# DOR STRATEGIC PLAN

STATE OF RHODE ISLAND DEPARTMENT OF REVENUE

**2021-2022**

STATE OF RHODE ISLAND
DOR
DEPARTMENT OF REVENUE

# TABLE OF CONTENTS

## Table of Contents

# INTRODUCTION

## A NOTE FROM ACTING DIRECTOR GUILLERMO TELLO

The Rhode Island Department of Revenue oversees programs that affect the financial management of every community in the state and touch the daily lives of most Rhode Islanders in some way. Created by the General Assembly in 2006, the Department of Revenue includes the Rhode Island Lottery, the Division of Motor Vehicles, the Division of Municipal Finance, the Division of Taxation, the Office of Revenue Analysis, and the Central Collections Unit.

Those units manage 1.7 million driver's licenses and vehicle registrations, process more than 2.5 million tax filings annually and will generate nearly $4.0 billion in revenue in Fiscal Year 2021 – more than one-third of the state's annual budget. Along with their revenue management duties, the Department's 602 employees vigilantly maintain the security of the private information of state residents and businesses. We do that by adhering to the highest level of ethical conduct and respect of the public's trust. We strive to be open, accountable, and responsive to the needs of those they serve.

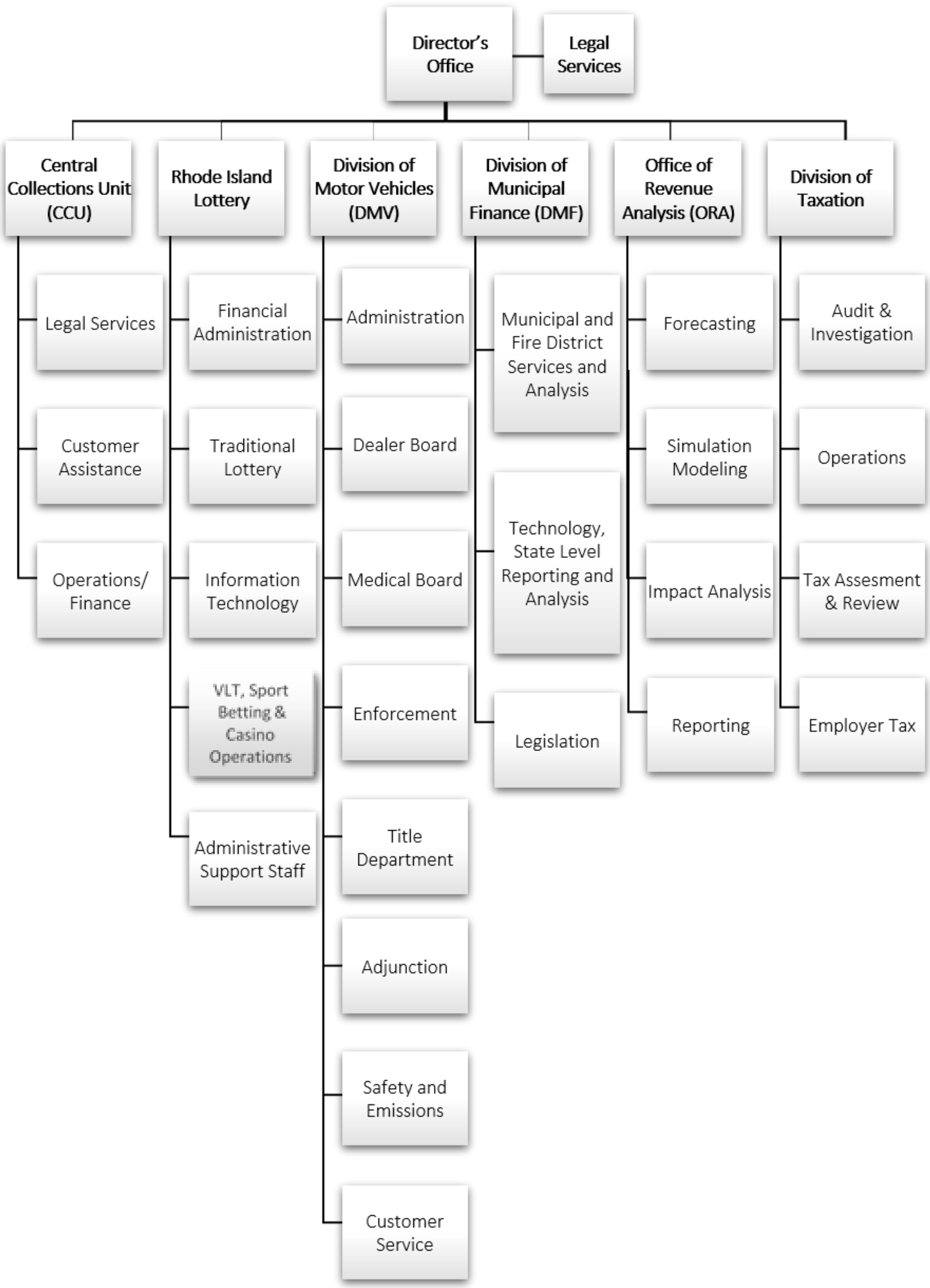
We intend, as this plan demonstrates, to improve the ways in which we serve Rhode Islanders and the communities in which they live in Fiscal Year 2021. We are committed to helping Rhode Island's residents and businesses succeed and thrive, not just in the year to come, but in the years beyond.

STATE OF RHODE ISLAND DOR DEPARTMENT OF REVENUE

# THE DEPARTMENT OF REVENUE

The Rhode Island Department of Revenue is a cabinet-level state government agency in Rhode Island which is responsible for ensuring the proper functioning of state government through the collection and distribution of state revenue, operation of the state lottery, oversight of municipal finance, and administration of state laws governing driver licensing, motor vehicle sales and motor vehicle registration. The State of Rhode Island Department of Revenue (DOR) employs over 600 employees across several key divisions including the Division of Municipal Finance, Division of Motor Vehicles, Office of Revenue Analysis, Central Collections Unit, Lottery, Division of Taxation, and Revenue Director's Office. The mission of the Department of Revenue is to administer its programs and consistently execute the laws and regulations with integrity and accountability, thereby instilling public confidence in the work performed by the Department. As Department of Revenue employees, we adhere to the highest level of ethical conduct, and are open, accountable and responsive to the needs of those we serve.

# ORGANIZATIONAL CHART



# THE STRATEGIC PLANNING PROCESS

## PURPOSE

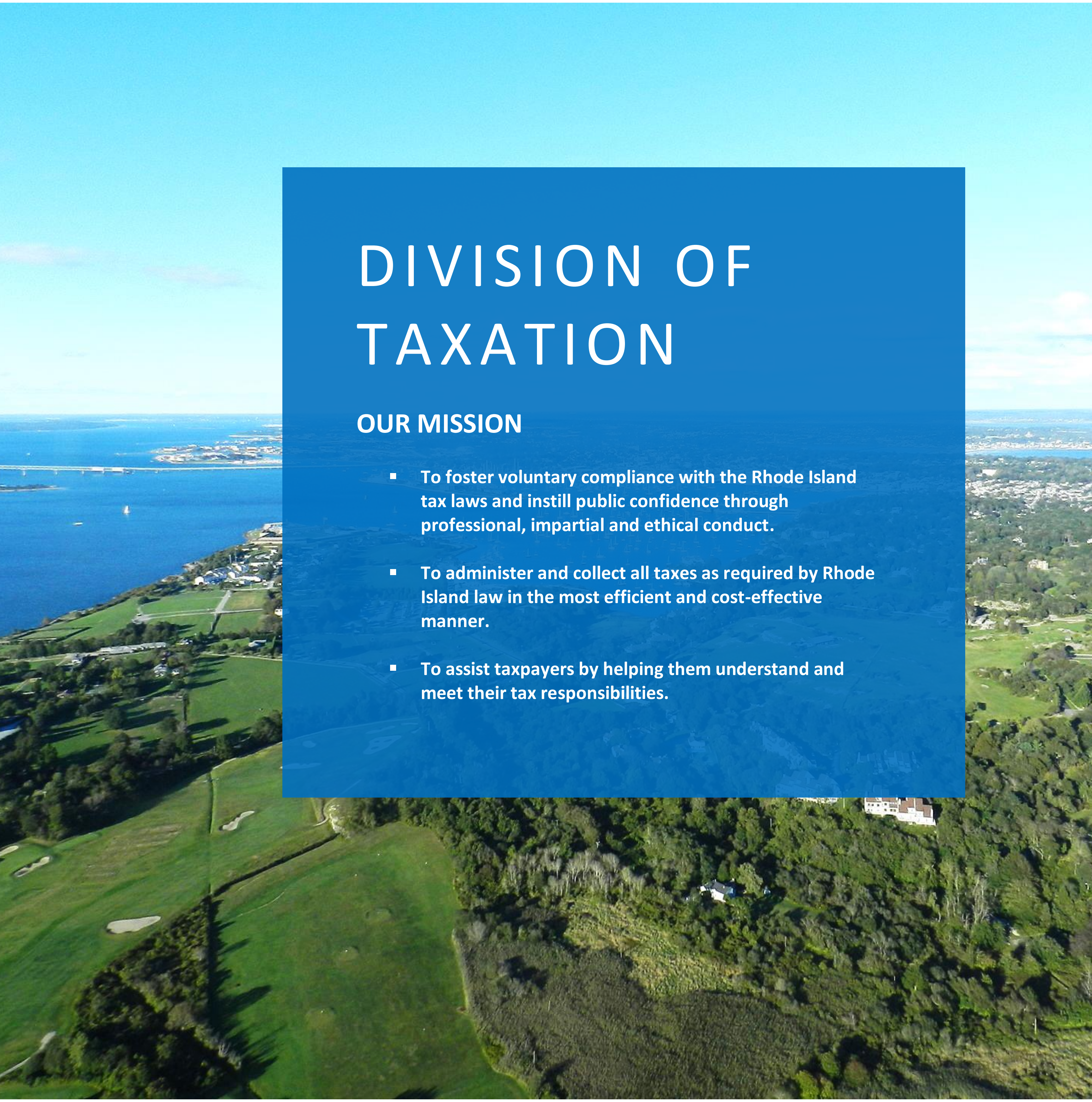
Strategic planning is a comprehensive and systematic management tool that helps organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization mission and achieve consensus on strategies and objectives for achieving that mission.

Over the past 40 years, strategic planning has become increasingly widespread among governments and public agencies. Strategic planning requires all stakeholders reflect on the organization's vision, mission and fundamental values, and then define measurable strategic objectives for the whole organization. Clearly defined and articulated strategies help ensure that the organization's priority initiatives are given the best treatment.

Due to the variety of services provided by the Department and the expanse of coverage, effective cross-division coordination is indispensable for the Department of Revenue. The strategic plan provides a forum for senior staff, management leaders and administrators to reflect on division specific operational considerations alongside constituent needs and reach consensus on prioritized issues.

## METHODOLOGY

The 2021 strategic plan was developed through a series of consultations with senior staff designed to understand the current situation of each division, identify goals and priorities for the coming year, and address strategic issues and concerns.



# DIVISION OF TAXATION

## OUR MISSION

- To foster voluntary compliance with the Rhode Island tax laws and instill public confidence through professional, impartial and ethical conduct.
- To administer and collect all taxes as required by Rhode Island law in the most efficient and cost-effective manner.
- To assist taxpayers by helping them understand and meet their tax responsibilities.

FY2020 KEY STATISTICS

- $347 MILLION IN PERSONAL INCOME TAX REFUNDS PROCESSED AND ISSUED
- OVER 4,300 CONSTITUTENT PHONE CALLS RECEIVED BY THE DIVISION EACH WEEK
- OVER 3 MILLION DOCUMENTS PROCESSED

2022 OBJECTIVES

- IMPROVE TAXPAYER SERVICE
- EDUCATE TAXPAYERS
- INCREASE COMPLIANCE

# ABOUT US

The Division of Taxation administers and collects all taxes as required by Rhode Island law in the most efficient and cost-effective manner and assists taxpayers by helping them understand and meet their tax responsibilities.

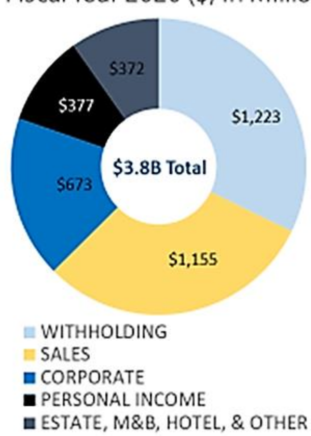
# OUR VALUES

- ***Service*** – engage in quality interactions with taxpayers.
- ***Education*** – assist taxpayers to understand and meet tax obligations.
- ***Integrity*** – adhere to a standard of conduct with all stakeholders.
- ***Respect*** – ensure respectful and fair treatment for all taxpayers.
- ***Efficiency*** – streamline all processes for timely and effective operations.

# WHAT WE DO

The Division of Taxation (Division) administers more than fifty-eighty (58) different taxes and fees, including personal income tax, corporate income tax, and sales tax. Taxes represent the most significant source of General Fund revenue for Rhode Island. Each year the Division collects and distributes more than $3 billion; these funds are used to help pay for vital services – including public safety, education, transportation, and recreation – for all Rhode Islanders.

Total State Tax Revenue Collected by the Division of Taxation for Fiscal Year 2020 ($, In Millions)



# OBJECTIVES

## IMPROVE TAXPAYER SERVICE

The Division is committed to improving taxpayer service and has developed a comprehensive plan to allocate resources and streamline the taxpayer service experience. The Division understands the challenges for individuals and businesses in navigating tax obligations and ensuring compliance. In order to assist with these challenges, the Division has made it a priority to provide resources through dedicated staff and improved systems for a more efficient and effective taxpayer experience.

**The taxpayer portal is available for individual and business taxpayers and accommodates payments for nearly all Rhode Island state taxes.**

***Dedication of Specialized Service Personnel***

The Division's staff has broad expertise in all areas of Rhode Island tax law, from personal income and corporate income taxes to sales and use and excise taxes. In order to leverage that expertise, the Division is hiring a core group of taxpayer service experience team members. This team will consist of a chief tax experience officer, taxpayer service representatives to answer general questions, and a dedicated business liaison officer for tax registration. With this dedicated team, both individual and business taxpayers will have additional resources to assist in navigating their tax obligations and responsibilities.

***Migration of Services to the Taxpayer Portal***

The Division's online resource for filings and payments, the taxpayer portal, was recently rolled out as an alternative to paper filings or filings through an antiquated system. The taxpayer portal has a wide-range of functionalities to assist taxpayers, including allowing for review of accounts, compliance checks, management of filings, and scheduling of timely payments. The portal is available for individual and business taxpayers and accommodates payments for nearly all Rhode Island state taxes.

***Modernization of Tax Services***

In response to the changing needs of taxpayers as a result of a global pandemic, the Division evaluated internal processes to identify areas where established businesses processes could be altered to better accommodate taxpayers. The Division encouraged taxpayers to limit in-person visits and rely on telephone or e-mail communications. In doing so, it ensured a high level of service by limiting wait times for answered calls and responding to e-mail communications quickly. The Division also allowed for digital signatures on certain identified tax forms and continues to engage in identifying additional tax forms for digital signature.

# EDUCATE TAXPAYERS

A primary tenet of the Division's mission is to help taxpayers understand and meet their tax obligations. This tenet relies on the notion that better compliance is achieved through educated taxpayers that understand when and how to file and pay their taxes. The Division is committed to building upon efforts to better educate taxpayers to meet this goal.

***Communication***

The Division maintains consistent contact with stakeholders through established channels and processes. In evaluating the effectiveness of these processes, the Division seeks to expand its outreach to individuals and businesses through direct communication and social media resources. Currently, most e-mail communications received by the Division are responded to within twenty-four (24) hours and the Division will continue to maintain that level of communication.

***Marketing***

The Division wants to ensure that taxpayers have an awareness and understanding of all available resources for compliance with state tax laws. By engaging in a coordinated marketing campaign focused on the efficiencies and functionalities of the taxpayer portal, with clear direction on the services available, the Division will expand the role of the portal to achieve better compliance. The Division is producing instructional videos, for both the portal and its website, regarding tax filings and payment processes.

# INCREASE COMPLIANCE

For most taxpayers, education and accessibility is all that is needed to ensure compliance with tax obligations. For some, enforcement measures are needed as incentive for taxpayers to meet these same obligations. The goal of the enforcement measures is to "level the playing field" among taxpayers who are compliant and those that are noncompliant.

***Increase Collection and Audit Capacity***

In an effort to combat chronic delinquencies and intentional noncompliance, the Division is increasing its enforcement activity through collection processes and effectuating an audit timeline that will increase collections and audit capacity.

***Shift to Additional Remote Auditing***

Another product of the pandemic, the Division was able to shift from physical in-person audits to remote auditing that allows for additional comfort for taxpayers and staff without sacrificing security and effectiveness. The Division will increase its reliance on remote auditing to maintain its audit capacity and timeline and increase compliance.

# MEASURING PROGRESS

The focus of the Division of Taxation remains on improving the taxpayer experience by raising our processing efficiency, refining revenue collection systems, and speeding payment disbursements. We continue to upgrade our methods and systems for interacting with taxpayers and their representatives. The Division continually monitors its processing pace and efficiency, as well as accessibility to taxpayers. Tax document processing occurs with minimal backlog, while call center wait times and email response show consistently high performance. We employ a consistent and comprehensive outreach program that includes push notifications, online seminars, and mailings, combined with online tools and digital content to encourage voluntary and self-directed taxpayer compliance with applicable regulations. The Division intends to monitor taxpayer use of and access to its online portal and website to improve filings and payments, while reducing errors.

## Operational Achievements

General Operations

**$347M**

**Total amount of personal income tax refunds processed and issued in FY 2020 across a total of more than** 480,000 refunds

**3**

**Average number of days in which a Letter of Good Standing** (LoG) **is issued after an application is received in 2020 if the Taxpayer does not have any outstanding issues.**

**4,300+**

**Constituent phone calls received by the Division, on average, each week a total of more than 256,000 phone calls in FY 2020**

**3M+**

**Total number of documents processed by the Division of Taxation**in FY2020

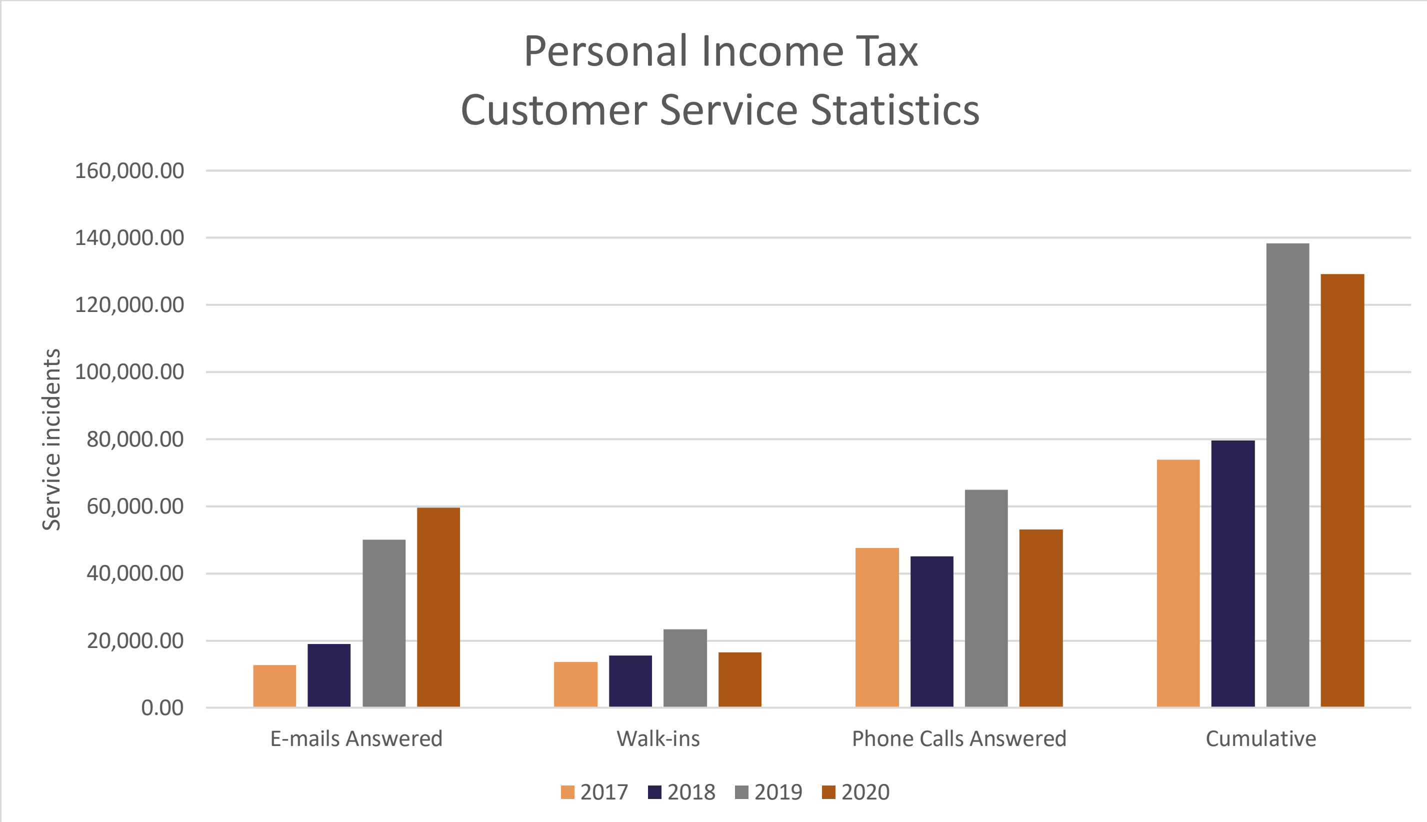
**21K+**

**Number ofaxpayers assisted as walk-ins by Taxation in FY 2020**

**89%**

**Percentage of taxpayers subject to an audit that submitted positive feedbaclon their experience to the Divisiorin a 2020 survey.**

STATE OF RHODE ISLAND DOR DEPARTMENT OF REVENUE


Personal Income Tax
Customer Service Statistics
160,000.00
140,000.00
120,000.00
100,000.00
80,000.00
60,000.00
40,000.00
20,000.00
0.00
Service incidents
E-mails Answered
Walk-ins
Phone Calls Answered
Cumulative
2017
2018
2019
2020

# CENTRAL COLLECTIONS UNIT

## MISSION STATEMENT

- **The Central Collections Unit (CCU) assists state agencies in the collection of debts owed to the state utilizing the most efficient methods and adhering to the highest professional standards.**

STATE OF RHODE ISLAND
DOR

## 2020 KEY STATISTICS

AS OF 4-2-2021:

- 19 MEMORANDA OF UNDERSTANDINGS SIGNED WITH PARTNER AGENCIES
- OVER 80 CIVIL CASES FILED IN COURT
- OVER $1 MILLION COLLECTED IN FY2021

## 2022 OBJECTIVES

- STABILIZE THE TEMPORAL JURISDICTION OF THE CCU
- ENHANCE LITIGATION CAPACITY
- FURTHER DEVELOP AGENCY PARTNERSHIPS
- STREAMLINE THE NOTIFICATION PROCESS

# ABOUT US

The primary statutory responsibility of the CCU is to collect delinquent debts that have been finalized and referred for collection by Rhode Island state agencies or units within those agencies. These debts are ripe for collection because they have been adjudicated through a final administrative order or through a judgment entered by a court of competent jurisdiction. Collection of these debts is important to ensure that there is equity for the general public in the enforcement of statutory mandates. These collection services also aid state agencies in enforcing their administrative decisions.

Rhode Island General Laws §42-142-8, the CCU's enabling statute, is not a mandatory statute with respect to state agencies referring collection matters. State agencies have the discretion to collect their own delinquent debts, retain the services of a private collection agency or refer their debts to the CCU. For the CCU to be competitive with outside collection agencies or an agency's in-house collection unit, the CCU must demonstrate excellent results in the collection of the delinquent debts that are referred by Rhode Island's state agencies.

# OUR VALUES

- To serve the public with integrity.
- To be fair and efficient in the administration of our caseload.
- To be professional and respectful in our interactions.

# WHAT WE DO

- The CCU aids state agencies in the enforcement of statutory mandates.
- The CCU consults and collaborates with agencies to implement debt collection processes and procedures to enable more efficient collection of delinquent debts.
- The CCU also provides collection services and tools to partner agencies including, but not limited to: debt tracking, skip-tracing, payment plans, settlement negotiations, and legal services, from pre-litigation negotiations through trial and appeals.

# OBJECTIVES

## STABILIZE THE TEMPORAL JURISDICTION OF THE CCU

Collections by the CCU have grown steadily over time and are up over 100% compared to the last fiscal year.

Created in 2018, the Central Collections Unit ("CCU") is a separate division within the Department of Revenue. The sole mission of the CCU is to monitor and collect delinquent debts owed to Rhode Island State agencies in the most cost-effective manner while employing the highest professional standards. The CCU was initially established by statute as a pilot program with a sunset date of 6/30/2021 until the unit established its long-term viability as a revenue generator for the state.

Collections by the CCU have grown steadily over time and are up over 100% compared to the last fiscal year. The unit is now well established and bringing in more than enough revenue to cover its administrative costs. As such, stabilizing the temporal jurisdiction of the CCU is a critical immediate priority for the unit in ensuring it's ability to continue it's work. This will be achieved through:

***Supporting the Progress of Legislation Removing the Sunset Clause***
The Governor's budget puts forward statutory language intended to eliminate the sunset clause, which would amend Rhode Island Gen. Laws §42-142-8 to remove the CCU's June 30, 2021 termination date. The CCU continuously reports out on progress on collections activity and the non-monetary benefits the CCU offers to the General Assembly in support of this legislation.

***Keeping Agency Partners Informed of Progress***
The CCU's agency-partners are kept informed so as to the status of collections being made on their behalf, with an emphasis on the overall success and improvements in the collection of delinquent debts that the CCU has made in just over 2 years, and their support of the legislation to eliminate the CCU's Sunset Clause is solicited.

***Keeping External Partners Informed of Progress***
The CCU will contact Rhode Island business associations and seek their support for the subject legislation. The CCU will communicate with the Legislature's Fiscal Staff and contact the Senators and Representatives who will be voting on the legislation to eliminate the CCU's sunset clause. The CCU staff will explain the benefits of the CCU, the progress the CCU has made, and request their support for the elimination of the sunset provision in the CCU's enabling statute.

# ENHANCE LITIGATION CAPACITY

The ultimate enforcement tool at the CCU's disposal is litigation. The CCU will increase the number of cases filed in court against delinquent debtors in order to cause a ripple effect in payments being made to State Agencies. Statistics demonstrate that the real possibility of litigation increases the number of pre-litigation settlements.

***Hiring and Additional Attorney***
The CCU will hire and retain well-qualified staff with the skills necessary to enforce the provisions of the CCU's enabling statute.

***Filing More Complaints against Debtors in Court***
With COVID-19 restrictions being gradually loosened in the coming months, the CCU will resume filing complaints against debtors in court to advance the progress of collections matters.

Community awareness that the CCU isn't reluctant to take a matter before a Judge will increase the number of settlements, as well as the amount of the settlements.

# FURTHER DEVELOP AGENCY PARTNERSHIPS

The foundation of the success of the CCU is its partnerships with referring state agencies, formalized through the execution of Memoranda of Understanding (MOUs). The CCU currently has executed 20 MOUs with 18 state agencies, with the expectation of entering into an additional 3 MOUs by the end of this fiscal year. As a part of the CCU's strategic vision, the CCU seeks to advance it's mission by strengthening existing partnerships, and growing the pool of agencies with which it holds MOUs.

***Once a Quarter Updates to Agencies to Report on Collections Progress***
The CCU will communicate with all state agencies and advise those agencies of the success the CCU has had in collecting delinquent debts.

***Design and Implement a Recruitment Campaign for New Agencies***
The CCU has the potential to be the primary collection mechanism for all delinquent debts owed to Rhode Island state agencies. The CCU will increase the number of collection matters that state agencies refer to the CCU by assisting these agencies with the enforcement of the monetary provisions of final administrative orders.

The goal of this initiative will be to further the CCU's debt collection efforts through the execution of MOUs with more of Rhode Island's state agencies. The MOU is an agreement between a state agency, or unit within that agency, expressing the terms and conditions of the services that the CCU will provide in the collection of that agency's delinquent debts.

# STREAMLINE THE NOTIFICATION PROCESS

Through the addition of new technology, the CCU will streamline and improve collection processes and procedures. New technology will increase the CCU's ability to monitor the debtors' compliance with installment payment plans.

***Explore Automated Payment Options for Debtors***

The CCU will make automated on-line payments available for debtors who have executed installment payment plans.

***Explore Improved Skip Tracing Methods***

There is skip tracing technology available that would make the CCU's efforts to locate delinquent debtors more efficient by yielding results that are both faster and more accurate. The CCU will be actively exploring potential skip tracing technology improvements as a means of bolstering its current skip tracing program.

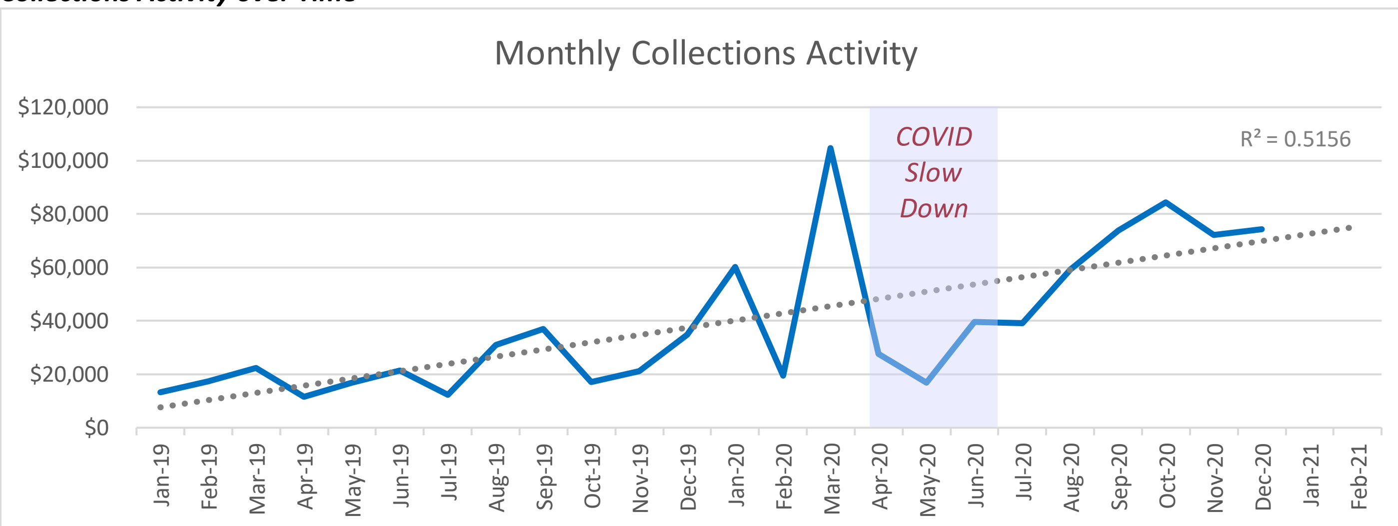
***Enhance the Letter and Phone Call Notification Process***

As the impact of COVID-19 recedes, the CCU will discontinue sending its COVID collection letters and should begin sending more debtor-specific letters with at least two follow-up phone calls prior to a matter being litigated.

# MEASURING PROGRESS

The CCU Staff, DOR's fiscal staff and the Director shall monitor the CCU's compliance with the Strategic Plan, with the CCU's Chief of Legal Service primarily responsible for monitoring compliance and making reports to his or her supervisors, including the Director.

***Collections Activity over Time***




*Data as of January 2021*

***Collections Summary – Fiscal Year 2021 – Through May 11, 2021***

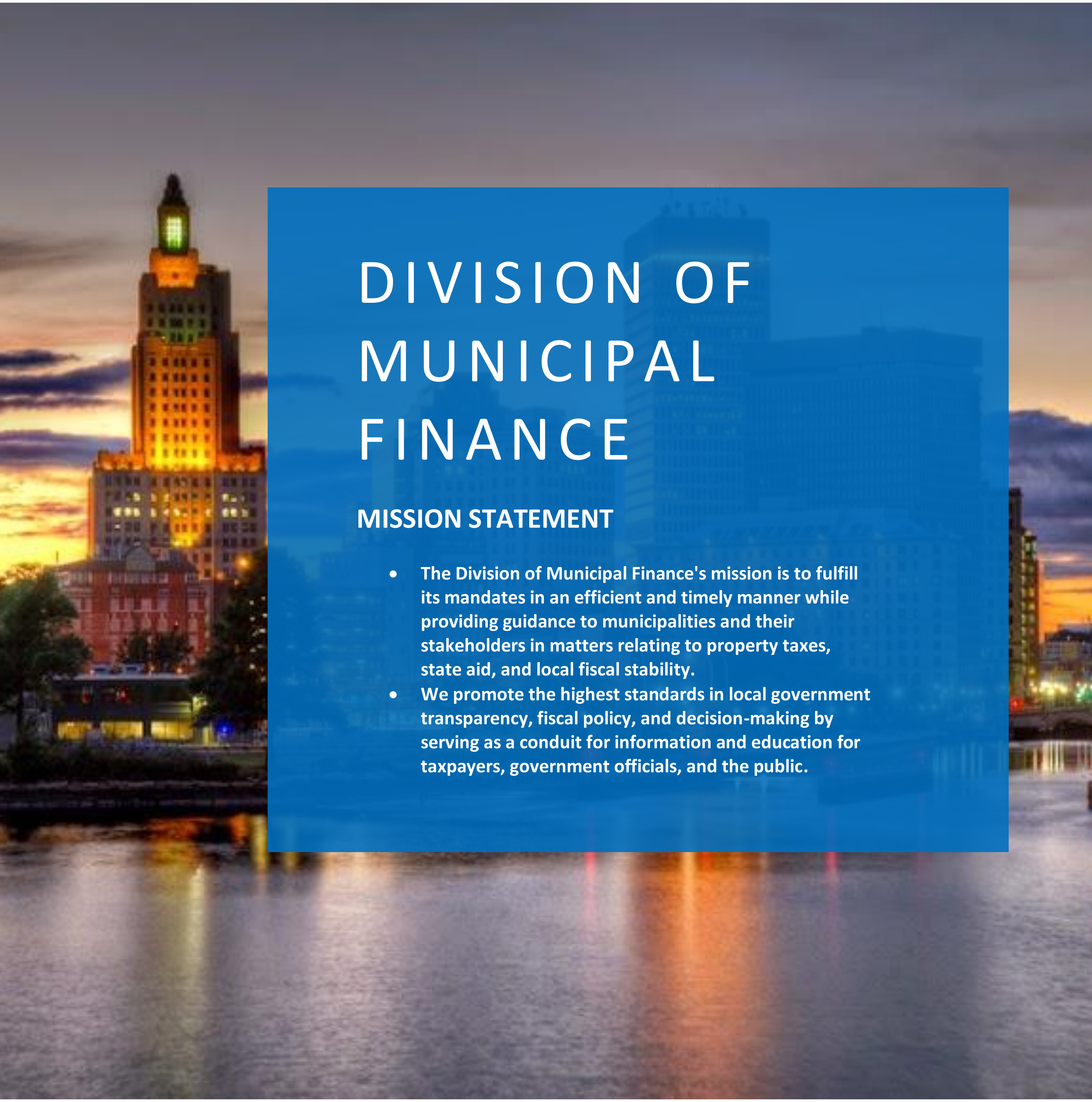
| | *Total Collected* | *General Revenues* | *Federal* | *Restricted Receipts* | *Other* |
|---|---|---|---|---|---|
| *Dept. of Environmental Management* | $44,213.07 | - | - | $44,213.07 | - |
| *Dept. of Labor & Training* | $103,146.97 | $103,146.97 | - | - | - |
| *Board of Elections* | $1,025.00 | $1,025.00 | - | - | - |
| *Ethics* | $985.00 | $985.00 | - | - | - |
| *Dept. of Administration* | $4,500.46 | - | - | - | $4,500.46 |
| *Center for Human Rights* | - | - | - | - | - |
| *Dept. of Revenue - Taxation* | - | - | - | - | - |
| *Dept. of Revenue - DMV* | $89,373.91 | $89,373.91 | - | - | - |
| *Dept. of Health* | $1,400.00 | $770.00 | - | $630.00 | - |
| *Traffic Tribunal* | $1,429,594.31 | $1,043,603.85 | - | $314,510.75 | $71,479.72 |
| *Secretary of State* | $100.00 | $100.00 | - | - | - |
| *Health & Human Services* | $94,845.48 | - | $94,845.48 | - | - |
| *Dept. of Business Regulations - Contractor's Registration Board* | $250.00 | - | - | $250.00 | - |
| *Dept. of Children Youth & Families* | - | - | - | - | - |
| ***Total Through May 11, 2021*** | **$1,769,434.20** | **$1,239,004.73** | **$94,845.48** | **$359,603.82** | **$75,980.18** |
| *Annualized Revenue* | $2,044,679.52 | $1,431,738.79 | $109,599.22 | $415,542.19 | $87,799.31 |
| *Annualized Expenses* | $606,994.00 | $606,994.00 | - | - | - |
| *Annualized Surplus* | $1,437,685.52 | $824,744.79 | $109,599.22 | $415,542.19 | $87,799.31 |

STATE OF RHODE ISLAND
DOR
DEPARTMENT OF REVENUE

***Improving Monitoring***

The CCU plans to expand the key performance indicators (KPIs) it monitors in the future to include the following additional indicators:

- ***Calculating the percentage of each matter compromised or settled of settlement amount versus the original principal amount referred by the agency.*** This data would demonstrate the efficacy of aggressive enforcement of Judgments and Final Administrative Orders. Either the CCU staff will manually calculate this amount or the CCU will purchase collection software to make these calculations.
- ***Calculating the percentage of collection matters requiring litigation versus the total number of referrals made to the CCU by each agency***. This statistic demonstrates that the more successful the CCU's collection letters and telephone calls to debtors, the fewer matters that have to be litigated in Court. The CCU staff will manually calculate this percentage using basic information derived from Simplicity.
- ***Calculating the percentage of the total principal amount referred to be collected in litigated cases versus the total amount actually collected in litigated cases***. This data will be calculated for each Court separately, and will allow the CCU to evaluate the benefit of settling a matter in litigation, or proceeding to final hearing or trial. The CCU staff will calculate this data using information derived from Simplicity.
- ***Calculating the number of debtors, and the total amount of debt, that was found to have been previously paid-in-full.*** These "delinquent debts", should never have been referred to the CCU and the benefit to the state agency is that the CCU has eliminated these debts as accounts receivable. This is another tangential benefit of the CCU which does not involve actual revenue collection.



# DIVISION OF MUNICIPAL FINANCE

## MISSION STATEMENT

- The Division of Municipal Finance's mission is to fulfill its mandates in an efficient and timely manner while providing guidance to municipalities and their stakeholders in matters relating to property taxes, state aid, and local fiscal stability.
- We promote the highest standards in local government transparency, fiscal policy, and decision-making by serving as a conduit for information and education for taxpayers, government officials, and the public.

## 2020 KEY STATISTICS

- $163,236,641 DISTRIBUTED IN LOCAL AID TO MUNICIPALITIES IN FY20.

## 2022 OBJECTIVES

- IMPROVE REPORTING
- OFFER NEW SERVICES
- REVIEW EXISTING PROGRAMS

# ABOUT US

The Division of Municipal Finance (DMF, or Division) is a governmental agency within the Rhode Island Department of Revenue. Under the guidance of the state's laws and regulations, DMF assists in the development of policy and provides guidance to and about municipalities for its stakeholders, which include municipalities, fire districts, the Governor's Office, state legislators, other state agencies, local associations, and the public.

# OUR VALUES

- Provide accurate information on mandates and fulfill fiduciary roles with emphasis on analysis.
- Monitor, analyze, and provide guidance regarding legislative initiatives to stakeholders.
- Take advantage of technological improvements to enhance the vision and mission of DMF.
- Provide stakeholders with valued content.
- Provide tools and knowledge to enable municipalities and fire districts to manage their fiscal stability.

# WHAT WE DO

- Monitor the compliance of fire districts and municipalities with applicable state law.
- Provide assistance and training to municipal employees, tax assessors, and other key community stakeholders.
- Compile and analyze data, from a multitude of local government source documentation.
- Administer and maintain coding structures utilized by municipalities for financial reporting and property tax assessments.
- Review, calculate, and distribute various forms of state aid.
- Operate and maintain the Municipal Transparency Portal.
- Review and approve of municipal requests regarding statutory levy caps and related disclosures.
- Produce and distribute various reports, reference documents, briefings, guidance documents, and aid tables as mandated by law.
- Produce fiscal notes on relevant municipal proposals as requested.
- Provide positions to legislature on proposed legislation.
- Provide assistance and oversight to financially challenged municipalities and other political subdivisions in order to promote fiscal stability within the state.

STATE OF RHODE ISLAND
DOR
DEPARTMENT OF REVENUE

# OBJECTIVES

## IMPROVE REPORTING

Configuration and launch MS Dynamics will allow for more-streamlined municipal reporting. The strengths and weaknesses differ among the municipalities and districts that come under its purview. Offering a system that eases the burden of municipal reporting requirements will improve the Division's ability to analyze the fiscal status of its stakeholders and tailor support services to address their varied financial challenges.

**The implementation of Microsoft Dynamics will streamline and improve the quality of municipal reporting.**

***Creating a Submission Portal***

Create portal with log-in credentials for local government entities and telecommunications companies that interact with the Division.

***Implementing Microsoft Dynamics***

Transition programs administered by Division to MS Dynamics and utilize MS Dynamics for data-submission tracking, automatic notifications, and improving internal/external reporting thereby reducing resources devoted to municipal/business entity communication efforts.

## OFFER NEW SERVICES

The Division intends to offer training programs for local government employees to share best practices in municipal fiscal management and state-mandate compliance. The Division's mission is to provide guidance to municipalities in achieving and maintaining fiscal stability. Offering ways for municipalities to improve their analytical skills, raise reporting efficiency, and share information will reduce their demand on state resources.

***Holding Seminars***

Create joint seminars with Office of the Auditor General and other state agencies/non-governmental entities to reinforce legislative and procedural requirements, as well as fiscal stability practices.

***Piloting a Joint-Purchasing Program***

Initiate pilot offering  to local government entities for joint-purchasing opportunities to share cost-savings, such as licensing for cloud-based communications app Zoom and other services.

***Encouraging Information Exchange***

Directly related to the divisions enabling legislation 42-142-4 (iii), encourage the exchange of information between the division and other governmental entities to increase shared services by making available, through the use of web-based applications or other mediums, municipal vendor contracts and other data.

STATE OF RHODE ISLAND
DOR
DEPARTMENT OF REVENUE

# REVIEW EXISTING PROGRAMS

Improve local government compliance with reporting requirements as this is critical to the Division mission. The Division has a wealth of data available to assist the entities that fall within its operational scope. It hopes to promote efficiencies that improve its operations to better serve taxpayers, government officials, and the public.

***Realigning Workflows***

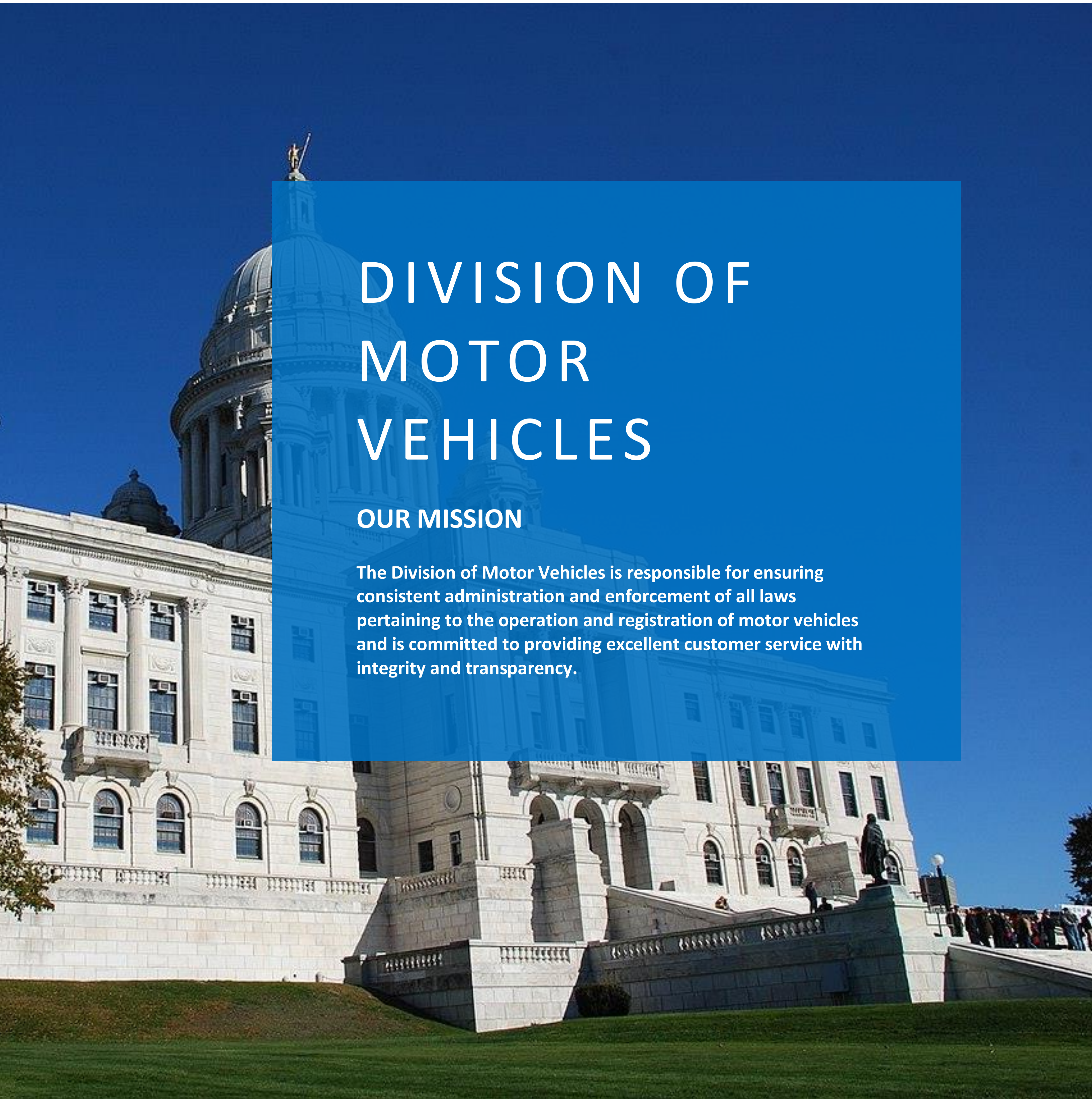
Evaluate administered DMF programs to identify improvements to enhance efficiency and ease of reporting by external groups. The Division seeks to identify workflows that utilize shared resources to ensure alignment of communication, time-management, and resources.

***Identifying Best Practices***

Share process-improvement proposals with state agencies that coordinate administration of such programs as Distressed Communities Aid, PILOT, and Motor Vehicle Phaseout, as well as with external group served by these programs.

***Improving Calculations and Evaluations***

Adjust program calculation and administration methods where necessary to improve the efficacy and equitable distribution of funds.



# DIVISION OF MOTOR VEHICLES

## OUR MISSION

**The Division of Motor Vehicles is responsible for ensuring consistent administration and enforcement of all laws pertaining to the operation and registration of motor vehicles and is committed to providing excellent customer service with integrity and transparency.**

FY2020 KEY STATISTICS

- OVER 340,000 ONLINE TRANSACTIONS PROCESS
- AVERAGE WAIT TIME OF 12 MINUTES FOR IN-PERSON CUSTOMERS
- 15 ONLINE TRANSACTIONS AVAILABLE FOR DMV CUSTOMERS

2022 OBJECTIVES

- BUILD ON THE SUCCESS OF RESERVATION-ONLY SERVICES
- ADD NEW SERVICE CHANNELS
- IMPROVE CUSTOMER PREPAREDNESS

## ABOUT US

The Division of Motor Vehicles (DMV, or Division) is a governmental agency within the Department of Revenue of the State of Rhode Island. Under the direction of the Administrator, the DMV administers motor vehicle and transportation related laws, specifically motor vehicle titling, registration and licensing laws, transportation safety laws, motor vehicle franchise dealer and manufacturer laws, and other motor vehicle-related laws and regulations. Responsibilities administered by the Division include motor vehicle registration, testing for the licensing of motor vehicle operators, inspection of motor vehicles, enforcement of laws relating to the issuance, suspension, and revocation of motor vehicle registrations and driver’s licenses, and administration of the financial responsibility program.

## OUR VALUES

- Provide expedient customer service in all DMV transactions.
- Provide simple and effective methods and procedures for customers to easily complete transactions whether in-person or through expanded online services.
- Act as an educational public resource for the general population on topics related to DMV operations.
- Ensure that contemporary and practical rules, regulations, and laws are enacted and enforced for the safe operation of vehicles on our roads.
- Improve employee morale and motivate staff members.
- Maintain the Division’s status as a resource for state lawmakers, agencies, and the Governor’s Office.

## WHAT WE DO

Work performed by the Rhode Island Division of Motor Vehicles includes, but is not limited to:

- Regulation and enforcement of laws relating to the issuance, suspension and revocation of motor vehicle registration and drivers' licenses.
- Vehicle safety and emission inspection and insurance governance.
- Business licensing and regulation of new and used car dealerships through the oversight of the Motor Vehicle Dealers Licensing and Hearing Board.
- Administration of testing for a motor vehicle operator's permit, commercial driver's license (CDL), or driver's license

# OBJECTIVES

## BUILD ON THE SUCCESS OF RESERVATION-ONLY SERVICES

**The easing of pandemic restrictions will allow introduction of stand-by lists for reservation services.**

The Division understands the time-constraints and challenges that individuals and businesses face in complying with motor-vehicle regulations and requirements. The Division plans improvements to its website navigation tools, online transaction offerings, and customer reservation service. Introduced systemwide in response to the COVID-19 pandemic, the reservation service led to dramatic reductions in service wait times and improved customer satisfaction. To further improve the customer experience, the Division intends to increase the number and type of online services in addition to integrating record analysis and task lists into the reservation system it expects will reduce the need for, and duration of, return visits.

***Integrate Records Review, Task Lists into Reservation System***
The Division commits itself to building on the success seen with the introduction of systemwide customer reservation. The staff will add capability into the reservation system software to confirm the correct service will be offered to customers during their appointments, to link customer records to reservations allowing for resolution of compliance issues prior to those appointments, and to generate when necessary a follow-up customer task list.

***Introduce Service Reminders***
To reduce the number of times customers miss their appointments, we plan to build into the reservation system email and phone number verifications, to add more appointment reminder features, and to allow customers to cancel a reservation directly from a reminder email or text.

## ADD NEW SERVICE CHANNELS

The Division recognizes that Rhode Islanders live and work in a 24/7 economy that can make visits to our offices inconvenient. We will look for ways to better integrate our operations into that around-the-clock society.

***Improve Online Services***
We recognize that Rhode Islanders conduct more of their activities online. We expect to add to our list of online services according to a ranked-priority system that accounts for task-time and transaction volume.

***Expand Service Locations***
The Division understands the convenience that self-service kiosks provide people conducting a variety of business and service transactions. The Division

will explore introduction of kiosks capable of processing license/ID/registration transactions, as well as determine the potential for placing such kiosks in locations other than DMV offices as a matter of customer convenience.

***Expand Phone Bank Services***
Improve reservation-making options by phone.

# IMPROVE CUSTOMER PREPAREDNESS

The Division intends to improve its website to make it easier for customers to find and understand the information they need for interactions with the Division. Updating the website with easily recognized graphics, improved navigation tools, and clearer instructions will reduce their need to visit our offices and limit the time they need to devote to those visits when necessary.

***Improve Online Navigation and Tools***
We look first to improve our website and web subpages to make information related to the operation and ownership of motor vehicles in Rhode Island easier to find. We intend to launch interactive tools that provide customers with detailed requirements specific to their transaction and information needs. We expect to create “wizards” for transaction types that will generate requirements and options specific to completing the chosen transactions.

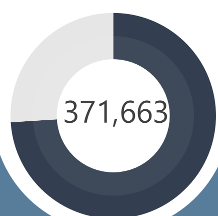
***Add Audio Information Capability***
We expect to add to the information available via audio options for the DMV phone bank to answer customer questions and provide instructions for completing transactions, as well as offering alternatives to office visits such as drop boxes and online service.

# MEASURING PROGRESS

The focus of the Division of Motor Vehicles remains on improving the customer experience by raising our processing efficiency, refining our reservation system, and enhancing customer preparedness. We continue to upgrade our methods for interacting with license and registration holders, the business community, law enforcement, and the community at large. We employ a comprehensive outreach program that includes customer reminder notices, social media programming, online tools, and digital content to encourage self-directed compliance by our customers with applicable state and federal regulations. The Division continually monitors its processing pace and efficiency to find areas for potential improvement. We look forward to the potential that additional online services and self-service kiosks present for improving processing speeds and customer satisfaction

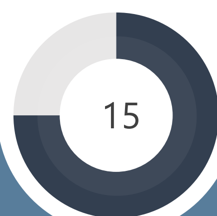
## DMV Operational Achievements

Online Transactions

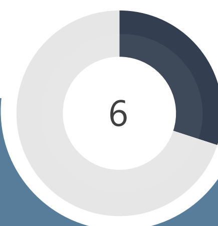



**Total amount of online transactions processed thus far in FY 2021.**

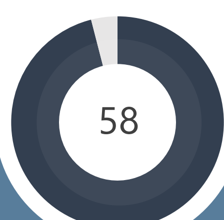
**In FY 2020, 347,560 online transactions were processed. In FY 2019, 349,192 online transactions were processed.**



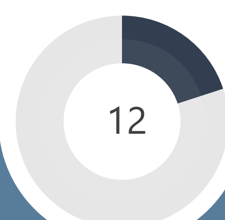

**Total number of online transactions available for DMV customers. There are also 4 subscriber services.**



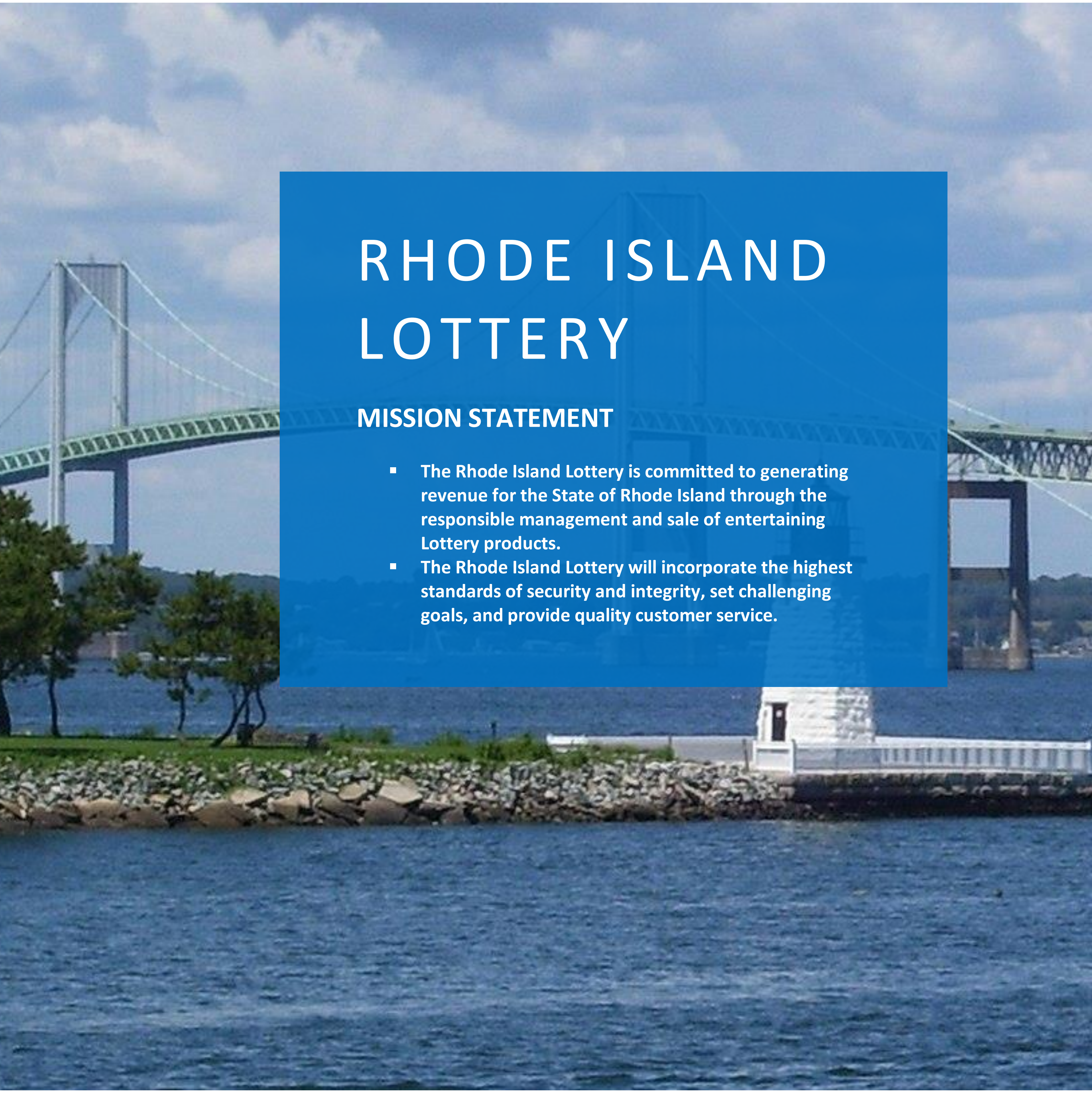

**New, high impact, online transactions recently created to help customers complete their business with the DMV. Two other transactions were upgraded to better serve DMV customers.**




**Customer average wait time in FY 2019 (rounded to the nearest minute).**




**Customer average wait time in FY 2020 (rounded to the nearest minute).**



# RHODE ISLAND LOTTERY

## MISSION STATEMENT

- The Rhode Island Lottery is committed to generating revenue for the State of Rhode Island through the responsible management and sale of entertaining Lottery products.
- The Rhode Island Lottery will incorporate the highest standards of security and integrity, set challenging goals, and provide quality customer service.

## FY2020 KEY STATISTICS

- OVER $880 MILLION GENERATED THROUGH INSTANT TICKET, ON-LINE, VIDEO, TABLE, SPORTSBOOK AND iLOTTERY GAMES
- OVER $280 MILLION IN FUNDS TRANSFERRED TO THE GENERAL FUND FROM SPORTSBOOK, TABLE GAMES, TRADITIONAL LOTTERY AND VIDEO LOTTERY SOURCES

## 2022 OBJECTIVES

- PROTECT AND GROW STATE REVENUES
- EXPAND SALES CHANNELS
- INNOVATE IN ADVERTISING
- CONTINUOUSLY PROMOTE RESPONIBLE PLAY

# ABOUT US

The Rhode Island Division of Lottery is the largest voluntary source of income for the State, and benefits all who live, work, or visit the Ocean State. The Lottery employs more than one hundred men and women whose responsibility it is to operate and oversee all traditional lottery and casino gaming operations in the State. To achieve our mission of generating revenue, it is critical that our products are available at a wide variety of locations where a broad diversity of consumers are provided the opportunity to conveniently purchase lottery tickets. We continue to explore new scratch ticket game opportunities and unique product enhancements that hold the most potential for generating incremental revenue for the state.

# VALUES

- **Integrity and Responsibility** - We work hard to maintain the public trust by protecting and ensuring the security of our Lottery games, systems, drawings, and regulatory oversight of casino gaming operations. We value and require ethical behavior by our employees, agents, and vendors. We promote the integrity of gaming in Rhode Island for the benefit of all Rhode Islanders.
- **Innovation -** We strive to incorporate innovation into our products that provide the citizens of the state with the best entertainment experience available. We recognize the importance of staying current with technology and seek to increase operational efficiency and enhance our effectiveness.
- **Accountability** - We acknowledge the particularly sensitive nature of our business and promote fairness, integrity, security, and honesty throughout all operations and administration.
- **Customer Responsiveness -** We take pride in providing exemplary service to the people of Rhode Island through the courteous dissemination of clear and accurate information about our products, services, and regulatory functions.
- **Excellence** - We strive for excellence by taking a position of leadership on issues that impact the Lottery and achieve challenging goals by focusing on our values.

# WHAT WE DO

- Promote and sell tickets for on-line games (e.g. Daily Numbers), Keno, and instant games (e.g. scratch tickets.)
- Maintain an ongoing presence at the State's casinos overseeing and regulating all casino gaming related activities.
- Promote responsible play.

# OBJECTIVES

## PROTECT AND GROW STATE REVENUES

Position the Lottery as a leader in product development and operational growth through upgrades in technology and modernization resulting in increased business functionality and efficiency.

***Develop and Test New Lottery Games***

The Lottery will strive to develop and implement lottery games that contribute to overall revenues through oversight in the development of new games and enhancements to existing games. In addition, the Lottery will focus attention on the continued importance on maturing population segments, and overall demographic trends and change.

**The Lottery will strive to develop and implement lottery games that contribute to overall revenues.**

- Growth of Core Scratch Ticket Games - Core (or base) games are games that are always available for sale because of their long-term, ongoing popularity with players.
- Game Families - Game families are a group of scratch ticket games with the same game theme and playstyle introduced across a variety of price points.
- Oversized Tickets - While the typical width of scratch tickets is four inches, oversized tickets range in width from eight inches to 12 inches. Oversized scratch tickets feature numerous games creating play value for consumers.

## EXPAND SALES CHANNELS

Create a Lottery product mix and game portfolio offering players the best entertainment experience available through the responsible management and sale of our products.

***Expand Retail Partnerships***

Encouragement of retailer promotion of Lottery products, thus increasing Lottery sales and continued utilization of Lottery sales representatives to promote sales opportunities while exploring new venues that help sustain sales, educate our consumers, and promote product.

The lottery shall implement a strategy of encouraging non-lottery retailers to pilot lottery products at their locations.

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

***Optimize the Lottery Game Porfilio***
The Lottery will implement an optimal games mix based on consumer preference and game profitability through monitoring and measuring effectiveness of promotional efforts and sales initiatives.

## INNOVATE IN ADVERTISING

The Lottery will continue advertising and conducting promotional campaigns to position the Lottery as an entertaining entity that sells games through publications and graphics supporting design, development, production, and distribution of all RILOT publications for print and Web media. Focusing on public perception is a key element of the Lottery's plan while generating publicity about winners is our proof of service.

***Enhance the Lottery's Social Media Presence***
The Lottery will continue the enhancement and use of social media in advancing sales, engaging Lottery customers, enhancing customer relationships, and increase public understanding and support for the Lottery brand.

***Develop New Marketing Campaigns***
Diversify sales channels and product portfolio through enhanced development and creative concept of new initiatives with advertising agency, along with developing marketing strategies to encompass both online and traditional lottery products.

***Promote the Lottery through the Rhode Island Lottery App***
Emphasis on game promotion efforts while engaging the public in communication and education about the numerous products offered by the Lottery. Accentuated through the Rhode Island Lottery App, available through the App Store and Google Play provides a convenient and fun platform for lottery players to access important lottery information.

***Implement Additional Cross-Marketing Programs***
The Lottery will invest in the development and testing of new product and promotional concepts, as well as develop programs to cross market games through continued partnerships with contracted vendor services to administer games, i.e., jackpot gaming systems, marketing service, ticket design/production and equipment maintenance.

## CONTINUOUSLY PROMOTE RESPONSIBLE PLAY

Exercise thoughtful leadership tactics in securing stakeholder and community support for the promotion of responsible play.

***Engage Stakeholders***
Continue active networking with all stakeholders, to include the Rhode Island Council on Problem Gambling which represents stakeholders, and providers though outreach and advisory roles.

***Promote the Helpline***

Continue with the best methodologies for communicating the helpline to broad audiences along with posting "HELP" message on traditional lottery products, gaming devices, and casinos. Continued integration of Responsible Gaming website in getting the message out.

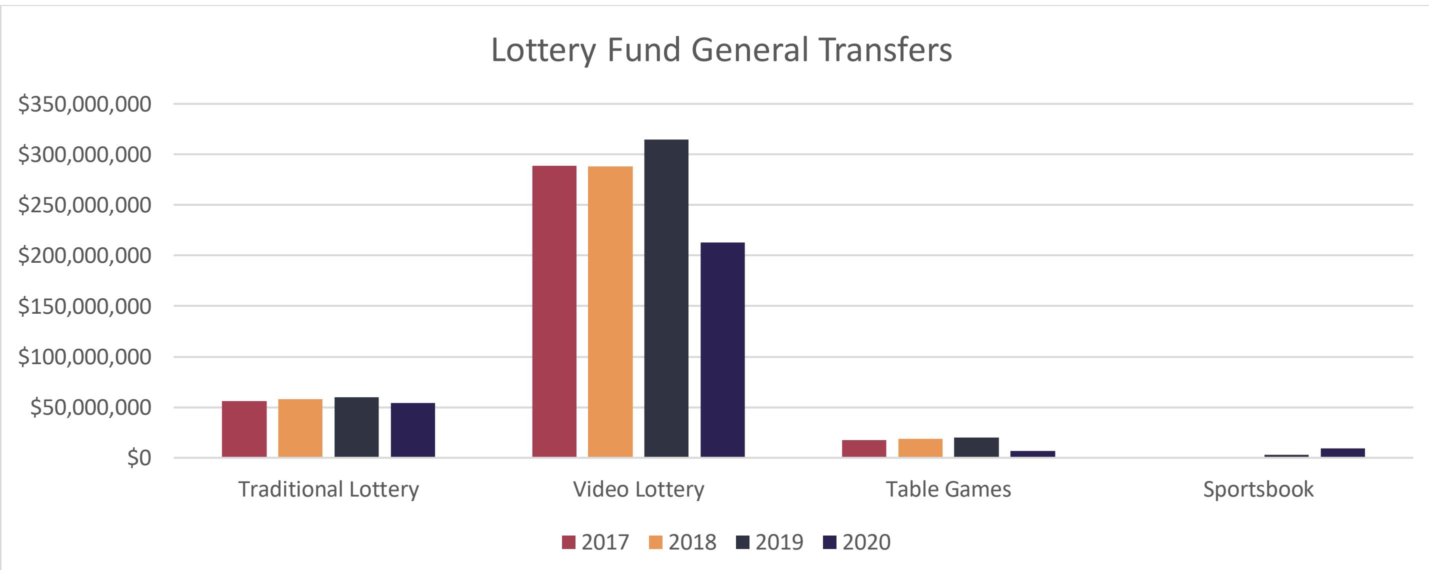
***Support Community Resources***

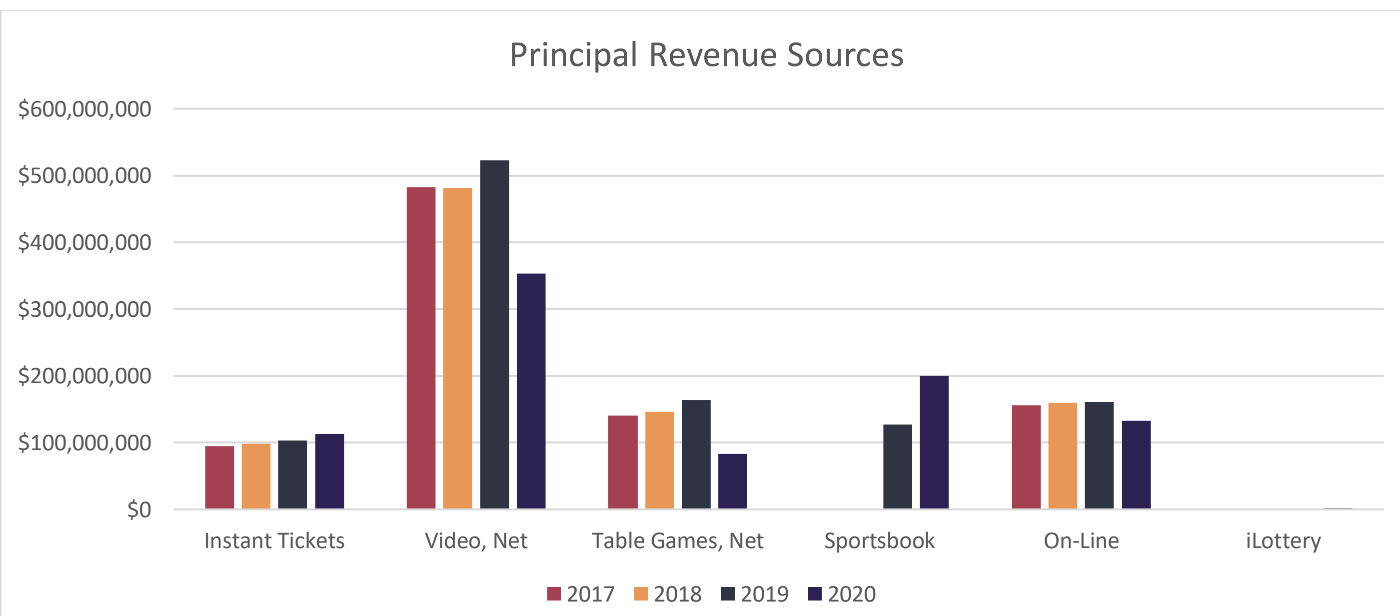
Continue to promote responsible gaming to our customers and public-at-large, and support those agencies and programs committed to researching, preventing, and treating problem gambling.

# MEASURING PROGRESS

The Lottery was created by Constitutional Amendment passed on November 6, 1973. The legislation to create the Lottery was passed in March of 1974, and the Lottery began in May of 1974. The Lottery is operated like a business within the framework of State laws and regulations. Like any business, the Lottery's goal is to maximize income. As a State agency, however, the challenge lies in accomplishing this while maintaining the trust and best interest of the citizens of Rhode Island. It is our goal to achieve both. The Lottery continuously and rigorously monitors revenue sources and financial data to further its mission, enhance its products and strengthen state revenue streams.

The charts below summarize financial data by fiscal year.



# OFFICE OF REVENUE ANALYSIS

## MISSION STATEMENT

- The Office of Revenue Analysis' mission is to analyze, evaluate and appraise the tax system of the state.
- The Office also provides objective information and advice on the state's revenue system and the impact of proposed changes to it.

## 2020-2021 KEY STATISTICS

- MADIHA ZAFFOU, PH.D., CHIEF ECONOMIC AND POLICY ANALYST, WAS SELECTED BY THE PEW CHARITABLE TRUSTS TO LEAD A VIRTUAL TRAINING SESSION FOR TAX INCENTIVE EVALUATORS FROM HAWAII AND TENNESSEE.
- PRODUCED AND PUBLISHED AN EVALUATION OF THE STAY INVESTED IN RI WAVEMAKER FELLOWSHIP PROGRAM ANS THE RHODE ISLAND NEW QUALIFIED JOBS INCENTIVE ACT OF 2015.
- DEVELOPED AND DISTRIBUTED THE MOTOR VEHICLE EXCISE TAX STANDARDIZATION AND FEASIBILITY REPORT TO THE GENERAL ASSEMBLY

## 2022 OBJECTIVES

- IMPROVE TIMELINESS AND REDUCE DUPLICATION IN STATUTORY REPORTS
- PROMOTE STAFF PROFESSIONAL DEVELOPMENT
- TRANSITION STAFF BACK TO OFFICE

# ABOUT US

The Office of Revenue Analysis (ORA, or Office) serves internal and external decision makers by analyzing and forecasting data about the State's tax systems and revenue streams and presenting the results clearly and concisely through the publication of reports. The Office produces monthly and statutory reports, costbenefit analyses of tax proposals, and fiscal notes for revenue-related legislation. ORA also houses, and is the operator of, the state's sales tax and personal income tax simulation models. Finally, ORA maintains the motor vehicle excise tax program, which is used to calculate reimbursement amounts for the motor vehicle excise tax phaseout.

# OUR VALUES

- Produce and publish reports and analyses on a timely basis.
- Provide high-quality service to executive and legislative branch stakeholders.
- Increase public understanding of the data and information provided by ORA.
- Hire and retain well-qualified staff.

# WHAT WE DO

- Produce monthly reports that assess the state's revenues and cash collections and produce estimates of revenue proposals for the state budget.
- Consult with the Office of Management Budget (OMB) on revenue forecasts for the biannual Revenue Estimating Conference (REC), revenue proposals for the Governor's budget and provide estimates of the same.
- Prepare the biennial Tax Expenditures Report as required under Rhode Island General Laws (RIGL) § 44-48.1-1.
- Prepare the annual Unified Economic Development Report as required under RIGL § 42-142-6.
- Prepare periodic evaluations of specified tax incentives as required under the Rhode Island Economic Development Tax Incentives Evaluation Act, RIGL § 44-48.2-4.
- Complete revenue fiscal notes as assigned by the State Budget Office pursuant to RIGL Chapter 22-12.
- Provide support to the principals of the biannual RECs as established in RIGL Chapter 35-16 and present public testimony as necessary.
- Collaborate with the Division of Municipal Finance on the administration of the motor vehicle and trailer excise tax phaseout as detailed in RIGL Chapter 44-34.

# OBJECTIVES

## IMPROVE TIMELINESS AND REDUCE DUPLICATION IN STATUTORY REPORTS

**ORA will provide staff the opportunity on reports on special topics consistent with the Office's mission as a means of furthering staff professional development.**

Under Rhode Island General Laws, the Office of Revenue Analysis (ORA) is responsible for analyzing and forecasting various revenue items, economic development proposals, and presenting the results of such analysis through the production of reports, and public testimony. The collection of data requires the active participation of outside agencies, and ORA's ability to produce these reports is largely dependent on the access to high quality data from third party entities. Clear process guidelines and data collection protocols are needed to enable the swift transfer of data to the Office for enhanced forecasting, estimation, and analysis. To maintain timely and efficient fulfillment of its mandated duties, ORA is pursuing several initiatives to improve its data sources and data sharing procedures.

***Develop an Improved Publication Task Schedule***

High-quality data is the foundation of ORA's work, so it is important that the Office receives all information needed from those agencies maintaining relevant data in a timely fashion. ORA will review its existing procedures, statutory deadlines and agreements with external stakeholders to develop and mandate deadlines for the provision of data and the response to questions about the data and the publication of the reports by ORA.

This will enable the unit to establish set timelines agreeable to all parties that enable the unit to better meet its statutory obligations for the issuance of the preliminary Comparative Statement of Revenue, responses to questions, the release of the PIT-Sales-Corp reports and the transfer of realty transfer tax receipts to the Housing Resources Commission.

***Explore Legislation to Streamline Reporting***

Currently the tax incentives covered under the Unified Economic Development Report (UEDR) are also required to be reported on under the Rhode Island Economic Development Tax Incentive Evaluation Act (RIEDTIEA) with the utilization of RIte Care/RIte Share benefits by employees of tax incentive recipients required only under UEDR. Legislation could be introduced to move elements currently captured in the Unified Economic Development Report (UEDR) to the RIEDTIEA report (the RIte Care/RIte Share benefits by tax incentive recipients) in order to streamline reporting currently produced by the Office of Revenue Analysis. Movement of this information to the RIEDTIEA would enable the office to merge the two reports into one comprehensive reference document, making it easier for the public and key stakeholders to find pertinent information on economic development.

# PROMOTE STAFF PROFESSIONAL DEVELOPMENT

ORA prioritizes supporting employees' intellectual curiosity by providing them with opportunities to conduct meaningful research relevant to the Office's mission. Upon completion of diverse and challenging analyses and projects, employees expand both their skill sets and their understanding of ORA operations by partaking in a diverse and challenging array of analyses.

***Provide Staff the Opportunity to Work on Special Reports***

By initiating a system to organize assigned research projects, ORA allows employees to pursue individual research projects while managing progress on their daily work and responsibilities. Project portfolio systems facilitate collaboration by encouraging employees to share useful materials and related experience amongst one another, improving their efficiency in completing research projects while promoting a learning environment within the Office. ORA will require employees to develop work plans for the upcoming fiscal year that outline the tasks they will undertake, balancing existing mandates on ORA against new projects identified to support other divisions or the mission of ORA.

The work plans will allow each employee to manage their time and effort while maintaining a desirable work-life balance. These work plans will be reviewed with employees to provide feedback on their identified tasks and establish a timeline for the successful completion of projects and continuously maintain a performance development program.

This allows staff to examine topics they are interested in without having to meet statutory deadlines and gives staff an intellectual break from completing the routine reporting.

***Solicit Ideas from Staff***

ORA will initiate regular meetings with staff to discuss the feasibility of proposed projects, assemble teams to complete the projects and disseminate findings of special reports to incorporate staff feedback into the above-mentioned process.

# TRANSITION STAFF BACK TO THE OFFICE

In some cases, work from home has made it difficult for collaboration and communication across ORA team members. Transitioning staff back to the office would enable better access to state data resources located on secure servers and would allow for assignment of tasks more efficiently and quickly than is currently possible under remote working agreements.

***Introduce a Staggered Return Schedule***

Once declared safe by appropriate federal and state health authorities, the Office plans to have one-half of staff return to office on Mondays and Wednesdays while the other half returns on Tuesdays and Thursdays. This will ensure maximum physical distance between individuals that are in the office on any given day as a means of promoting safety, and a more efficient working environment for ORA staff members.