



## Department of Regulatory Agencies Q3 FY2016 Performance Evaluation (through March, 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 March 31, 2016. 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	Q3 FY 16	1-Yr Goal	3-Yr Goal
<b>Streamlining Licensing Processes</b>									
Professions & Occupations-Licenses issued w/in 14 days	33,004	27,614	30,691	35,571(100%)	100%	100%*	100%*	100%	100%
Real Estate: Licenses issued within 3 days	4,076	5,647	6,600	8,217 (100%)	93%	42%	71%	100%	100%
Securities: Licenses issued within 30 days	38,103	35,950	36,023	22,266 (99%)	9,994 (99%)	9876 (99%)	12,086 (99%)	99%	99%
<b>Migrating Additional Functions to On-line Platforms</b>					2	2	3	4	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. This quarter, DPO finalized a Licensing Lean Roadmap, aiming to trim application processing times from 14 to only 9 days – shedding a week of the waiting period for more than 40,000 applications each year; deployed an Online Invoice Receipting function; and the Medical Board is taking steps to decrease licensing process time by up to 30 days for a re-entry applicant). The Banking division is pursuing an online annual registration for money transmitters; and the CCRD is making substantial progress with its electronic case management and intake system.

#### 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	Q3 FY 16	1-Yr Goal	3-Yr Goal
<b>Increasingly Efficient Institutional Examinations</b>									
Banking & Financial Services: Exams complete in 12-18 months	100%	100%	100%	100%	100%	100%	100%	100%	100%
Securities: Examinations completed within 270	100%	100%	100%	100%	100%-230 days	100%-90 days	100%-60 days	100%	100%



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Measure 2	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	Q1 FY16	Q2 FY16	Q3 FY 16	1-Yr Goal	3-Yr Goal
<b>Reduced Expenses of Regulatory &amp; Enforcement Programs (% of cases resolved internally/pre-analysis)</b>									
Real Estate	192	282	476	43%	70%	72%	96%	500	500
Professions & Occupations	91.4%	91.5%	93.6%	91%	90%	91%	89%	95%	95%
Civil Rights	84%	84%	83%	85%	86%	80.6%	73%	90%	100%

Measure 1 includes examples illustrative of DORA’s commitment to assuring the financial viability of Colorado’s state chartered financial institutions. 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 these and similar models. This quarter, DPO developed two new policies to swiftly identify priority cases to support and significantly streamline appropriate summary suspension and enforcement processes; Financial Services is operationalizing a Priority Focused Regulation program enabling certain institutions to “bounce-back” from major shocks and prioritizing enforcement matters to correct larger, critical survival issues; and the Division of Real Estate’s “Fast Track Program” resulted in completing 33 cases in January and 22 in February. The Insurance Division worked with their licensing administrator contractor to implement a revised referral process for new, non-residential insurance producer license applications, resulting in a 34% decrease in referred applications, in January.

#### 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:** Insurance’s Property and Casualty Consumer Services Section closed 137 complaints, recovering \$197,179 for consumers, while the Life and Health team closed 123 complaints, and recovered \$442,377 during February alone. Banking continues to explore increasing the threshold from \$500 million to \$1 billion for banks to be examined on an 18-month cycle (providing regulatory relief for banks that qualify because the Division can expand the examination frequency for highly rated banks). DPO’s Mental Health Boards adopted rules to streamline the licensing process for 4 professions, enabling providers to get into the workforce faster to help fill the mental health worker shortage; and the Dental Board adopted a new policy, standing Colorado up as the first state in the nation to open its doors to all three alternative pathways for dental clinical exams - enhancing licensing mobility, without compromising rigorous stands of training and education. The largest settlement obtained in the State by the EEOC and CCRD was announced in February – specifically, a \$1,020,000 damage award to eight Mexican females as a result of harassment, discrimination and retaliation changes. Investigations conducted by the Securities Division include a defendant who engaged in the fraudulent sale of unlicensed investments who paid \$260,000 out of \$734.140 court ordered victim restitution (sentenced to one year in jail and 10 years probation); and another who was sentenced to 8 years of probation and ordered to pay \$450,000 in restitution.

Measure 2	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	Q1 FY16	Q2 FY 16	Q3 FY 16	1-Yr Goal	3-Yr 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%	2406- 95.9%	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%	68 (94.4%)	400	350
Office of Consumer Counsel – Percentage of rate increases avoided due to OCC involvement	60.0%	60.0%	60.0%	52%	52%	33%	32%	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	Q3 FY 16	1-Yr Goal	3-Yr Goal
% of Divisions Empaneled Industry Stakeholder Groups					78%	100%	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	Q3 FY 16	1-Yr Goal	3-Yr Goal
Insurance-Complaints/inquiries processed w/in 90 days	2,730	2,714	2,490	90%	87%	89%	87%	95%	95%
PUC – Complaints/Inquiries resolved within 15 days					99.2%	99.2%	98.6%	95%	95%
EDO -Staff participating in DORA’s training courses	464	414	468	85%	33%	45%	55%	475	475

In January alone the PUC resolved 98.2% of consumer inquiries within 15 days, and saved consumers \$6,400.99, while two sections in Insurance closed 206 complaints and recovered \$366,380. Insurance’s new “online complaint form” was completed, giving the consumer the ability to print or receive an email copy of his/her complaint.

### 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:** DORA joined dozens of national organizations to celebrate National Consumer Protection Week (NCPW), ([www.ncpw.gov](http://www.ncpw.gov)), organizing a Consumer Protection Open House with the AGO and Better Business Bureau, and the re-launch of DORA’s statewide “Take 5 to Get Wise” consumer awareness campaign, including an updated website and public service announcements to English and Spanish speaking audiences over TV, social media and digital sites. This was *in addition to* outreach efforts with business and industry sectors, and an 8 session webinar series in partnership with AARP. After the integration of Kroger pharmacies with PDMP by allowing PDMP data in the pharmacist’s workflow, utilization rates increased, reflecting patient queries up from 70% to 114% and pharmacist utilization rates up from 44% to 88%. Prescriber utilization sits at 27%.

Measure 2	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	Q1 FY16	Q2 FY 16	Q3 FY 16	1-Yr Goal	3-Yr Goal
Scheduling/Delivering Outreach w/in 3 days of request	100%	100%	100%	100%	100%	100%	100%	100%	100%



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