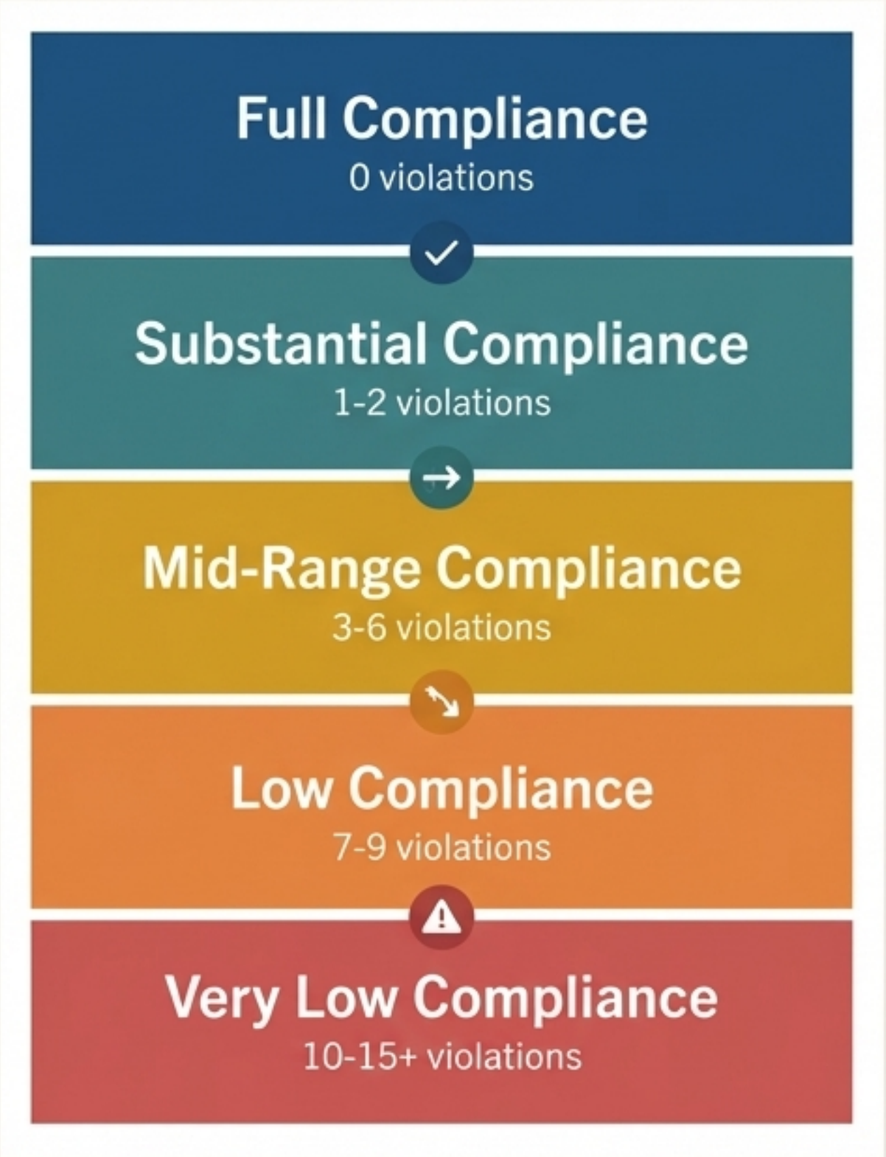
A Strategic View: The Regulatory Compliance x Program Quality Grid

The RCS enables a more sophisticated analysis of the interplay between regulatory compliance (RC) and program quality (PQ). This grid model visualizes the the non-linear relationship and provides a theoretical framework for enhancing health and safety rules with quality components to achieve better outcomes.



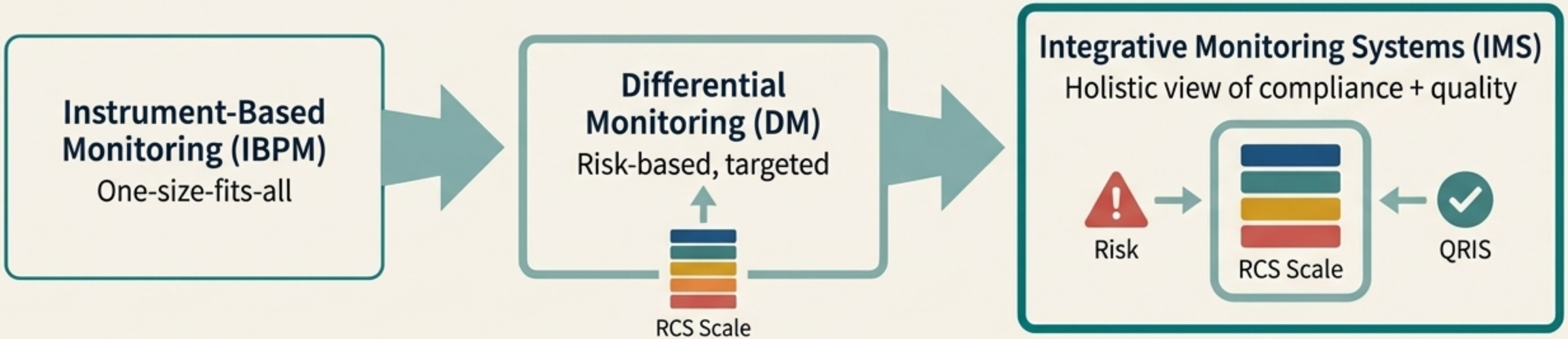
For Public Transparency: The Regulatory Compliance Scoring System & Scale (RC3S)

Just as restaurants receive grades for health inspections, human service facilities can be rated using a clear, color-coded system based on the RCS RCs. The RC3S translates complex compliance data into an at-a-glance rating, empowering parents, clients, and the public.



A Unified System: Integrating Licensing and Quality Improvement

A major implication of an ordinal measurement system is the ability to merge licensing and Quality Rating and Improvement Systems (QRIS). The RCS, combined with the Key Indicator Methodology, allows inspectors to measure both compliance and quality indicators within a single, mandated framework. This balances effectiveness with efficiency.



The RCS is the foundational metric that enables the shift to more advanced, integrated monitoring systems.

The Future of Regulatory Science is More Nuanced, Not More Absolute

The binary pass/fail model of compliance is an outdated paradigm that fails to predict program quality.

The Theory of Regulatory Compliance and the ‘ceiling effect’ are proven phenomena that demand a new measurement approach.

The Regulatory Compliance Scale (RCS) offers a validated, ordinal-based metric that provides a more accurate picture of performance.

Adopting the RCS can lead to more informed licensing decisions, greater public transparency, and the potential to unify compliance and quality systems.

On/Off Switch

Dimmer Dial

RC x PQ grid and unified system

It is time to move the field from an instrument-based to a differential and integrative monitoring approach. Consider the Regulatory Compliance Scale. Let’s pilot the future of compliance measurement.