



# STATE OF CONNECTICUT

## DEPARTMENT OF CONSUMER PROTECTION

To: Honorable Members of the Appropriations Committee  
Subcommittee on Regulation & Protection

From: Jerry Farrell, Jr., Commissioner  
Department of Consumer Protection

Date: February 11, 2009

Re: Department of Consumer Protection

Thank you for the opportunity to appear before the subcommittee this past Monday. I enjoyed our discussion of the Department's mission and issues as well as the Governor's Recommended Budget. You may recall that there were some questions from Members that I said I would subsequently respond to. Please find below my responses particularly in regard to questions posed by Representative Bartlett, Representative Reynolds and Senator Debicella. I hope that you find this information helpful in your review of our activities.

### General Fund Net

The term "General Fund Net" is generic and used throughout OPM's budget software to reflect agency expenditures after any reimbursements are subtracted. In the case of Consumer Protection, for example, our projected Personal Services expenditures of \$11.3 million for Fiscal 2010 were reduced by \$31,877 (see Attachment "A" from Governor's Budget document) to reflect payroll recoveries that will be deposited back to the General Fund. The PS expenditures were further reduced by turnover of \$12,702 for a "Total Personal Services - Net" of \$11.2 million. Thus, "General Fund Net" refers to the General Fund appropriation recommended by the Governor for the Department.

### Additional Funds Available

Page 300 of the Governor's Recommended Budget also lists "Additional Funds Available" (see Attachment "B") for the Department of Consumer Protection. These amounts represent expenditure projections for federal and private contribution accounts and I've attached a spreadsheet (see Attachment "C") listing these accounts for Fiscal 2010 that shows how the General Fund Net budget of \$12.4 million is supplemented by \$4.9 million in federal and special funds.

### DCP Revenue

Separate from our General Fund appropriation and Additional Funds is about \$31 million in revenue that is deposited into either the General Fund (\$30 million last year) or the Transportation Fund (\$1 million last year). I'm forwarding a detailed list of revenue information for Fiscal 2008 (see Attachment "D") so that you can see the various accounts that we deposit to.

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Transportation Fund (\$1 million last year). I'm forwarding a detailed list of revenue information for Fiscal 2008 (see Attachment "D") so that you can see the various accounts that we deposit to.

Disciplinary Actions Taken with Licensees

As Commissioner of Consumer Protection, I have the authority to revoke, suspend or deny a license, registration or permit under the Department's jurisdiction. During the past year, 234 licenses have been revoked or suspended and 35 home improvement contractor registrations have been denied.

Personal Services/Positions

As an "FYI", the Department's estimated Personal Services cost for Fiscal 2009 is \$10,452,754 and the Governor is recommending \$11,017,712 – an increase of \$564,958 or 5.4%. \$243,000 of this increase represents the transfer of 3 positions in the State Board of Accountancy while the balance reflects collective bargaining increases for union employees. As of today, there are 141 General Fund employees in the Department of Consumer Protection and 123 are covered by collective bargaining agreements. The other 18 are 7 unclassified appointees and 11 classified managers.

Please let me know if you have any questions about these topics or the Governor's Recommended Budget regarding the Department.

Thank you again for the opportunity to appear before you.

Encl.

Cc: Deputy Commissioner Jackie Mandyck  
Legislative Liaison Gary Berner 713-6208  
Alan Shepard, OFA  
Melissa Yeich, OPM

PERSONNEL SUMMARY	POSITIONS				REQUESTED 2009-10		REQUESTED 2010-11	
	As of 06/30/08		2008-09	06/30/09	Change	Total	Change	Total
	Filled	Vacant	Change	Total				
Permanent Full-Time Positions								
General Fund	139	8	0	147	0	147	0	147
Federal Funds	1	0	0	1	0	1	0	1
Private Funds	27	2	3	32	0	32	0	32
	ACTUAL 2007-08		ESTIMATED 2008-09		REQUESTED 2009-10		REQUESTED 2010-11	
Other Positions Equated to Full-Time								
General Fund		5		5		7		7
FINANCIAL SUMMARY	ACTUAL 2007-08		ESTIMATED 2008-09		REQUESTED 2009-10		REQUESTED 2010-11	
CURRENT EXPENSES								
Total Personal Services -- Net	10,269,722		10,307,942		11,227,480		11,530,540	
Total Other Expenses -- Net	1,434,605		1,378,409		1,418,086		1,368,860	
Total Other Current Expenses	0		0		0		0	
EQUIPMENT (CAPITAL OUTLAY)	0		100		205,475		150,000	
FIXED CHARGES								
Total Other than Payments to Local Governments	0		0		0		0	
Total Payments to Local Governments								
AGENCY TOTAL -- GENERAL FUND	11,704,327		11,686,451		12,851,041		13,049,400	
ADDITIONAL FUNDS AVAILABLE	3,500,755		5,053,578		4,917,383		5,186,038	
AGENCY GRAND TOTAL	15,205,082		16,740,029		17,768,424		18,235,438	
CURRENT EXPENSES	ACTUAL 2007-08		ESTIMATED 2008-09		REQUESTED 2009-10		REQUESTED 2010-11	
PERSONAL SERVICES								
Permanent Full Time Positions	9,694,855		9,730,935		10,619,250		10,909,856	
Other Positions	193,543		187,100		208,075		215,149	
Other	279,443		347,728		367,746		368,007	
Overtime	101,881		74,056		76,988		82,488	
TOTAL PERSONAL SERVICES -- GROSS *	10,269,722		10,339,819		11,272,059 *		11,575,500	
Less Reimbursements *			-31,877		-31,877 *		-31,877	
Turnover					-12,702		-13,083	
TOTAL PERSONAL SERVICES -- NET *	10,269,722		10,307,942		11,227,480 *		11,530,540	
OTHER EXPENSES								
CONTRACTUAL SERVICES								
Printing & Binding	51874	13,229	8,582	8,762	8,762	8,885		
Membership Dues	51780	27,845	26,754	27,316	27,316	27,699		
Fees and Permits	51620	4,489	4,313	4,404	4,404	4,466		
Freight & Cartage	51640	110	106	108	108	110		
Beeper/Pager Services	53810	3,062	2,942	3,004	3,004	3,046		
Cellular Communication Svcs	53820	26,134	25,110	25,638	25,638	25,997		
Telephone Repair & Maintenance	53850	6,444	6,191	6,322	6,322	6,411		
Telephone Installation	53860	14,923	14,339	14,640	14,640	14,845		
Loc/Long Distance Telecomm Sv	53870	39,554	38,005	38,804	38,804	39,348		
Off Equip Mnt/Rep-Contractual	52531	28,617	27,496	28,073	28,073	28,466		
Off Equip Mnt/Rep-Non-Contract	52532	2,617	2,515	2,567	2,567	2,603		
Other Equip Mnt/Rp-Non Contract	52542	4,609	4,428	4,521	4,521	4,584		
Premises Repair/Maint Services	53401	31,175	25,226	25,756	25,756	26,117		
Motor Vehicle Repairs	53012	603	579	591	591	599		
Premises Waste/Trash Services	53450	1,050	1,009	1,030	1,030	1,044		
Employee Asslst Program Svcs	51200	3,133	3,010	3,073	3,073	3,116		
Conf/Semlnars/Workshop-Hosting	51590	3,500	3,363	3,434	3,434	3,482		
Credit Card Processing Svcs	51610	39,440	55,000	0	0	0		
Graphic Design	51650	345	331	338	338	343		
Automated Legal Research	51671	10,468	10,058	10,269	10,269	10,413		
Court Reporting Services	51672	10,506	10,094	10,306	10,306	10,450		
Online Information Services	51674	295	283	289	289	293		
Moving Services	51790	13,509	12,383	12,643	12,643	12,820		
Non-Employee Reimbursements	51800	16,692	16,038	16,375	16,375	16,604		
Photographic Services	51820	1,100	1,057	1,079	1,079	1,094		
Records Destruction Services	51850	4,524	4,347	4,438	4,438	4,500		
Legal Briefs	51872	185	178	182	182	184		
Photocopying	51873	1,391	1,337	1,365	1,365	1,384		
Drug & Alcohol Testing	51981	218	209	213	213	216		
Laboratory Services & Testing	51982	3,614	3,472	3,545	3,545	3,595		

**ATTACHMENT "A"**

**Budget-in-Detail**

<i>Financial Summary</i>	2007-2008	2008-2009	2009-2010	Current	2009-2010	2010-2011	Current	2010-2011
	<u>Actual</u>	<u>Estimated</u>	<u>Requested</u>	<u>Services</u>	<u>Recommended</u>	<u>Requested</u>	<u>Services</u>	<u>Recommended</u>
(Net of Reimbursements)								
Personal Services	3,050,242	3,065,031	3,250,789	3,270,283	3,204,014	3,325,878	3,357,333	3,291,063
Other Expenses	516,809	598,059	620,250	618,792	562,375	561,959	590,385	533,967
<i>Capital Outlay</i>								
Equipment	0	0	142,400	69,373	100	150,000	100,100	100
<b>TOTAL-General Fund</b>	<b>3,567,051</b>	<b>3,663,090</b>	<b>4,013,439</b>	<b>3,958,448</b>	<b>3,766,489</b>	<b>4,037,837</b>	<b>4,047,818</b>	<b>3,825,130</b>
<i>Additional Funds Available</i>								
Bond Funds	149,566	275,049	0	0	0	0	0	0
Private Funds	526,244	821,020	747,886	747,886	747,886	792,760	792,760	792,760
<b>TOTAL - All Funds</b>	<b>4,242,861</b>	<b>4,759,159</b>	<b>4,761,325</b>	<b>4,706,334</b>	<b>4,514,375</b>	<b>4,830,597</b>	<b>4,840,578</b>	<b>4,617,890</b>

**Agency Management Services**

**AGENCY FINANCIAL SUMMARY - GENERAL FUND**

<i>Current Expenses by Minor Object</i>	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011	2010-2011
	<u>Actual</u>	<u>Estimated</u>	<u>Requested</u>	<u>Recommended</u>	<u>Requested</u>	<u>Recommended</u>
<i>Personal Services</i>						
Permanent Fulltime Positions	9,689,362	9,875,747	10,619,250	10,742,158	10,909,856	11,037,359
Other Positions	193,543	187,100	208,075	160,075	215,149	163,075
Other	279,443	347,728	367,746	283,098	368,007	280,859
Overtime	101,881	74,056	76,988	16,988	82,488	22,488
<b>TOTAL-Personal Services Gross *</b>	<b>10,264,229</b>	<b>10,484,631</b>	<b>11,272,059</b>	<b>11,202,319 *</b>	<b>11,575,500</b>	<b>11,503,781</b>
Less Reimbursements *	0	-31,877	-31,877	-31,877 *	-31,877	-31,877
Less Turnover	0	0	-12,702	-152,730	-13,083	-149,597
<b>TOTAL-Personal Services Net *</b>	<b>10,264,229</b>	<b>10,452,754</b>	<b>11,227,480</b>	<b>11,017,712 *</b>	<b>11,530,540</b>	<b>11,322,307</b>
<i>Other Expenses-Contractual Services</i>						
Dues and Subscriptions	29,126	27,290	28,572	33,072	28,972	33,072
Utility Services	565	530	568	530	573	530
Rentals, Storage and Leasing	634	594	623	594	632	594
Telecommunication Services	90,117	84,438	88,408	79,922	89,647	79,922
General Repairs	65,018	58,185	60,917	58,302	61,770	58,302
Motor Vehicle Expenses	262,857	265,033	277,485	210,793	281,369	210,793
Fees for Outside Professional Services	3,545	3,321	3,477	3,321	3,526	3,321
Fees for Non-Professional Services	106,548	115,931	65,222	79,600	66,134	79,600
DP Services, Rentals and Maintenance	219,662	310,018	353,025	403,713	291,179	337,602
Postage	218,550	196,645	205,884	208,477	208,767	208,477
Travel	53,009	39,708	41,572	38,390	42,153	38,390
Other Contractual Services	5,649	5,293	5,542	5,293	5,620	5,293
Printing & Binding	13,229	8,369	8,762	9,446	8,885	9,446
<i>Other Expenses-Commodities</i>						
Agriculture, Horticulture, Dairy & Food	2,174	2,037	2,131	1,826	2,173	1,826
Books	1,164	1,090	1,141	1,090	1,157	1,090
Clothing and Personal Supplies	98	92	96	92	97	92
Maintenance and Motor Vehicle Supplies	190,233	144,299	150,934	115,588	150,998	115,588



**ATTACHMENT "B"**

**Budget-in-Detail**

Medical Supplies	147	138	148	138	155	138
Fuel	6	6	6	6	6	6
Office Supplies	100,975	82,844	86,734	90,909	87,950	90,909
Refunds of Expenditures Not Otherwise Classified	25,893	17,652	18,481	17,652	18,739	17,652
<u>Other Expenses-Sundry</u>						
Sundry - Other Items	19,746	17,902	18,358	18,593	18,358	18,593
TOTAL-Other Expenses Gross	1,408,945	1,381,415	1,418,086	1,377,347	1,368,860	1,311,236
Less Reimbursements						
TOTAL-Other Expenses Net	1,408,945	1,381,415	1,418,086	1,377,347	1,368,860	1,311,236

**Character & Major Object Summary**

	2007-2008	2008-2009	2009-2010	Current	2009-2010	2010-2011	Current	2010-2011
	<u>Actual</u>	<u>Estimated</u>	<u>Requested</u>	<u>Services</u>	<u>Recommended</u>	<u>Requested</u>	<u>Services</u>	<u>Recommended</u>
Personal Services Net	10,264,229	10,452,754	11,227,480	11,000,000	11,017,712	11,530,540	11,300,000	11,322,307
Other Expenses Net	1,408,945	1,381,415	1,418,086	1,429,306	1,377,347	1,368,860	1,363,689	1,311,236
Capital Outlay	0	0	205,475	100,100	100	150,000	100,100	100
TOTAL-General Fund Net	11,673,174	11,834,169	12,851,041	12,529,406	12,395,159	13,049,400	12,763,789	12,633,643
<u>* Additional Funds Available</u>								
Federal and Other Activities	185,268	359,500	444,800	444,800	444,800 *	445,100	445,100	445,100
Bond Funds	156,934	395,049	0	0	0 +	0	0	0
Private Funds	3,158,553	4,299,029	4,472,583	4,472,583	4,472,583 *	4,740,938	4,740,938	4,740,938
TOTAL-All Funds Net	15,173,929	16,887,747	17,768,424	17,446,789	17,312,542 *	18,235,438	17,949,827	17,819,681

6,491,383

in Additional Funds Available  
in Fiscal 2010  
(see spreadsheet)

ATTACHMENT "C"

DEPARTMENT OF CONSUMER PROTECTION  
GOVERNOR'S RECOMMENDED BUDGET FOR FISCAL 2010

2009-2010  
Recommended      Projected  
Expenditures

"ADDITIONAL FUNDS AVAILABLE"

See Page 300 of the Governor's Budget Book

	<u>2009-2010</u> <u>Recommended</u>	Projected	
FEDERAL AND OTHER ACTIVITIES	\$444,800	\$4,800	DRUG SEIZURE AWARDS (FEDERAL FUNDS)
		\$400,000	PRESCRIPTION MONITORING PROGRAM (FEDERAL FUNDS)
		\$40,000	PREVENTION OF UNDERAGE DRINKING (FEDERAL FUNDS)
BOND FUNDS	\$0	\$0	
PRIVATE FUNDS	\$4,472,583	\$748,426	INDIAN GAMING LIQUOR REGULATION - MASHANTUCKET
		\$785,622	INDIAN GAMING LIQUOR REGULATION - MOHEGAN
		\$683,443	NEW AUTOMOBILE WARRANTIES ACCOUNT
		\$1,086,750	HOME IMPROVEMENT ENFORCEMENT ACCOUNT
		\$556,515	CONSUMER PROTECTION ENFORCEMENT ACCOUNT
		\$72,899	BEDDING AND FILLING MATERIAL SETTLEMENTS
		\$396,600	STAGE 2 VAPOR RECOVERY PROGRAM
		\$142,328	CONSUMER PROTECTION SETTLEMENT ACCOUNT

Total Estimated  
Expenditures in 2010      \$4,917,383      \$4,917,383  
from Additional Funds:

## ATTACHMENT "D"

STATE OF CONNECTICUT  
DEPARTMENT OF CONSUMER PROTECTION  
REVENUES BY GENERAL LEDGER ACCOUNT NUMBER

Fund	SID	Account Number	Account Description	Actual FY 2008
11000	18010	41410	Taxes Adm-Boxing Or Wrestling	0
11000	18010	42321	Food Licenses	198,867
11000	18010	42328	Drug Licenses	430,748
11000	18010	42332	Mobile Home Park Licenses	115,667
11000	18010	42333	Licenses-Manu Bed/Furniture	117,674
11000	18010	42337	Home Improvement Contractors/Sales	2,799,267
11000	18010	42341	Itinerant Vendor Licenses	19,810
11000	18010	42426	Pharmacy/Pharmacist Licenses	529,050
11000	18010	42428	Real Estate Sale Agent License	4,117,595
11000	18010	42429	Real Estate Brokers Licenses	2,005,853
11000	18010	42433	Engineers/Land Surveyors Licenses	269,723
11000	18010	42435	Health Club Licenses	244,690
11000	18010	42439	Interior Designer Reg Licenses	47,925
11000	18010	42440	Licenses-Engin/Land Surv/Arch	51,685
11000	18010	42441	Real Estate Appraiser Licenses	440,387
11000	18010	42442	Comm Assc Mngr-Real Estate Lic	30,100
11000	18010	42443	Pharmacists - Renewal	157,485
11000	18010	42445	Landscape Architects - Renewal	40,260
11000	18010	42446	Architects - Renewal	779,908
11000	18010	42447	Engineers/Landsurveyors - Renewal	2,173,903
11000	18010	42455	Court Reporters	47,253
11000	18010	42502	Electrician Licenses	1,181,216
11000	18010	42503	Plumber Licenses	606,374
11000	18010	42504	Steamfitter Licenses	835,037
11000	18010	42505	Licenses-Weighing Devices	27,491
11000	18010	42506	T V Repair Licenses	112,585
11000	18010	42508	Mechanical Contractor Licenses	4,635
11000	18010	42509	Fire Prot Sprinkler Licenses	126,834
11000	18010	42510	General Contractor Licenses	629,305
11000	18010	42511	Elevator Repair Licenses	47,232
11000	18010	42512	Well Drill Contractor Licenses	34,576
11000	18010	42513	New Home Construction Licenses	1,537,009
11000	18010	42514	Home Inspector Licenses	23,095
11000	18010	42515	Sheet Metal/Glazier Licenses	371,607
11000	18010	42516	Home Heating Oil dealer Registration	60,160
11000	18010	42564	Athletic Licenses	2,200
11000	18010	42831	Non-Ref Filing Permit-New Apps	110,127