

Department of Consumer Credit 635

Lead Administrator: Scott Leshner

Lead Financial Officer: Roberta Hale

FY'19 Projected Division/Program Funding By Source

Dept	Federal	Revolving	Local	Other*	Total
General Operations 100001		\$6,300,000			\$6,300,000
Settlement Funds 200001				\$1,000,000	\$1,000,000
Total	\$0	\$6,300,000	\$0	\$1,000,000	\$7,300,000

*Source of "Other" and % of "Other" total for each.

\$1M Settlement Funds that the Department facilitated in FY19 for Oklahoma consumers that were the victims of illegal online tribal loans purchased and serviced by CashCall.

FY'18 Carryover and Refund by Funding Source

Federal	Revolving	Local	Other*	Total
			\$ 1,000,000.00	
		*Includes \$1M CashCall funds		

*Source of "Other" and % of "Other" total for each.

\$1M Settlement Funds that the Department received in FY18 and facilitated in FY19 for Oklahoma consumers that were the victims of illegal online tribal loans purchased and serviced by CashCall.

What Changes did the Agency Make between FY'18 and FY'19?

- 1.) Are there any services no longer provided because of budget cuts? **NO**
- 2.) What services are provided at a higher cost to the user? **NONE**
- 3.) What services are still provided but with a slower response rate? **NONE**
- 4.) Did the agency provide any pay raises that were not legislatively/statutorily required? **Yes**

Name	Position	Type of Raise	Percentage
David Perry	Examiner I	Probation Waived	4.17%
Steve Kissling	Examiner I	Probation Waived	4.17%
Liz Foster	Examiner II	Career Progression	10%
Sherri Schroder	Examiner II	Career Progression	10%

FY'20 Requested Division/Program Funding By Source

Federal	Revolving	Other	Total	% Change
	\$6,800,000		\$6,800,000	7.94%
Total	\$0	\$0	\$6,800,000	-6.85%

*Source of "Other" and % of "Other" total for each.

FY'20 Top Five Budget Adjustments

	\$ Amount
Request 1: In an effort to maintain our accreditation with CSBS, the Department must increase its staff in order to address the demands of over 11,000 licenses and the examinations that are required. Currently, staff is at 45.5 FTE, with a projected increase of three (3) additional FTE.	\$ 300,000.00
Request 2: With the hiring and training of new staff comes support that requires the necessary equipment and services for the new staff to effectively and adequately perform their duties, as well as for the existing staff to remain able to do so.	\$50,000
Request 3: Additional examination demands will result in an increase in our FY20 budget, but the costs will balance out as out-of-state travel costs are reimbursed to the Department by the licensees.	\$100,000
Request 4: To maintain and increase the Department's efficiency and accuracy, maintaining the Department's CSBS accreditation and individual examiner certifications are of the utmost importance. The required training will reflect budget adjustments as more and more of our staff becomes certified.	\$50,000
Total Increase above FY-19 Request	\$ 500,000

Does the agency have any costs associated with the Pathfinder retirement system and federal employees?

(If so, please describe the costs and provide an estimate for FY '20, FY '21, and FY '22.)

N/A

How would the agency be affected by receiving the same appropriation for FY '20 as was received in FY '19? (Flat/ 0% change)

How would the agency handle a 2% appropriation reduction in FY '20?

Is the agency seeking any fee increases for FY '20?

	\$ Amount
The Department of Consumer Credit is running legislation that will seek to ensure equal treatment of all entities that are licensed by the Department, for example: entities filing late, writing insufficient checks, requesting duplicate licenses, as well as creating an investigation fee for Notification licenses to ensure that these businesses are complying with state law. Simply put, these changes, with the exception of the investigation fee can be easily avoided by licensees.	\$0
	\$0
	\$0

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?

1. Office Space: The Department's current address is an office facility originally occupied in 2011 and was intended to accommodate 18 individuals. As we are now a staff of 45.5 FTE in our budget with a projected increase of 3 FTE, space is at a premium and staff's ability to perform their work efficiently is severely impaired. Office space is a top capital priority.
2. Currently, the Department relies upon an antiquated central SQL database for information storage and retrieval. The Department's SQL database has continually evolved to meet our needs for quite some time, however, it has been pushed to the limits of efficiency. The database is actually costing the Department thousands in consulting fees to maintain and adapt. This recurring expense is due to support from OMES not being available under the IT Sharing Agreement. In today's technical landscape, the Department is requiring a shift from our database to a web based program that is meant to handle larger volume of historical, current, and future data as well as the ability to interface with other systems; therefore, a database conversion process is a critical capital priority.
3. The Department has experienced substantial growth in FTE since 2010. The Department is now experiencing a continuous challenge in maintaining IT equipment up to standards. The routine replacement and upgrade of laptops and such is an ongoing technology need and priority.

Federal Funds					
	FY 19 projected	FY 18	FY 17	FY 16	FY 15
Federal Funding I (Brief Description with CFDA number)	Agency does not receive federal funding				

Federal Government Impact	
1.) How much federal money received by the agency is tied to a mandate by the Federal Government? N/A	Agency does not receive federal funding.
2.) Are any of those funds inadequate to pay for the federal mandate? N/A	Agency does not receive federal funding.
3.) What would the consequences be of ending all of the federal funded programs for your agency? N/A	Agency does not receive federal funding.
4.) How will your agency be affected by federal budget cuts in the coming fiscal year? N/A	Agency does not receive federal funding.
5.) Has the agency requested any additional federal earmarks or increases? N/A	Agency does not receive federal funding.

Division and Program Descriptions

The Department of Consumer Credit is fully funded by the Consumer Credit Administrative Expenses Revolving Fund (250 Fund), without state or federal appropriations. The DOCC exists for the protection of Oklahoma citizens and is responsible for the administration of the Uniform Consumer Credit Code of consumer credit sales and loans. The DOCC is also responsible for the administration and regulation of Mortgage Brokers, Mortgage Lenders, Mortgage Loan Originators, Pawnbrokers, Deferred Deposit Lenders, Rental Purchase Lessors, Health Spa contracts, Precious Metal Dealers and Employees, Credit Service Organizations and Consumer Litigation Funders. Administration and regulation includes licensing, in-state and out-of-state licensee examinations, consumer inquiries, complaints, investigations and enforcement actions.

FY'19 Budgeted FTE						
	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
General Operations	7	42	3.5	0.5	38	7
Total	7	42	3.5	0.5	38	7

.5 (999 employee)

FTE History						
	2019 Budgeted	2018	2017	2015	2010	
General Operations	45.5	43	36	26	17	
Total	45.5	43	36	26	17	

Performance Measure Review					
	FY 18	FY 17	FY 16	FY 15	FY 14
Measure I N/A					

Revolving Funds (200 Series Funds)						
	FY'16-18 Avg. Revenues		FY'16-18 Avg. Expenditures		June '18 Balance	
Consumer Cr. Adm Exp Revol-CF250						
Statutory Authority?	14A O.S. 6-301	FY16	\$4,063,346.00	FY16	\$3,783,354.00	*\$2,581,453.81
Source of Funds:	License and examination fees from licensees of the Department.	FY17	\$5,166,690.00	FY17	\$4,313,618.00	* includes 1M Cash Call funds
What is the fund spent on?	Funding for the operations of the Department.	FY18	\$5,499,147.00	FY18	\$5,409,672.00	As the Department is non-appropriated, licensing fees paid for by regulated individuals and entities are the primary source of funding. These fees are generated once a year during our annual renewal season. The funds then have to last us throughout the year. Furthermore, the Department contributes 10%
Is there a cap on the fund?	No					

Consumer Cr. Counseling Rev CF230						
Statutory Authority?	59 O.S. 3118	FY16	\$134,362.01	FY16	\$24,000.00	\$175,473.21
Source of Funds:	Each payday lender submits a \$0.05 payment to the fund for each payday loan	FY17	\$151,432.35	FY17	\$24,000.00	
	Credit counseling services for consumers	FY18	\$175,473.21	FY18	\$24,000.00	
What is the fund spent on?						
Is there a cap on the fund?	No					
OK Mortg Broker Loan Orig-CF260						
Statutory Authority?	59 O.S. 2095.20	FY16	\$405,147.63	FY16	\$0.00	\$585,367.63
Source of Funds:	A \$10.00 fee paid by	FY17	\$489,147.63	FY17	\$0.00	
	Provides funds to consumers who have civil judgments for monetary damages against mortgage licensees that have not been paid.	FY18	\$585,367.63	FY18	\$0.00	
What is the fund spent on?						
Is there a cap on the fund?	No					