

***SOUTH CAROLINA DEPARTMENT OF
CONSUMER AFFAIRS***



Subcommittee Budget Presentation

FISCAL YEAR 2022-2023

SC DEPARTMENT OF CONSUMER AFFAIRS: KEY OFFICIALS

Administrator/ Consumer Advocate

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SC Department of Consumer Affairs: Agency Overview

The South Carolina Department of Consumer Affairs (“DCA”/ “Department”) is the state’s consumer protection agency. Established in 1974, DCA has over *forty-five years* of experience in protecting South Carolina consumers while recognizing those businesses that act honestly and fairly. DCA is charged with administering, interpreting and enforcing over 120 laws, including the S.C. Consumer Protection Code which largely governs consumer credit transactions. Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

DCA is governed by the **Commission on Consumer Affairs**. The Commission is comprised of nine members, with four being appointed by the General Assembly, four by the Governor and the Secretary of State. This policymaking body has the responsibility of appointing the agency’s **Administrator**, who is responsible for ensuring successful and efficient performance of the agency’s functions and purposes described in the Consumer Protection Code, including advising the Legislature and Governor on consumer issues and state of credit in this State, administering and interpreting the Code and generally overseeing the day to day operations of the agency.

SCDCA is organized into six divisions: Administration, Consumer Services, Public Information and Education, Identity Theft Unit, Advocacy and the Legal Division.

All of DCA’s functions are supported by the agency’s **Administration Division**. All support and planning services critical to the operation of the agency are housed in Administration, including procurement, human resources, accounting and information technology. The Administrator position, appointed by the Commission on Consumer Affairs, is located in this Division. She is charged with advising the Legislature and Governor on consumer issues; administering, interpreting and enforcing Title 37, among other statutes; and managing the day to day operations of the agency.

The **Consumer Services Division** processes and mediates written consumer complaints, seeking to find equitable solutions for the consumer and the business, including refunds, adjustments, and credits to consumer accounts. Staff takes consumer complaints against businesses regulated by DCA, refers complaints that fall within another agency’s jurisdiction, and mediates those complaints against businesses, or involving issues, that are unregulated. The Division provides South Carolina taxpayers with a readily available, experienced, and cost-effective mediation service.

The **Public Information and Education Division** serves as the main education portal for consumers, business and the media. The Division informs consumers and businesses on their rights and responsibilities in the marketplace through traditional and alternative media distribution, including social media, presentations, media coverage and publications. Education is a central part of DCA’s mission. Cultivating a marketplace comprised of well-informed consumers and

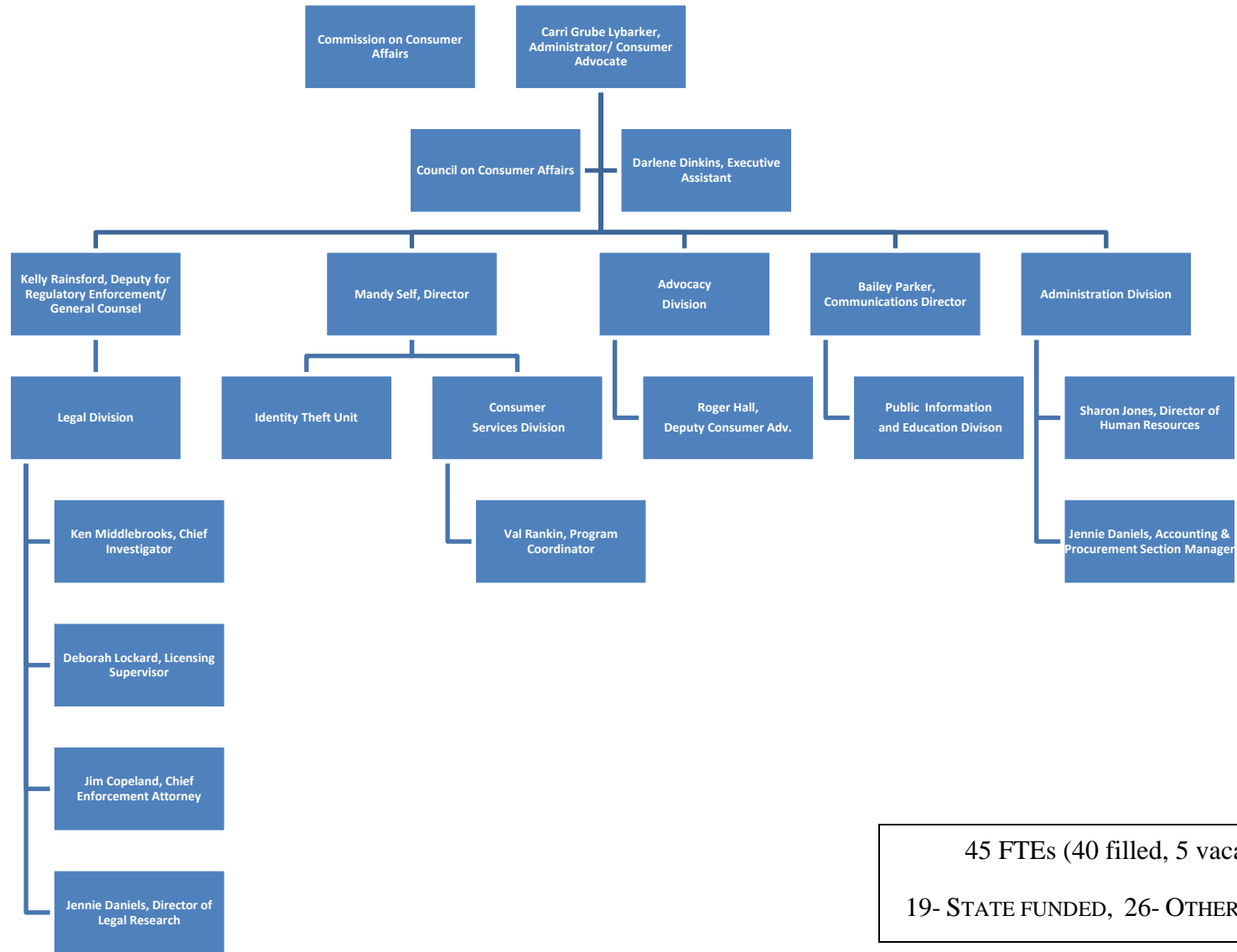
businesses prevents deceptive and unfair business practices and allows legitimate business activity to flourish, resulting in the promotion of competition and a healthier economy.

The Department's newest division, the **Identity Theft Unit (the "Unit")** provides education and outreach to South Carolina consumers across the state to increase public awareness and knowledge about what identity theft is, the steps consumers can take to protect themselves, and what consumers should do in the event of identity theft. For consumers who are identity theft victims, the Unit provides ongoing guidance throughout the process of mitigating and resolving their particular identity theft situation(s). The Unit also handles administration and enforcement of state identity theft-related consumer protection laws, including receipt of security breach notices to ensure reporting and notification requirements are met.

The **Advocacy Division** provides legal representation for the consumer interest in matters involving property and casualty insurance, worker's compensation insurance and utilities. The division was originally established to represent consumers at large before state and federal regulatory agencies that set rates, including for milk and utilities. Changes to the law from 1980 forward expanded the Division's responsibilities to include the analysis of workers' compensation, homeowners, auto and other insurance filings. The Consumer Advocate has participated in several insurance, worker's compensation and ratemaking proceedings in its history, garnering more than \$2.9 billion in savings for businesses and consumers alike. The responsibility to intervene in utility rate filings; however, was removed from the agency in 2004. The role was restored to SCDCA July 12, 2018. As the state agency designated to represent the interests of consumers, the Division aims to ensure that increases are justified, working to avoid excessive, inadequate or unwarranted rate increases. The Division also reviews rules and regulations proposed by state and federal agencies pertaining to ratemaking, providing comments as deemed appropriate.

The **Legal Division** performs the agency's licensing, compliance, administration and enforcement duties related to the majority of the 120 laws statutes under the agency's jurisdiction. The Division addresses complaints against businesses, or centering on issues, within the agency's jurisdiction, conducts investigations, and brings enforcement actions in various state and federal courts for violations of the laws subject to action by the Administrator. The Legal Division also processes over 25,000 regulatory applications and filings for fifteen industries, including several non-depository financial institutions. Specific areas are mortgage brokers, pawnbrokers, physical fitness centers, motor clubs, credit counseling organizations, prepaid legal services, athlete agents, the sale of preneed funeral contracts, registered consumer credit grantor, maximum rate filing and motor vehicle disclosure programs. The Division also handles administration and enforcement of state identity theft-related laws, including receipt of security breach notices to ensure reporting and notification requirements are met.

SC Department of Consumer Affairs: Organizational Chart



45 FTEs (40 filled, 5 vacant)
 19- STATE FUNDED, 26- OTHER FUNDED

SC Department of Consumer Affairs: Performance Update FY21

Overall, the agency's outcome of credits, refunds and adjustments for FY21 through efforts in complaint mediation, enforcement and intervention in rate filings exceeded \$11.7 million. This number is nearly three times DCA's budget. The amount fluctuates from year to year due to the unpredictability in forecasting results of enforcement actions and complaint



resolutions due to the varied complexity of matters brought before the department. Last year, results from intervening in rate filings constituted the majority of the measurement (\$9,134,261). In FY19, the law restoring DCA's ability to intervene in utility rate filings became effective. Consumer refunds stemming from enforcement efforts rebounded from the prior year's COVID impact and the department's corresponding stay on enforcement actions. While FY21 enforcement actions decreased over the prior year, refunds, credits and adjustments far exceeded the FY20 amount (\$2,171,163 vs. \$807,200). A large portion resulted from the settlement of the joint complaints DCA filed in Federal Court with the Consumer Financial Protection Bureau against certain companies and individuals targeting veteran pensions via a nationwide illegal loan scheme. We continued to notice a decrease in the willingness of businesses to offer consumer refunds resulting from voluntary complaint mediation. A similar amount was recovered through the process in FY21 (\$467,434) as compared to FY20 (\$454,298).

Non-depository financial institutions and other regulated industries submitted approximately 27,000 filings and applications for the second year in a row. Staff processed nearly 5,000 more applications in FY21 and exceeded the goal to **process 95% within thirty days of receipt (96%)**. This is an increase of 7% over FY20. High user adoption of our online licensing system (CALAS) exceeded expectations for the fourth year in a row. Legal Division staff engaged in extensive outreach to regulated industries regarding the benefits and how to use the system. For the programs with online filing capabilities, 89% were made through CALAS, a 2% increase from FY20 and an overall 13% increase over the past four fiscal years. The percentage of applicants submitting payments online also exceeded our 70% goal, with 82% using the system to its fullest, an increase of 8%. High adoption of the online payment capabilities decreases user error, increases compliance with State deposit laws and overall contributes to the repeated stellar Audit Reports the department receives from the State Auditor's Office. The department anticipates processing measurements to be maintained as our online licensing system is now fully implemented.

Technology also assisted DCA in reaching or exceeding goals and performance measures related to voluntary complaint mediation activities even when telecommuting was implemented for all staff. Consumers submitted 76% of the nearly 4,000 complaints filed with the agency via our Online Complaint System. In FY20, DCA received 3,400 complaints. The 18% increase in complaints filed coupled with staffing limitations due to COVID contributed to missing the

complaint processing target of 30 days (actual-34 days). Despite the COVID challenges, the Consumer Services Division obtained consumer credits, refunds and adjustments of \$467,000 through the voluntary mediation process, a **36% return on investment** for the division.

On the agency outreach front, DCA continued to create compelling, timely and relevant content to promote the activities of the agency and educate business and consumers on their respective rights and responsibilities in the consumer credit marketplace. The agency gave less presentations than in FY21, but still exceeded the target of 100, making 107 presentations to more than 5,281 consumers and 1,173 members of various industries. DCA implemented a new customer service measure in FY21- an overall presentation rating scale from 1-5 (5 being exceptional). The agency exceeded the target of receiving 4/5 stars, with an average of 4.6. COVID required the department to adjust our outreach strategy, resulting in a staple Webinar Wednesday presentation each week. The thirty-minute segments focus on a hot topic, offering consumer tips. The agency also focused on providing regular business offerings, including quarterly webinars on state identity theft protection laws and webinars covering how to use DCA's online licensing database that coincide with renewal timeframes. FY21 also brought an increase in the percentage of **press releases picked-up by the media (100%)**, a seven percent increase over FY20, and 10% over the goal.

The Department's work at the Public Service Commission ("PSC") in FY21 picked up. The first case DCA intervened in under its restored responsibility to intervene in utility rate filings was the **Blue Granite Water Company rate case**. In FY20, the PSC ultimately adopted the department's testimony and reduced the company's increase by 57 percent. In FY21, the company appealed that decision, and attempted to raise rates by securing a bond that would enable it to make refunds to consumers if its appeal was ultimately unsuccessful. DCA successfully argued the company should not be allowed to increase their rates under bond in the midst of a pandemic, ultimately saving consumers **approximately \$2,179,050**.

In FY21, the Department intervened in the Dominion Energy South Carolina rate case. Facing the same concern regarding the impact of a rate increase during a pandemic, DCA and the other parties agreed to "pause" the proceeding for six months while settlement discussions ensued. This "pause" resulted in a **nearly \$7 million savings** for consumers. (*Calculated by \$1.81 per residential customer- the average monthly rate increase adopted by the PSC- x 6 months*). The Advocacy Division also represents the consumer interest through comments to state and federal agencies. In FY21, DCA provided four rulemaking comments to agencies undertaking rulemaking on privacy, robocalls and other topics affecting consumers. An additional eleven comments were offered to the PSC as they began their five-year regulations review.

During FY21, DCA continued its implementation of Project Vector, an internal review of data collected by the agency. The projects will continue into FY22, including adding new technologies, as the agency seeks to automate areas involving heavy staff data entry.

Moving forward, DCA will continue to evaluate goals, strategies and measurements to ensure an accurate picture of agency productivity.

SC DEPARTMENT OF CONSUMER AFFAIRS: FINANCIAL UPDATE

BUDGET V ACTUAL DIVISIONS	STATE FUND ACTUAL (2021)	STATE FUND APPR (2022)	STATE FUND (2022) ACTUAL FYTD	OTHER FUND OF ACTUAL (2021)	OTHER FUND OF APPR (2022)	OTHER FUND (2022) OF ACTUAL FYTD
I. ADMIN						
ADMIN	\$ 126,790.00	\$ 128,926.00	\$ 69,835.00			
CLASS	\$ -	\$ -	\$ -	\$ 230,722.00	\$ 256,949.00	\$ 110,680.00
OTHR PERS				\$ 2,200.00	\$ 5,000.00	\$ 1,200.00
OTHR OPER	\$ 135,765.00	\$ 150,000.00	\$ 67,564.00			
TOTAL ADMIN	\$ 262,555.00	\$ 278,926.00	\$ 137,399.00	\$ 232,922.00	\$ 261,949.00	\$ 111,880.00
II. LEGAL						
CLASS	\$ 234,128.00	\$ 198,485.00	\$ 102,369.00	\$ 821,552.00	\$ 872,300.00	\$ 470,865.00
OTHR PERS	\$ 26,533.00	\$ -	\$ 13,801.00	\$ 13,517.00	\$ 15,000.00	\$ 6,600.00
OTHR OPER	\$ 154,247.00	\$ 130,000.00	\$ 52,895.00	\$ 137,623.00	\$ 276,798.00	\$ 184,708.00
TOTAL LEGAL	\$ 414,908.00	\$ 328,485.00	\$ 169,065.00	\$ 972,692.00	\$ 1,164,098.00	\$ 662,173.00
III. CONS SVCS						
CLASS	\$ 47,381.00	\$ 52,390.00	\$ 27,400.00	\$ 212,785.00	\$ 223,031.00	\$ 120,749.00
OTHR PERS	\$ 1,000.00	\$ -	\$ 600.00	\$ 28,846.00	\$ 33,000.00	\$ 17,049.00
OTHR OPER	\$ 38,517.00	\$ 55,439.00	\$ 33,330.00			
TOTAL CONS SVCS	\$ 86,898.00	\$ 107,829.00	\$ 61,330.00	\$ 241,631.00	\$ 256,031.00	\$ 137,798.00
IV. CONS ADV						
CLASS	\$ 173,034.00	\$ 233,262.00	\$ 110,977.00			
OTHR PERS	\$ 33,648.00	\$ -	\$ 13,664.00		\$ -	\$ -
OTHR OPER	\$ 152,927.00	\$ 260,000.00	\$ 99,725.00		\$ -	\$ -
TOTAL CONS ADV	\$ 359,609.00	\$ 493,262.00	\$ 224,366.00	\$ -	\$ -	\$ -
V. PUBL INFO						
CLASS	\$ 140,471.00	\$ 175,895.00	\$ 76,266.00			\$ -
OTHR PERS	\$ 1,400.00	\$ -	\$ 2,669.00	\$ -	\$ -	\$ -
OTHR OPER	\$ 25,321.00	\$ 53,500.00	\$ 30,626.00	\$ 10,849.00	\$ 8,150.00	\$ 5,140.00
TOTAL PUBL INFO	\$ 167,192.00	\$ 229,395.00	\$ 109,561.00	\$ 10,849.00	\$ 8,150.00	\$ 5,140.00
VI. ID THEFT						
CLASS	\$ 83,308.00	\$ 112,832.00	\$ 60,319.00		\$ -	\$ -
OTHR PERS	\$ 750.00	\$ -	\$ -		\$ -	\$ -
OTHR OPER	\$ 35,807.00	\$ 50,750.00	\$ 23,583.00		\$ -	\$ -
TOTAL ID THEFT	\$ 119,865.00	\$ 163,582.00	\$ 83,902.00	\$ -	\$ -	\$ -
VII. FRINGE						
ER CONTRIB	\$ 321,185.00	\$ 381,023.00	\$ 176,838.00	\$ 574,232.00	\$ 576,491.00	\$ 322,438.00
TOTAL FRINGE	\$ 321,185.00	\$ 381,023.00	\$ 176,838.00	\$ 574,232.00	\$ 576,491.00	\$ 322,438.00
AGENCY TOTALS	\$ 1,732,212.00	\$ 1,982,502.00	\$ 962,461.00	\$ 2,032,326.00	\$ 2,266,719.00	\$ 1,239,429.00

FY21 carry forward :
 \$141,479



**Fiscal Year FY 2022-2023
 Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

**OPERATING
 REQUESTS**
 (FORM B1)

For FY 2022-2023, my agency is (mark "X"):	
<input type="checkbox"/>	Requesting General Fund Appropriations.
X	Requesting Federal/Other Authorization.
<input type="checkbox"/>	Not requesting any changes.

**NON-RECURRING
 REQUESTS**
 (FORM B2)

For FY 2022-2023, my agency is (mark "X"):	
<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
X	Requesting Non-Recurring Federal/Other Authorization.
<input type="checkbox"/>	Not requesting any changes.

**CAPITAL
 REQUESTS**
 (FORM C)

For FY 2022-2023, my agency is (mark "X"):	
<input type="checkbox"/>	Requesting funding for Capital Projects.
X	Not requesting any changes.

PROVISOS
 (FORM D)

For FY 2022-2023, my agency is (mark "X"):	
<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
X	Only requesting technical proviso changes (such as date references).
<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<i>Name</i>	<i>Phone</i>	<i>Email</i>
PRIMARY CONTACT:	Carri Grube Lybarker	(803) 734-4297	Cl.ybarker@scconsumer.gov
SECONDARY CONTACT:	Celeste Brown	(803) 734-4264	CBrown@scconsumer.gov

I have reviewed and approved the enclosed FY 2022-2023 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<i>Agency Director</i>	<i>Board or Commission Chair</i>
SIGN/DATE:	<i>Carri Grube Lybarker</i>	<i>DR Campbell 9/23/21</i>
TYPE/PRINT NAME:	<i>Carri Grube Lybarker</i>	<i>DAVID R CAMPBELL</i>

This form must be signed by the agency head – not a delegate.

Agency Name	Department Of Consumer Affairs
Agency Code	R280
Section	80

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Personal Services	0	0	121,231	0	121,231	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Other Funds Cost of Living, Retirement, Health and Dental Increases	0	0	47,050	0	47,050	0.00	0.00	0.00	0.00	0.00
3	B2 - Non-Recurring	Compliance Tracking Database	0	0	60,000	0	60,000	0.00	0.00	0.00	0.00	0.00
TOTALS			0	0	228,281	0	228,281	0.00	0.00	0.00	0.00	0.00

Agency Name:	Department Of Consumer Affairs		
Agency Code:	R280	Section:	80

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Personal Services
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Provide a brief, descriptive title for this request.

AMOUNT	<p>General: \$0</p> <p>Federal: \$0</p> <p>Other: \$121,231</p> <p>Total: \$121,231</p>
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What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark "X" for all that apply:</p> <table border="1"> <tr><td><input type="checkbox"/></td><td>Change in cost of providing current services to existing program audience</td></tr> <tr><td><input checked="" type="checkbox"/></td><td>Change in case load/enrollment under existing program guidelines</td></tr> <tr><td><input type="checkbox"/></td><td>Non-mandated change in eligibility/enrollment for existing program</td></tr> <tr><td><input type="checkbox"/></td><td>Non-mandated program change in service levels or areas</td></tr> <tr><td><input type="checkbox"/></td><td>Proposed establishment of a new program or initiative</td></tr> <tr><td><input type="checkbox"/></td><td>Loss of federal or other external financial support for existing program</td></tr> <tr><td><input type="checkbox"/></td><td>Exhaustion of fund balances previously used to support program</td></tr> <tr><td><input type="checkbox"/></td><td>IT Technology/Security related</td></tr> <tr><td><input type="checkbox"/></td><td>Consulted DTO during development</td></tr> <tr><td><input type="checkbox"/></td><td>Related to a Non-Recurring request – If so, Priority #</td></tr> </table>	<input type="checkbox"/>	Change in cost of providing current services to existing program audience	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program	<input type="checkbox"/>	Non-mandated program change in service levels or areas	<input type="checkbox"/>	Proposed establishment of a new program or initiative	<input type="checkbox"/>	Loss of federal or other external financial support for existing program	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program	<input type="checkbox"/>	IT Technology/Security related	<input type="checkbox"/>	Consulted DTO during development	<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #
<input type="checkbox"/>	Change in cost of providing current services to existing program audience																				
<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines																				
<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program																				
<input type="checkbox"/>	Non-mandated program change in service levels or areas																				
<input type="checkbox"/>	Proposed establishment of a new program or initiative																				
<input type="checkbox"/>	Loss of federal or other external financial support for existing program																				
<input type="checkbox"/>	Exhaustion of fund balances previously used to support program																				
<input type="checkbox"/>	IT Technology/Security related																				
<input type="checkbox"/>	Consulted DTO during development																				
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #																				

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	<p>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</p> <table border="1"> <tr><td><input type="checkbox"/></td><td>Education, Training, and Human Development</td></tr> <tr><td><input type="checkbox"/></td><td>Healthy and Safe Families</td></tr> <tr><td><input type="checkbox"/></td><td>Maintaining Safety, Integrity, and Security</td></tr> <tr><td><input type="checkbox"/></td><td>Public Infrastructure and Economic Development</td></tr> <tr><td><input checked="" type="checkbox"/></td><td>Government and Citizens</td></tr> </table>	<input type="checkbox"/>	Education, Training, and Human Development	<input type="checkbox"/>	Healthy and Safe Families	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security	<input type="checkbox"/>	Public Infrastructure and Economic Development	<input checked="" type="checkbox"/>	Government and Citizens
<input type="checkbox"/>	Education, Training, and Human Development										
<input type="checkbox"/>	Healthy and Safe Families										
<input type="checkbox"/>	Maintaining Safety, Integrity, and Security										
<input type="checkbox"/>	Public Infrastructure and Economic Development										
<input checked="" type="checkbox"/>	Government and Citizens										

ACCOUNTABILITY OF FUNDS	<p>This increase in funds will allow the Agency to fulfill all goals, strategies, and objectives as set forth in its fiscal year 2021 Accountability Report. Specifically, Strategy 4.3 is at play: Provide an environment that supports staff development, retention and agency mission fulfillment. Further, as the majority of funds allocated within the request is for Legal Division employees, the strategies correlating with their job duties will be heavily impacted:</p> <p>1.1- Examine regulated industries to determine compliance with applicable laws and regulations, conduct investigations upon receiving probable cause and implement enforcement actions against violators.</p> <p>2.1- Encourage use of online licensing platform to increase efficiencies in application processing turnaround times and revenue processing.</p> <p>2.2 - Interpret and explain statutes under the agency's jurisdiction in a fair manner, balancing the interests of consumers with those businesses acting honestly and fairly.</p> <p>3.1 - Engage in traditional educational efforts to decrease consumer risks and increase industry compliance.</p>
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of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS

Department of Consumer Affairs employees whose compensation is supported by other funds and eligible.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

In FY 21, 10% of DCA staff left for higher paying jobs with other agencies or in the private sector. This is on top of the 15% turnover rate experienced in FY 20 and FY 19. Providing adequate compensation is an area DCA has struggled with for many years and what we believe is a leading cause in our declining staff retention rate. Strides have been since FY15 to catch up to at least the salary parameters deployed by sister agencies; however, some positions are still inadequately funded. Further, the ability to provide performance increases is paramount to staff retention. Overall, being able to adequately compensate staff for performance of job duties is essential to DCA being able to recruit and retain qualified individuals, enabling the accomplishment of the agency's goals and mission. This request cover increases/ adjustments in other fund salaries and correlating fringe.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Consumer Affairs		
Agency Code:	R280	Section:	80

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Funds Cost of Living, Retirement, Health and Dental Increases
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$47,050 Total: \$47,050
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What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply: <input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience <input type="checkbox"/> Change in case load/enrollment under existing program guidelines <input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program <input type="checkbox"/> Non-mandated program change in service levels or areas <input type="checkbox"/> Proposed establishment of a new program or initiative <input type="checkbox"/> Loss of federal or other external financial support for existing program <input type="checkbox"/> Exhaustion of fund balances previously used to support program <input type="checkbox"/> IT Technology/Security related <input type="checkbox"/> Consulted DTO during development <input type="checkbox"/> Related to a Non-Recurring request – If so, Priority #
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STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective: <input type="checkbox"/> Education, Training, and Human Development <input type="checkbox"/> Healthy and Safe Families <input type="checkbox"/> Maintaining Safety, Integrity, and Security <input type="checkbox"/> Public Infrastructure and Economic Development <input checked="" type="checkbox"/> Government and Citizens
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ACCOUNTABILITY OF FUNDS	All. This increase in funds will allow the Agency to fulfill all goals, strategies, and objectives as set forth in its fiscal year 2021 Accountability Report.
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	Department of Consumer Affairs employees whose compensation is supported by other funds as well as those other fund-funded employees eligible for health insurance and/or participating in the SCRS or PORS retirement plans.
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

The Department of Consumer Affairs has 26 FTEs supported by other funds. The FY22 State Budget included a 2.5% cost of living increase as well as an increase in the employer insurance costs associated with the State's Health Plan and an increase in the associated costs for the State Retirement System and PORS. The Department's request to authorize an additional \$47,050 includes funds to cover all three aspects.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Consumer Affairs		
Agency Code:	R280	Section:	80

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	3
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Compliance Tracking Database
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Provide a brief, descriptive title for this request.

AMOUNT	\$60,000
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What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input checked="" type="checkbox"/>	IT Technology/Security related
	<input checked="" type="checkbox"/>	Consulted DTO during development

Request for Non-Recurring Appropriations

Request for Federal/Other Authorization to spend existing funding

Related to a Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

ACCOUNTABILITY OF FUNDS	<p>The increase in funds would allow investigators to better identify exam needs, track results and identify gaps, allowing the agency to fulfill the goal of effectively administering and enforcing laws assigned to the Department. The request is related to Strategy 1.1 - Examine regulated industries to determine compliance with applicable laws and regulations, conduct investigations upon receiving probable cause and implement enforcement actions against violators.</p> <p>Effectiveness would be evident through decreased administrative work in exam scheduling and accurate data reports.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	SCDCA's Legal Division; IT Contractor
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based on predetermined eligibility criteria?

The current systems (access database, excel spreadsheets, paper) utilized by DCA to identify and track compliance reviews and related enforcement actions are outdated and insufficient. Funding would provide for creation of a replacement system and correlating technology costs. Calculation of costs comes from informal vendor quotes.

**JUSTIFICATION
OF REQUEST**

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Consumer Affairs		
Agency Code:	R280	Section:	80

FORM D – PROVISO REVISION REQUEST

NUMBER	80.1
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Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	Consumer Protection Code Violations Revenue
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	II Legal, IV. Advocacy
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	N/A
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Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.

REQUESTED ACTION	Codify
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>Authorizes DCA to retain all funds paid in the resolution of cases involving statutes enforced by the department and to use the retained funds to offset costs. This Proviso has been in effect for over 20 years. It received a minor clarification amendment in the FY18 Appropriations Act and has remained largely unchanged. Retention and carry forward of these funds is critical to DCA being able to carry out its duties under its respective statutes. Currently other funds constitute approximately 53% of the agency's budget.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

Provide "other funds" to the Department in an approximate amount of \$300,000. This is the average amount received during the past three fiscal years. The number varies from year to year dependent on the amount and gravity of enforcement actions resulting in fines and penalties.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

No changes.

Funds, paid to the department in resolution of cases involving violations of the South Carolina Consumer Protection Code and other statutes enforced by the department be retained and expended within the agency's budget to help offset the costs of investigating, prosecuting, and the administrative costs associated with these violations, may be carried forward and expended for the same purposes in the current fiscal year.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Consumer Affairs		
Agency Code:	R280	Section:	80

FORM D – PROVISIO REVISION REQUEST

NUMBER 80.2

Cite the proviso according to the renumbered list (or mark "NEW").

TITLE Expert Witness/ Assistance Carry Forward

Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM IV. Advocacy

Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST N/A

Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.

REQUESTED ACTION Codify

Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED N/A

Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION

Authorizes DCA to carry forward unexpended funds appropriated for the expert witness/assistance program. This Proviso has been in effect for over 20 years with a minor amendment in FY22 that permits DCA to retain funding to offset costs for the Advocacy program, even when such funds were not encumbered during the prior fiscal year.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

Carry forward funds retained by DCA would vary from year to year dependent on the amount and complexity of ratemaking proceedings.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

No changes.

Unexpended appropriated funds for the Consumer Advocacy expert witness/assistance program (under Section 37-6-603) may be carried forward into the next fiscal year and expended for the same purposes.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Consumer Affairs		
Agency Code:	R280	Section:	80

FORM D – PROVISO REVISION REQUEST

NUMBER	80.3
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Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	Registered Credit Grantor Notification and Maximum Rate Filing Fees Retention
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	I. Administration, II. Legal, III. Services
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	N/A
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Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.

REQUESTED ACTION	Codify
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>Authorizes DCA to retain funds collected under Chapters 2, 3 and 6 of Title 37 to cover operational costs and to carry forward such funds. This Proviso was first adopted in 2009-2010 Appropriations Act as a revision to a similar Proviso that had been in effect since 2004-2005. The Proviso was updated in 2018-2019 Appropriations Act as portions were previously codified and the Department proposed referencing Chapters instead of sections to permit retention of all filing fees collected therein and avoid the need to amend the proviso as amendments or codification occurs.</p> <p>Retention and carry forward of these funds is critical to DCA being able to carry out its duties under its respective statutes. Currently other funds constitute approximately 53% of the agency's budget.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

Provide "other funds" to the Department in an approximate amount of \$564,000. This amount is based on the average fees collected over the past three fiscal years for the credit grantor notification program and the motor vehicle closing fee program.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

No changes.

The Department of Consumer Affairs may retain all filing fees collected under Chapters 2, 3 and 6, Title 37 of the 1976 Code. These fees shall be used to offset the cost of administering and enforcing Title 37 and may be applied to the cost of operations. Unexpended balances may be carried forward for the prior fiscal year into the current fiscal year and be utilized for the same purposes.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Consumer Affairs		
Agency Code:	R280	Section:	80

FORM D – PROVISO REVISION REQUEST

NUMBER	80.4
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Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	Retention of Fees
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	II. Legal
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	N/A
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Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.

REQUESTED ACTION	Codify
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>Authorizes DCA to retain funds collected under Chapter 61, Title 39 (Motor Club Services); Chapter 39, Title 40 (Pawnbrokers) and Chapter 79, Title 44 (Physical Fitness Services) for program implementation. This Proviso was first adopted in 2010-2011 Appropriations Act and was amended annually solely to update the fiscal year, until the date was removed in FY15.</p> <p>Retention of these funds is critical to DCA being able to carry out its duties under the delineated statutes. Currently other funds constitute approximately 53% of the agency's budget.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

Provide "other funds" to the Department in the approximate amount of \$142,000. This amount is based on the average monies received from the Pawnbroker, Physical Fitness and Motor Club programs during the last three fiscal years.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

No changes.

For the current fiscal year, the department may retain all fees collected pursuant to Sections 39-61-80, 39-61-120, 40-39-120, and 44-79-80 of the 1976 Code. The funds retained shall be utilized to implement the requirements of the programs mandated by those sections of the code.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION
 CONTINGENCY PLAN**

TITLE Agency Cost Savings and General Fund Reduction Contingency Plan

AMOUNT \$58,354

What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS N/A. The Department was an agency hard hit by the Great Recession. After the implementation of a reduction in force in FY10 and subsequent budget cuts in FY11 and FY12, DCA went from 68 filled FTE positions in FY09 to a low of 27 filled FTEs in 2011. The department currently has 45 FTE positions.

How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT All programs - employee trainings

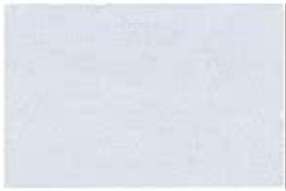
 Public Information and Education Division, Identity Theft Unit- educational materials printing; outreach campaigns

What programs or activities are supported by the General Funds identified?

SUMMARY

DCA receives the majority of its funding through other funds (53%). Seventy-five percent of the agency's total budget is used for salaries and fringe. We currently have 45 FTE positions as compared to our pre-RIF (FY10) allocation of 68 FTEs. DCA is not in a position to delete any FTE positions, thus if a 3% reduction of general fund appropriations is implemented DCA would reduce operating expenses agency-wide. The decrease would result in DCA limiting training opportunities and travel for attorneys, investigators and other agency staff. The impact would be a potential lack of knowledge/ keeping abreast of changes in Federal laws applicable to the regulatory statutes the agency administers and enforces, including Truth in Lending and mortgage related laws. Further, the majority of DCA's attorneys in the Legal Division have been with the agency for five years or less, thus training is of ever greater importance.

The decrease would also affect agency outreach efforts. DCA has the responsibility of counseling consumers and businesses on their rights and responsibilities under consumer protection laws. Agency consumer and business information campaigns often include printed materials, media buys and statewide presentations. Reducing these items would result in a reduction of compliance and knowledge of consumer protection laws, negatively impacting the consumer credit marketplace.



Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS

N/A

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

Agency Name:	Department Of Consumer Affairs		
Agency Code:	R280	Section:	80

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Agency Efficiencies
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	DCA will be able to process applications faster to enable businesses to quickly enter the marketplace, DCA can process complaints faster and have complaint and licensing systems open for customers 24/7. Businesses will spend less time submitting regulatory applications and filings and responses to complaints, easier ability for all customers to ascertain applicable laws. DCA processes and business responsibilities are clear. Customers can more easily submit requests to DCA.
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What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark "X" for all that apply:</p> <input checked="" type="checkbox"/> Repeal or revision of regulations. <input type="checkbox"/> Reduction of agency fees or fines to businesses or citizens. <input checked="" type="checkbox"/> Greater efficiency in agency services or reduction in compliance burden. <input type="checkbox"/> Other
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METHOD OF CALCULATION	Use of agency accountability reports, comparison with prior technologies implemented and associated results. Data analytics from underlying programs.
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	DCA does not the ability to adjust licensing fees on its own authority, a power given other agencies in the regulation of non-depository financial institutions. The availability of online programs and ease of use, however, will likely reduce fines for late filings.
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	Review in process.
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

SUMMARY	<p>DCA began a five-year regulation review in FY13 to ensure appropriate guidance to regulated entities, that regulations do not conflict with corresponding statutes and are not obsolete. The review ended in FY18 and resulted in the deletion of eight regulations, amendments to eighteen and one new regulation created. A new review began in FY19 and is ongoing.</p> <p>The Department has also employed new technologies to increase efficiencies for all customers and lessen business burden over the past few years:</p> <ul style="list-style-type: none"> - In February 2017, the agency received approval for next phase of changes for the online complaint system powered by SC.GOV. Some revisions have already been made. Additional updates will decrease DCA staff burden and increase ease of use for front-end users. The updates are provided at no cost to DCA and were deployed in Q4 21. - 100% of the regulatory programs administered by DCA are now live on the agency's online licensing database. <p>The use of technology has enabled staff to provide more expedient and efficient services. In FY21, the Consumer Services Division processed complaints in 34 days, on average, as compared to the 45-55 day timeframe existing pre-complaint system deployment. The Consumer Services Division obtained credits, refunds and adjustments for consumers exceeding the Division's budget by more than \$460,000. The Legal Division's Licensing System deployment has returned similar results in decreasing processing times. In FY21, staff processed nearly 5,000 more applications than the prior year and exceeded the goal to process 95% within thirty days of receipt (96%) without the need for additional personnel. High user adoption of our online licensing system (CALAS) exceeded expectations and contributed to this accomplishment.</p>
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The efficiencies and overall benefits of utilizing DCA's online programs are being marketed through increased webinars by agency staff and outreach to consumers filing complaints. In FY21, DCA began holding industry webinars on CALAS prior to renewals to encourage use. New YouTube videos and direct emails were also rolled out on the complaint system. Both likely contributed to high user adoption in FY 21 where we saw a 2% increase in use of both CALAS (89%) and the online complaint system (76%). Such efforts will continue into FY22 and beyond and the Department will also continue to identify areas where technology can increase efficiencies and effectiveness. As an example, we are currently seeking a database to permit funeral homes to file preneed funeral contracts. It is currently a paper filing process.

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?

**SC DEPARTMENT OF CONSUMER AFFAIRS:
AGENCY HIGHLIGHTS, CHALLENGES & OVERVIEW**

DCA HIGHLIGHTS: FY 22

This fiscal year(July-December) DCA has already:

Garnered Court of Appeals judgment against an out-of-state online lender resulting in **consumer refunds of over \$7.5 million**. (Petition for Writ pending at the Supreme Court); Assisted consumers of a closed funeral home transfer preneed contracts; Began implementation of Regulation on Consumer Protections in the Sale and Marketing of Renewable Generation Facilities publishing consumer education and required disclosure documents.

Recovered approximately **\$450,000** in consumer credits, refunds, and adjustments as a result of complaint mediation and non-judicial enforcement. Voluntary mediation complaints are closed, on average, 25 days after receipt. Seventy-seven percent of complaints were filed via DCA's Online Complaint System.

Continued implementation of **restored utility intervention role**: received successful order from Blue Granite Supreme Court appeal- upholding the return on equity proposed by DCA's witness; PSC chose return on equity closest to DCA expert's range in Palmetto Water Reclamation rate case **ultimately saving consumers approximately \$250,000 annually**; participated in Dominion rate case and settlement.

Gave **71 presentations** to approximately **2,000 consumers** and **industry members** on topics such as identity theft, industry renewals, solar regulations, financial literacy and state consumer protection laws. DCA switched to a webinar-based presentation method in wake of COVID and continues to hold a Wednesday Webinar each week in addition to performing requested presentations and other seasonal webinars for consumers and businesses.

Processed nearly **9,000 regulatory filings** for industries such as pawnbrokers, mortgage brokers, preneed funeral contracts and credit counseling, 93% within 30 days of receipt.

Released new Cybersecurity publication, held shred days accross the state in celebration of Cybersecurity Awareness Month; partnered with FBI and SLED for related webinars.
