

Meeting Summary

Following is a summary of issues discussed at the DLLR Stat, held on April 21, 2011. Analysis is provided by StateStat and the Governor's Delivery Unit (GDU).

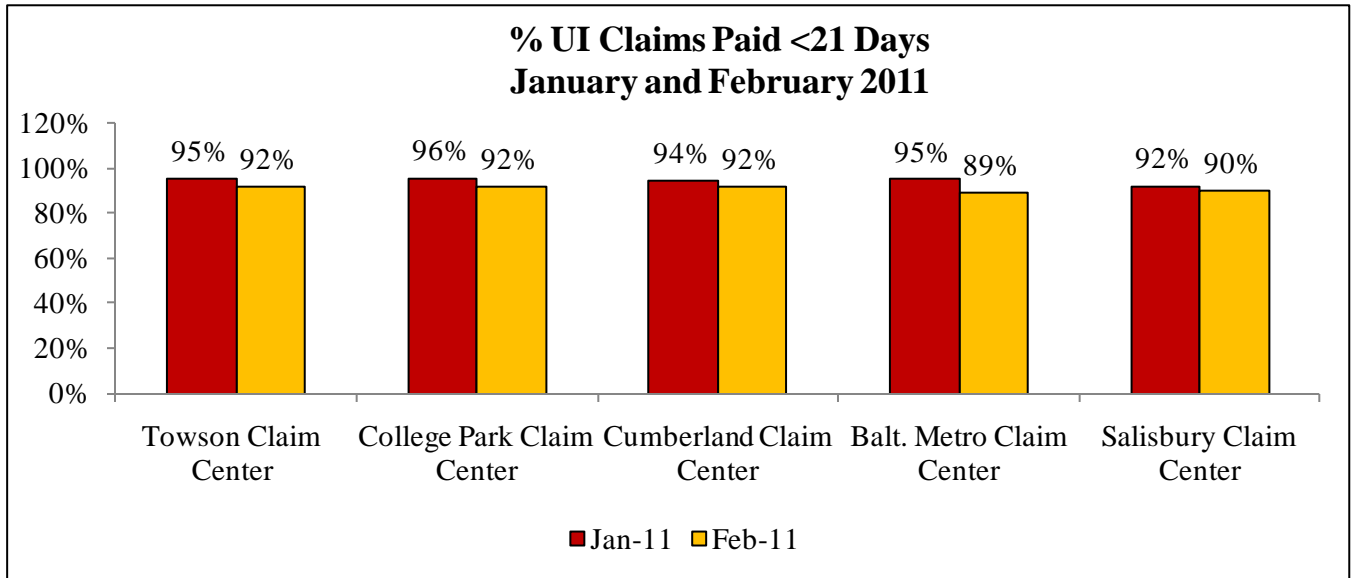
Follow-Up Item

- The agency reported that on March 14, DLLR received approval from DBM for extending the Board of Appeal's cash overtime through December 2011. The agency believes this is the last time the extension will be needed.

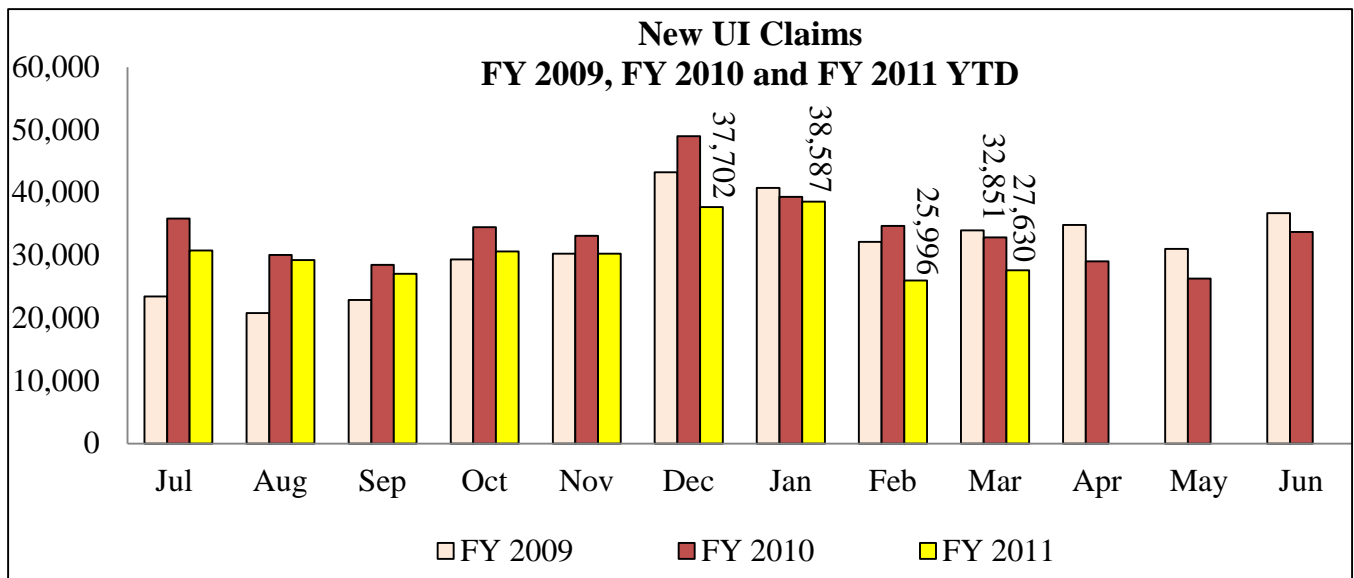
Unemployment Insurance

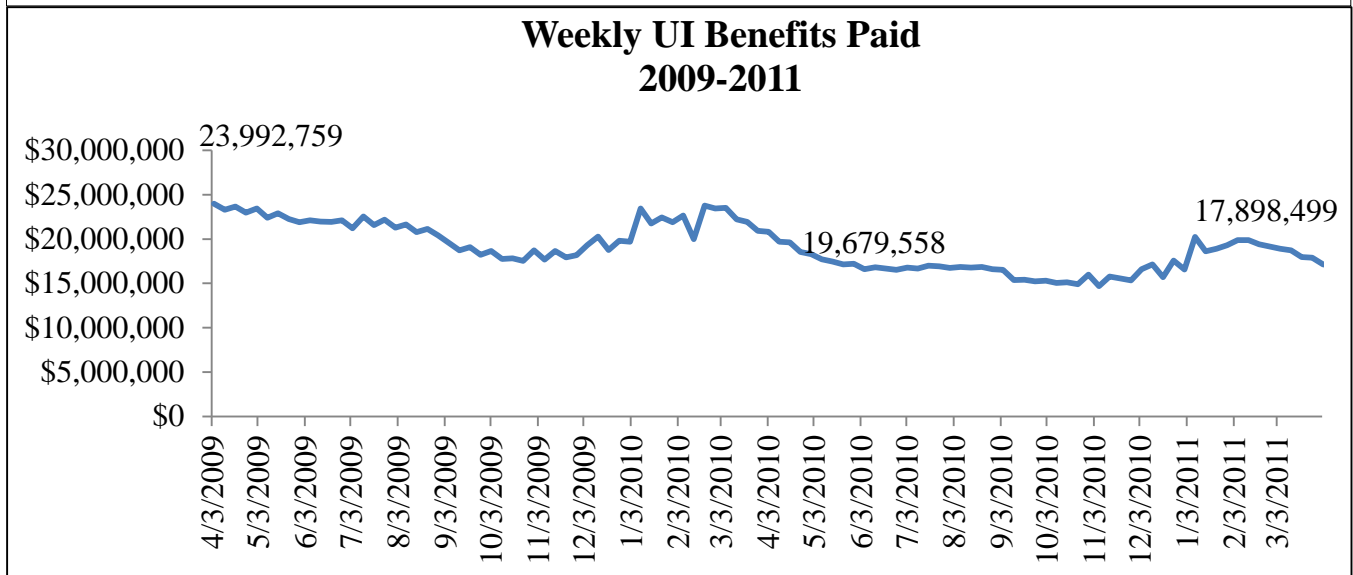
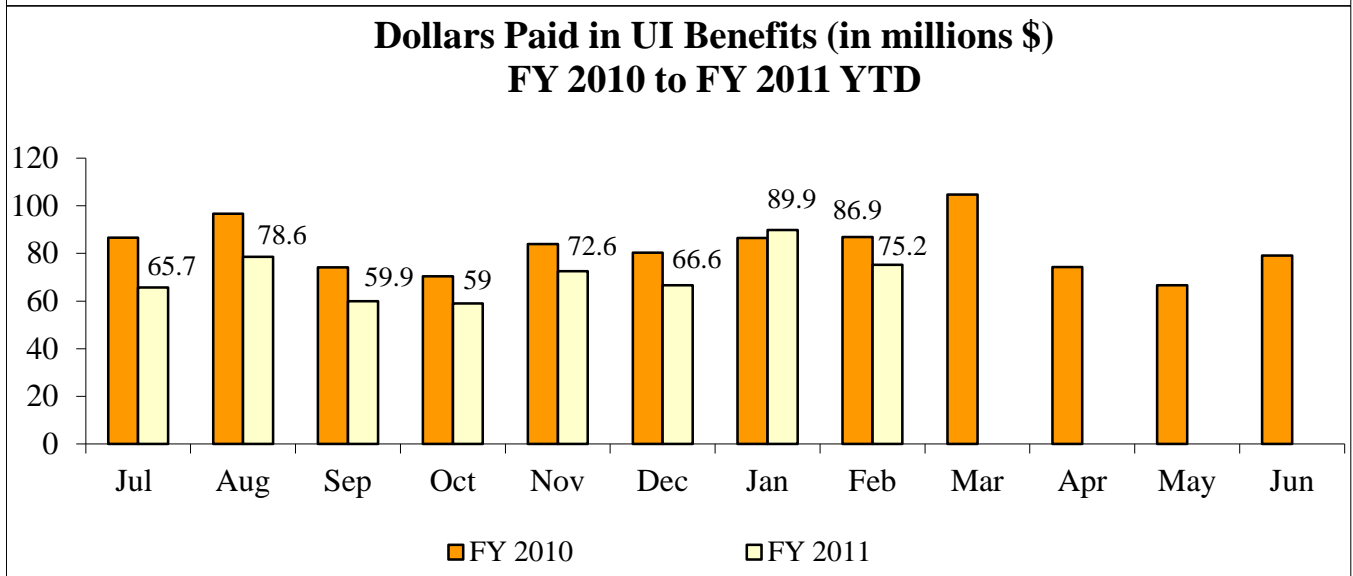
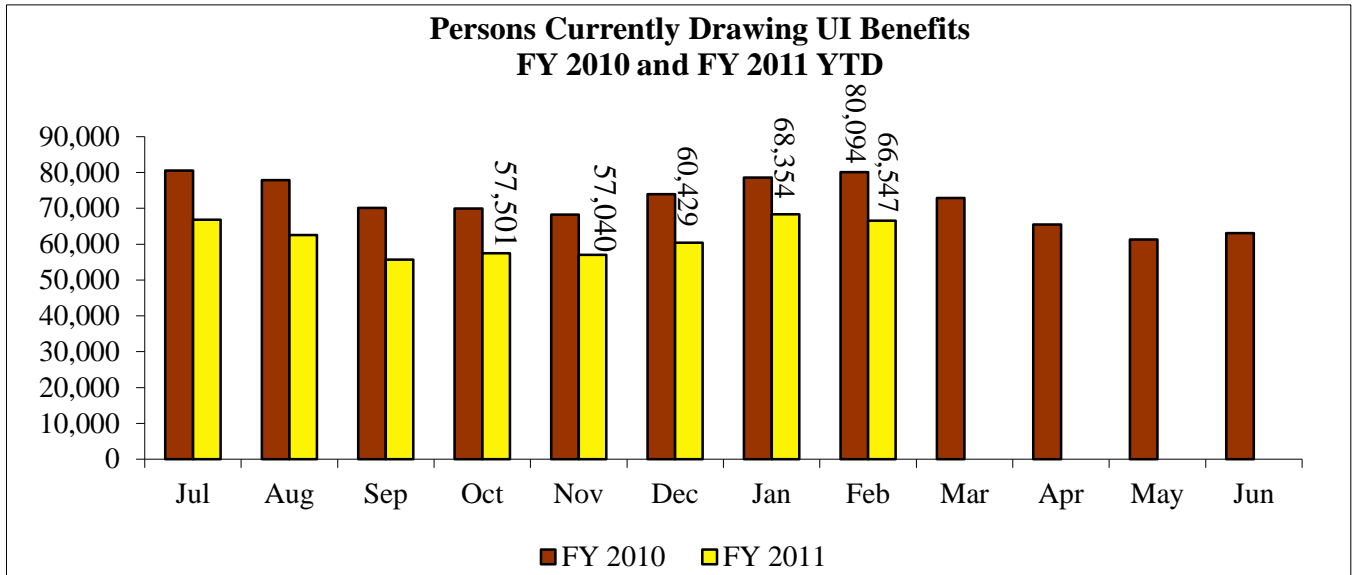
- **First Pay Timeliness.** According to data run by the United States Department of Labor (USDOL) on April 18th, Maryland ranked 11th nationally in the core measure of first pay timeliness for the first quarter of CY 2011. The panel may recall the discussion of this metric at the previous DLLR Stat meeting, in which Maryland ranked 13th according to data run on March 1st. Despite the rise in rankings, the State actually decreased its first payment timeliness. The desired level of achievement for first pay is 87 percent, and Maryland scored 92 percent for the first quarter, down from 94 percent when the data was run in March. Indeed, according to State data, the percent of first UI claims paid in less than 21 days decreased in each claim center in February.

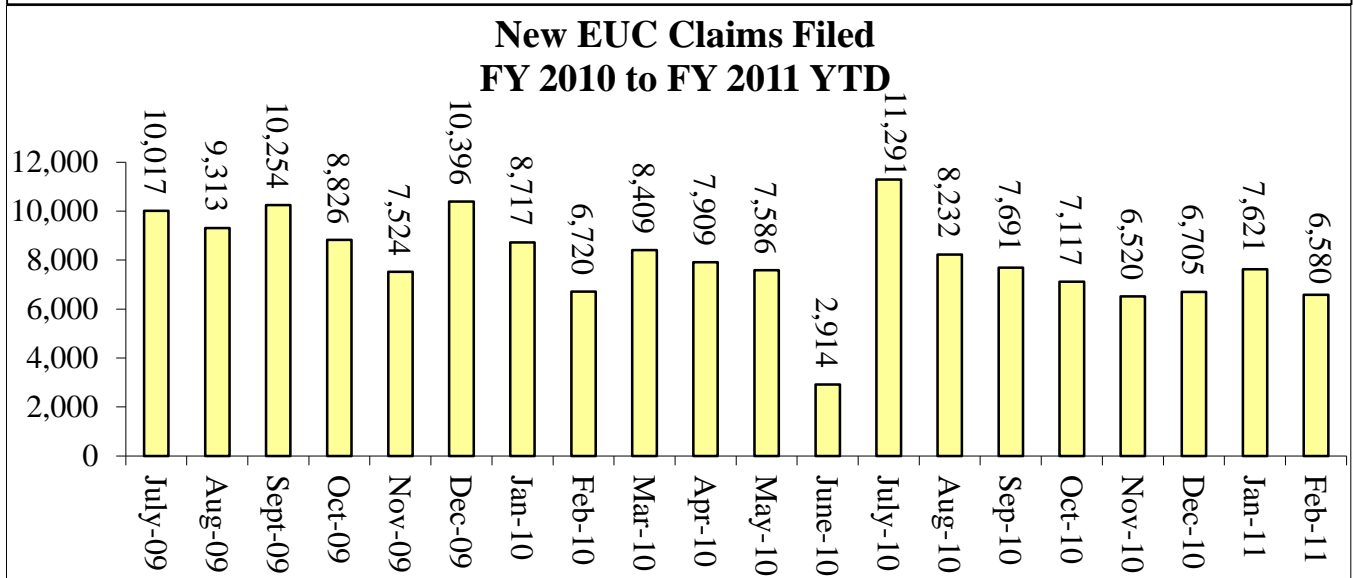
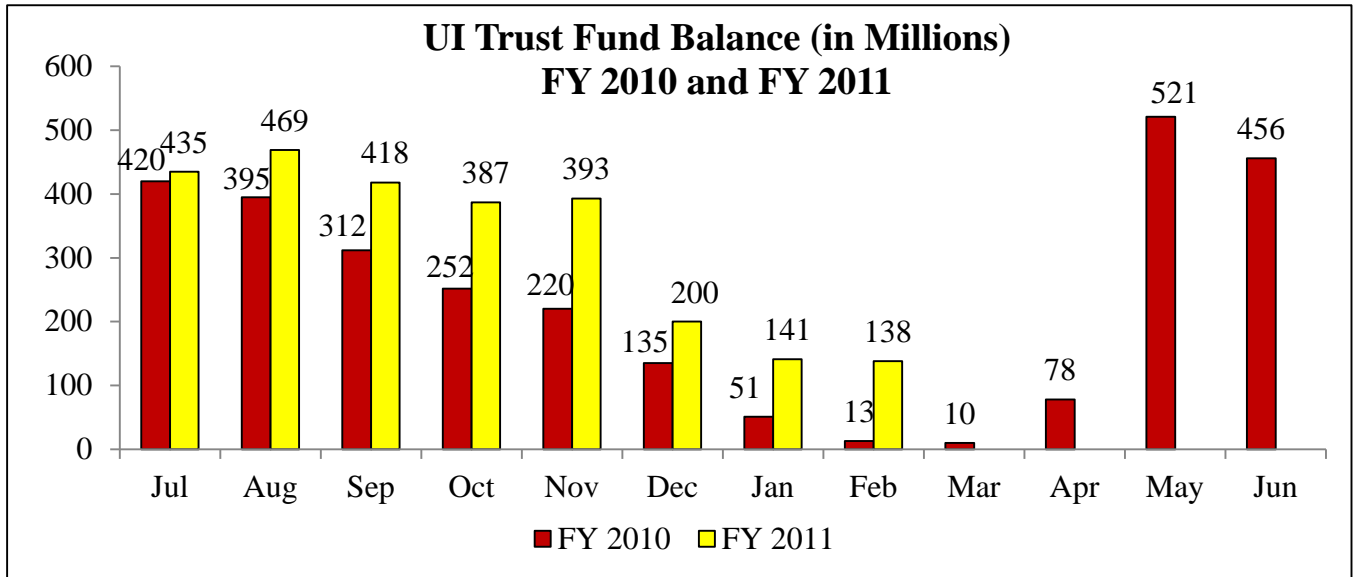
USDOL Ranking--All First Payments 14/21 day Timeliness	
State	%
ND	96.5
SD	96.4
OH	94.7
VT	93.7
AL	93.5
ID	93
UT	92.8
WA	92.4
MN	92.3
AK	92.1
MD	92.0



- Key Metrics.** In March 2011 new claims for Unemployment Insurance (UI) increased from February 2011, and remained below the year-ago level for the thirteenth consecutive month. Persons currently drawing UI benefits decreased in February. Dollars paid in UI benefits also decreased. Benefits paid the week of 4/9/11 were down 19 percent from the week of 4/3/2010 and 29 percent from the week of 4/4/2009. The UI trust fund balance continued to decrease in February 2011, but remained \$125 million higher than the February 2010 balance. New EUC claims decreased in February after a bump in January.

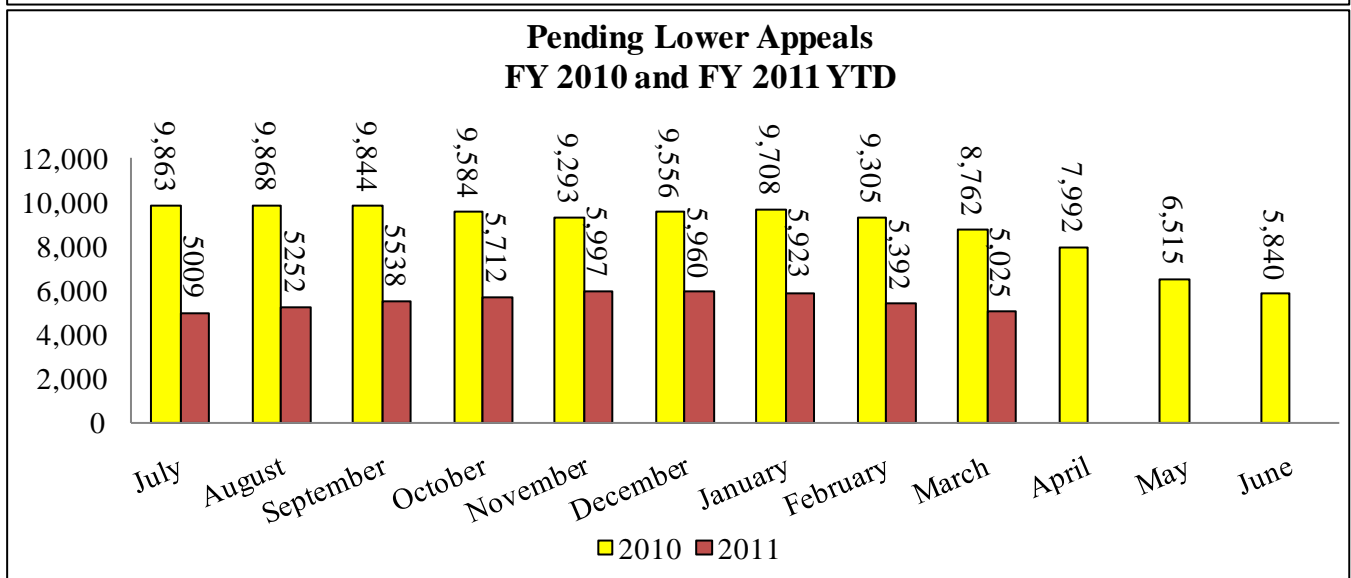
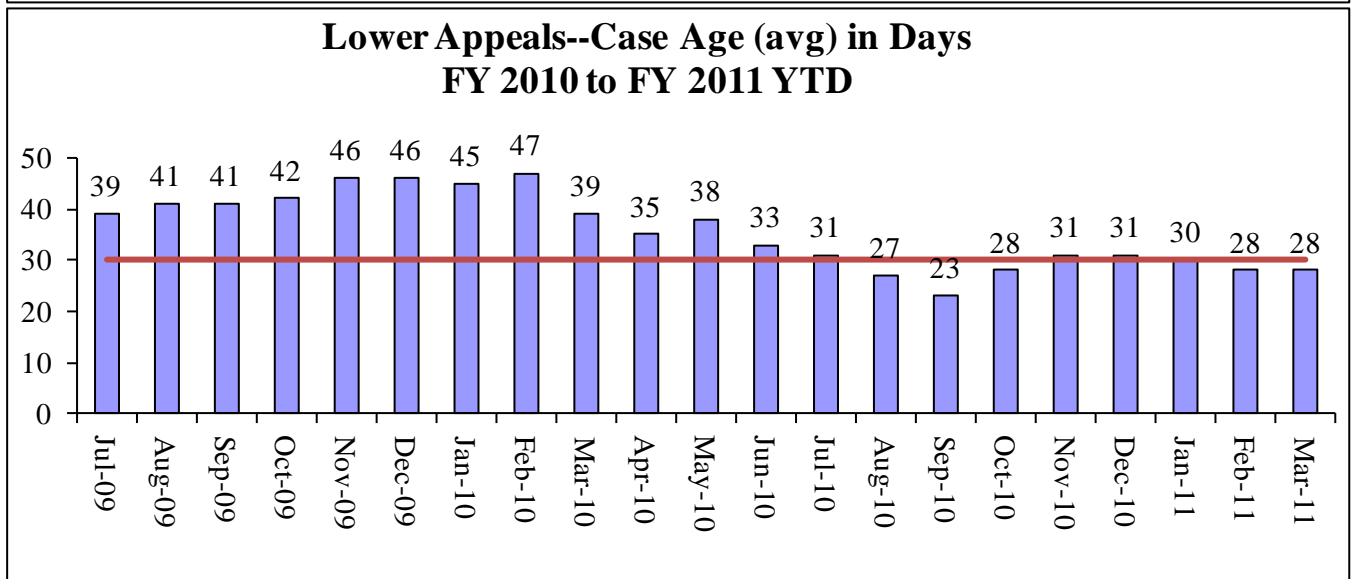
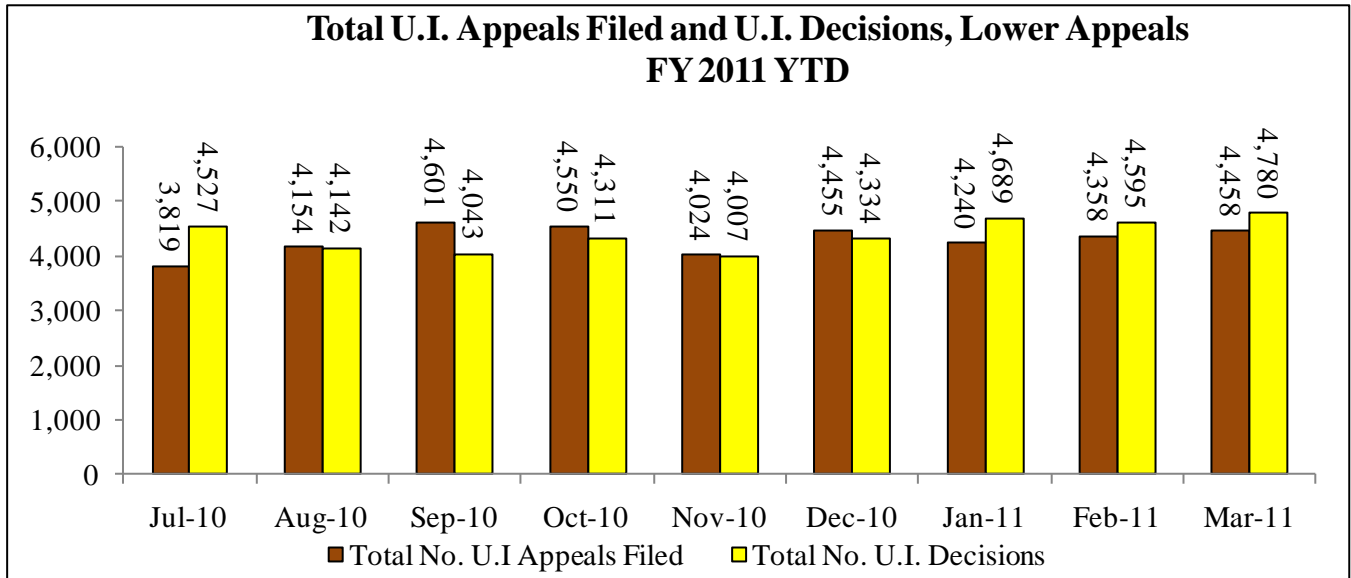


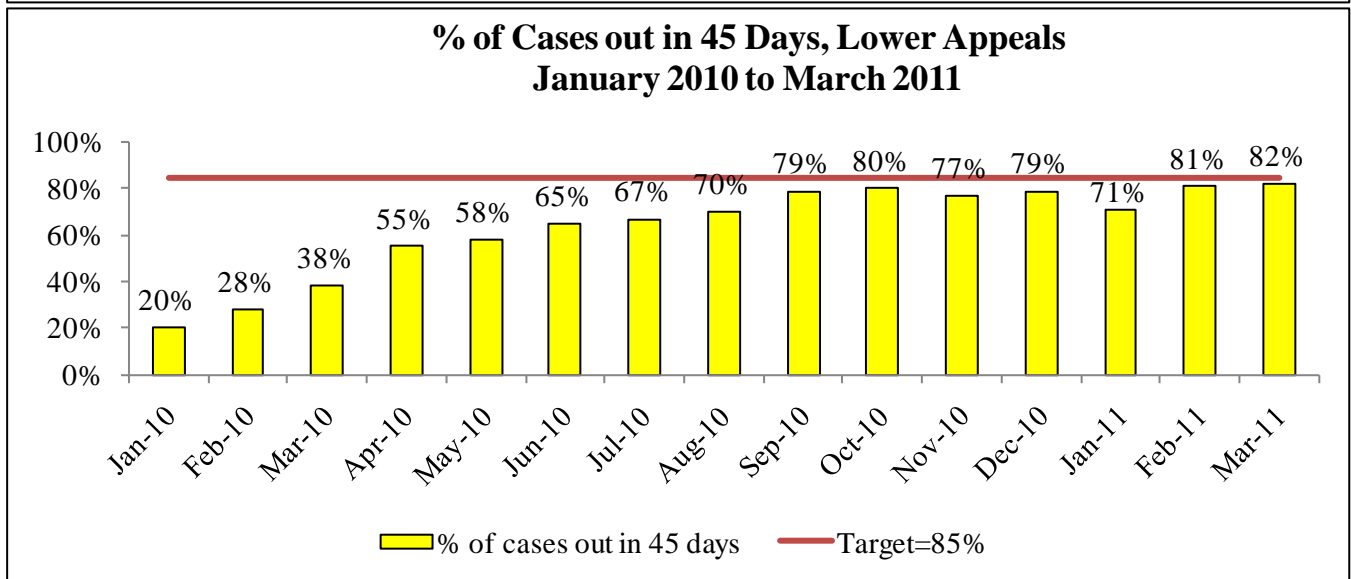
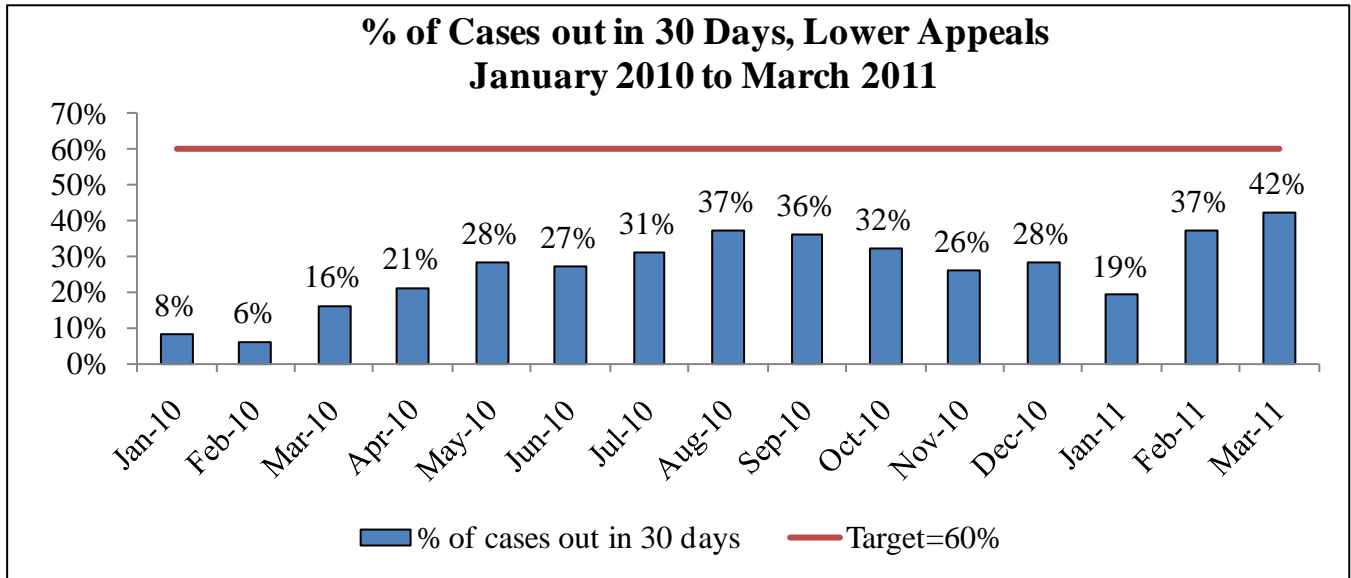




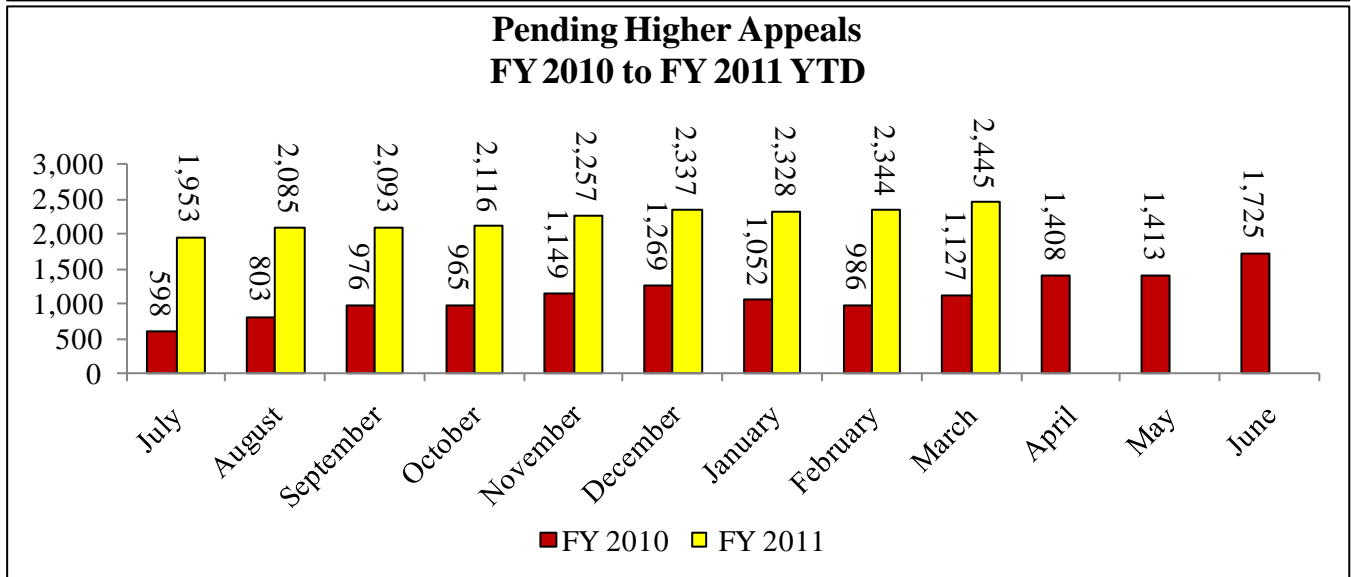
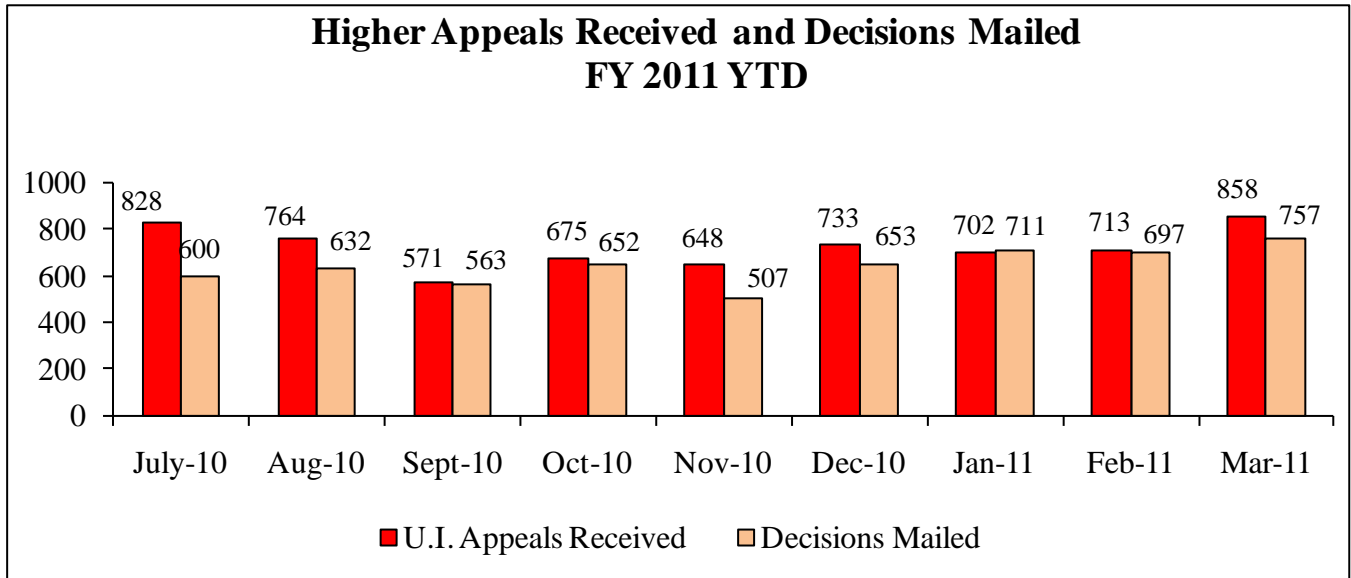
Unemployment Insurance Appeals

- Lower Appeals.** The number of lower appeals decisions surpassed the number of appeals filed for the third consecutive month in March 2011, as shown in the chart below. The average case age of lower appeals cases remained steady in March after decreasing in January and February. Pending lower appeals decreased in March 2011 to a level 43 percent lower than March 2010. The percent of cases out in 30 and 45 days has been increasing toward the goals of 60 percent and 85 percent, respectively. At the previous DLLR Stat, the agency reported that the staff is trained, up to speed and functioning at their highest capacity.



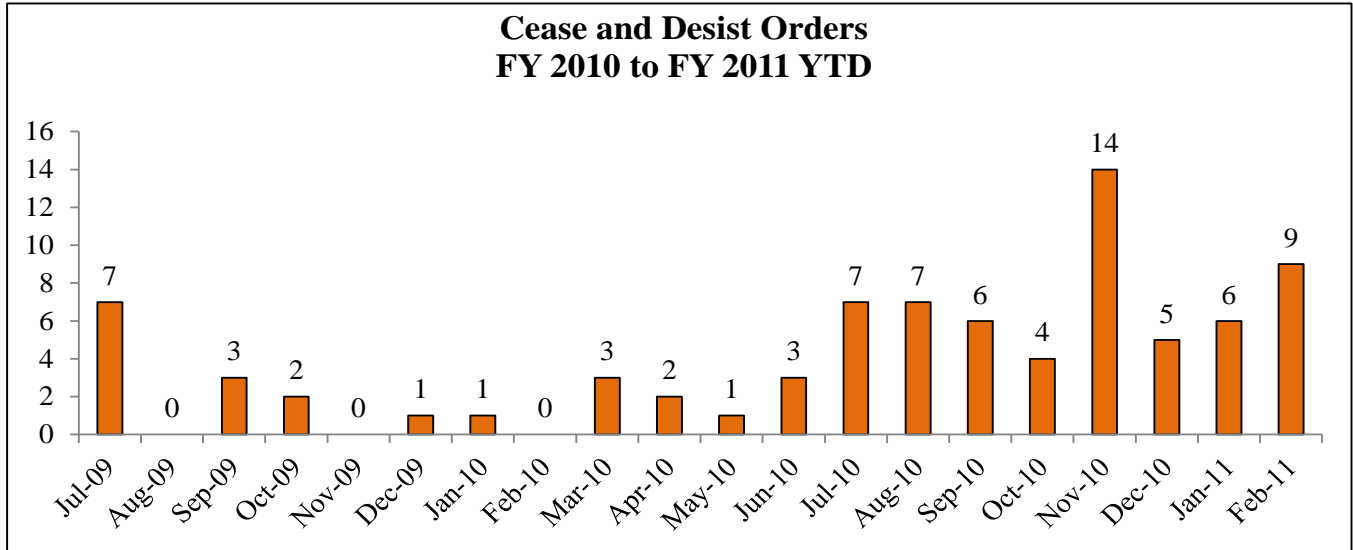


- Higher Appeals.** The number of higher appeals decisions mailed in January 2011 was slightly higher than the number of appeals received in that month. This pattern reversed in February. The number of pending higher appeals was almost twice as high as in March 2010.

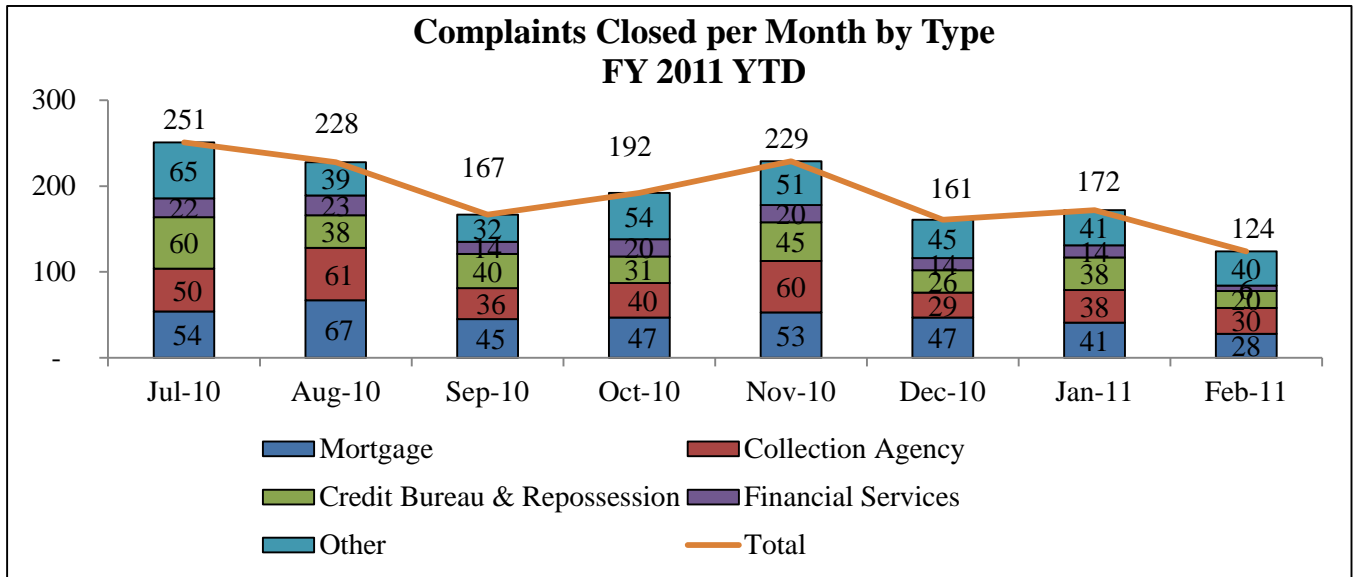


Financial Regulation

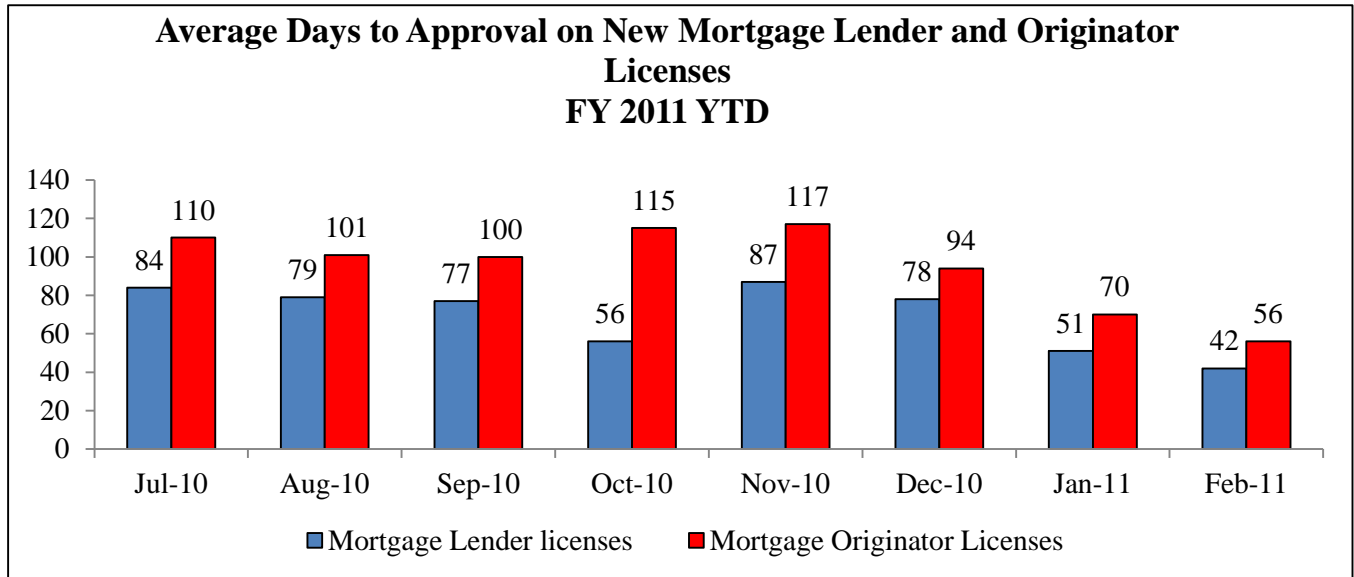
- Cease and Desist Orders.** The number of Cease and Desist orders issued by the Division of Financial Regulation increased to nine in February, the highest since November 2010, as shown in the chart below. The majority are foreclosure rescue scams.



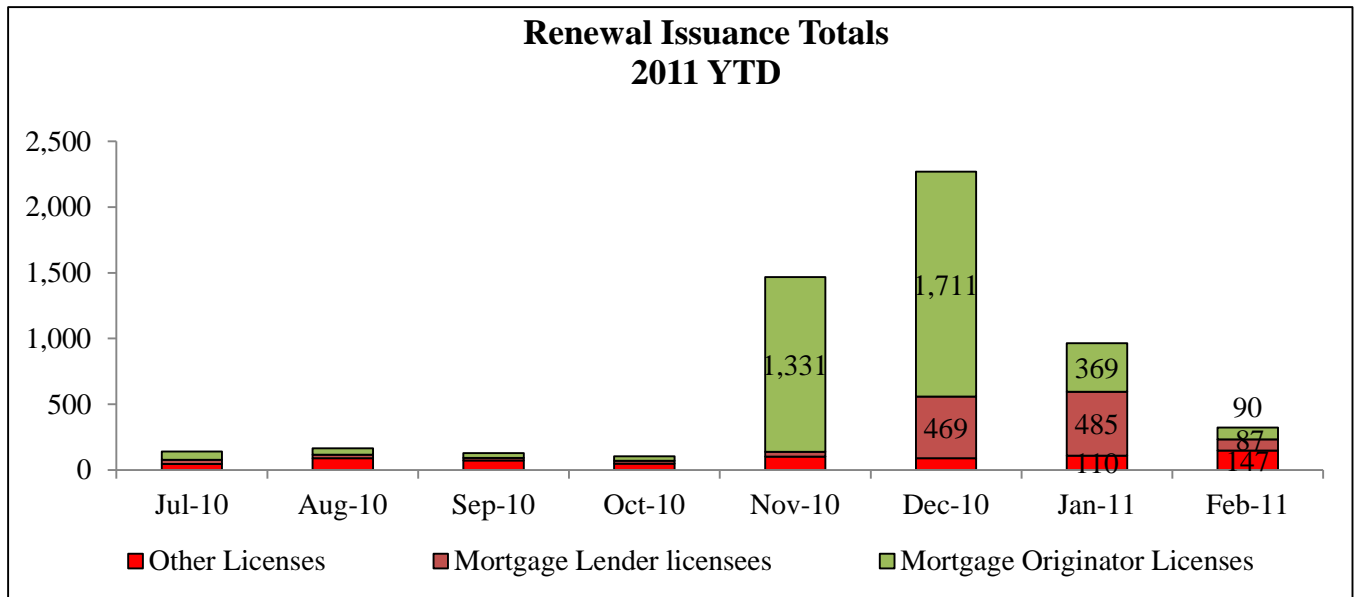
- **Complaints Closed.** Complaints closed decreased in February 2011, as shown in the chart below. The Agency attributes the decrease to fewer days in the month, and the observance of certain holidays. Additionally, contributing to the decrease in closed complaints is the loss of two staff members and the redistributing of their work.
 - The agency reported that credit bureau and repossession is the biggest challenge for the agency. StateStat is working with DLLR to facilitate this process.



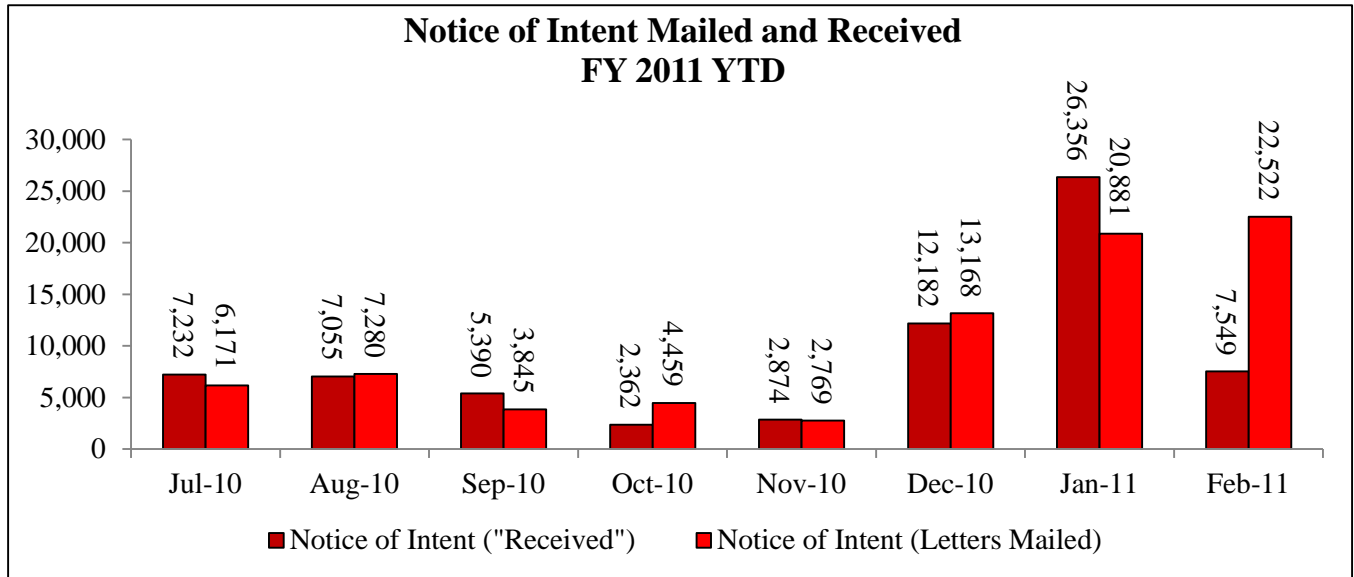
- **Average Days to Approval on New Mortgage Lender and Originator Licenses.** The average days to approval on new mortgage lender and originator licenses decreased in December, January and February. The Agency reported that the decrease in average days to approval on new mortgage lender licenses is because they are past the transition and renewal “hump,” and now that most of the requirements (testing, education, FBI background check, and credit) are submitted on NMLS the applications are more complete when received.



- License Renewals.** A decrease in overall license renewals in January and February 2011 was driven by a decrease in mortgage lender and originator license renewals, as shown in the chart below. The agency reported that normally the mortgage related licensing renewal period is during November, December and January, and tapers off in February.

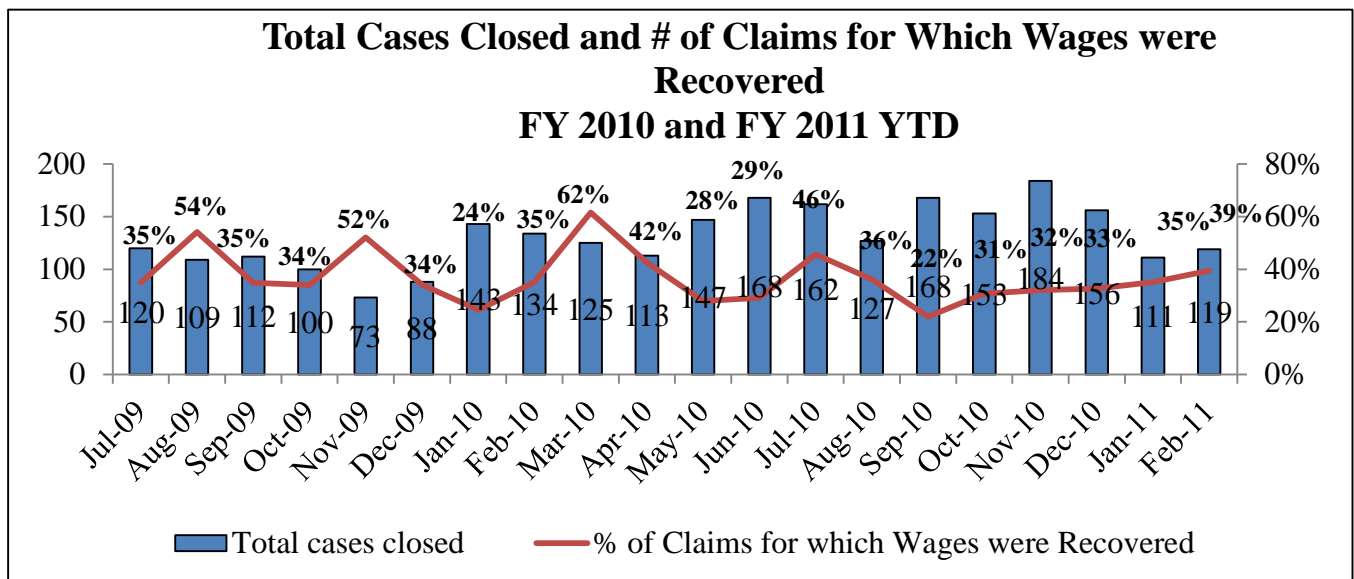


- Notice of Intent to Foreclose.** As of January 15, 2011, DLLR began to require that lenders submit electronically all notices of intent to foreclose (NOI). In January, the agency could not track duplicate entries in the electronic system. The electronic system is now eliminating duplicates for both the outreach letters being mailed and for the count of received entries, which is why the number received is so much lower than the number mailed in February. DLLR anticipates the numbers for March looking more in line with each other.



Labor and Industry

- **Employment Standards.** Employment Standards claims for which wages were recovered as a percentage of total cases closed has increased in the past five months. The dollar amount of total wages recovered continues to fluctuate.
 - The Department reported that cases closed can include referrals.



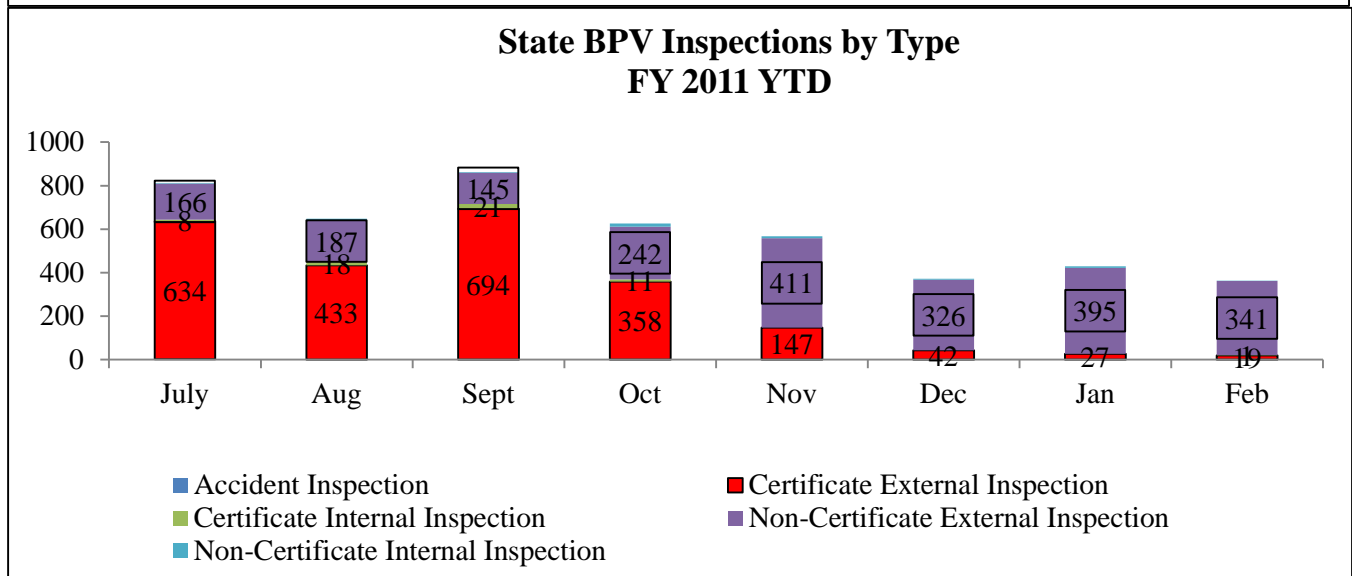
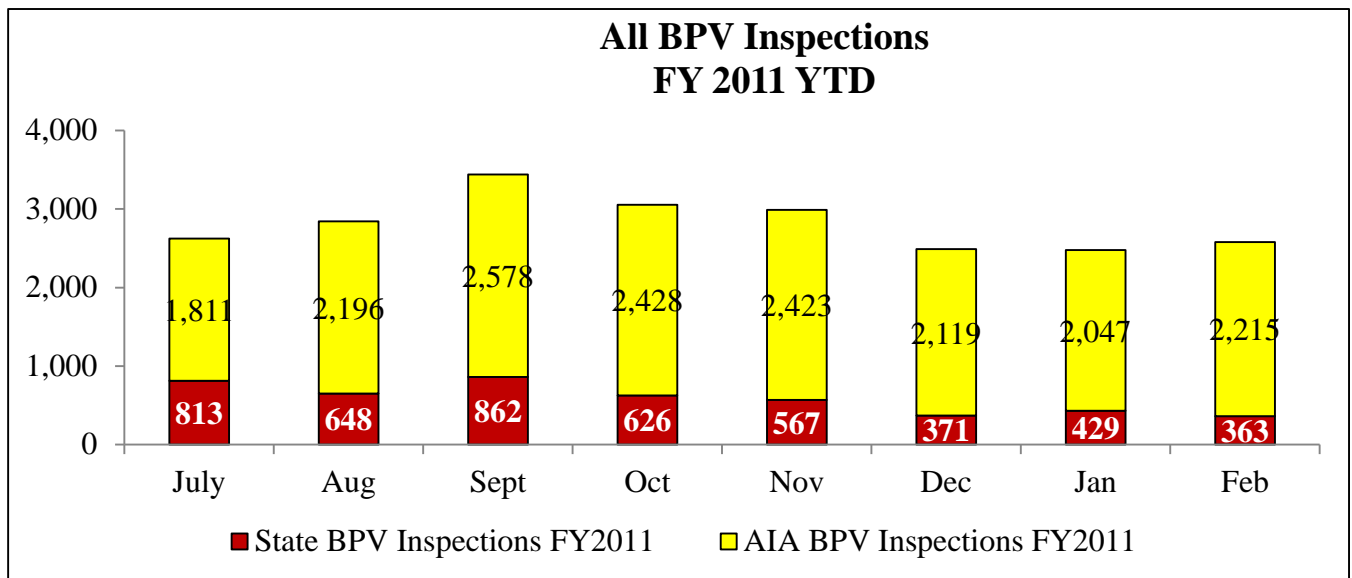
- **Boiler and Pressure Vessel (BPV) Inspections.** Under HB 85, BPV owners are responsible for contracting with an Authorized Inspection Agency (AIA) to perform the required annual or bi-annual safety inspection.¹ If the BPV is insured, then the insurer must perform the required inspection. It is the owner's responsibility to ensure that the required inspections are performed and a valid certificate of inspection is issued by the Commissioner of Labor and Industry. To

¹ Boilers and Pressure Vessels (BPV) must be inspected every 12 months for "high energy" object such as a high pressure boiler, and every 24 months for a "low energy" object such as air receivers and most heating boilers.

assist owners in complying with the new law, the Safety Inspection Unit sends notices to BPV owners and insurers according to the schedule below.

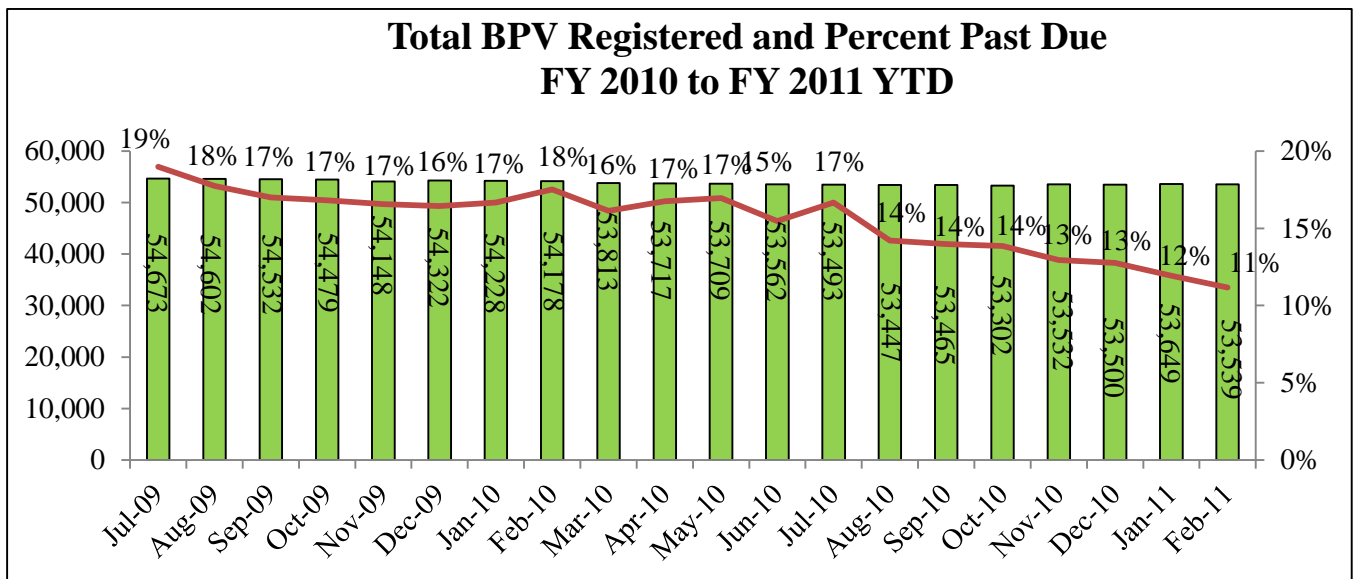
BPV Notification Process, Objects Coming Due for Inspection (After October 1, 2010)				
90 days before due date	45 days past due date	60 days past due date	90 days past due date	15 days after Final Order date of owner citation
State sends owner (and insurer is applicable) notice of the impending BPV safety inspection and owner's responsibilities under the law.	Past due notice mailed to the owner (or insurer) alerting them that they are now operating the BPV in violation of the law and subject to penalty.	Citation with penalty will be issued to the AIA insurer for not inspecting the BPV in accordance with the law.	Another citation with penalty will be issued to the owner for operating a BPV in violation of the law.	State inspector will be scheduled to inspect the object.

- BPV Inspections by Type.** DLLR submitted its report of BPV inspections disaggregated by type—certificate, and non-certificate (follow-up inspections, repair inspections, third-party monitoring inspections). In February, State inspections decreased as shown in the first chart below. The second chart reveals that the decrease was driven largely by the decline in external inspections that led to a certificate (in red). The majority of State inspections were non-certificate. The agency reported that once it is able to disaggregate non-certificate inspections, it will better be able to analyze fluctuations in the state's boiler inspections.



- Plan to Eliminate Past Due Inspections.** In its follow up response the Department included an 18-month plan for eliminating past due boiler inspections, shown in the table below. The goal of the plan is to reduce the number of past due inspections for BPV objects to 2 percent or less within 18 months of program implementation. Presently, 11 percent of registered BPV objects are past due as shown in the chart below. According to the plan, shown in the table below, inspection goals will be established for all AIA insurers. In addition, the State Safety Inspection Unit sent notices to owners of objects that were past due, noting that AIA insurer inspections will be monitored for compliance with the monthly inspection goals.

Delinquent BPV Inspection Reduction Plan	
Step 1	Develop an inspection projections worksheet identifying the number inspections that each insurer must perform to meet the stated objective. (daily, monthly, 18 months)
Step 2	Develop a worksheet that will be distributed monthly to each AIA insurer allowing them to track their progress. There will be a list included with the worksheet specifically identifying the past due objects. The worksheet and list will be updated each month reflecting the previous month's inspection activity and readjust to reflect the current and future inspection objectives.
Step 3	Meet with each individual AIA insurer stakeholder to discuss the objectives, processes and inspection goals of that specific insurer.
Step 4	Review AIA insurer monthly inspection activity, if past due objects are not addressed within the specified timeframe then citations with penalty may be issued.



- Women and Minorities in Apprenticeship.** At the last DLLR StateStat meeting, the panel asked DLLR to compare Maryland's rate of participation for minorities and women with other states. DLLR reported back that there is no centralized location for data related to women apprenticeships, but the federal Office of Apprenticeship does maintain records related to the programs that they monitor including the following states: NH, NJ, WV, AL, GA, MS, SC, TN, AR, CO, ND, SD, OK, TX, UT, WY, IL, IN, IO, MI, MO, NE, AK, CA, ID. The numbers are based on March 1, 2011, data for Maryland and "end of FY 10" data for the federal states so it is

not a direct comparison. The data show female participation in apprenticeship in Maryland is 6.7% vs. 8.3% in the other states, but Maryland ranks much higher at 37.6% against 21.7% for minority participation.

- The agency reported that it is working on bringing females into apprenticeship programs.

