



RI Office of Management and Budget

Performance Report

RI Department of Business Regulation

August 27, 2014

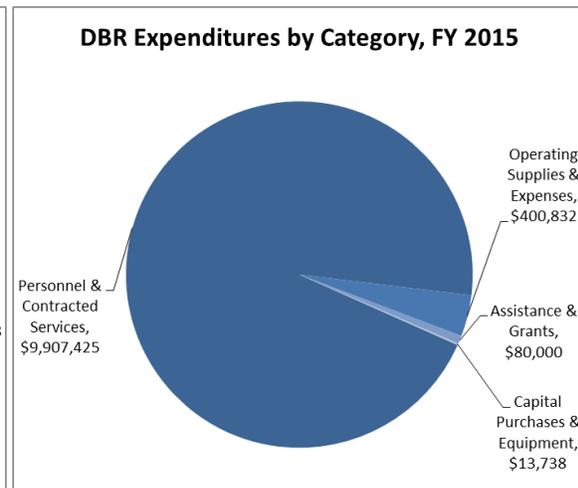
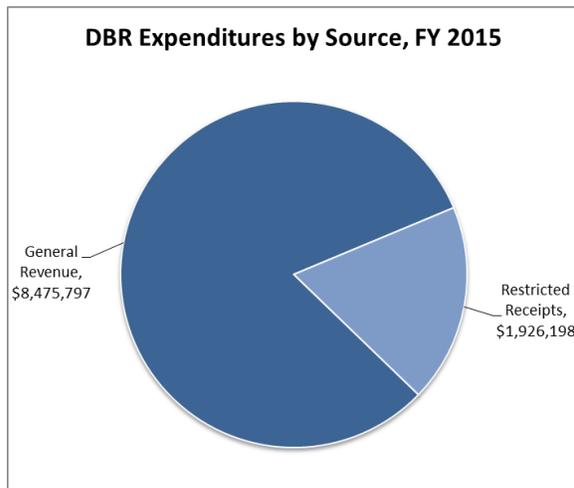
The Department of Business Regulation’s (DBR) mission is to assist, educate, and protect the public through the implementation and enforcement of state laws mandating regulation and licensing of designated businesses, professions, occupations, and other specific activities while recognizing the need to foster a sound business environment. In Fiscal Year 2015 (FY 2015), DBR has 81.0 authorized full-time equivalent (FTE) positions distributed among Central Management and five divisions: Banking, Securities, Commercial Licensing & Regulation, Racing and Athletics, and Insurance.¹

Department of Business Regulation – FY 2015 Budget

DBR’s expenditures in FY 2015 are funded mainly by general revenue (81.5 percent), with restricted receipts contributing 18.5 percent. DBR’s largest expenditure category is personnel and contracted services (95.2 percent), followed by operating supplies and expenses (3.9 percent), assistance and grants (0.8 percent), and capital purchases (0.1 percent). The tables below illustrate budgeted expenditures in FY 2015.²

Source	Amount	Percentage
General Revenue	\$ 8,475,797	81.5%
Federal Funds	\$ -	0.0%
Restricted Receipts	\$ 1,926,198	18.5%
Total	\$ 10,401,995	100.0%

Category	Amount	Percentage
Personnel & Contracted Services	\$ 9,907,425	95.2%
Operating Supplies & Expenses	\$ 400,832	3.9%
Assistance & Grants	\$ 80,000	0.8%
Capital Purchases & Equipment	\$ 13,738	0.1%
Total	\$ 10,401,995	100.0%



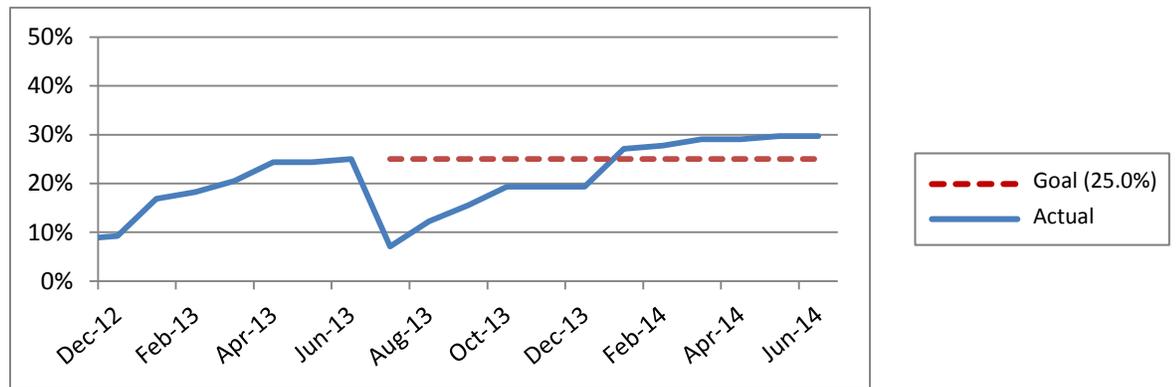
¹ As part of the annual budget process, the Office of the Health Insurance Commissioner (OHIC) is included administratively with DBR. Because OHIC has separate statutory authorization and its own performance measures, the budget and staffing figures in this report represent DBR only and do not include OHIC.

² Figures for DBR’s funding sources and budget categories are from the FY 2015 appropriations act, as approved by the Rhode Island General Assembly and signed into law by Governor Lincoln D. Chafee on June 19, 2014. The figures also reflect a statewide savings adjustment to medical and vision benefits enacted by the General Assembly.

RULE AND REGULATION REVIEW

In FY 2013, the Department of Business Regulation (DBR) began performing an updated review process to provide for a more thorough and in-depth examination of the agency's 155 rules and regulations. These comprehensive reviews require considerable scrutiny and focus, and have led to new measure objectives.

Figure A: Percent of Department Rules and Regulations Reviewed



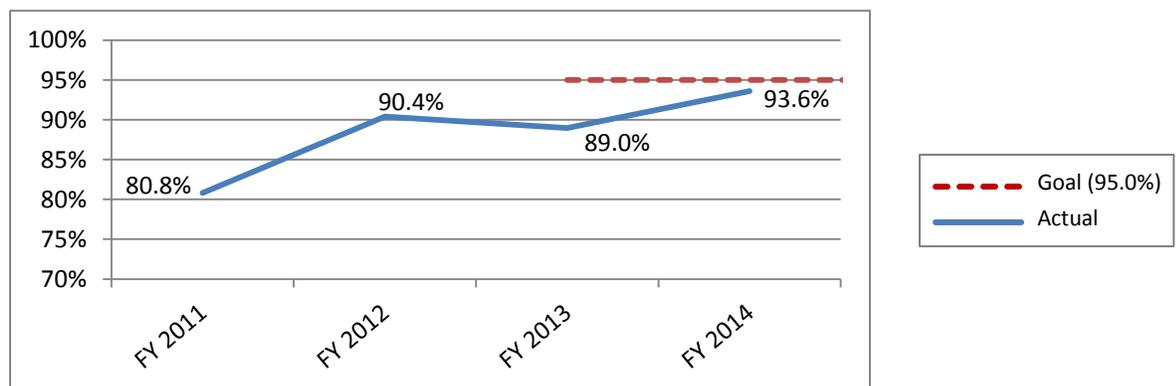
Key Points:

- DBR intends to review 25.0 percent of its rules and regulations each state fiscal year. In FY 2014, DBR reviewed 29.7 percent of its rules and regulations.
- Since December 2012, DBR has reviewed 54.7 percent of its rules and regulations.

ONLINE LICENSING

The eLicensing (elicensing.ri.gov) system allows DBR to expedite processing of license transactions by eliminating paper forms and improving accuracy. This 24-hour service was expanded in 2013 to include additional categories of professional licenses.

Figure B: Percent of Licenses Issued Online



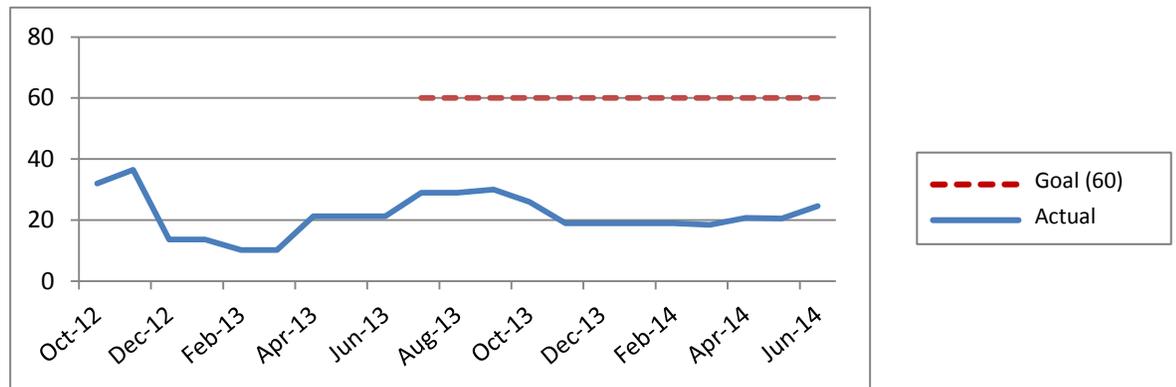
Key Points:

- DBR updated the eLicensing system in January 2014. For additional information, see the *Focus on Performance* page.

**BANKING
REGULATION
COMPLAINT
RESOLUTION**

The Division of Banking is responsible for investigating and resolving consumer complaints and inquiries regarding the businesses it oversees.

Figure C: Average Number of Days to Resolve a Complaint



Reported as rolling average of October 2012 – June 2014

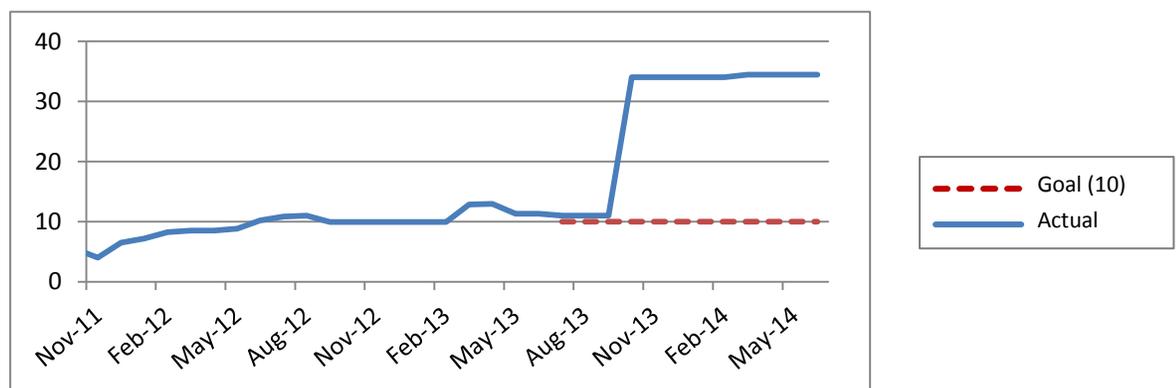
Key Points:

- In FY 2014, the Division of Banking Regulation resolved a total of 92 complaints, an increase from the FY 2013 total of 30 complaints. At the end of FY 2014, the average resolution time for a complaint was 25 days.
- In an effort to improve data quality, the online complaint tracking system was upgraded in December 2012. DBR began reporting data from this new system in November 2013.

**SECURITIES
REGULATION
LICENSURE**

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

Figure D: Average Number of Days to Issue a License



Reported as 12-month rolling average

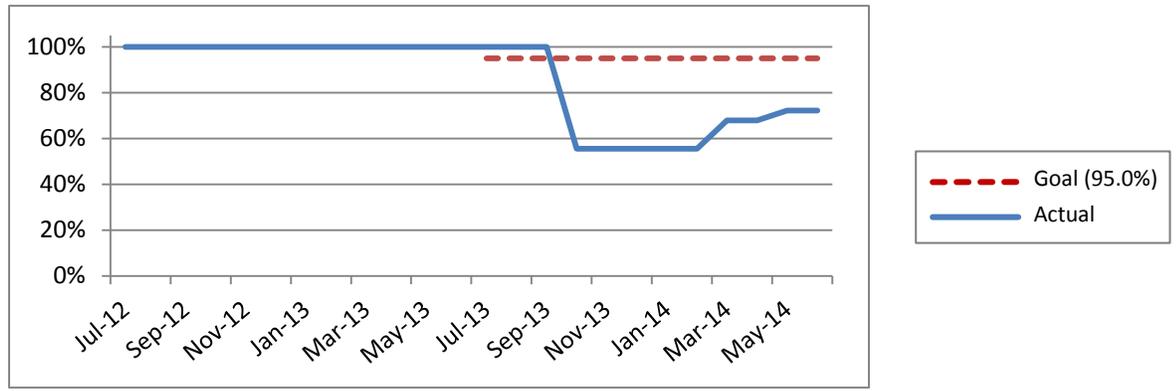
Key Points:

- At the end of FY 2014, the average time to issue a license was 34 days.
- In October 2013, DBR removed broker-dealer and Regulation D licenses from this measure. These licenses are processed in a national system with a one- or two-day turnaround, which artificially lowered timeliness data.

**SECURITIES
REGULATION
EXAMINATIONS**

Securities Regulation examinations help ensure 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. DBR conducts on-site examinations of broker-dealers and investment advisers on an ongoing basis.

Figure E: Percentage of Examinations Conducted and Closed within Scheduled Timeframe



Reported as rolling average, resetting each state fiscal year

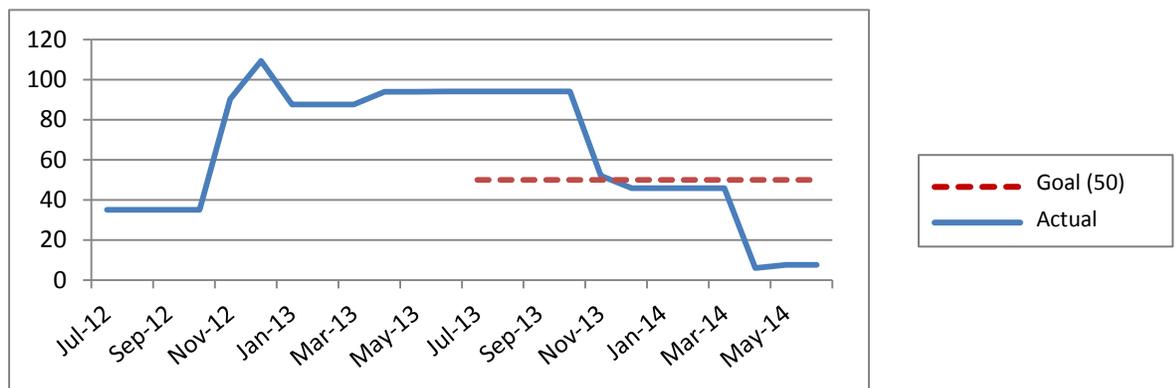
Key Points:

- In FY 2013, the Division of Securities Regulation conducted 18 examinations, and closed 100 percent within scheduled timeframes. The number of examinations conducted increased to 21 in FY 2014, and examinations closed within scheduled timeframes decreased to 72.1 percent.

**SECURITIES
REGULATION
COMPLAINT
RESOLUTION**

The Division of Securities Regulation is responsible for investigating and resolving consumer complaints and inquiries regarding the businesses it oversees.

Figure F: Average Number of Days to Resolve a Complaint



Reported as rolling average of October 2012 – June 2014

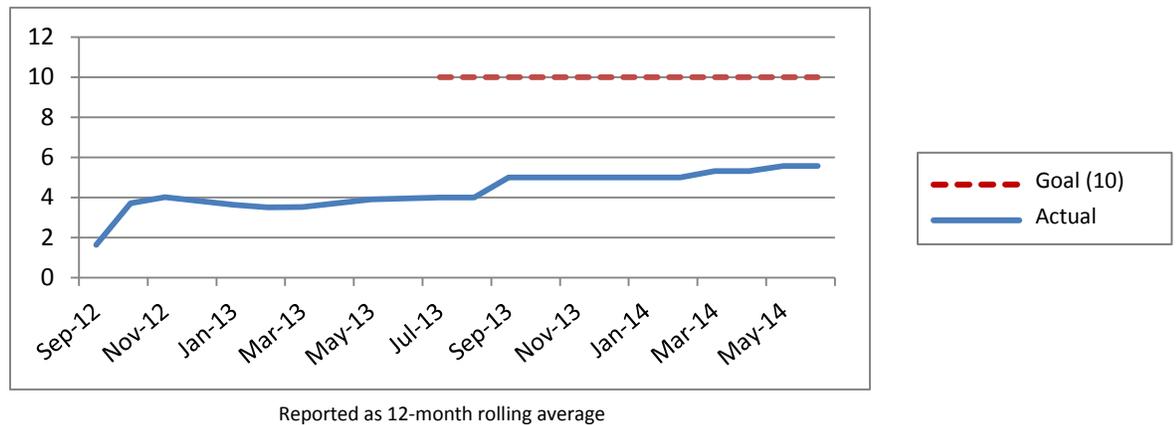
Key Points:

- In FY 2014, the Division of Securities Regulation resolved a total of 16 complaints, an increase from the FY 2013 total of 6 complaints. At the end of FY 2014, the average resolution time for a complaint was 8 days.
- In an effort to improve data quality, the online complaint tracking system was upgraded in December 2012. DBR began reporting data from this new system in November 2013.

COMMERCIAL REGULATION LICENSURE

The Division of Commercial Licensing and Racing and Athletics oversees licensing and regulation of various types of businesses. The program aims 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.

Figure G: Average Number of Days to Issue a License



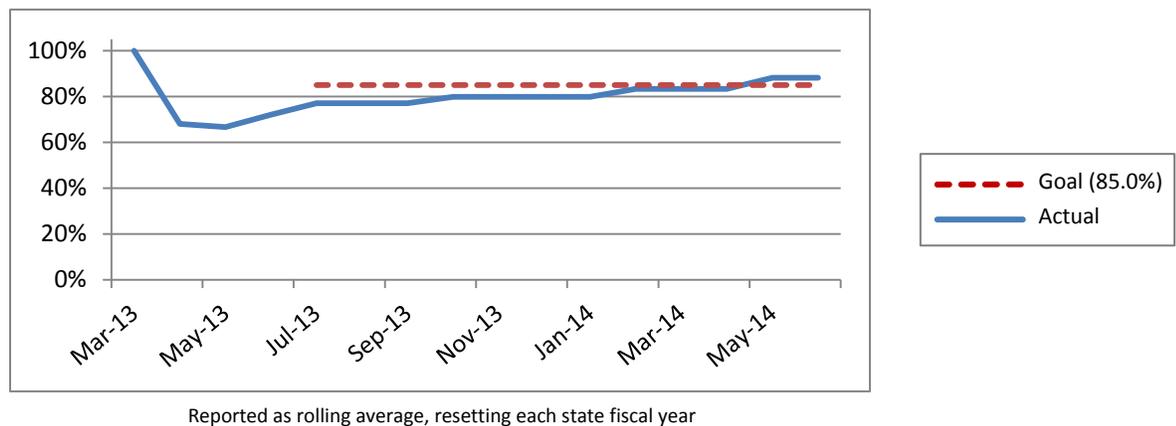
Key Points:

- In FY 2013, the Division of Commercial Licensing and Racing and Athletics issued 34,005 licenses, with an average issuance time of 4 days. The number of licenses issued increased to 36,078 in FY 2014, and the average issuance time increased to 6 days.

COMMERCIAL REGULATION INSPECTIONS

Commercial Licensing and Racing and Athletics inspections help ensure compliance with state regulations.

Figure H: Percentage of Inspections Conducted and Closed within Scheduled Timeframe



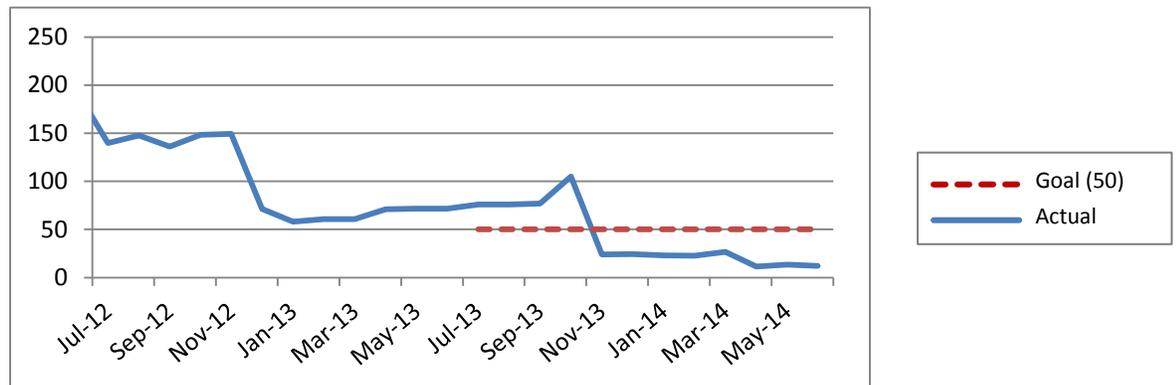
Key Points:

- In FY 2013, the Division of Commercial Licensing and Racing and Athletics conducted 47 inspections, and closed 72.1 percent within scheduled timeframes. The number of inspections conducted increased to 125 in FY 2014, and inspections closed within scheduled timeframes increased to 88.1 percent.

COMMERCIAL REGULATION COMPLAINT RESOLUTION

The Division of Commercial Licensing and Racing and Athletics is responsible for investigating and resolving consumer complaints and inquiries regarding the businesses it oversees.

Figure I: Average Number of Days to Resolve a Complaint



Reported as rolling average of October 2012 – June 2014

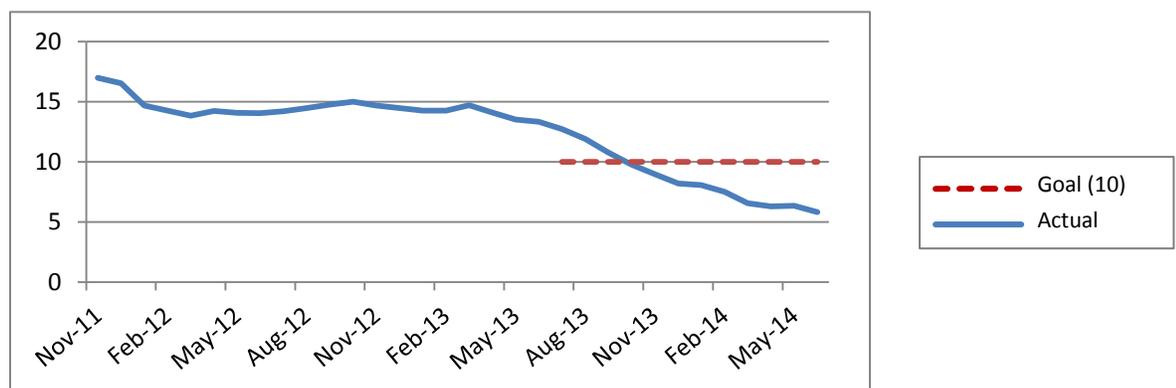
Key Points:

- In FY 2014, the Division of Commercial Licensing and Racing and Athletics resolved a total of 67 complaints, an increase from the FY 2013 total of 27 complaints. At the end of FY 2014, the average resolution time for a complaint was 12 days.
- In an effort to improve data quality, the online complaint tracking system was upgraded in December 2012. DBR began reporting data from this new system in November 2013.

INSURANCE REGULATION LICENSURE

The Division of Insurance Regulation licenses insurance companies as well as individuals and business entities involved in insurance sales and administration, claims adjustment, and motor vehicle damage appraisal.

Figure J: Average Number of Days to Issue a Manually Processed License



Reported as 12-month rolling average

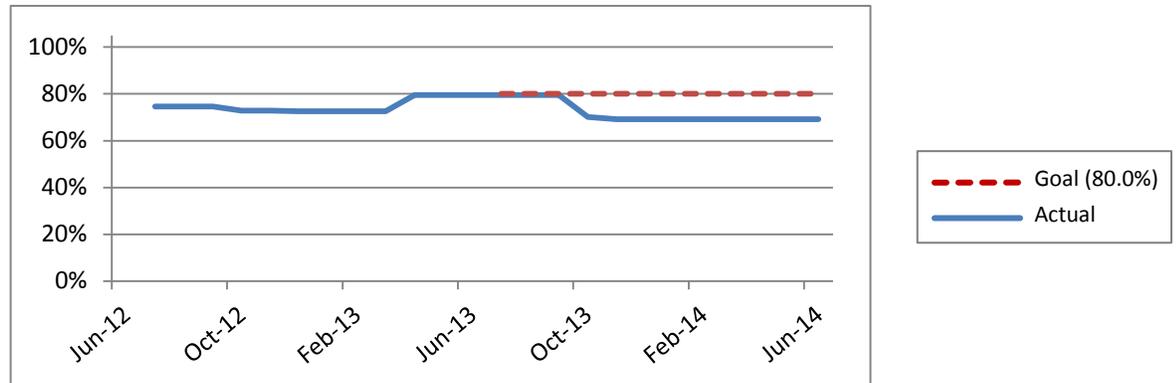
Key Points:

- In FY 2013, the Division of Insurance Regulation issued 41,747 licenses, 97.6 percent of which were processed in less than 12 hours through an automated electronic system. Of the 1,013 applications processed manually, the average processing time was 13 days.
- In FY 2014, total licenses issued rose to 55,225, with 98.4 percent processed through the automated system. Of the 880 applications processed manually, the average processing time decreased to 6 days.
- DBR modified this measure in July 2014 to include only manually-processed licenses, which will better demonstrate agency performance. Historical data has been updated.

INSURANCE REGULATION EXAMINATIONS

The Division of Insurance Regulation performs financial and market conduct examinations of companies chartered in Rhode Island to ensure financial solvency, fair treatment of consumers, and statutory and regulatory compliance. Timeliness of completion can depend on the size and complexity of the company under review.

Figure K: Percentage of Examinations Conducted and Closed within Scheduled Timeframe



Reported as rolling average, resetting each state fiscal year

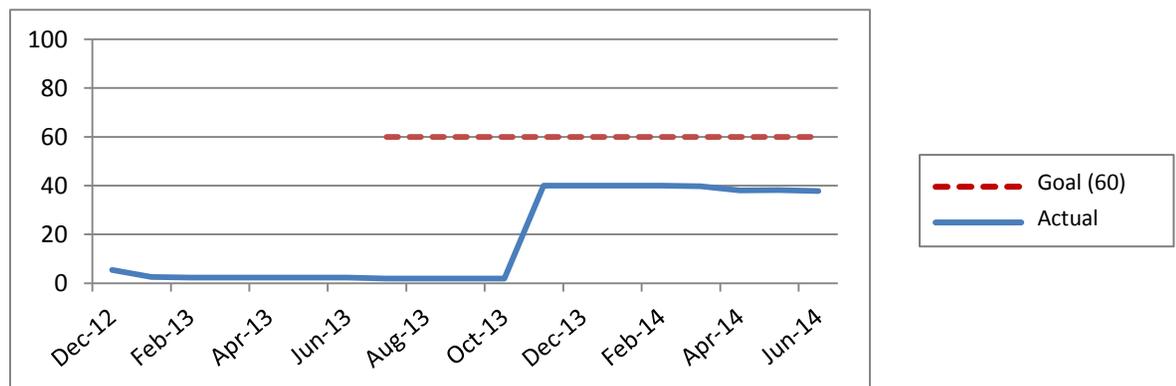
Key Points:

- Historical data is currently under review, and new performance measures are in development. DBR's initial method of collecting data did not account for variations among different types of examinations.
- According to DBR, between FY 2013 and FY 2014, the Division of Insurance Regulation completed 12 financial examinations, and closed 100 percent within the statutorily mandated five-year timeframe. In these years, the division completed 11 market conduct examinations. There is currently no statutory requirement or national standard relating to timeliness of market conduct examinations.

INSURANCE REGULATION COMPLAINT RESOLUTION

The Division of Insurance Regulation works to ensure consumer access to an equitable insurance market by responding to consumer inquiries, requests for assistance, and complaints.

Figure L: Average Number of Days to Resolve a Complaint



Reported as rolling average of December 2012 – June 2014

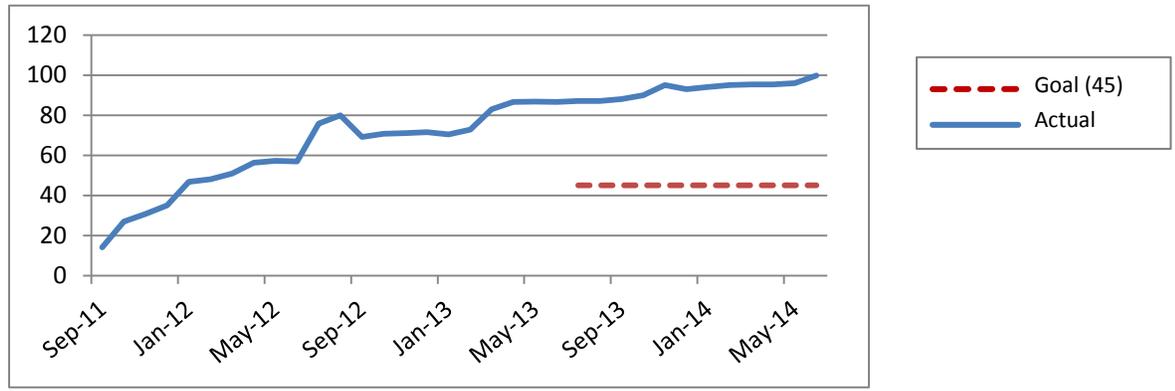
Key Points:

- In FY 2014, the Division of Insurance Regulation resolved 402 complaints, an increase from the FY 2013 total of 378 complaints. At the end of FY 2014, the average resolution time for a complaint was 38 days.
- In an effort to improve data quality, the online complaint tracking system was upgraded in December 2012. DBR began reporting data from this new system in November 2013.

DESIGN
PROFESSIONALS
REGULATION
LICENSURE

The Boards for Design Professionals examines and licenses professional engineers, land surveyors, landscape and traditional architects.

Figure M: Average Number of Days to Issue a License



Reported as 12-month rolling average

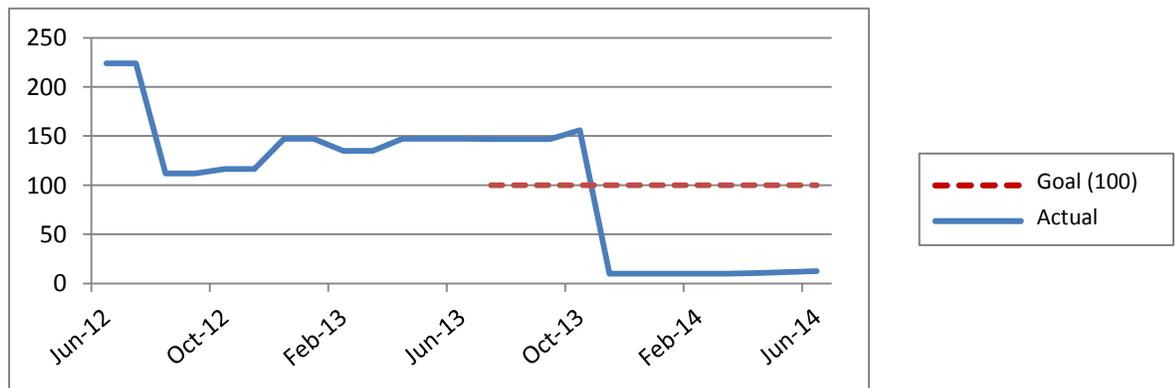
Key Points:

- In FY 2013, the Boards for Design Professionals issued 4,000 licenses, with an average issuance time of 86.6 days. The number of licenses issued decreased to 22,858 in FY 2014, and the average issuance time increased to 100 days.

DESIGN
PROFESSIONALS
COMPLAINT
RESOLUTION

The Boards for Design Professionals registers and acts upon complaints for the purpose of safeguarding the health, safety, and welfare of the public.

Figure N: Average Number of Days to Resolve a Complaint



Reported as rolling average of October 2012 – June 2014

Key Points:

- In FY 2014, the Boards for Design Professionals resolved a total of 10 complaints, an increase from the FY 2013 total of 8 complaints. At the end of FY 2014, the average resolution time for a complaint was with an average resolution time of 12 days.
- In an effort to improve data quality, the online complaint tracking system was upgraded in December 2012. DBR began reporting data from this new system in November 2013.

FOCUS ON PERFORMANCE

E-Licensing

In January 2014, the Rhode Island Department of Business Regulation (DBR) and Office of Digital Excellence (ODE) launched the newest version of the State's eLicensing system, designed to make obtaining or renewing a license in RI more convenient and easier with full-service, one-stop, around-the-clock access. Streamlining and updating the process of working with government is part of an overall strategy by DBR and ODE to make all forms of licensing and permitting simpler and more convenient.

DBR issues more than 300,000 professional licenses each year. Some business types relating to securities, banking, and insurance, submit applications through national online licensing systems. DBR's eLicensing system, which handles licenses under state jurisdiction, allows professionals and businesses to file initial or renewal requests online for 85 additional types of licenses. The eLicensing system is intended to reduce processing times, improve application accuracy, create easily-searchable electronic records,

and provide DBR staff the opportunity to better engage their customers. The site also allows account holders to view the status of their applications, pay fees using electronic checks, and to be notified of any missing or incomplete information that may delay approval.

As seen in Figure O, the share of licenses issued online increased from 80.8 percent in FY 2011 to 93.6 percent in FY 2014. DBR is working to further encourage use the eLicensing system through outreach to businesses, informing applicants that electronic applications are processed quicker than paper applications, and by continuously exploring ways to make the website easier to use. The agency is also looking into enhancements that will make the system more robust, through upgrades that could provide automated email notifications, online certification printing, and mobile device integration.

As part of efforts to continually improve Rhode Island's relationship with the business community, ODE is exploring opportunities for similar projects in other parts of state government, including an ePermitting system which can be modified to accommodate individual municipalities. To see a complete list of the licenses available through the e-licensing portal, or to register for an account, please visit www.elicensing.ri.gov.

Figure O: Percent of Licenses Issued Online

