



Committee: PS
Committee Review: Completed
Staff: Naeem M. Mia, Legislative Analyst
Purpose: Final action – vote expected
Keywords: #OCP

AGENDA ITEM #11
 May 11, 2022
Action

SUBJECT

Office of Consumer Protection (OCP) - FY23 Operating Budget

EXPECTED ATTENDEES

None

FY23 COUNTY EXECUTIVE RECOMMENDATION

Consumer Protection	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund	\$2,453,337	\$2,477,443	1.0 %
Personnel Costs	\$2,324,830 18.00 FTEs	\$ 2,345,470 18.00 FTEs	0.9% 0.0 FTEs
Operating Costs	\$128,507	\$131,973	2.7%
Total Expenditures (All Funds)	\$2,453,337 18.00 FTEs	\$2,477,443 18.00 FTEs	1.0% 0.0%

COMMITTEE RECOMMENDATIONS

- Approve 3-0 as recommended by Council staff; as well as:
 - a. Add to the reconciliation list \$41,752 and 1.0 FTE for a new Grade 18 position (Investigator I) to support the Business Registration Unit, starting in mid-FY23
- Council staff concurs with the County Executive’s recommended operating budget

SUMMARY OF KEY ISSUES

- None

This report contains:

Staff Report

Pages 1-3

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MEMORANDUM

April 15, 2022

TO: Public Safety (PS) Committee

FROM: Naeem M. Mia, Legislative Analyst

SUBJECT: **FY23 Recommended Operating Budget – Office of Consumer Protection (OCP)**

PURPOSE: Vote on recommendations for the Council’s consideration

Expected Attendees:

- Eric Friedman, Director, OCP
- Julie Knight, Fiscal and Policy Analyst, Office of Management and Budget (OMB)

A. Staff Recommendations

- 1) Approve the Executive’s Recommended FY23 Operating Budget request for OCP; and
- 2) Consider addition of a new position to support the Business Compliance Unit pending an update on the County’s fiscal environment in January 2023.

B. Fiscal Summary

Consumer Protection	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund	\$2,453,337	\$2,477,443	1.0 %
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Major Cost Changes (with no service impact):

- Annualization of FY22 Compensation Adjustments (+ \$38,173)
- FY23 Compensation Increases (+ \$33,889)

- Retirement Adjustments (- \$60,148)

C. Discussion Items

1) *Business Compliance Unit*

According to OCP staff, a Business Compliance Unit is under development to provide an enforcement function that proactively monitors the marketplace for violations of the County's consumer protection laws. There are an unknown number of unregistered/unlicensed businesses currently operating in the County. OCP's Consumer Complaint and Investigative services respond to reported complaints of violations of the County's consumer protection laws. On a yearly average, OCP receives more than 1,000 consumer complaints and OCP investigators closes nearly 1,000 cases.

With investigative staff actively working to resolve complaints in a timely manner (the department strives to close each consumer complaint within 45 days from assignment) OCP decided to form the Business Compliance Unit to dedicate staff to proactively to perform the following:

- Assess – review the marketplace for non-compliant businesses;
- Correct – work with non-compliant businesses to come into compliance;
- Educate – Coordinate outreach and educational events to educate businesses.

OCP is actively drafting, developing, and implementing operational processes, procedures, and performance goals to have the unit fully operational and active by **July 2022**.

Given this relatively new function and limited staff resources currently available to OCP, an entry-level Program Specialist I (Grade 18) at 1.0 full-time equivalent (FTE) may be considered to support this unit; the recommended budget currently does not include the resources to fund this position.

The full-year estimated cost of this position is approximately \$87,688; with a three-month lapse to account for recruiting and hiring time, the FY23 cost is estimated at \$65,766. However, given the Council's direction to staff to minimize the growth of the base budget, staff recommends deferring the consideration of this resource to OCP's base budget until January 2023. In addition, the department will be able to better assess the performance and needs of the Business Compliance Unit after a six-month "shakedown" period and update its resource requirements accordingly.

Staff recommendation: Defer consideration of additional resources until mid-FY23.

2) *Staff Vacancies and Recruitment Updates*

OCP continues to minimize vacancies in its department in order to effectively continue its mission. The following is a list of vacancies and their status:

Position Name	Grade	Vacancy Notes	Vacancy Status
Program Manager II	25	Position Reclassified on February 1, 2022. OCP interviewed and selected a candidate on March 28, 2022.	OCP submitted offer and candidate selection to OHR recruitment on March 28, 2022. Waiting on OHR for updates on offer.
MLS Manager III	M3	Position vacant as of January 14, 2022. Former employee left County service. OCP interviewed and selected a candidate on March 24, 2022.	April 8, 2022 candidate accepted offer and will start with the department on April 24, 2022.
Investigator III (Underfill at Investigator I)	25 (underfilled at Grade 20)	Position vacant as of OHR reclassification of former Civic Design Team Position January 2022. Position Ad is approved by OHR and ready to post.	Position not yet advertised after request from OHR recruitment to prioritize active recruitments. OCP will advertise position upon hiring of MLS Manager III.
Administrative Specialist I	18	Position vacant as of reclassification from PT to FT in July 2021. Position Ad is approved by OHR and ready to post.	Position not yet advertised after request from OHR recruitment to prioritize active recruitments. OCP will advertise position upon hiring of Program Manager II.

This packet contains:

1. Department Page from FY23 Recommended Operating Budget Book

Circle Page #

1-4



Consumer Protection

RECOMMENDED FY23 BUDGET

\$2,477,443

FULL TIME EQUIVALENTS

18.00

 ERIC FRIEDMAN, DIRECTOR

MISSION STATEMENT




The mission of the Office of Consumer Protection (OCP) is to enforce consumer protection laws prohibiting unfair and deceptive business acts or practices to ensure a fair marketplace for consumers and businesses. Activities include complaint resolution, business registration, law enforcement, education, legislation, advocacy, and outreach to vulnerable consumers.

BUDGET OVERVIEW




The total recommended FY23 Operating Budget for the Office of Consumer Protection is \$2,477,443, an increase of \$24,106 or 0.98 percent from the FY22 Approved Budget of \$2,453,337. Personnel Costs comprise 94.67 percent of the budget for 19 full-time position(s) and no part-time position(s), and a total of 18.00 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 5.33 percent of the FY23 budget.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

-  **Effective, Sustainable Government**
-  **A Growing Economy**
-  **Thriving Youth and Families**

INITIATIVES

-  In December 2021, the OCP celebrated its 50th anniversary and engaged in a week-long program that consisted of consumer education presentations, an anniversary open house, and recognition from the County Executive and members of the County Council.
-  OCP has built out the Public Election Fund Liaison function as assigned by the County Executive and has created a useful FAQ for members of the public, media, and candidates to consult on public election fund-related questions.
-  OCP received media coverage from NBC-4 for its investigations that uncovered forced arbitration clauses in local auto repair shops' service contracts.

- ★ OCP expanded its language access program, establishing an in-house roster of volunteers that speak five different languages to assist residents and merchants with limited English proficiency.

PROGRAM CONTACTS

Contact K. Samuel Buo of the Office of Consumer Protection at 240.777.3760 or Julie Knight of the Office of Management and Budget at 240.777.2760 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable). The FY22 estimates reflect funding based on the FY22 Approved Budget. The FY23 and FY24 figures are performance targets based on the FY23 Recommended Budget and funding for comparable service levels in FY24.

Measure	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Program Measures					
Number of business registrations received ¹	637	707	725	730	735
Number of complaint cases received	1,070	1,040	1,075	1,100	1,130
Percent of consumer protection cases closed that are resolved by OCP	62.00%	63.35%	65.00%	66.40%	68.00%
Average number of calendar days to issue a business license / certificate of registration (excluding new home builder registrations)	14.10	9.94	7.01	5.00	5.00
Average number of workdays to investigate and close a written complaint (All complaints)	42.60	38.26	40.00	43.00	40.00
Average OCP customer satisfaction rating - Outcome of the customer's case (4 point scale) based on customer satisfaction survey	3.66	3.54	3.66	3.50	3.60

¹ Actual FY21 amount includes registrations received for New Home Builders, New Home Sellers, Motor Vehicle Repair and Towing operators, Secondhand Personal Property dealers, and Small Electrical Repair dealers.

PROGRAM DESCRIPTIONS

☀ Consumer Protection

The Consumer Protection program is a law enforcement function established in 1971 responsible for enforcing consumer protection laws to prohibit unfair and deceptive business acts to ensure fairness and integrity in the marketplace for consumers and businesses. The program is responsible for receiving, investigating, and resolving complaints, educating consumers and merchants, and registering and licensing certain businesses.

The program has the authority to issue civil citations for violations of law, issue subpoenas to compel testimony and documents, and collaborate with other agencies to advocate for legislation.

The program also staffs the Patient Advocate, administers the Domestic Worker law, and beginning in May 2021, the program now provides the County's Public Election Fund Liaison Service.

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	1,429,598	1,814,684	1,681,424	1,869,261	3.0 %
Employee Benefits	437,772	510,146	483,998	476,209	-6.7 %
County General Fund Personnel Costs	1,867,370	2,324,830	2,165,422	2,345,470	0.9 %
Operating Expenses	82,947	128,507	128,507	131,973	2.7 %
County General Fund Expenditures	1,950,317	2,453,337	2,293,929	2,477,443	1.0 %
PERSONNEL					
Full-Time	17	19	19	19	—
Part-Time	1	0	0	0	—
FTEs	16.60	18.00	18.00	18.00	—
REVENUES					
Miscellaneous Revenues	25	0	0	0	—
New Home Builder's License	143,865	153,000	147,000	153,000	—
Other Fines/Forfeitures	1,500	1,000	1,500	1,000	—
Other Licenses/Permits	52,630	51,000	52,000	51,000	—
County General Fund Revenues	198,020	205,000	200,500	205,000	—
GRANT FUND - MCG					
EXPENDITURES					
Salaries and Wages	4,558	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund - MCG Personnel Costs	4,558	0	0	0	—
Operating Expenses	1,730	0	0	0	—
Grant Fund - MCG Expenditures	6,288	0	0	0	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Federal Grants	6,288	0	0	0	—
Grant Fund - MCG Revenues	6,288	0	0	0	—
DEPARTMENT TOTALS					
Total Expenditures	1,956,605	2,453,337	2,293,929	2,477,443	1.0 %
Total Full-Time Positions	17	19	19	19	—
Total Part-Time Positions	1	0	0	0	—
Total FTEs	16.60	18.00	18.00	18.00	—
Total Revenues	204,308	205,000	200,500	205,000	—

FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY22 ORIGINAL APPROPRIATION	2,453,337	18.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Annualization of FY22 Compensation Increases	38,173	0.00
Increase Cost: FY23 Compensation Adjustment	33,889	0.00
Increase Cost: Annualization of FY22 Personnel Costs	8,726	0.00
Increase Cost: Motor Pool Adjustment	1,839	0.00
Increase Cost: Printing and Mail Adjustment	1,627	0.00
Decrease Cost: Retirement Adjustment	(60,148)	0.00
FY23 RECOMMENDED	2,477,443	18.00

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY22 Total\$	FY22 FTEs	FY23 Total\$	FY23 FTEs
COUNTY GENERAL FUND					
Fire and Rescue Service	Fire	88,896	1.00	95,778	1.00

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
COUNTY GENERAL FUND						
EXPENDITURES						
FY23 Recommended	2,477	2,477	2,477	2,477	2,477	2,477
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	84	84	84	84	84
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	2,477	2,561	2,561	2,561	2,561	2,561