

State of Rhode Island and Providence Plantations

Budget



Fiscal Year 2017

Volume I – General Government and Quasi-Public Agencies

Gina M. Raimondo, Governor

Agency

Department Of Business Regulation

Agency Mission

To assist, educate, and protect the public through the implementation and enforcement of state laws mandating regulation and licensing of designated businesses, professions, occupations, and other specific activities, while recognizing the need to foster a sound business environment.

Agency Description

The Department of Business Regulation's primary function is to implement state laws mandating the regulation and licensing of designated businesses, professions, occupations and other specified activities. The department is composed of five divisions and Central Management, which includes budget, regulatory standards, compliance and enforcement. The respective divisions are: Banking, Securities, Commercial Licensing, Racing and Athletics, Design Professionals and Insurance.

The Director of Business Regulation is appointed by the Governor and serves statutorily as the State Banking Commissioner, Commissioner of Insurance, Real Estate Administrator, and State Boxing Commissioner. The Board of Bank Incorporation hears appeals from decisions made by the Banking Division regarding applications for the chartering of financial institutions, new branches and locations, and changes in the by-laws of certain regulated institutions. Other commissions housed within the department include the Real Estate Commission, Real Estate Appraisal Board, Rhode Island Board of Accountancy, Building Contractors' Registration Board, Board of Design Professionals, Racing and Athletics Hearing Board, and Office of the Health Insurance Commissioner. The department issues approximately 125,000 licenses and conducts administrative hearings involving issuances, administrative penalties, suspensions and/or revocations.

Statutory History

The department was established by the Rhode Island General Assembly in 1939 and is organized under R.I.G.L. §§ 42-14-1 et seq.

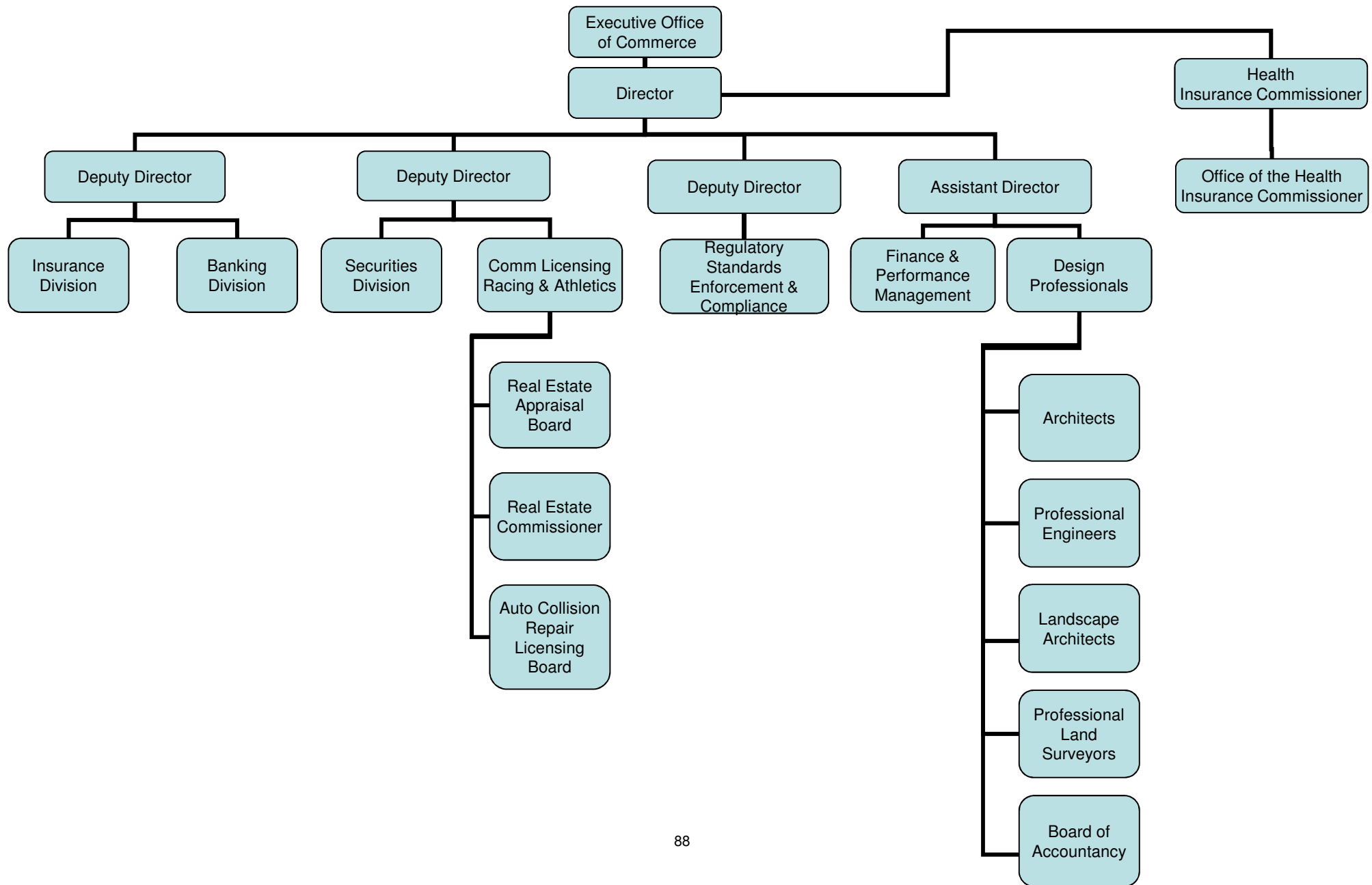
Budget

Department Of Business Regulation

	FY 2014 Audited	FY 2015 Audited	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommend
Expenditures By Program					
Central Management	1,220,052	1,234,445	1,326,772	1,404,483	1,405,909
Banking Regulation	1,495,464	1,584,765	1,711,773	1,857,824	1,896,123
Securities Regulation	830,288	898,519	966,197	984,696	1,107,753
Insurance Regulation	4,858,147	4,961,419	5,763,467	5,314,577	5,799,785
Board of Accountancy	5,037	4,487	16,654	6,000	6,000
Commercial Licensing, Racing & Athletics	1,043,749	1,093,425	1,220,883	1,288,144	3,223,310
Boards for Design Professionals	253,105	258,827	273,009	263,547	273,080
Office of Health Insurance Commissioner	2,543,384	2,640,165	3,341,757	3,273,824	3,293,573
Total Expenditures	\$12,249,226	\$12,676,052	\$14,620,512	\$14,393,095	\$17,005,533
Expenditures By Object					
Personnel	11,860,165	12,154,918	14,005,486	13,710,082	14,984,953
Operating Supplies and Expenses	364,027	509,266	521,288	589,275	726,842
Assistance and Grants	-	-	80,000	80,000	80,000
Subtotal: Operating Expenditures	12,224,192	12,664,184	14,606,774	14,379,357	15,791,795
Capital Purchases and Equipment	25,034	11,868	13,738	13,738	1,213,738
Total Expenditures	\$12,249,226	\$12,676,052	\$14,620,512	\$14,393,095	\$17,005,533
Expenditures By Funds					
General Revenue	8,526,389	8,556,174	9,236,495	9,135,640	12,750,654
Federal Funds	2,038,842	2,216,757	2,795,240	2,768,904	1,100,710
Restricted Receipts	1,683,995	1,903,121	2,588,777	2,488,551	3,154,169
Total Expenditures	\$12,249,226	\$12,676,052	\$14,620,512	\$14,393,095	\$17,005,533
FTE Authorization	94.0	98.0	98.0	98.0	104.0

The Agency

Department of Business Regulation



Personnel

Department Of Business Regulation Agency Summary

	Grade	FY 2016		FY 2017	
		FTE	Cost	FTE	Cost
Classified		78.0	5,512,198	84.0	5,992,233
Unclassified		20.0	1,838,352	20.0	1,891,384
Subtotal		98.0	\$7,350,550	104.0	\$7,883,617
Cost Allocation from Other Programs		-	-	0.8	90,231
Cost Allocation to Other Programs		-	-	(0.8)	(\$90,231)
Temporary and Seasonal		-	43,341	-	8,501
Turnover		-	(\$561,978)	-	(\$331,072)
Subtotal		-	(\$518,637)	-	(\$322,571)
Total Salaries		98.0	\$6,831,913	104.0	\$7,561,046
Benefits					
Payroll Accrual			38,648		43,048
FICA			515,496		570,605
Retiree Health			405,529		450,890
Health Benefits			1,027,760		1,269,098
Retirement			1,659,943		1,976,518
Subtotal			\$3,647,376		\$4,310,159
Total Salaries and Benefits		98.0	\$10,479,289	104.0	\$11,871,205
Cost Per FTE Position (Excluding Temporary and Seasonal)			\$106,489		\$114,064
Statewide Benefit Assessment			\$312,461		\$358,748
Payroll Costs		98.0	\$10,791,750	104.0	\$12,229,953
Purchased Services					
Training and Educational Services			50,000		50,000
Legal Services			2,448		2,448
Other Contracts			4,492		4,492
Information Technology			40,000		40,000
Clerical and Temporary Services			2,760		2,760
Management & Consultant Services			2,818,632		2,655,300
Subtotal			\$2,918,332		\$2,755,000
Total Personnel		98.0	\$13,710,082	104.0	\$14,984,953
Distribution By Source Of Funds					
General Revenue		50.0	\$8,808,658	51.0	\$11,084,164
Federal Funds		9.0	\$2,752,593	9.0	\$1,086,340
Restricted Receipts		39.0	\$2,148,831	44.0	\$2,814,449
Total All Funds		98.0	\$13,710,082	104.0	\$14,984,953

Performance Measures

Department Of Business Regulation

Insurance Examiner Utilization Rate

The figures below represent the utilization rate for insurance examiners, calculated by dividing the hours billed to domestic insurance companies by the total hours examiners are available to work. This measure includes only examiner positions whose time is heavily weighted towards examinations with minimal administrative functions.

	2013	2014	2015	2016	2017
Target	73%	73%	73%	73%	73%
Actual	76%	70%	68%	--	--

Performance for this measure is reported by state fiscal year.

Timeliness of Banking Division License Issuance

The figures below represent the average amount of time it takes the Banking Division to issue a license.

	2013	2014	2015	2016	2017
Target	--	--	30 Days	30 Days	30 Days
Actual	--	--	44 Days	--	--

Performance for this measure is reported by state fiscal year.

Timeliness of Design Professionals License Issuance

The Boards for Design Professionals examines and licenses professional engineers, land surveyors, landscape and traditional architects. The figures below represent the average amount of time it takes the Boards for Design Professionals to issue a license.

	2013	2014	2015	2016	2017
Target	75 Days	75 Days	75 Days	75 Days	75 Days
Actual	87 Days	100 Days	125 Days	--	--

Performance for this measure is reported by state fiscal year.

Customer Satisfaction

The figures below represent average customer satisfaction across the Department, measured through surveys that contain multiple questions to solicit ratings of 1 to 5 that aggregate to a possible perfect score of 100.

	2013	2014	2015	2016	2017
Target	--	95	95	95	95
Actual	--	91	89	--	--

Performance for this measure is reported by state fiscal year.

Performance Measures

Department Of Business Regulation

Business Environment Index

This performance measure assesses the average respondent's assessment of the Rhode Island business environment, measured through surveys that contain multiple questions to solicit ratings of 1 to 5 that aggregate to a possible perfect score of 100.

	2013	2014	2015	2016	2017
Target	--	--	90	90	90
Actual	--	--	87	--	--

Performance for this measure is reported by state fiscal year.

Timeliness of Complaint Resolution

The figures below represent the average amount of time it takes across the Department to resolve complaints.

	2013	2014	2015	2016	2017
Target	15 Days	15 Days	15 Days	15 Days	15 Days
Actual	23 Days	16 Days	13 Days	--	--

Performance for this measure is reported by state fiscal year.

Timeliness of Question Resolution

The figures below represent the average amount of time it takes across the Department to resolve questions.

	2013	2014	2015	2016	2017
Target	5 Days	5 Days	5 Days	5 Days	5 Days
Actual	12 Days	10 Days	14 Days	--	--

Performance for this measure is reported by state fiscal year.

Office of the Health Insurance Commissioner -- Small Group Premium Base Rates

The Office of the Health Insurance Commissioner (OHIC) annually reviews and approves commercial premiums. This review supports OHIC's charge to balance insurance affordability and insurer solvency. This measure focuses on approved premiums for small groups (50 or fewer employees). Due to their size, small groups often have higher rates of increase than large employers and are more vulnerable to changes in their cost structure. OHIC has begun monitoring how closely the effective rates of increase track the approved rates, which will significantly improve future performance data monitoring. The figures below represent the average approved essential health benefits (EHB) base rate increase for small group issuers.

	2013	2014	2015	2016	2017
Target	--	--	--	4.5%	4%
Actual	--	5.3%	4.3%	--	--

Performance for this measure is reported by state fiscal year.

Performance Measures

Department Of Business Regulation

OHIC -- Large Group Premium Base Rates

The figures below represent the average approved large group premium expected overall average premium trend.

	2013	2014	2015	2016	2017
Target	--	--	--	5%	4.5%
Actual	10.4%	8.1%	5.3%	--	--

Performance for this measure is reported by state fiscal year.

OHIC -- Individual Market Premium Base Rates

The figures below represents the average approved individual market premium essential health benefits (EHB) base rate increase.

	2013	2014	2015	2016	2017
Target	--	--	--	5%	4.5%
Actual	--	-2.8%	7.4%	--	--

Performance for this measure is reported by state fiscal year.

OHIC -- Insurer Surplus as a Percentage of Revenue (SAPOR)

Surplus as a Percent of Revenue (SAPOR) is the industry standard measure of health insurer financial stability. The Office of the Health Insurance Commissioner (OHIC) tracks SAPOR in support of its legislative mandate to monitor insurer solvency. The figures below represent the straight average (unweighted by membership) of insurer SAPOR. Because SAPOR targets vary by insurance company, the targets below are averages for companies operating in the Rhode Island market.

	2013	2014	2015	2016	2017
Target	21.5%	21.5%	21.5%	21.5%	20.5%
Actual	20.2%	18.5%	17.9%	--	--

Performance for this measure is reported by state fiscal year.

OHIC -- Value-Based Alternative Payments

The figures below represent the use of value-based alternative payment models as percent of insured medical payments. [Note: Calendar Year 2015 data is currently undergoing quality review.]

	2013	2014	2015	2016	2017
Target	--	--	--	30%	40%
Actual	--	23.4%	--	--	--

Performance for this measure is reported by calendar year.

Performance Measures

Department Of Business Regulation

OHIC -- Non-Fee-for-Service Payments

The figures below represent the use of strictly non-fee-for-service payments as percent of insured medical spend. [Note: Calendar Year 2015 data is currently undergoing quality review.]

	2013	2014	2015	2016	2017
Target	--	--	--	3%	6%
Actual	--	1.5%	--	--	--

Performance for this measure is reported by calendar year.

The Program

Department Of Business Regulation Central Management

Program Mission

To administer the functions for the department with regard to the licensing and regulation of designated businesses, occupations and professions through the enforcement of applicable state laws.

Program Description

Central Management is composed of the Director's Office, budget, regulatory standards, compliance and enforcement. Specific functions include legal research, drafting and analysis of legislation, issuance of legal opinions related to the department's operations, conducting administrative and rate hearings, and providing legal services to the Director, Deputy Directors, and advising the other commissions housed within the department. Central Management compiles, submits and monitors budgets of the respective divisions, approves vouchers and contracts, and provides all personnel and management services.

The Director issues show cause and cease and desist orders; renders decisions relative to the operations of financial institutions and insurance companies; has the authority to deny, suspend, or revoke licenses and approve or disapprove rates; and acts as receiver in case of insolvency of certain regulated entities.

The Director or his/her designee may be a member of various occupational licensing boards and commissions assigned to the department by the legislature in order to assist in the administration and regulation of licensing programs. The Director is also a member of such diverse administrative bodies such as the Board of Bank Incorporation and the Rhode Island Housing and Mortgage Finance Corporation.

Central Management is also responsible for monitoring legislation impacting the department and for the annual submission of its own legislative program.

Statutory History

R.I.G.L. §42-14-1 establishes the Director as head of the department. R.I.G.L. §42-14-2 enumerates the functions of the department regarding the regulation of assigned occupations, businesses, and professions.

The Budget

Department Of Business Regulation Central Management

	2014 Audited	2015 Audited	2016 Enacted	2016 Revised	2017 Recommend
Expenditures By Subprogram					
Operations	1,220,052	1,234,445	1,326,772	1,404,483	1,405,909
Total Expenditures	\$1,220,052	\$1,234,445	\$1,326,772	\$1,404,483	\$1,405,909
Expenditures By Object					
Personnel	1,185,016	1,111,569	1,199,788	1,277,499	1,274,255
Operating Supplies and Expenses	32,404	122,556	124,947	124,947	129,617
Subtotal: Operating Expenditures	1,217,420	1,234,125	1,324,735	1,402,446	1,403,872
Capital Purchases and Equipment	2,632	320	2,037	2,037	2,037
Total Expenditures	\$1,220,052	\$1,234,445	\$1,326,772	\$1,404,483	\$1,405,909
Expenditures By Funds					
General Revenue	1,220,052	1,234,445	1,326,772	1,404,483	1,405,909
Total Expenditures	\$1,220,052	\$1,234,445	\$1,326,772	\$1,404,483	\$1,405,909

Personnel

Department Of Business Regulation Central Management

	Grade	FY 2016		FY 2017	
		FTE	Cost	FTE	Cost
Classified					
ASSISTANT DIRECTOR FINANCIAL AND CONTRACT	00341A	1.0	105,093	1.0	110,604
DEPUTY CHIEF OF LEGAL SERVICES	00137A	1.0	99,795	1.0	100,324
SENIOR LEGAL COUNSEL	0AB34A	1.0	72,941	1.0	76,893
LEGAL COUNSEL	00132A	1.0	65,126	1.0	67,856
SYSTEMS ANALYST	00124A	1.0	63,728	1.0	64,063
SENIOR MANAGEMENT AND METHODS ANALYST	00825A	1.0	47,994	1.0	49,892
Subtotal		6.0	\$454,677	6.0	\$469,632
Unclassified					
DIRECTOR, DEPARTMENT OF BUSINESS	00945KF	1.0	135,000	1.0	135,000
EXECUTIVE COUNSEL	00139A	1.0	91,269	1.0	96,507
PROJECT COORDINATOR	00826A	1.0	81,981	1.0	82,398
EXECUTIVE SECRETARY	00819A	1.0	45,948	1.0	47,228
Subtotal		4.0	\$354,198	4.0	\$361,133
Cost Allocation to Other Programs		-	-	(0.6)	(59,265)
Turnover		-	(56,245)	-	(35,198)
Subtotal		-	(\$56,245)	(0.6)	(\$94,463)
Total Salaries		10.0	\$752,630	9.4	\$736,302
Benefits					
Payroll Accrual			4,338		4,230
FICA			57,138		55,774
Retiree Health			44,934		43,959
Health Benefits			115,635		122,808
Retirement			184,752		192,756
Subtotal			\$406,797		\$419,527
Total Salaries and Benefits		10.0	\$1,159,427	9.4	\$1,155,829
Cost Per FTE Position (Excluding Temporary and Seasonal)			\$115,943		\$122,961
Statewide Benefit Assessment			\$34,620		\$34,974
Payroll Costs		10.0	\$1,194,047	9.4	\$1,190,803
Purchased Services					
Information Technology			40,000		40,000
Other Contracts			3,452		3,452
Training and Educational Services			40,000		40,000
Subtotal			\$83,452		\$83,452
Total Personnel		10.0	\$1,277,499	9.4	\$1,274,255
Distribution By Source Of Funds					
General Revenue		10.0	\$1,277,499	9.4	\$1,274,255
Total All Funds		10.0	\$1,277,499	9.4	\$1,274,255

The Program

Department Of Business Regulation Banking Regulation

Program Mission

To charter, license and ensure compliance with statutory requirements for the safe and sound operation of regulated financial institutions, Rhode Island bank holding companies, credit unions and licensees in order to protect the public interest.

Program Description

Banking Regulation provides regulatory oversight of state-chartered financial institutions, credit unions, Rhode Island bank holding companies and licensees through financial examinations and reviews to determine compliance with state banking laws, financial solvency, and safety and soundness operations.

Banking Regulation is responsible for regulating, monitoring and examining fifteen (15) state chartered financial institutions, seven (7) Rhode Island bank holding companies, ten (10) credit unions, seven (7) interstate banks and approximately nine hundred eighteen (918) company licensees (including four hundred ninety (493) registered debt collectors) operating from one thousand six hundred twenty seven (1,627) licensed locations (including nine hundred fifty eight (958)) debt collector locations) and one thousand three hundred six (1,306) mortgage loan originators as of July 2011. The Division accomplishes its program objectives through the process of licensing, chartering and examining financial institutions, Rhode Island bank holding companies, credit unions, branches of interstate banks, and licensees. The purposes of examinations are to determine financial solvency and compliance with Rhode Island banking laws and regulations for the protection of depositors and the public interest. The Division reviews and conducts hearings on applications filed by financial institutions, listed above. Licensees include lenders, loan brokers, small loan lenders, foreign exchange transaction businesses, sellers of checks, electronic money transmitters, check cashers, debt-management companies, and mortgage loan originators. The Division enforces statutes relating to state usury laws and conducts administrative hearings and consumer complaint reviews when required.

Statutory History

R.I.G.L. Chapters §§19-1 to 19-14.10 charge the Division of Banking with the regulation, licensing, or registration of financial institutions, Rhode Island bank holding companies, credit unions and licensees (lenders, loan brokers, small loan lenders, mortgage loan originators, foreign exchange transaction businesses, sellers of checks, electronic money transmitters, check cashers, and debt management companies and debt collectors.) RI General Laws §§6-26 to 6-27 relate to Interest, Usury and Truth in Lending. R.I.G.L. §§34-23 to 34-27 relate to Mortgages. R.I.G.L. §§19-14.3 to 19-14.8 relate to the Sale of Checks, Electronic Money Transfers, Foreign Exchange Transactions, Insurance Premium Finance Agreements and Debt Management Companies. Rhode Island General Laws §19-14.9 relates to the registration of debt collectors. R.I.G.L. §19-14.10 relates to the licensing and supervision of mortgage loan originators.

The Budget

Department Of Business Regulation Banking Regulation

	2014 Audited	2015 Audited	2016 Enacted	2016 Revised	2017 Recommend
Expenditures By Subprogram					
Operations	1,495,464	1,584,765	1,711,773	1,857,824	1,896,123
Total Expenditures	\$1,495,464	\$1,584,765	\$1,711,773	\$1,857,824	\$1,896,123
Expenditures By Object					
Personnel	1,423,477	1,517,661	1,657,885	1,790,936	1,829,277
Operating Supplies and Expenses	70,259	66,768	48,888	61,888	61,846
Subtotal: Operating Expenditures	1,493,736	1,584,429	1,706,773	1,852,824	1,891,123
Capital Purchases and Equipment	1,728	336	5,000	5,000	5,000
Total Expenditures	\$1,495,464	\$1,584,765	\$1,711,773	\$1,857,824	\$1,896,123
Expenditures By Funds					
General Revenue	1,437,465	1,539,146	1,674,773	1,807,824	1,846,123
Restricted Receipts	57,999	45,619	37,000	50,000	50,000
Total Expenditures	\$1,495,464	\$1,584,765	\$1,711,773	\$1,857,824	\$1,896,123

Personnel

Department Of Business Regulation Banking Regulation

	Grade	FY 2016		FY 2017	
		FTE	Cost	FTE	Cost
Classified					
ASSISTANT SUPERVISOR OF EXAMINATIONS	0AB35A	4.0	398,195	4.0	372,992
SUPERVISOR OF EXAMINATIONS	0AB37A	1.0	98,784	1.0	99,292
STATE CHIEF BANK EXAMINER	00139A	1.0	81,809	1.0	86,533
PRINCIPAL BANK EXAMINER	0AB31A	2.0	159,866	2.0	160,687
SENIOR BANK EXAMINER	0AB28A	2.0	121,134	2.0	124,482
BANK EXAMINER	0AB24A	4.0	203,741	4.0	203,687
LICENSING AIDE	0AB15A	1.0	45,389	1.0	45,630
Subtotal		15.0	\$1,108,918	15.0	\$1,093,303
Turnover		-	(13,724)	-	-
Subtotal		-	(\$13,724)	-	-
Total Salaries		15.0	\$1,095,194	15.0	\$1,093,303
Benefits					
Payroll Accrual			6,216		6,389
FICA			83,782		83,638
Retiree Health			65,382		65,269
Health Benefits			193,901		213,669
Retirement			267,272		286,266
Subtotal			\$616,553		\$655,231
Total Salaries and Benefits		15.0	\$1,711,747	15.0	\$1,748,534
Cost Per FTE Position (Excluding Temporary and Seasonal)			\$114,116		\$116,569
Statewide Benefit Assessment			\$50,379		\$51,933
Payroll Costs		15.0	\$1,762,126	15.0	\$1,800,467
Purchased Services					
Clerical and Temporary Services			720		720
Management & Consultant Services			27,450		27,450
Other Contracts			640		640
Subtotal			\$28,810		\$28,810
Total Personnel		15.0	\$1,790,936	15.0	\$1,829,277
Distribution By Source Of Funds					
General Revenue		15.0	\$1,790,936	15.0	\$1,829,277
Total All Funds		15.0	\$1,790,936	15.0	\$1,829,277

The Program

Department Of Business Regulation Securities Regulation

Program Mission

To enforce compliance with the applicable provisions of state laws and regulations related to the securities industry, franchises, charities, fund-raisers, and time-shares.

Program Description

Securities Regulation is responsible for the registration of certain securities, the licensing and regulation of broker-dealers, sales representatives, certain investment advisers and certain investment adviser representatives.

The division is also responsible for enforcing compliance with the state's Franchise Investment Act, the registration of charitable organizations and fundraising groups, and the state's Real Estate Time-Share Act. In FY 2011 the division processed approximately 92,610 licenses and 11,669 registrations, conducted two (2) on-site examination of broker-dealer, investigated 29 complaints, and instituted 23 enforcement actions, pursuant to applicable state and federal laws and regulations.

Statutory History

The division is charged with the administration and enforcement of the Rhode Island Uniform Securities Act ("RIUSA"), R.I.G.L. §7-11; the Franchise Investment Act, R.I.G.L. §19-28.1; the Charitable Solicitation Act, R.I.G.L. §5-53.1; and the Real Estate Time-Share Act, R.I.G.L. §34-41.

The Budget

Department Of Business Regulation Securities Regulation

	2014 Audited	2015 Audited	2016 Enacted	2016 Revised	2017 Recommend
Expenditures By Subprogram					
Operations	830,288	898,519	966,197	984,696	1,107,753
Total Expenditures	\$830,288	\$898,519	\$966,197	\$984,696	\$1,107,753
Expenditures By Object					
Personnel	814,393	887,189	948,056	955,055	1,078,134
Operating Supplies and Expenses	13,352	11,240	18,141	29,641	29,619
Subtotal: Operating Expenditures	827,745	898,429	966,197	984,696	1,107,753
Capital Purchases and Equipment	2,543	90	-	-	-
Total Expenditures	\$830,288	\$898,519	\$966,197	\$984,696	\$1,107,753
Expenditures By Funds					
General Revenue	828,132	897,502	962,697	969,696	1,092,753
Restricted Receipts	2,156	1,017	3,500	15,000	15,000
Total Expenditures	\$830,288	\$898,519	\$966,197	\$984,696	\$1,107,753

Personnel

Department Of Business Regulation Securities Regulation

	Grade	FY 2016		FY 2017	
		FTE	Cost	FTE	Cost
Classified					
DEPUTY DIRECTOR DEPARTMENT OF BUSINESS	00144A	1.0	136,898	1.0	137,625
CHIEF SECURITIES EXAMINER	00137A	1.0	77,942	1.0	81,211
PRINCIPAL SECURITIES EXAMINER	0AB31A	1.0	73,027	1.0	73,415
SENIOR SECURITIES EXAMINER	0AB28A	1.0	67,995	1.0	68,356
SECURITIES EXAMINER	0AB24A	3.0	165,259	3.0	168,499
SYSTEMS ANALYST	0AB24A	1.0	48,603	1.0	50,394
ASSISTANT ADMINISTRATIVE OFFICER	0AB21A	1.0	42,390	1.0	43,750
LICENSING AIDE	0AB15A	1.0	36,677	1.0	37,609
Subtotal		10.0	\$648,791	10.0	\$660,859
Cost Allocation to Other Programs		-	-	(0.2)	(30,966)
Turnover		-	(76,538)	-	-
Subtotal		-	(\$76,538)	(0.2)	(\$30,966)
Total Salaries		10.0	\$572,253	9.8	\$629,893
Benefits					
Payroll Accrual			3,244		3,619
FICA			42,823		47,556
Retiree Health			34,164		37,604
Health Benefits			122,718		150,800
Retirement			139,805		165,017
Subtotal			\$342,754		\$404,596
Total Salaries and Benefits		10.0	\$915,007	9.8	\$1,034,489
Cost Per FTE Position (Excluding Temporary and Seasonal)			\$91,501		\$105,560
Statewide Benefit Assessment			\$26,323		\$29,920
Payroll Costs		10.0	\$941,330	9.8	\$1,064,409
Purchased Services					
Management & Consultant Services			13,725		13,725
Subtotal			\$13,725		\$13,725
Total Personnel		10.0	\$955,055	9.8	\$1,078,134
Distribution By Source Of Funds					
General Revenue		10.0	\$955,055	9.8	\$1,078,134
Total All Funds		10.0	\$955,055	9.8	\$1,078,134

The Program

Department Of Business Regulation Insurance Regulation

Program Mission

To monitor effectively the financial condition and market conduct activities of insurance companies licensed to do business in the State of Rhode Island.

To monitor activities of all licensees such as producers, adjusters and appraisers.

To ensure consumer access to an equitable insurance market and respond to consumer inquiries and complaints.

To maintain accreditation by the National Association of Insurance Commissioners.

Program Description

The Insurance Division is responsible for conducting financial examinations of domestic insurance companies to ensure financial solvency and market conduct examinations of domestic or foreign insurance companies to ensure compliance with the insurance statutes and regulations. The program performs several licensing functions including, but not limited to, the licensing of companies, producers, adjusters and appraisers. The program also reviews rate and form filings for the Life, Accident and Health, and Property and Casualty lines of business for compliance with state statutes and regulations, and addresses consumer complaints for these lines of business. The program monitors and introduces legislation in order to maintain accreditation by the National Association of Insurance Commissioners, which it initially received in June of 1993. The division was re-accredited in December 1998, December 2003, and again in June 2009, each time receiving the maximum accreditation period of five years.

Statutory History

All chapters of R.I.G.L. §§27-1,42-14, and 28-29 through 28-38, and all Insurance Division regulations.

The Budget

Department Of Business Regulation Insurance Regulation

	2014 Audited	2015 Audited	2016 Enacted	2016 Revised	2017 Recommend
Expenditures By Subprogram					
Operations	4,858,147	4,961,419	5,763,467	5,314,577	5,799,785
Total Expenditures	\$4,858,147	\$4,961,419	\$5,763,467	\$5,314,577	\$5,799,785
Expenditures By Object					
Personnel	4,712,308	4,779,514	5,617,095	5,123,205	5,608,413
Operating Supplies and Expenses	136,451	172,184	142,872	187,872	187,872
Subtotal: Operating Expenditures	4,848,759	4,951,698	5,759,967	5,311,077	5,796,285
Capital Purchases and Equipment	9,388	9,721	3,500	3,500	3,500
Total Expenditures	\$4,858,147	\$4,961,419	\$5,763,467	\$5,314,577	\$5,799,785
Expenditures By Funds					
General Revenue	3,682,416	3,582,033	3,885,752	3,553,719	4,007,219
Restricted Receipts	1,175,731	1,379,386	1,877,715	1,760,858	1,792,566
Total Expenditures	\$4,858,147	\$4,961,419	\$5,763,467	\$5,314,577	\$5,799,785

Personnel

Department Of Business Regulation Insurance Regulation

	Grade	FY 2016		FY 2017	
		FTE	Cost	FTE	Cost
Classified					
DEPUTY DIRECTOR DEPARTMENT OF BUSINESS	00144A	1.0	142,121	1.0	142,863
ASSOCIATE DIRECTOR AND SUPERINTENDENT OF	00141A	3.0	366,201	3.0	384,745
CHIEF INSURANCE EXAMINER	00139A	1.0	111,423	1.0	114,771
INSURANCE EXAMINER-IN-CHARGE	0AB36A	6.0	608,541	6.0	632,502
PRINCIPAL INSURANCE EXAMINER	0AB31A	1.0	78,996	1.0	86,240
MARKET CONDUCT EXAMINER IN CHARGE	0AB36A	1.0	75,469	1.0	78,634
PRINCIPAL INSURANCE ANALYST	0AB31A	3.0	217,130	3.0	224,304
ADMINISTRATIVE OFFICER	0AB24A	1.0	63,611	-	-
SENIOR INSURANCE EXAMINER	0AB28A	4.0	242,825	4.0	260,791
SENIOR MARKET CONDUCT EXAMINER	0AB28A	2.0	115,879	2.0	130,993
ASSISTANT ADMINISTRATIVE OFFICER	00121A	1.0	57,215	1.0	57,513
SENIOR INSURANCE ANALYST	0AB28A	2.0	114,213	3.0	176,803
INSURANCE EXAMINER	0AB24A	4.0	198,544	4.0	226,344
CLERK SECRETARY	0AB16A	1.0	48,487	1.0	48,745
INSURANCE ANALYST	0AB24A	1.0	46,487	1.0	48,230
LICENSING AIDE	0AB15A	3.0	129,311	4.0	166,669
Subtotal		35.0	\$2,616,453	36.0	\$2,780,147
Unclassified					
SENIOR ACCOUNTANT	00822A	1.0	52,684	1.0	55,177
Subtotal		1.0	\$52,684	1.0	\$55,177
Turnover		-	(345,403)	-	(260,702)
Subtotal		-	(\$345,403)	-	(\$260,702)
Total Salaries		36.0	\$2,323,734	37.0	\$2,574,622
Benefits					
Payroll Accrual			13,169		14,792
FICA			175,974		195,005
Retiree Health			138,639		153,707
Health Benefits			340,349		396,472
Retirement			563,745		669,747
Subtotal			\$1,231,876		\$1,429,723
Total Salaries and Benefits		36.0	\$3,555,610	37.0	\$4,004,345
Cost Per FTE Position (Excluding Temporary and Seasonal)			\$98,767		\$108,226
Statewide Benefit Assessment			\$106,822		\$122,295
Payroll Costs		36.0	\$3,662,432	37.0	\$4,126,640

Personnel

Department Of Business Regulation Insurance Regulation

	Grade	FY 2016		FY 2017	
		FTE	Cost	FTE	Cost
Purchased Services					
Clerical and Temporary Services			200		200
Management & Consultant Services			1,448,125		1,469,125
Legal Services			2,448		2,448
Training and Educational Services			10,000		10,000
Subtotal			\$1,460,773		\$1,481,773
Total Personnel		36.0	\$5,123,205	37.0	\$5,608,413
Distribution By Source Of Funds					
General Revenue		1.0	\$3,472,907	2.0	\$3,926,407
Restricted Receipts		35.0	\$1,650,298	35.0	\$1,682,006
Total All Funds		36.0	\$5,123,205	37.0	\$5,608,413

The Program

Department Of Business Regulation Board of Accountancy

Program Mission

The board intends to continue to intensify its analysis of continuing education records, as well as firm compliance with peer reviews, to efficiently process license renewals and responses, and to commence and resolve disciplinary actions efficiently and promptly.

Program Description

The Board of Accountancy is an autonomous board that is responsible for the administration of the licensing of certified public accountants, public accountants, partnerships, corporations, and sole proprietorships. It processes applications and fees, and issues initial certificates and permits to regulated business, occupations and professions.

The board is responsible for governing the conduct of assigned licensees in order to comply with statutory provisions of the law and to promote the continued welfare of the general public. This includes recommending approval, denial, suspension or revocation of licenses or the imposition of such sanctions or penalties allowed by law.

Hearings are held when required in order to resolve complaints and to act upon the denial, suspension or revocation of licenses. The board investigates complaints from the general public in all areas of licensing addressed above.

Board personnel oversee the analysis of each CPA or PA application prior to Board review. In addition, Board personnel provide the general public with application and licensing information regarding all certified public accountants and public accountants and update monthly the listing of individual licensees and CPA firms on the Department of Business Regulation website, which facilitates information to the general public.

Statutory History

R.I.G.L. §§5-3.1 et seq. (1956) relate to the Board of Accountancy.

The Budget

Department Of Business Regulation Board of Accountancy

	2014 Audited	2015 Audited	2016 Enacted	2016 Revised	2017 Recommend
Expenditures By Subprogram					
Operations	5,037	4,487	16,654	6,000	6,000
Total Expenditures	\$5,037	\$4,487	\$16,654	\$6,000	\$6,000
Expenditures By Object					
Personnel	-	-	6,885	-	-
Operating Supplies and Expenses	5,037	4,484	9,769	6,000	6,000
Subtotal: Operating Expenditures	5,037	4,484	16,654	6,000	6,000
Capital Purchases and Equipment	-	3	-	-	-
Total Expenditures	\$5,037	\$4,487	\$16,654	\$6,000	\$6,000
Expenditures By Funds					
General Revenue	5,037	4,487	16,654	6,000	6,000
Total Expenditures	\$5,037	\$4,487	\$16,654	\$6,000	\$6,000

The Program

Department Of Business Regulation Commercial Licensing, Racing & Athletics

Program Mission

To increase the efficiency and effectiveness of occupational licensing programs and inspections in order to safeguard the health, safety, and welfare of the general public; to enforce, adjust, amend, and interpret all rules and regulations governing pari-mutuel wagering sports and all professional boxing, wrestling, kickboxing and mixed martial arts events in the state.

Program Description

Commercial Licensing, Racing and Athletics is responsible for the licensing and regulation of real estate agents, brokers and appraisers, auto body and salvage re-builder shops, auto wrecking and salvage yards, glass installation, upholsterers, auctioneers, liquor wholesalers, breweries, wineries, salespersons (representing wholesalers) and agents (representing manufacturers and distillers), Class G (boat/airline/railroads) license holders, line-cleaners, and mobile and manufactured homes and parks, and the enforcement of unit pricing, motor fuel advertising and health club pre-opening laws. The division is also responsible for supervising the enforcement of laws related to licensing and regulation of racing and athletics activities, including dog racing, boxing, wrestling, kickboxing and simulcast wagering and the accounting and collection of racing taxes and fees as specified by state law.

In FY 2017, the Governor proposes to license compassion centers, compassion center staff, cultivators, and caregivers for medical marijuana. The program sells plant tags and maintains a tag database. While the Department of Health has licensing authority over patients and authorized purchasers, patients choosing to grow for themselves will be required to purchase plant tags from the Department of Business Regulation. The program interacts with the Department of Health patient and caregiver databases to ensure that only legitimate caregivers are registered.

The program provides the general public with application and licensing information for various occupations, businesses and professions. It investigates complaints received from the general public in all areas of licensing. The division also oversees simulcast wagering operations at the Twin River and Newport Grand facilities and conducts and participates in hearings, collects tax revenue and issues occupational licenses.

Statutory History

R.I.G.L. §5-58 relates to auctioneers; R.I.G.L. §5-20.5 relates to real estate; R.I.G.L. §5-20.7 relates to real estate appraisers; R.I.G.L. §5-38 relates to automobile body repair shops; R.I.G.L. §5-50 relates to pre-opening of health club sales campaigns; R.I.G.L. §6-31 relates to unit pricing; R.I.G.L. §§23-26 relates to bedding and upholstered furniture; R.I.G.L. §§31-44 & §§31-44.1 relate to mobile and manufactured homes; R.I.G.L. §42-14.2 relates to auto wrecking and salvage yards; R.I.G.L. §§31-37 relates to advertising and sale of motor fuel at retail, R.I.G.L. §31-46-7 relates to auto body salvage re-builders' licenses; and R.I.G.L. §3-1 relates to alcoholic beverages. R.I.G.L. §41-1 established the Commission on Horse Racing and Athletics in 1956. In 1987, the general laws were amended abolishing the commission and creating the Division of Racing and Athletics within the Department of Business Regulation.

The Budget

Department Of Business Regulation Commercial Licensing, Racing & Athletics

	2014 Audited	2015 Audited	2016 Enacted	2016 Revised	2017 Recommend
Expenditures By Subprogram					
Operations	1,043,749	1,093,425	1,220,883	1,288,144	3,223,310
Total Expenditures	\$1,043,749	\$1,093,425	\$1,220,883	\$1,288,144	\$3,223,310
Expenditures By Object					
Personnel	986,460	1,035,962	1,059,597	1,124,583	1,760,024
Operating Supplies and Expenses	53,260	57,363	78,085	80,360	180,085
Assistance and Grants	-	-	80,000	80,000	80,000
Subtotal: Operating Expenditures	1,039,720	1,093,325	1,217,682	1,284,943	2,020,109
Capital Purchases and Equipment	4,029	100	3,201	3,201	1,203,201
Total Expenditures	\$1,043,749	\$1,093,425	\$1,220,883	\$1,288,144	\$3,223,310
Expenditures By Funds					
General Revenue	598,514	620,139	561,821	636,951	1,938,207
Restricted Receipts	445,235	473,286	659,062	651,193	1,285,103
Total Expenditures	\$1,043,749	\$1,093,425	\$1,220,883	\$1,288,144	\$3,223,310

Personnel

Department Of Business Regulation Commercial Licensing, Racing & Athletics

	Grade	FY 2016		FY 2017	
		FTE	Cost	FTE	Cost
Classified					
ADMINISTRATOR REAL ESTATE	00135A	1.0	92,552	1.0	93,024
CHIEF LICENSING EXAMINER-RACING &	00133A	1.0	78,737	1.0	79,154
CHIEF PUBLIC PROTECTION INSPECTOR	0AB32A ²	1.0	75,879	3.0	206,984
IMPLEMENTATION AIDE	0AB22A	1.0	57,344	1.0	57,648
PARI-MUTUAL OPERATIONS SPECIALIST	03726A	3.0	159,127	3.0	165,234
LIQUOR CONTROL INVESTIGATOR	0AB18A	1.0	51,992	1.0	36,870
LICENSING AIDE	0AB15A ³	4.0	167,728	5.0	205,846
CHIEF LICENSING EXAMINER-DIVISION OF COMM	0AB33A	-	-	-	-
CHIEF OF INSPECTIONS	0AB35A ¹	-	-	1.0	73,190
SENIOR LEGAL COUNSEL	00134A ⁴	-	-	1.0	70,342
Subtotal		12.0	\$683,359	17.0	\$988,292
Cost Allocation from Other Programs		-	-	0.8	90,231
Temporary and Seasonal		-	43,341	-	8,501
Turnover		-	(17,999)	-	(35,172)
Subtotal		-	\$25,342	0.8	\$63,560
Total Salaries		12.0	\$708,701	17.8	\$1,051,852
Benefits					
Payroll Accrual			3,818		5,497
FICA			54,649		80,186
Retiree Health			40,060		62,288
Health Benefits			120,502		234,908
Retirement			164,946		274,694
Subtotal			\$383,975		\$657,573
Total Salaries and Benefits		12.0	\$1,092,676	17.8	\$1,709,425
Cost Per FTE Position (Excluding Temporary and Seasonal)			\$87,445		\$95,558
Statewide Benefit Assessment			\$30,867		\$49,559
Payroll Costs		12.0	\$1,123,543	17.8	\$1,758,984
Purchased Services					
Clerical and Temporary Services			640		640
Other Contracts			400		400
Subtotal			\$1,040		\$1,040
Total Personnel		12.0	\$1,124,583	17.8	\$1,760,024
Distribution By Source Of Funds					
General Revenue		8.0	\$626,050	8.8	\$627,581
Restricted Receipts		4.0	\$498,533	9.0	\$1,132,443
Total All Funds		12.0	\$1,124,583	17.8	\$1,760,024

1 1.0 FTE Position for Medical Marijuana Program

2 2.0 FTE Positions for Medical Marijuana Program

3 1.0 FTE Position for Medical Marijuana Program

4 1.0 FTE Position for Medical Marijuana Program

The Program

Department Of Business Regulation Boards for Design Professionals

Program Mission

To examine, license, register and act upon complaints brought before the Boards for professional engineers, land surveyors, landscape architects and architects for the purpose of safeguarding the health, safety, and welfare of the public.

Program Description

In the 1998 enacted budget, the Boards for Design Professionals was created as a consolidated program consisting of the Board of Registration for Professional Engineers, the Board of Registration for Professional Land Surveyors, the Board of Examiners of Landscape Architects and the Board of Examination and Registration of Architects.

Each Board is responsible for: examining and registering qualified candidates; issuing license renewals when appropriate; proctoring exams when appropriate; maintaining records of all applicants and licensees; implementing rules and regulation; and hearing and acting upon complaints.

In the FY 2008 enacted budget, the Boards for Design Professionals was moved to the Department of Business Regulation as a division known as Design Professionals.

Statutory History

The Boards of Land Surveyors and Engineers were established by Title 5, Chapter 8 of the Rhode Island General Laws in 1938. In 1990, Chapter 8 was amended and Chapter 8.1 was enacted, creating two Boards – The Board of Engineers and the Board of Land Surveyors, both within the Department of Business Regulation. In 1991, the law was further amended to allow the Boards to become autonomous.

The Board of Architects was established in by Chapter 23-27 of the Rhode Island Public Laws in 1936. This law was repealed in its entirety in 1977, and was replaced by Title 5, Chapter 1 of the Rhode Island General Laws.

The Board of Landscape Architects was established by Title 5, Chapter 51 of the Rhode Island General Laws 1975.

The Budget

Department Of Business Regulation Boards for Design Professionals

	2014 Audited	2015 Audited	2016 Enacted	2016 Revised	2017 Recommend
Expenditures By Subprogram					
Operations	253,105	258,827	273,009	263,547	273,080
Total Expenditures	\$253,105	\$258,827	\$273,009	\$263,547	\$273,080
Expenditures By Object					
Personnel	198,474	206,209	215,444	205,982	215,527
Operating Supplies and Expenses	53,849	52,603	57,565	57,565	57,553
Subtotal: Operating Expenditures	252,323	258,812	273,009	263,547	273,080
Capital Purchases and Equipment	782	15	-	-	-
Total Expenditures	\$253,105	\$258,827	\$273,009	\$263,547	\$273,080
Expenditures By Funds					
General Revenue	253,105	258,827	273,009	263,547	273,080
Total Expenditures	\$253,105	\$258,827	\$273,009	\$263,547	\$273,080

Personnel

Department Of Business Regulation Boards for Design Professionals

	Grade	FY 2016		FY 2017	
		FTE	Cost	FTE	Cost
Unclassified					
ADMINISTRATIVE ASSISTANT	00823A	1.0	65,265	1.0	66,527
ADMINISTRATIVE SUPPORT SPECIALIST	00324A	1.0	62,278	1.0	65,462
Subtotal		2.0	\$127,543	2.0	\$131,989
Total Salaries		2.0	\$127,543	2.0	\$131,989
Benefits					
Payroll Accrual			723		758
FICA			9,757		10,097
Retiree Health			7,614		7,880
Health Benefits			23,127		23,888
Retirement			30,151		33,446
Subtotal			\$71,372		\$76,069
Total Salaries and Benefits		2.0	\$198,915	2.0	\$208,058
Cost Per FTE Position (Excluding Temporary and Seasonal)			\$99,458		\$104,029
Statewide Benefit Assessment			\$5,867		\$6,269
Payroll Costs		2.0	\$204,782	2.0	\$214,327
Purchased Services					
Clerical and Temporary Services			1,200		1,200
Subtotal			\$1,200		\$1,200
Total Personnel		2.0	\$205,982	2.0	\$215,527
Distribution By Source Of Funds					
General Revenue		2.0	\$205,982	2.0	\$215,527
Total All Funds		2.0	\$205,982	2.0	\$215,527

The Program

Department Of Business Regulation Office of Health Insurance Commissioner

Program Mission

To guard the solvency of health insurers; To protect the interests of consumers;
To encourage fair treatment of health care providers;

To encourage policies and developments that improve the quality and efficiency of health care service delivery and outcomes;

To view the health care system as a comprehensive entity and encourage and direct insurers towards policies that advance the welfare of the public through overall efficiency, improved health care quality, and appropriate access.

Program Description

The 2004 General Assembly established The Office of the Health Insurance Commissioner (OHIC). The Health Insurance Commissioner is appointed by the Governor with the advice and consent of the Senate.

OHIC staff is statutorily responsible for the regulation of Health Insurers and Hospital/Medical Service Corporations. These include but are not limited to company licensure, form and rate filing for regulatory compliance, and financial and market conduct examinations. It is also engaged in policy and legislative development, rate hearing administration, regulatory development and promulgation, consumer affairs and provider affairs and coordination with provisions of the Affordable Care Act.

The Department of Business Regulation shares certain administrative and regulatory services and personnel with OHIC as directed by statute.

Statutory History

R.I.G.L. §42-14.5-1 established the Office of the Health Insurance Commissioner. Applicable insurer regulations are found in various chapters of the R.I.G.L. Titles 27 and 42.

The Budget

Department Of Business Regulation Office of Health Insurance Commissioner

	2014 Audited	2015 Audited	2016 Enacted	2016 Revised	2017 Recommend
Expenditures By Subprogram					
Operations	2,543,384	2,640,165	3,341,757	3,273,824	3,293,573
Total Expenditures	\$2,543,384	\$2,640,165	\$3,341,757	\$3,273,824	\$3,293,573
Expenditures By Object					
Personnel	2,540,037	2,616,814	3,300,736	3,232,822	3,219,323
Operating Supplies and Expenses	(585)	22,068	41,021	41,002	74,250
Subtotal: Operating Expenditures	2,539,452	2,638,882	3,341,757	3,273,824	3,293,573
Capital Purchases and Equipment	3,932	1,283	-	-	-
Total Expenditures	\$2,543,384	\$2,640,165	\$3,341,757	\$3,273,824	\$3,293,573
Expenditures By Funds					
General Revenue	501,668	419,595	535,017	493,420	2,181,363
Federal Funds	2,038,842	2,216,757	2,795,240	2,768,904	1,100,710
Restricted Receipts	2,874	3,813	11,500	11,500	11,500
Total Expenditures	\$2,543,384	\$2,640,165	\$3,341,757	\$3,273,824	\$3,293,573

Personnel

Department Of Business Regulation Office of Health Insurance Commissioner

	Grade	FY 2016		FY 2017	
		FTE	Cost	FTE	Cost
Unclassified					
HEALTH INSURANCE COMMISSIONER	00854A	1.0	190,988	1.0	195,428
EXECUTIVE ASSISTANT/CHIEF OF STAFF	00841A	1.0	122,857	1.0	123,907
ASSOCIATE DIRECTOR FOR PLANNING, POLICY & DEPUTY EXECUTIVE	00843A	2.0	228,682	2.0	239,413
ASSISTANT DIRECTOR POLICY OFFICE	00839A	1.0	100,725	1.0	103,109
PRINCIPAL POLICY ASSOCIATE	00837A	3.0	284,683	3.0	296,215
EXECUTIVE DIRECTOR	00836A	1.0	88,682	1.0	90,456
SPECIAL PROJECTS COORDINATOR	00829A	1.0	73,027	1.0	73,415
PRINCIPAL PLANNING AND PROGRAM SPECIALIST	00828A	1.0	62,951	1.0	66,413
ADMINISTRATIVE OFFICER	00822A	1.0	44,915	1.0	46,555
Subtotal		13.0	\$1,303,927	13.0	\$1,343,085
Turnover		-	(52,069)	-	-
Subtotal		-	(\$52,069)	-	-
Total Salaries		13.0	\$1,251,858	13.0	\$1,343,085
Benefits					
Payroll Accrual			7,140		7,763
FICA			91,373		98,349
Retiree Health			74,736		80,183
Health Benefits			111,528		126,553
Retirement			309,272		354,592
Subtotal			\$594,049		\$667,440
Total Salaries and Benefits		13.0	\$1,845,907	13.0	\$2,010,525
Cost Per FTE Position (Excluding Temporary and Seasonal)			\$141,993		\$154,656
Statewide Benefit Assessment			\$57,583		\$63,798
Payroll Costs		13.0	\$1,903,490	13.0	\$2,074,323
Purchased Services					
Management & Consultant Services			1,329,332		1,145,000
Subtotal			\$1,329,332		\$1,145,000
Total Personnel		13.0	\$3,232,822	13.0	\$3,219,323
Distribution By Source Of Funds					
General Revenue		4.0	\$480,229	4.0	\$2,132,983
Federal Funds		9.0	\$2,752,593	9.0	\$1,086,340
Total All Funds		13.0	\$3,232,822	13.0	\$3,219,323