



## Department of Regulatory Agencies Q2 FY2016 Performance Evaluation (January 2016)

### Strategic Policy Initiatives

The Department of Regulatory Agencies has identified five Strategic Policy Initiatives for FY 2015-16 and beyond. For this performance evaluation, the Department has updated progress on the initiatives identified in the FY2016 Performance Plan that capture the Department's strategic and operational priorities, and reflect the overall direction as identified by Department leadership. The updates reflect data as of December 31, 2015. Additional detail for these Strategic Policy Initiatives is available in the Department's Performance Plan, which may be accessed [here](#).

**Strategic Policy Initiative I: Increase Public Trust and Confidence Through Reasonable and Conscientious Regulation.** *The Department is a recognized leader in the creation and sustainment of a fair, competitive and business friendly regulatory environment, including acting in the public interest in and for Colorado.* **Outcomes:** Reducing unnecessary regulatory "red-tape" and burdens by streamlining and simplifying processes, and migrating legacy systems to automated or "enterprise" on-line platforms and portals; establishing transparent regulatory and legislative agendas; setting fees that are the minimum necessary and understandable; maintaining a customer centric web-site that enables on-line transactions and is built with customer input; and creating savings and efficiencies for customers, including regulated professionals and businesses.

**Strategic Policy Initiative II: Improve Public Protection Through Effective Regulation.** *DORA brings value to the marketplace, and regulatory program processes are streamlined, standardized, consistently improve, and leverage technology.* **Outcomes:** Shifting mind-sets away from rigid "discipline and enforcement;" development of "core" best practices and communication of common practice violations; reduced complaint response and resolution times; expanded partnerships that broaden outreach, including to at-risk communities, and to further combat predatory practices; more efficient investigation, inspection and institutional examination processes; and increased use of mediation, conciliation, alternative dispute resolution, "pre-analysis" screening processes, and the expedited settlement model, to reduce time and expenses of enforcement programs.

**Strategic Policy Initiative III: Ensure that Regulatory Activities Support Economic Development.** *The Department builds and maintains professional partnerships, and engages regulatory professionals and industry to reduce unnecessary regulatory burdens, positioning government to promote entrepreneurship and business growth, to positively influence the Colorado economy.* **Outcomes:** Clear, institutionalized mechanisms for regulatory reform and reducing unnecessary regulatory burdens; empanelling industry stakeholder groups to solicit and utilize feedback in reviews of rules and regulations and to identify impediments to business and workforce/occupational growth; and tracking and "touting" savings and tangible economic benefits to the marketplace in relation to investments made to support the regulatory programs managed by DORA.

**Strategic Policy Initiative IV: Assure DORA is Accessible and Responsive.** *DORA's workforce is customer-centric, and understands how every role supports and aligns with the consumer protection mission. DORA creates opportunities and networks throughout the state for customers to "help themselves."* **Outcomes:** DORA's culture is one of continuous improvement, consistently utilizing Lean (or similar strategies) and customer feedback in attaining its goals that include creating a "platinum level" customer experience; modernizing communication strategies and access; ensuring employees have the resources to establish a culture of service – that ultimately equates to expanded access, responsiveness and high performance.

**Strategic Policy Initiative V: Expand Outreach to and Engagement With the Public.** *DORA works closely with the public, including industry and regulated professionals, and appropriate private organizations in executing its statewide outreach plan and targeted educational programs. Citizens are protected and informed of their rights, and know where to go with issues, concerns or complaints; and DORA provides opportunities to engage public and stakeholder groups including in urban and rural areas.* **Outcomes:** DORA recognizes and leverages the value of preventative measures and partners with federal and local agencies and community based, non-profit organizations using a variety of compliance assistance tools and pro-active communications campaigns, to identify areas of focus to reduce excessive regulatory burdens.



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### Operational Measures

#### Increase Public Trust and Confidence Through Reasonable and Conscientious Regulation

**Licensing/Permitting:** The Department processes applications for licensure for more than 50 professions, including individuals and businesses/companies; aiming to achieve a 10% efficiency gain in licensing functions and services (e.g., reduce documentation requirements, decrease turnaround times, increase productivity, etc.). **Process – Divisions receive an application, conduct a quality and substance review, in some cases provide industry notice and responses, and issue the permit/license.**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	Q1 FY16	Q2 FY 16	1-Year Goal	3-Year Goal
<b>Streamlining Licensing Processes</b>								
Professions & Occupations: Licenses issued within 14 days	33,004	27,614	30,691	35,571(100%)	100%	100%*	100%	100%
Real Estate: Licenses issued within 3 days	4,076	5,647	6,600	8,217 (100%)	93%	42%	100%	100%
Securities: Licenses issued within 30 days	38,103	35,950	36,023	22,266 (99%)	9,994 (99%)	9876 (99%)	99%	99%
<b>Migrating Additional Functions to On-line Platforms</b>					2	2	3	4

\*100% reflects that current strategic measure was met (core processing of 90% of DPO licenses processed in 14 days or less); new measure and associated reports being developed.

These numbers are a sample, and include newly issued licenses only, not renewals. DORA’s licensing function touches over 740,000 licensees including individuals, businesses and institutions. Due to the expanded deployment of e-License in DPO, renewals are available 100% on line, and processing takes generally less than 15 minutes. A renewal LEAN project reduced website clicks required and eliminated ~ 70% of the questions asked, saving nearly \$500,000 in paper and postage costs, and improving customer service and first call resolution for those that do call. Real Estate transfer processing time (when a licensed real estate professional changes companies), has been reduced from 3 to 5 business days, to virtually immediate to 24 hours maximum. The DOI enabled Title Insurance Agencies to submit filings electronically, by eliminating 3 of 4 forms. A single filing form incorporates all the necessary data for insurers to provide the division for filing review.

#### Improve Public Protection Through Effective Regulation

**Measure 1-Institutional Examinations:** DORA protects consumers by conducting examinations of state-chartered financial institutions and insurance companies under its supervision to preserve public trust in the regulated financial industries. **Process – The Department establishes examination schedules and reviews records, documentation, systems and processes; conducts interviews; communicates results and completes the examination.**

**Measure 2-Regulatory Program Administration:** The Department resolves complaints/charges received and conducts proactive enforcement/compliance oriented investigations and other resolution processes that do not necessitate an investigation. **Process – Divisions gather information on complaints/allegations, determine jurisdiction, open a case file, conduct the investigation, make a determination and issue a formal decision.**

Measure 1	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	Q1 FY16	Q2 FY16	1-Year Goal	3-Year Goal
<b>Increasingly Efficient Institutional Examinations</b>								
Banking & Financial Services: Exams complete in 12-18 months	100%	100%	100%	100%	100%	100%	100%	100%
Securities: Examinations completed within 270 days	100%	100%	100%	100%	100% *	100% *	100%	100%



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Measure 2	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	Q1 FY16	Q2 FY16	1-Year Goal	3-Year Goal
<b>Reduced Expenses of Regulatory &amp; Enforcement Programs</b>								
Real Estate: Investigations dismissed due to pre-analysis	192	282	476	330 (43%)	(204) 70%	(208) 72%	500	500
Professions & Occupations: % of cases resolved internally	91.4%	91.5%	93.6%	91%	90%	91%	95%	95%
Civil Rights: % of cases resolved internally	84%	84%	83%	85%	86%	80.6%	90%	100%

Measure 1 includes examples illustrative of DORA’s commitment to assuring the financial viability of Colorado’s state chartered financial institutions. Through these examinations, DORA verifies compliance with state and federal laws, rules and regulations, and sound operating practices across a wide variety of fiduciary services. Statutes dictate the completion time for examinations, depending on the institution and industry. Institutional examinations, completed within the statutorily mandated timeframes, contribute to greater trust and protection from making uninformed decisions, wrong-doing, scams and fraud. Measure 2 includes examples of investigations and formal complaint resolution processes that are resolved not only well within the prescribed statutory timeframes, but quicker, by conducting an early, pre-analysis of the case to expedite processing or resolution; or internally utilizing an Expedited Settlement (or similar) Program. DORA aims to resolve, dismiss or expedite 85% of investigations or cases via the use of mediation/ADR, pre-analysis screening or internal resolution processes, and/or collaborative investigatory models.

*\* Utilizing Lean, the Securities Division established standard examination processes, standard communication forms and formats, and general parameters for closing examinations in connection with the issuance of a deficiency letter; thereby decreasing the examination cycle time from a 230 day average, to 90 days; with current data indicating that the current exam cycle is actually averaging closer to 40 days.*

### Ensure that Regulatory Activities Support Economic Development

**Economic Regulation: The Department analyzes fees, as well as rates, terms and conditions of service offerings to grant or change existing authorities or certifications, and to determine compliance with state regulations. Process – The Department conducts scheduled fee setting to determine licensing fees; and the Divisions of Insurance and PUC regularly receive requests to analyze and/or change rates. Staff analyze fees; and rate filings, and present analyses for decision.**

**Measure 1:** The Divisions of Banking and Financial Services recently each announced substantial fee assessment reductions for state chartered banks and credit unions – a reduction of 7 % and 11% respectively. The Division of Banking has cut regulation by eliminating the need for banks to file hard-copy Suspicious Activity Reports (SAR’s) with DORA, thereby reducing the “human” burden on the industry by 50 labor hours per month. The Securities Division commenced rule-making, to allow for the elimination of filings with the Division when registration of a securities offering is done by “coordination” with an SEC filing (as the Division will rely on the electronic filings provided to the SEC). Additionally, DPO is working to streamline the licensing process to more quickly license qualified mental health providers in the community and to minimize regulatory burden, including improved inter-state mobility through streamlined endorsement.

Measure 2	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	Q1 FY16	Q2 FY 16	1-Year Goal	3-Year Goal
<b>Rate Case Resolution/Rate Approvals</b>								
Insurance rate cases finalized within 90 days	7,042	7,948,	9,420,	4406 (75%)	1828 (~70%)	2399 (95%)	10,000	10,000
PUC rate cases finalized with 14 or 30 days (tariff filings allowed to become effective without a hearing)	539	578	463	304 (98.5%)	(63) 100%	(60) 98.3%	400	350
Office of Consumer Counsel – Percentage of rate increases avoided due to OCC involvement	60.0%	60.0%	60.0%	52%	52%	33%	30.0%	30.0%



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Colorado citizens must have just, reasonable, and fair rates for adequate, reliable, responsive, safe and timely utilities and insurance options that are not excessive, inadequate or unfairly discriminatory. These measures support DORA’s mission by assuring fees and rates are timely reviewed, and as low as possible and in the public interest, without compromising the economic viability and sustainability of service providers. Consumers save money, and are further assured that providers comply with applicable laws, rules and regulations, and meet standards of safety, competence and quality of service. When requests for rate increases are submitted by the utilities and evaluated by the PUC, the OCC helps consumers by representing residential, small business and agricultural consumers, to lower or eliminate utility rate increases; and to ensure that utility rates, regulations and policies are more equitable for represented entities.

Measure 3	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	Q1 FY16	Q2 FY 16	1-Year Goal	3-Year Goal
% of Divisions Empaneled Industry Stakeholder Groups					78%	100%	75%	100%

### Assure DORA is Accessible and Responsive

The Department’s customer service culture, and internal and external communications are improved, including “platinum level customer experience” training for the DORA workforce; a customer centric web-site and presence, increasing information related to customers by 15%; and expanded consumer alerts. **Process – The Department identifies opportunities and provides training to enhance customer service mechanisms to better ensure the public is being fully served and assisted promptly.**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	Q1 FY16	Q2 FY 16	1-Year Goal	3-Year Goal
Insurance - Complaints/inquiries processed within 90 days	2,730	2,714	2,490	90%	87%	89%	95%	95%
PUC – Complaints/Inquiries resolved within 15 days					99.2%	99.2%	95%	95%
Executive Director’s Office – Number/% of DORA staff participating in DORA’s formal training courses	464	414	468	85%	33%	45%	475	475

DORA is the second state agency (the first was the Governor’s Office) to launch an online “chat” function for our citizens, providing an opportunity to connect with customer service representatives online and in real time. The pilot program launched in the Executive Director’s Office in early November, and in early January in two program areas of Professions and Occupations. DORA’s “caller id” telephone number was changed to a staffed number, as opposed to the previous automated message. PUC staff, after receiving several reports of misrouted and delayed routing of 911 calls they assisted with, developed an online form to allow easier reporting of the incidents to Commission Staff by Public Safety Answering Points.

### Outreach to and Engagement with the Public

**Outreach, Education, and Training: The Department works closely with federal and local counterparts, and engages in efforts to proactively inform consumers of their rights regarding regulated occupations and professions in order to serve a more informed consumer base, decreasing regulatory violations and ensuring public awareness throughout the state. Process – The Department collaborates with other jurisdiction and business “partners” to identify issues/topics to communicate, the audience, and message; responds to specific requests for information or training; delivers the message through a maximized method and then evaluates the process outcome.**

**Measure 1:** The PUC held hearings in Grand Junction and Fort Morgan, the Civil Rights Commission met in Trinidad; the OCC continues to conduct its “listening tour” throughout the state, recently in Pueblo; and the Banking Commissioner has hosted events across the eastern plains. In November, the Department teamed up with the AARP on a new “Take 5” webinar series, educating the public about important consumer protection issues. A new external newsletter was distributed to more than 12,500 business, licensed professionals, and industry representatives.

Measure 2	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	Q1 FY16	Q2 FY 16	1-Year Goal	3-Year Goal
Scheduling/Delivering Outreach within 3 days of request	100%	100%	100%	100%	100%	100%	100%	100%



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