STATE OF CONNECTICUT  
DEPARTMENT OF BANKING  
260 CONSTITUTION PLAZA – HARTFORD, CT 06103-1800

TESTIMONY SUBMITTED TO THE APPROPRIATIONS COMMITTEE  
Jorge L. Perez, Commissioner  
February 28, 2019

Proposed Biennium Budget

Co-Chairs Osten and Walker, Ranking Members Formica and Lavielle, and honorable Members of the Appropriations Committee, the Department of Banking welcomes this opportunity to submit its written testimony in favor of Governor Lamont’s recommended budget for the agency for the Biennium Budget, fiscal years 2020 and 2021.

The Department of Banking receives its appropriations from the Banking Fund, which is fully funded by the industries we regulate through assessments and fees. The Department has regulatory authority over State-charted Banks and Credit Unions, securities and consumer credit.

The Governor’s Budget recommends total appropriations for FY20 to be $23,359,858 and for FY21 to be $24,638,096. The recommended budget includes the following adjustments:

- Provided $60,100 in each year of the biennium for system maintenance for the agency’s new e-Licensing system. This system is designed to integrate all divisions for increased efficiency allowing for the reallocation of staff to meet other Department needs.
- Adjust Fringe Benefits to reflect actual cost ($1,602,874 in FY20 and $2,077,363 for FY21).
- Reduction of funding for two vacancies ($276,529 in FY20 and $277,529 in FY21).

The agency can achieve these savings due to a continuation of Department’s LEAN initiatives to streamline processes and achieve greater efficiencies within the agency.

Over the past two bienniums, The Department achieved a number of successes in efficiency while still meeting the needs of Connecticut consumers. Among our various accomplishments, the Department was able to:

- Significantly increase examinations of regulated entities, particularly in the non-depository space.
- Implement an overall strategic plan, with emphasis on replacing our aging legacy computer systems and databases.
- Partner with BEST to begin development of an agency-wide e-licensing system to streamline workflows and increase productivity.
- Update and modernize our Consumer Credit Laws.
- Use LEAN principles to maximize current agency technologies to achieve efficiencies and reduce regulatory burden.
• Achieve significant savings through common sense staff scheduling.
• Devote more staff hours to examinations.
• Expand outreach initiatives through various social media platforms.
• Expand educational programming to the public.
• Participate in collaborative investigations with the FBI and other law enforcement entities resulting in high profile arrests, convictions and forfeiture of assets.
• Rolled out a new online complaint form, thereby creating a better user experience resulting in reduced resolution time for consumers.

The Department of Banking remains committed to its mission to protect users of financial services from unlawful or improper practices by requiring that regulated entities and individuals adhere to the law, assuring the safety and soundness of state chartered banks and credit unions, educating and communicating with the public and other stakeholders, and promoting cost-efficient and effective regulation.

I thank the committee for their time and the opportunity to provide this testimony. Please do not hesitate to contact me if the Department can be of any assistance.