Department of Business Regulation

Staff Presentation
FY 2018 Revised and
FY 2019 Recommended Budgets
April 12, 2018
2013 Assembly created Executive Office of Commerce

- Oversee and serve as the lead agency of the Executive Branch for managing the promotion of commerce and the state’s economy
- Administered by a secretary of commerce
- Statutes effective February 1, 2015
Introduction

- 2013 Legislation included power to operate Department of Business Regulation functions
  - Governor’s FY 2016 recommendation maintained as stand-alone agency
  - Department falls under Secretary and Executive Office
    - Office of the Health Insurance Commissioner located within the Department of Business Regulation
Department of Business Regulation

- Office of the Health Insurance Commissioner

- Business Regulation divisions include:
  - Central Management
  - Banking Regulation
  - Securities Regulation
  - Board of Accountancy
  - Insurance Regulation
  - Commercial Licensing, Gaming & Athletics
  - Boards for Design Professionals
## Summary by Source

<table>
<thead>
<tr>
<th></th>
<th>FY 2018 Enacted</th>
<th>FY 2018 Revised</th>
<th>FY 2019</th>
<th>Chg. to Enacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue</td>
<td>$10.8</td>
<td>$11.0</td>
<td>$17.2</td>
<td>$6.4</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>0.9</td>
<td>1.0</td>
<td>0.9</td>
<td>0.0</td>
</tr>
<tr>
<td>Restrict Receipts</td>
<td>3.9</td>
<td>4.2</td>
<td>6.4</td>
<td>2.5</td>
</tr>
<tr>
<td>Other Funds</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$15.6</strong></td>
<td><strong>$16.2</strong></td>
<td><strong>$24.5</strong></td>
<td><strong>$8.9</strong></td>
</tr>
<tr>
<td>FTE</td>
<td>101.0</td>
<td>106.0</td>
<td>170.0</td>
<td>69.0</td>
</tr>
</tbody>
</table>

$ In Millions
Centralized Services

- 2017 Assembly authorized establishment of internal service funds for centralized services
  - Information technology, capital asset management & maintenance, & HR
- Costs previously budgeted in DOA
  - Methodology on distribution needs review
  - Long term impacts and transparency concerns
Governor’s budget allocates costs to user agencies

<table>
<thead>
<tr>
<th>All Sources</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology</td>
<td>$390,694</td>
<td>$620,103</td>
</tr>
<tr>
<td>Human Resources</td>
<td>354,492</td>
<td>409,107</td>
</tr>
<tr>
<td>Facilities</td>
<td>143,215</td>
<td>204,636</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$888,401</strong></td>
<td><strong>$1,233,846</strong></td>
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<table>
<thead>
<tr>
<th>General Revenues</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology</td>
<td>$383,135</td>
<td>$431,565</td>
</tr>
<tr>
<td>Human Resources</td>
<td>354,492</td>
<td>367,455</td>
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<tr>
<td>Facilities</td>
<td>143,215</td>
<td>192,036</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$880,842</strong></td>
<td><strong>$991,056</strong></td>
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</table>
## Summary by Source

<table>
<thead>
<tr>
<th></th>
<th>FY 2018 Enacted</th>
<th>FY 2018 Revised</th>
<th>FY 2019</th>
<th>Chg. to Enacted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Revenue</strong></td>
<td>$10.8</td>
<td>$10.1</td>
<td>$16.2</td>
<td>$5.4</td>
</tr>
<tr>
<td><strong>Federal Funds</strong></td>
<td>0.9</td>
<td>1.0</td>
<td>0.9</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Restrict Receipts</strong></td>
<td>3.9</td>
<td>4.2</td>
<td>6.2</td>
<td>2.3</td>
</tr>
<tr>
<td><strong>Other Funds</strong></td>
<td>-</td>
<td>-</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$15.6</td>
<td>$15.3</td>
<td>$23.3</td>
<td>$7.7</td>
</tr>
<tr>
<td><strong>FTE</strong></td>
<td>101.0</td>
<td>106.0</td>
<td>170.0</td>
<td>69.0</td>
</tr>
</tbody>
</table>

Excluding Centralized Services

$ In Millions
FY 2019 Governor by Category

- Salaries & Benefits: 78.3%
- Contracted Services: 10.8%
- Operations: 10.2%
- Contracted Services: 0.3%
- Capital: 0.3%
## Expenditures by Program

<table>
<thead>
<tr>
<th>Program</th>
<th>FY 2018 Enacted</th>
<th>FY 2018 Rev.</th>
<th>FY 2019 Gov.</th>
<th>Chg. to Enacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>OHIC</td>
<td>$2.74</td>
<td>$2.74</td>
<td>$2.38</td>
<td>$(0.36)</td>
</tr>
<tr>
<td>Central Mgmt.</td>
<td>1.30</td>
<td>1.23</td>
<td>1.34</td>
<td>0.04</td>
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<tr>
<td>Banking Reg.</td>
<td>1.79</td>
<td>1.65</td>
<td>1.90</td>
<td>0.10</td>
</tr>
<tr>
<td>Securities Reg.</td>
<td>0.99</td>
<td>0.97</td>
<td>1.01</td>
<td>0.02</td>
</tr>
<tr>
<td>Comm. Licensing</td>
<td>2.67</td>
<td>2.64</td>
<td>3.29</td>
<td>0.62</td>
</tr>
<tr>
<td>Insurance Reg.</td>
<td>5.75</td>
<td>5.76</td>
<td>5.85</td>
<td>0.10</td>
</tr>
<tr>
<td>Board of Acct.</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>-</td>
</tr>
<tr>
<td>Boards for Design Pros.</td>
<td>0.36</td>
<td>-</td>
<td>-</td>
<td>(0.36)</td>
</tr>
<tr>
<td>Build, Design &amp; Fire Pros.</td>
<td>-</td>
<td>0.32</td>
<td>7.53</td>
<td>7.53</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$15.61</strong></td>
<td><strong>$15.33</strong></td>
<td><strong>$23.30</strong></td>
<td><strong>$7.69</strong></td>
</tr>
</tbody>
</table>

$ In Millions
Target Issues

- Department provided with general revenue target of $9.8 million
  - Includes current service adjustments totaling $0.1 million & 10.0% reduction or $1.1 million
- Budget submitted by the Department $1.2 million above the target
  - Included $0.1 million savings in OHIC & proposals for enhanced revenue collections of $1.5 million
  - Governor’s recommendation $1.3 million more than target
Enacted Staffing Summary

- 2017 Assembly enacted 101.0 positions
  - 5.0 fewer than the Governor recommended
- Business Regulation – 88.0 FTE
  - 4.0 more positions than FY 2017 enacted
- Office of the Health Insurance Commissioner – 13.0 FTE
  - 2.0 general revenue positions eliminated
  - Utilization Review transferred from Health, including 2.0 FTE funded from restricted receipts
FTE History

*Through March 31, 2018
### Full-Time Equivalent Positions

<table>
<thead>
<tr>
<th>Full-Time Positions</th>
<th>FTEs</th>
<th>Chg. To Enacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enacted Authorized</td>
<td>101.0</td>
<td>-</td>
</tr>
<tr>
<td>FY 2018 Gov. Rev.</td>
<td>106.0</td>
<td>5.0</td>
</tr>
<tr>
<td>FY 2019 Request</td>
<td>106.0</td>
<td>5.0</td>
</tr>
<tr>
<td>FY 2019 Governor</td>
<td>170.0</td>
<td>69.0</td>
</tr>
<tr>
<td>FY 2019 Funded FTE</td>
<td>168.5</td>
<td>67.5</td>
</tr>
<tr>
<td>Filled as of March 31</td>
<td>90.6</td>
<td>(10.4)</td>
</tr>
<tr>
<td>FY 2017 Average Filled*</td>
<td>91.6</td>
<td>(9.4)</td>
</tr>
</tbody>
</table>

*Data skewed positions currently filled in DOA proposed for transfer*
# Staffing

## FY 2019 Governor Recommendation

<table>
<thead>
<tr>
<th></th>
<th>DBR</th>
<th>Statewide</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Salaries (in millions)</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$24.4</td>
<td>$1,117.1</td>
</tr>
<tr>
<td><strong>Turnover (in millions)</strong></td>
<td>(0.2)</td>
<td>(42.9)</td>
</tr>
<tr>
<td><strong>Turnover %</strong></td>
<td>0.9%</td>
<td>3.8%</td>
</tr>
<tr>
<td><strong>Turnover FTE</strong></td>
<td>1.5</td>
<td>592.2</td>
</tr>
<tr>
<td><strong>FY 2019 FTE recommended</strong></td>
<td>170.0</td>
<td>15,426.5</td>
</tr>
<tr>
<td><strong>Funded FTE</strong></td>
<td>168.5</td>
<td>14,834.3</td>
</tr>
<tr>
<td><strong>Filled as of March 31</strong></td>
<td>90.6</td>
<td>13,849.4</td>
</tr>
<tr>
<td><strong>Funded but not filled&lt;sup&gt;2&lt;/sup&gt;</strong></td>
<td>77.9</td>
<td>984.9</td>
</tr>
</tbody>
</table>

<sup>1</sup> Reporting error in the personnel supplement overstates cost

<sup>2</sup> Data skewed positions currently filled in DOA proposed for transfer
Staffing Summary

- **FY 2018 rev. includes 106.0 positions**
  - Consistent with the Department’s request
    - DBR has advocated for increased staffing related to accreditations for banking and insurance regulation

- **FY 2019 rec. includes 170.0 FTE**
  - Establishes Division Building, Design & Fire Professionals
    - Transfers 59.0 positions from DOA
  - Transfers various licensing activities from Health
    - Including 2.0 licensing aides
  - Adds 3.0 FTE to medical marijuana regulation
## Staffing

<table>
<thead>
<tr>
<th></th>
<th>FY 2018 Enacted</th>
<th>FY 2018 Rev.</th>
<th>FY 2019 Gov.</th>
<th>Change to Enacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>OHIC</td>
<td>13.0</td>
<td>13.0</td>
<td>13.0</td>
<td>-</td>
</tr>
<tr>
<td>Central Mgmt.</td>
<td>8.4</td>
<td>8.5</td>
<td>9.0</td>
<td>0.6</td>
</tr>
<tr>
<td>Banking Reg.</td>
<td>16.0</td>
<td>16.0</td>
<td>17.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Securities Reg.</td>
<td>8.8</td>
<td>8.8</td>
<td>9.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Insurance Reg.</td>
<td>35.0</td>
<td>36.0</td>
<td>35.0</td>
<td>-</td>
</tr>
<tr>
<td>Comm. Lic.</td>
<td>16.8</td>
<td>20.7</td>
<td>25.0</td>
<td>8.2</td>
</tr>
<tr>
<td>Design Prof.</td>
<td>3.0</td>
<td>-</td>
<td>-</td>
<td>(3.0)</td>
</tr>
<tr>
<td>Build, Design &amp; Fire</td>
<td>-</td>
<td>3.0</td>
<td>62.0</td>
<td>62.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>101.0</strong></td>
<td><strong>106.0</strong></td>
<td><strong>170.0</strong></td>
<td><strong>69.0</strong></td>
</tr>
</tbody>
</table>
Undistributed Savings

- FY 2018 enacted budget includes $25.0 million of statewide savings
  - Undistributed in DOA’s budget
- Governor’s revised budget has proposals that total $25.0 million
  - Not all repeat in FY 2019
- Business Regulation
  - FY 2018 revised - $0.7 million
  - FY 2019 - $0.6 million
# Undistributed Savings

<table>
<thead>
<tr>
<th>Item</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel savings*</td>
<td>$0.4</td>
<td>$0.3</td>
</tr>
<tr>
<td>Shifting Expense for Design Professionals to restricted receipts</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Total</td>
<td>$0.7</td>
<td>$0.6</td>
</tr>
</tbody>
</table>

*Some of this from voluntary retirement incentive program

$ In millions
Office of the Health Insurance Commissioner

- Created by 2004 Assembly within the Department of Business Regulation
  - Established as a distinct program in FY 2012
- Positions funded through a variety of sources
  - 6.0 positions funded by general revenues
  - 5.0 positions federally funded from 2 grants
    - One grant closes during FY 2019
  - 2.0 positions funded from restricted receipts

- OHIC sets and enforces standards
  - Consumer protection, service provider fairness, insurer solvency, health system improvement
- 6.0 general revenue funded positions
  - $1.1 million, $0.1 million more than enacted to reflect current staffing
- $0.2 million for office operations
  - Essentially as enacted, mostly advisory contracting services
State Innovation Models:

- Design or test innovative health care payment and service delivery models
  - Governor recommends $0.3 million; 2.0 grant funded positions
  - Includes operational expenses previously paid through general revenues
Office of the Health Insurance Commissioner – Federal Grants

- Health Insurance Enforcement Grant
  - Implement and enhance policy form review, conduct market examinations and analysis, & investigate complaints
  - FY 2019 - $0.1 million from federal funds
    - $0.4 million less than enacted to reflect October 2018 closing
      - Supports 3.0 existing positions
      - Extension requests not available until July, 2018; the Office anticipates redistribution of available funding
  - FY 2018 – includes turnover savings for implementation delay
Office of the Health Insurance Commissioner - Restricted

- Health Care Utilization Transfer
  - Administer certification, investigate complaints, conduct on-site surveys and investigate compliance of state laws, rules & regulations
    - OHIC currently reviews denial of benefits & claims processing & reviews adequacy of network coverage
  - 2.0 positions and funding transferred from Department of Health
    - $0.2 million restricted receipts; essentially as enacted
Office of the Health Insurance Commissioner – RI REACH

- Office’s consumer assistance program,
  - Toll-free live answer helpline; operated by the Rhode Island Parent Information Network
  - FY 2014 – FY 2016 funded through federal rate review funds
  - General revenue funded since FY 2017
- Budget includes $0.4 million
  - $59,750 less than enacted from general revenues
  - $70,000 from federal Medicaid match funds
    - Reflects volume of Medicaid-related calls
Central Management

- Administers and oversees the statutory functions of the department
  - Excluding OHIC
- Support services: budgeting, accounting, personnel, legal and information technology
- FY 2019 includes $43,785 more to fully fund 9.0 positions
  - Operations level funded for both years
Banking Regulation

- Required by statute to conduct examinations of banks and credit unions every 18 months
- Monitors, regulates and examines financial institutions including state-chartered banks, bank holding companies, interstate banks, and credit unions and lending company licenses
Banking Regulation

- Governor recommends $1.9 million for FY 2019 and 17.0 FTEs
  - $0.1 million more than enacted
  - Adds 2.0 Bank Examiner positions
    - Budget assumes $0.2 million in related revenues
    - $25,000 from restricted receipts for regulatory organization membership in both years

- FY 2018 adjustments
  - Includes $0.2 million turnover & statewide savings
Insurance Regulation

- Conducts financial examinations of domestic insurance companies
- Licenses foreign insurers and other financial companies, and over 120,000 producers, adjusters and appraisers
- FY 2019 $4.2 million and 35 positions
  - Adds 1.0 Insurance examiner
    - Budget assumes $0.1 million in related revenues
  - Operations as enacted
- FY 2018 incl. $0.1 million turnover savings
Insurance Regulation

- Actuarial Services for Rate Review Filings
  - Contracts with 5 firms employed to assist in preparation of insurance rate filings
  - Complex analysis of loss and premium data gathered by insurers over a period of years
  - Average 3-year expenditure is $1.0 million
    - Costs are billed to the regulated corporations
Securities Regulation

- Enforces compliance with state laws for the securities industry, franchises, charities, fundraisers and time-shares
- Licenses and regulates securities professionals
Governor recommends $1.0 million
  - Mostly general revenues
  - Includes $18,457 more than enacted for staffing
FY 2018 includes turnover savings of $21,673
  - Operations as enacted
Commercial Licensing, Gaming & Athletics

- Licenses & regulates real estate agents, brokers, appraisers, auto body shops, glass installers, upholsters, liquor wholesalers, medical marijuana cultivators, compassion centers and cooperative cultivations
- Licenses casino employees & vendors
- Governor recommends $2.0 million
  - $1.8 million for salaries and benefits
    - $0.2 million more from general revenues and restricted receipts
  - Includes 2.0 new licensing aides transferred from Health associated with Article 6 – heard March 1
Governor recommends $1.3 million
$0.7 million for salaries and benefits
- $0.3 million more from restricted receipts
- 4.0 positions above the enacted
- Includes 3.0 licensing aides for the expansion of compassion centers & centralization of oversight
Governor recommends $1.3 million
$0.6 million for operations
- $0.1 million more than enacted marijuana regulation office operations and equipment
  - $20,000 more for security monitoring system similar to Lottery
  - $30,000 more for encrypted card printer
Board of Accountancy

- Autonomous board responsible for administration of licensing
  - Certified public accountants
  - Public accountants
  - Accountancy partnerships & corporations
- Governor recommends $6,000
  - Consistent with the enacted budget
    - Primarily National Assoc. of State Boards of Accountancy Membership ~ 71%
    - Administrative expenses & hearing support
Article 3 - Division of Building, Design & Fire Professionals

- Article hearing held March 1st
- Consolidates licensing and regulation relating to building and construction design, inspection, and enforcement of building and fire codes
- Establishes Division of Building, Design and Fire Professionals in Department of Business Regulation
Component of $25M savings target
- $0.3 million savings for FY 2018 & FY 2019
- MOU signed on 1/12/18
  - DOA, DBR and Public Safety
  - Retroactive to July 1, 2017
  - Renames Div. of Design Professionals as Div. of Construction & Design Professionals
  - Outlines agreements on duties and controls of grant funds and other services and support
## FY 2019 Governor’s Recommendation

<table>
<thead>
<tr>
<th></th>
<th>Design Pros</th>
<th>Contractor’s Lic. Board</th>
<th>Building &amp; Fire Codes</th>
<th>Fire Marshal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staffing</strong></td>
<td>$0.3</td>
<td>$1.0</td>
<td>$1.7</td>
<td>$3.0</td>
<td>$6.0</td>
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<tr>
<td><strong>Contract Services</strong></td>
<td>0.0</td>
<td>-</td>
<td>-</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>1.0</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$0.3</td>
<td>$1.1</td>
<td>$1.9</td>
<td>$4.2</td>
<td>$7.5</td>
</tr>
<tr>
<td><strong>FTE</strong></td>
<td>3.0</td>
<td>9.0</td>
<td>14.0</td>
<td>36.0</td>
<td>62.0</td>
</tr>
</tbody>
</table>

Includes $0.3 million savings for FY 2018 & FY 2019
Article 3 - Division of Building, Design & Fire Professionals

- From Dept. of Administration
  - Contractors’ Registration and Licensing Board
  - State Building Code Commission
  - Fire Safety Board of Appeal and Review
- From Public Safety
  - Division of State Fire Marshal
Contractors’ Registration & Licensing Board

- Responsible for registering building contractors, licensing home inspectors and commercial roofers
- Board investigates complaints and conducts consumer protection activities
  - Mediates disputes between property owners and contractors
## Article 3 - Division of Building, Design & Fire Professionals

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Fwd.</td>
<td>$603,016</td>
<td>$910,743</td>
<td>$705,603</td>
<td>$110,557</td>
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<tr>
<td>New Receipts</td>
<td>1,549,681</td>
<td>1,124,482</td>
<td>1,511,000</td>
<td>1,012,034</td>
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<tr>
<td>Indirect Cost</td>
<td>(154,968)</td>
<td>(112,448)</td>
<td>(151,100)</td>
<td>(101,203)</td>
</tr>
<tr>
<td>Available</td>
<td>$1,997,728</td>
<td>$1,922,777</td>
<td>$2,065,503</td>
<td>$1,021,388</td>
</tr>
<tr>
<td>Expenditures</td>
<td>1,086,985</td>
<td>1,217,174</td>
<td>1,631,243</td>
<td>1,327,490</td>
</tr>
<tr>
<td>Design Prof.</td>
<td>-</td>
<td>-</td>
<td>323,703</td>
<td>335,643</td>
</tr>
<tr>
<td><strong>Balance</strong></td>
<td><strong>$910,743</strong></td>
<td><strong>$705,603</strong></td>
<td><strong>$110,557</strong></td>
<td><strong>($641,745)</strong></td>
</tr>
</tbody>
</table>
State Building Code Commission

- Oversees approval of:
  - State projects
  - Accessibility programs
  - Building code standards

- Monitors for compliance applicable structures

- Operating budget of $1.5 million; funded with general revenues

- Staffed with 11.0 full-time positions; all filled
Article 3 - Division of Building, Design & Fire Professionals

- Fire Safety Board of Appeal and Review
  - Provides interpretations of fire codes and hears all variance requests
  - Staffed by 3.0 full-time equivalent positions
    - All positions are filled
  - Operating budget of $0.3 million
    - Supported with general revenues
Article 3 - Division of Building, Design & Fire Professionals

- Division of State Fire Marshal
  - Responsible for enforcement of duties required by RI Fire Safety Code including
    - Prevention, Protection, Investigation, Education
  - Article establishes it as an office within DBR
    - Current law requires it to be in DPS
    - State Fire Marshal would still be appointed by Governor
Article 3 - Division of Building, Design & Fire Professionals

- Consolidates licensing and regulation relating to building and construction design, inspection, and enforcement of building and fire codes

- Establishes Division of Building, Design and Fire Professionals in Department of Business Regulation
Article 3 - Division of Building, Design & Fire Professionals

- Boards For Design Professionals
  - Registers Professional engineers, land surveyors, landscape architects, & architects
- Examines & registers candidates, issues license renewals, proctors exams, and acts upon complaints
- Governor recommends consolidating the boards to a new Division in DBR
  - Transfers funding from general revenues to Contractor’s Licensing Board restricted receipts to achieve $0.3 million savings
Revenues

- Department collects revenues through:
  - Applications, exams, license renewals, late penalties and miscellaneous fees
- Funds collected are deposited as general revenues
- Article 7 includes 2 revenue initiatives
  - Heard Feb. 13, 2018
  - Budget assumes $7.6 million of new revenue
    - $6.0 million more than the Department’s proposed increases
Article 7, Sect. 1 – Securities Fees

- Increases annual fees for federally covered securities:
  - Established in 1997
    - 0.1% of maximum aggregate price; Minimum of $300 and maximum of $1,000
    - DBR’s budget request proposed $100 increase
  - Increases cap and renewal to $1,500
    - Budget adds $4.6 million in revenue from change
    - Full year collections
    - Effective date August 1, 2018 – Governor requested amendment to make that July 1
### Article 7, Sect. 1 – Securities Fees

#### Open End Mutual Funds

<table>
<thead>
<tr>
<th>State</th>
<th>Initial</th>
<th>Renewal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhode Island</td>
<td>$1,000 per Mutual Fund</td>
<td></td>
</tr>
<tr>
<td>RI – Article 7</td>
<td>$1,500 per Mutual Fund</td>
<td></td>
</tr>
<tr>
<td>Connecticut</td>
<td>$500 per series or portfolio</td>
<td></td>
</tr>
<tr>
<td>Massachusetts</td>
<td>$2,500 per share class</td>
<td>$1,250 per share class</td>
</tr>
<tr>
<td>Maine</td>
<td>$1,000 each class or type</td>
<td></td>
</tr>
<tr>
<td>Vermont</td>
<td>$2,000 per share class</td>
<td>$1,500 per share class</td>
</tr>
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</table>
## Article 7, Sect. 1 – Securities Fees

### Closed End Mutual Funds

<table>
<thead>
<tr>
<th>State</th>
<th>Initial</th>
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</thead>
<tbody>
<tr>
<td>Rhode Island</td>
<td>0.1% of total offer $300 - 1,000</td>
</tr>
<tr>
<td>RI – Article 7</td>
<td>0.1% of total offer $300 - 1,500</td>
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<tr>
<td>Connecticut</td>
<td>0.1% of total offer $500 Max</td>
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<tr>
<td>Massachusetts</td>
<td>0.05% of total offer $300 - $1,500</td>
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<tr>
<td>Maine</td>
<td>$1,000 for each class or type</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>$500 per class and $200 examination fee</td>
</tr>
<tr>
<td>Vermont</td>
<td>$2,000 per share class</td>
</tr>
</tbody>
</table>
Increases adjusters’ license fees:

- Public, company, or independent adjusters
  - From $150 to $250, biennial renewal
  - Department proposed an increase of $20

History of fee changes:

- Prior to 2007 - $50, and application fee
- 2007: Fee changed from $50 to set by DBR
- 2009: $120, and application fee set by DBR
- 2014: $120 to $150, and no application fee
Article 7, Sect. 3 – Claims Adjusters Fees

- Anticipated to generate $3.0 million in new revenues
- Effective date January 1, 2019
- Revenues assume a full year of collections
- Governor requested an amendment to change effective date to July 1, 2018
# Article 7, Sect. 3 – Claims Adjusters Fees

<table>
<thead>
<tr>
<th>State</th>
<th>Initial</th>
<th>Renew</th>
<th>Adjusters</th>
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<tbody>
<tr>
<td>RI</td>
<td>$150</td>
<td>$150</td>
<td>Public, Independent, Corporate – 2 year</td>
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<tr>
<td>RI Art 7</td>
<td>$250</td>
<td>$250</td>
<td>Public, Independent, Corporate – 2 year</td>
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<tr>
<td>CT</td>
<td>$300</td>
<td>$250</td>
<td>Public – 2 year</td>
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<tr>
<td>MA</td>
<td>$200</td>
<td>$200</td>
<td>Individual – 3 year</td>
</tr>
<tr>
<td></td>
<td>$66.66</td>
<td>$66.66</td>
<td>Per member Corporate – 3 year</td>
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</tbody>
</table>
Required Reporting

- **OHIC**
  - Annual Advisory Council Reports - 2018
  - Bi-Annual Hospital Payment Variation – 2012 “subject to available resources”

- **Commercial Licensing & Gaming**
  - Annual Gaming and Athletics Report
    - Never filed – appears to be obsolete
  - Premium Jobs Committee
    - Min. 120 days prior to a rate change – not yet triggered
Department of Business Regulation

Staff Presentation
FY 2018 Revised and
FY 2019 Recommended Budgets
April 12, 2018