



State of Rhode Island  
Department of Business Regulation

The Department of Business Regulation  
Strategic Plan 2015-2018

1511 Pontiac Avenue  
Cranston, Rhode Island 02920

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# Department of Business Regulation

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## I. Introduction

The Department of Business Regulation (DBR) is charged with the mission to ensure the health of the Rhode Island financial services industry and compliance with statutes and regulations by these and other business professions. The success of this mission is critical to maintaining *public trust* in these key industries and ultimately a *healthy state economy*. Many of our regulated entities (e.g., insurance, banking, securities, and real estate) represent foundational industries in our economy.

Although DBR does not have a direct economic development role, the approach the Department takes in implementing its regulatory mission will influence the economic climate. Consequently, DBR has an implied *mission to create stability for business attraction and economic growth* through clear and predictable rules and procedures.

In order to better ensure success, DBR has updated its four-year strategic plan as the primary guidance of our use of taxpayer dollars in staffing, investments, and department activities. This document summarizes major initiatives DBR will be undertaking during the period of 2015 through 2018. This is a *living document* that will be updated not only after 2018, but also within this four-year period as circumstances warrant.

The plan articulates the *vision* (where we want to be in the future) along with the *goals* (major focus areas) and *specific actions* (the building blocks) to get there. The goals are internal facing in nature and seek to improve the foundations of DBR (i.e., people, processes, technology and finances). However, these goals and their supporting actions seek to influence the external world (e.g., solvent and compliant financial institutions, a business friendly regulatory environment, achieving cyber-security). Taken together, the plan represents an *integrated approach* to achieving the balance between *safeguarding critical institutions* and *maintaining a business friendly climate* in Rhode Island.

Finally, progress towards our goals will be measured by specific performance metrics; most in place, the rest to be developed as part of this plan. This will allow DBR management to track progress and adjust our course if required. Consequently, this will commit the Department to a cycle of continuous improvement and demonstrate to the public the value of their tax dollar investment.

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## II. DBR Strategic Plan Overview

**Mission:** Assist, educate, and protect the public through the implementation and enforcement of state laws mandating regulation and licensing of designated businesses, professions, and occupations while recognizing the need to foster a competitive and business friendly environment.

**Vision:** Rhode Island's business regulation will be recognized as a top10 state for:

- Ensuring a sound and compliant financial services industry
- Promoting a business friendly environment
- Excellent customer service

**Guiding Principles:** Our activities will be guided by a consistent focus on:

- Excellent value to the taxpayers
- Strike an appropriate balance between the need for regulation and not overburdening businesses.
- Clear and predictable rules and regulations
- The right person for the right job
- Always providing excellent customer service
- Leveraging time saving technologies

**Our Stakeholders and Customers:**

- Rhode Island taxpayers
- Regulated businesses and professionals
- Trade associations

**Department Goals:**

- Maintain optimum staffing
- Invest in technology
- Maintain continuous process improvement
- Maintain stable revenues to the state treasury
- Enhance performance measurement program

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# Department of Business Regulation

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## III. Goals and Supporting Actions

### **Goal 1: Maintain optimum staffing**

- Action 1.1: Fill critical positions
- Action 1.2: Balance staff profile towards examination/enforcement
- Action 1.3: Implement training program
- Action 1.4: Develop employee performance rewards program

### **Goal 1 Success Metrics:**

- Health and solvency of regulated financial services industry
- Regulated entity compliance with statutes and regulations/market conduct
- Ability to stay current on examinations/inspections
- Minimum time to issue licenses
- Ability to stay current on licensure
- Minimum time to respond to/resolve inquiries/complaints
- Enhanced consumer protection
- High customer satisfaction rating
- Maximize revenue to cost ratio
- Maximize personnel training hours

### **Goal 2: Invest in technology**

- Action 2.1: Expand and enhance eLicensing
- Action 2.2: Enhance the customer relation management system
- Action 2.3: Improve website
- Action 2.4: Integrate legacy systems
- Action 2.5: Implement billing system
- Action 2.6: Implement time tracking system
- Action 2.7: Invest in mobile application technology

## **Goal 2 Success Metrics:**

- Maximize percent of online licensing
- Minimum time to issue licenses
- Ability to stay current on licensure
- Minimum time to respond to/resolve inquiries/complaints
- Enhanced consumer protection
- High customer satisfaction rating with website and other electronic communications with DBR
- Maximize revenue to cost ratio
- Low age of employee technology

## **Goal 3: Maintain continuous process improvement**

- Action 3.1: Achieve accreditation of the Banking Division
- Action 3.2: Improve customer inquiry response process
- Action 3.3: Improve complaint and enforcement process
- Action 3.4: Improve regulation management process
- Action 3.5: Establish cyber-security program for the Rhode Island financial services industry
- Action 3.6: Re-engineer the Design Professionals/Board of Accountancy processes
- Action 3.7: Re-engineer the licensing function
- Action 3.8: Reform Banking legislation

## **Goal 3 Success Metrics:**

- Health and solvency of regulated financial services industry
- Regulated entity compliance with statutes and regulations/market conduct
- Ability to stay current on examinations/inspections
- Minimum time to issue licenses
- Ability to stay current on licensure
- Minimum time to respond to/resolve inquiries/complaints
- Enhanced consumer protection
- High customer satisfaction rating
- Continuous review of existing regulations
- Maximize revenue to cost ratio

## **Goal 4: Maintain stable revenues to the state treasury**

- Action 4.1: Optimize personnel profile for revenue generating positions

Action 4.2: Benchmark fees

**Goal 4 Success Metrics:**

- Maximize revenue to cost ratio
- Ability to stay current on examinations

**Goal 5: Enhance performance measurement program**

Action 5.1: Improve internal efficiency metrics

Action 5.2: Develop and deploy external outcome metrics

Action 5.3: Benchmark and establish best practice targets

**Goal 5 Success Metrics:**

- Ability to monitor and display the efficiency and effectiveness of DBR programs

Appendix 1:  
Action Plan Summaries

1 September 2014

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## **Goal 1: Maintain optimum staffing**

### ***Action 1.1: Fill critical positions***

Summary – Quickly refill critical revenue producing positions that open due to attrition.

Implementation Plan – As of 1 September 2014, there are 4 critical positions open. FY2015 budget constraints will prevent the immediate filling of these positions. However, as attrition occurs every effort will be made to prioritize this positions.

Completion – FY2016

Success Measure – Critical personnel help DBR stay current with examinations. The FY2014 baseline is 77%/72% examinations closed for Banking/Securities. For Insurance, the FY2014 baseline is 100% examinations closed within statutorily mandated time frames. In addition, they can help improve the revenue to cost ratio since these positions generate more revenue than the salary/benefit costs incurred. The revenue to cost ratio baseline is 4.80:1.

### ***Action 1.2: Balance staff profile towards examination/enforcement***

Summary – Working within the Department’s personnel cap and as attrition occurs, re-designate licensing aide and administrative positions for either consolidation or refill with higher skilled job descriptions such as examiners.

Implementation Plan – As of 1 September 2014, there are 4 critical positions open. FY2015 budget constraints will prevent the immediate filling of these positions. However, as attrition occurs every effort will be made to prioritize this positions.

Completion - Ongoing

Success Measure – The revenue to cost ratio baseline is 4.80:1.

### ***Action 1.3: Implement training program***

Summary – Ensure that all personnel are fully trained for their respective positions in terms of specific subject matter expertise (e.g., insurance examinations), use of supporting technology (e.g., eLicensing applications), state and department policies (e.g., timekeeping), and position specific skills (e.g., management or customer service skills).

Implementation Plan – The Department is currently developing an inventory of required training for each position in each Division. This step will be followed by an inventory of training completed by current personnel. Finally, each personnel will have a long range training plan based upon this inventory analysis.

Completion – FY2015

Success Measure – The number of personnel training hours. A baseline is not available.

***Action 1.4: Develop employee performance rewards program***

Summary – Better incentivize our personnel performance and DBR efficiency by rewarding employee teams that achieve enhanced goals.

Implementation Plan – In conjunction with ongoing statewide Human Resource re-engineering initiatives, DBR will develop a program that can reward (e.g., monetary, time off, etc.) teams of employees (e.g., insurance examiners, licensing aides assigned to banking, etc.) that achieve specific, mutually agreed to, and enhanced performance goals beyond the set Departmental goals.

Completion – FY2017

Success Measure – Improved operational and effectiveness metrics.

**Goal 2: Invest in technology**

***Action 2.1: Enhance and expand eLicensing***

Summary – Make available to the public the means to apply for and receive *all* new and renewal licenses offered by or related to DBR online in addition to the traditional paper process. Enhance system capabilities to improve the efficiency of staff.

Implementation Plan – eLicensing has been implemented for virtually all banking, board of accounting, commercial licensing, design professionals, insurance, racing and athletics, and securities credentials offered by DBR. The Department will expand eLicensing to include 100% credentials offered online. In addition, we will partner with local communities to explore offering eLicensing for related licensure conducted at the local level (e.g., liquor licenses). Finally, DBR will add system features that will improve the overall capabilities of our eLicensing systems. The Department will request IT Investment Fund (ITIF) funding and contract with the vendor to implement.

Completion – FY2016

Success Measure – The FY2014 percent licenses issued online baseline is 93.6%.

***Action 2.2: Enhance the customer relation management system***

Summary – Implement the state-wide enterprise technology application to support the intake, tracking and resolution of public requests for information and complaints

against our regulated entities. This activity is in support of Action 3.2 (Improve customer inquiry response process).

Implementation Plan – DBR has implemented an inexpensive tool to help track and closeout email and written inquiries. However, a more robust CRM system is required to address and track all forms of inquiries. DBR will offer to pilot a state-wide CRM implementation in accordance with the Office Digital Excellence’s (ODE) technology roadmap.

Completion - TBD

Success Measure – The FY2014 baseline of inquiries resolved within 10 days is 95%.

***Action 2.3: Improve website***

Summary – Make the DBR website more user friendly and useful to our constituents.

Implementation Plan – DBR will implement the planned state-wide website platform in accordance with the Office Digital Excellence’s (ODE) technology roadmap.

Completion – FY2015

Success Measure – The FY2014 baseline for survey results that indicate a combined very satisfied/satisfied approval rating of approximately is 75%.

***Action 2.4 Integrate legacy systems***

Summary – Connect DBR’s main elicensing and enforcement applications so that resident data can be shared to provide better compliance enforcement.

Implementation Plan – DBR has four main eLicensing systems. The core eLicensing application (CAVU) needs to be integrated with three other national systems. The Department will request IT Investment Fund (ITIF) funding and contract with the vendor to implement the required interfaces. Additional interfaces will be identified as required by ongoing business needs.

Completion – FY2016

Success Measure – Not available.

***Action 2.5 Implement billing system***

Summary – Improve the efficiency of examination fee collection process for the Banking, Insurance, and Securities Divisions in order to improve the timing of revenues to the state treasury.

Implementation Plan – The Department will request IT Investment Fund (ITIF) funding and contract with the vendor to implement.

Completion – FY2015

Success Measure – The revenue to cost ratio baseline is 4.80:1.

***Action 2.6 Implement time tracking system***

Summary – Improve the efficiency of timekeeping and facilitate examination billing.

Implementation Plan – DBR will implement the planned state-wide website platform in accordance with the Office Digital Excellence’s (ODE) technology roadmap.

Completion – TBD

Success Measure – Not available

***Action 2.7 Invest in mobile application technology***

Summary – Ensure employees working in the field (e.g., examiners, inspectors) have access to integrated mobile devices (e.g., tablets) in order to facilitate efficient use of their time.

Implementation Plan – The Department will request IT Investment Fund (ITIF) funding and contract with the vendor to implement.

Completion – FY2015

Success Measure – The FY2014 baseline for: 1) time to complete inspections is 36 days; 2) percent completed inspections is 88%; 3) percent examinations closed for Banking/Securities is 77%/72%, respectively; and 4) Insurance is 100% examinations closed within statutorily mandated time frames.

**Goal 3: Maintain continuous process improvement**

***Action 3.1: Achieve accreditation of the Banking Division***

Summary – Improve the efficiency and effectiveness of banking examination processes through review and revision of current procedures and rules. This initiative will culminate in a third party accreditation of the Banking Division.

Implementation Plan – DBR will re-design all aspects of the examination process for Banks, Credit Unions, and Mortgage Loan Originators. A baseline review has been completed. The re-design will include alignment with third party (CSBS, NASCUS, and AARMR) standards for administration, personnel, training, examination procedures, institution oversight, and legislation.

Completion – FY2016 for Credit Union accreditation by NASCUS; FY2017 for MLOs by AARMR; and FY2018 for Banking by CSBS .

Success Measure – Accreditation by CSBS, NASCUS, and AARMR.

***Action 3.2: Improve customer inquiry response process***

Summary – Enhance procedures to better manage the intake, tracking and resolution of public requests for information.

Implementation Plan – Continuously review and revise current procedures. This activity is supported by Action 2.2 (Enhance customer relation management system).

Completion - Ongoing

Success Measure – The FY2014 baseline of inquiries resolved within 10 days is 95%.

***Action 3.3: Improve complaint and enforcement process***

Summary – Enhance the legal process to better manage the intake, tracking and resolution/enforcement of public complaints against licensees and entities regulated by DBR.

Implementation Plan – Continuously review and revise current procedures. This activity is supported by Action 2.2 (Enhance customer relation management system).

Completion - Ongoing

Success Measure – The FY2014 baseline for complaint resolution ranges from 10-40 days depending on the topic area. There is no baseline data available for the enforcement process.

***Action 3.4 Improve regulation management process***

Summary – Enhance the process to create new or review and revise/rescind existing DBR regulations to ensure they are current and understandable, meet a public safety need, and are not unnecessarily burdensome to business.

Implementation Plan – DBR will employ ORR guidance in creating new regulations and will review at least 25% of existing regulations per year. In addition, the Department has developed clear guidance for developing and issuing bulletins and, as with regulations, will review at least 25% of existing bulletins per year.

Completion – Ongoing

Success Measure – Maintain a rate of 25% review of all regulations and bulletins per year.

***Action 3.5 Establish cyber-security program for the Rhode Island financial services industry***

Summary – Create the mechanisms and processes for the financial services industry in Rhode Island to monitor, respond to and recover from cyber attacks.

Implementation Plan – DBR will build upon the banking industry cybersecurity working group established in 2013. The working group will plan and execute an annual cyber exercise designed to test procedures put in place to better monitor, respond to and recover from cyber attacks. This activity is being done in conjunction with the Governor’s cybersecurity initiative and the RI Emergency Management Agency (RIEMA).

Completion - Ongoing

Success Measure – Completion of annual cybersecurity exercise.

***Action 3.6: Re-engineer the Design Professionals/Board of Accountancy processes***

Summary – Improve the efficiency of the professional boards’ licensing and oversight processes through review and revision of current procedures and rules.

Implementation Plan – DBR will conduct a thorough review and mapping of the current processes for each of the boards and then develop revised procedures. Regulatory or legislative changes may be required to effect improvements.

Completion – FY2016

Success Measure – The FY2014 baseline for average time to issue a license is 100 days.

***Action 3.7: Re-engineer the licensing function***

Summary – Improve the efficiency of the licensing activities at DBR through review and revision of current procedures and rules.

Implementation Plan – DBR will conduct a thorough review and mapping of the current processes of the licensing functions and then develop revised procedures. Re-organization may be required to effect the improvements.

Completion – FY2015

Success Measure – Improved licensing issuance times and percent completion for all licensing areas.

***Action 3.8: Reform Banking legislation***

Summary – Develop legislation to modernize the statutory makeup of the banking regulation in Rhode Island.

Implementation Plan – Draft legislation during the fall of 2014 and propose for inclusion in the Governor’s 2015 legislative package.

Completion – FY2015

Success Measure – Enactment by June 2015.

**Goal 4: Maintain stable revenues to the state treasury**

***Action 4.1: Rebalance personnel to revenue generating positions***

Summary – Working within the Department’s personnel cap and as attrition occurs, re-designate non-revenue generating positions for either consolidation or refill with revenue generating positions such as examiners.

Implementation Plan – As of 1 September 2014, there are 4 critical positions open. FY2015 budget constraints will prevent the immediate filling of these positions. However, as attrition occurs every effort will be made to prioritize this positions. This activity is done in conjunction with Action 1.2 (Rebalance staff profile towards examination/enforcement).

Completion - Ongoing

Success Measure – The revenue to cost ratio baseline is 4.80:1.

***Action 4.2: Benchmark fees***

Summary – Conduct regular benchmarking of neighboring states’ licensing related fees to ensure Rhode Island remains competitive.

Implementation Plan – Conduct benchmarking during the fall of 2014 and propose legislation as required for January 2015.

Completion – FY2015

Success Measure – Alignment with neighboring states’ fee structures.

**Goal 5: Enhance performance measurement program**

***Action 5.1: Improve internal efficiency metrics***

Summary – Enhance internal metrics as a management means to monitor DBR operations to ensure efficiency and timely indications of problems fulfilling our mission.

Implementation Plan – Continuously review and revise as required the existing portfolio of internal metrics.

Completion – Ongoing

Success Measure – Improvement overtime in the external metrics as discussed in Action 5.2. As DBR better monitors its internal activities, it can better influence the positive impact on our stakeholders.

***Action 5.2: Develop and deploy external outcome metrics***

Summary – Provide management a means to monitor the impact of DBR operations on our regulated entities and the Rhode Island public.

Implementation Plan – The Department has developed a Banking Regulation Index (BRI) to measure the effectiveness of DBR oversight of the banking industry. The Department has also developed a Complaint Resolution Index (CRI) and a Customer Satisfaction Index (CSI). In order to complete the portfolio of external metrics, DBR will develop and Insurance Regulation Index (IRI) and Securities Regulation Index (SRI).

Completion – FY2015

Success Measure – Not available.

***Action 5.3: Benchmark and establish best practice targets***

Summary – Conduct regular benchmarking of performance metrics similar to DBR’s to develop better targets to guide continuous improvement of the Department’s operations.

Implementation Plan – Work with third parties (e.g., academia, RIPEC) to identify metrics applicable for benchmarking. Develop best practice targets to guide DBR’s future process improvement efforts.

Completion – FY2015

Success Measure – Not available.