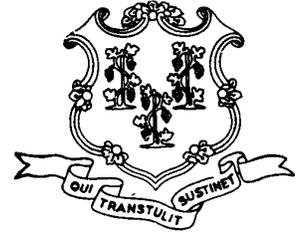


Department of Consumer Protection



Testimony of Jonathan A. Harris Commissioner-designee of Consumer Protection

Appropriations Committee
February 25, 2015

Sen. Bye, Rep. Walker, Sen. Kane, Rep. Ziobron and Honorable Members of the Appropriations Committee, Good afternoon, I am Jonathan Harris, Gov. Malloy's designee as Commissioner of Consumer Protection. Thank you for this opportunity to make a brief opening statement in support of Gov. Malloy's proposed budget for the upcoming biennium.

As you know, the Department of Consumer Protection is the state's regulatory agency responsible for protecting our citizens from physical injury and financial loss that may occur because of unsafe or fraudulent products and services sold in the state. Our mission is to ensure a fair marketplace for consumers and a level playing field for businesses in the industries that we regulate: food & standards; drugs, cosmetics & medical devices; alcoholic liquor; occupational and professional licensing; trade practices; and legal gambling. We do this by regulating and monitoring the marketplace, enforcing the laws and educating and empowering consumers to make better informed choices when purchasing products or services.

As part of our consumer protection role, the Department issues approximately 220,000 licenses and registrations annually, bringing significant revenue into the State's coffers. In the prior fiscal year, agency revenues to the General Fund totaled \$41,875,132 and revenues to the Transportation Fund totaled \$2,006,319. In addition, DCP's Gaming division has oversight responsibility for the casinos, which contributed nearly \$300 million to the State last fiscal year. By comparison, our operating expenses were just above \$20 million.

It is certainly no secret that the state continues to find itself in very difficult financial times. As such, each and every state agency is challenged to find ways to do more - or at least the same - with less. This can and has been done within DCP by identifying inefficient and obsolete ways of doing business and replacing them with streamlined and improved processes. I would like to take a moment to highlight a few of our recent and ongoing successes.

- First, DCP is constantly working to enhance our e-licensing system and to increase the use of the system by licensees. In 2014, these efforts resulted in over \$45,000 in savings in printing and postage costs as more licensing transactions occurred online rather than through the mail. In addition, DCP was able to absorb an office assistant vacancy in its Licensing Division without an undue reduction in services to the public.
- DCP is also utilizing Lean processes to better serve consumers. A recent Lean event for our complaint center reduced the amount of time it took the agency to respond to a complainant from 4-6 weeks to 1 day – a 96% reduction. We also reduced, by more than 70%, the amount of time it takes us to process an initial complaint and the amount of time it takes us to follow-up with a complainant when additional information is needed.
- Following on the success of our complaint center, a Lean event was recently completed for our casino licensing unit. One important result from this will be

the elimination of paper renewals for most casino licenses. DCP staff currently spends 7-8 months processing the 15,000 casino renewals covered by the Lean event. With the new process, we expect that the streamlined renewal process will take less than 2 months. In addition to the reduced time frame, the changes will positively impact the casinos, which will no longer be required to use their staff time to print, distribute and complete renewal applications for 15,000 casino employees.

The significant time savings being accomplished through these, and other streamlining initiatives, are enabling DCP to better allocate our internal resources so that we can better handle the ebb and flow of workloads without hiring additional employees or decreasing service to the public. Staff that may be less busy with casino renewals, for example, could be made available to assist in other licensing areas where vacancies or increased demands around renewal times cause periodic spikes in workloads.

I am proud that Gov. Malloy recognizes DCP's responsible stewardship of taxpayers' dollars as demonstrated by his budget proposal before you. Importantly, the Governor is not proposing any significant programmatic changes within the Department this year. To the contrary, the budget proposes several areas where DCP's role in regulating the marketplace will be enhanced. Three areas in particular are worth noting.

- First, the budget proposes providing DCP with additional funding to implement the Governor's Substance Abuse and Opioid Overdose Prevention Initiative (House Bill 6854). Preventing the misuse of controlled substances has been an important priority for DCP. The growing problem of opioid misuse serves to further highlight for us the importance of these efforts. We strongly support the Prevention Initiatives and will make good use of these funds to ensure the prescription monitoring program, which DCP administers, is being fully utilized and that the other elements of the Prevention Initiative are getting the attention they deserve.

- Next, the Governor's budget proposes transferring the cost of regulating the medical marijuana industry to the general fund, as opposed to having DCP manage a separate fund to pay for its oversight of the medical marijuana industry. We are confident that we can shift existing resources or use other general fund vacancies to fulfill our mission of responsibly regulating this industry.
- Finally, the budget proposes giving DCP responsibility for the licensing of accountants. DCP's experience licensing dozens of other professions and occupations makes us well-suited to take on this added responsibility. In recent years, DCP has taken on licensing responsibility for the gaming industry, including lottery agents and casino employees, among others. In addition, we recently began licensing amusement park rides. Our licensing division, needless to say, is adept at integrating and, where appropriate, streamlining the licensing functions that have come to us from other agencies. I am confident that we will have the same success here. In addition, we already have a Trade Practices division that enforces the law with regard to the many other occupations and professions that we regulate. As such, oversight of accountants can be added to that unit with minimal disruption.

Thank you again for the opportunity to appear before you with this opening statement. I am proud of the work of my agency and am happy to answer any questions you may have.