

## NYS CONSUMER PROTECTION BOARD

### **A. Overview of Proposed Plan**

#### *A.1 Overall Approach*

In accordance with Budget Bulletin B-1178 and in consideration of current budgetary constraints, the Consumer Protection Board (CPB) submits the following Financial Management Plan. This Financial Plan balances the need for cost savings and efficiencies with mission-critical programs and performance goals of the Agency.

The CPB is the State's top consumer watchdog and think tank. The Agency's core mission is to protect New Yorkers by publicizing unscrupulous and questionable business practices and product recalls; conducting investigations and hearings; enforcing the Do Not Call law; researching issues; developing legislation; creating consumer education programs and materials; responding to individual marketplace complaints by securing voluntary agreements; and, representing the interests of consumers before the Public Service Commission (PSC) and other State and federal agencies. The Agency will meet these responsibilities while meeting its savings target.

#### *A.2 Achievement of Savings on a Recurring Basis*

The challenge for this Agency is to meet our critical-mission objectives and our statutory responsibilities in a cost effective manner, in accordance with the guidelines outlined by the Division of the Budget (DOB) and within our budgetary allocations. Additionally, the Agency will absorb on a recurring basis the 3.35% (\$100,000) reduction in our budget.

The CPB Chairperson and Executive Director, Deputy Executive Director and senior staff review and assess the Agency's operations to identify and implement cost-saving initiatives. Expenditures are monitored and controlled on a regular basis using a financial management system. Cost savings continue to be realized as the Agency is hosted by the Office of General Services (OGS) for administrative support and by the Department of Taxation and Finance for technical and infrastructure services. The savings proposed in our plan will be achieved on a recurring basis.

#### Staffing Efficiencies

With the passage of the 2008-09 budget, the CPB has the authority to create five new FTE items. This authority came with a General Fund allocation of \$320,000 and is associated to legislation that established the Office of the Airline Consumer Advocate. Currently this law is in litigation and the outcome has yet to be determined. Given the current fiscal constraints, the CPB does not plan to fill these FTE items.

To achieve recurring savings in personal and non personal services spending, the CPB will not fill one additional professional item. If the CPB should need to fulfill the responsibilities related to this additional item, we will seek to utilize contractual services on an as needed basis. This action will result in a total savings of \$70,000 for salary and \$34,000 for General State Charges.

Finally, with respect to any future vacancies, the Chairperson and Executive Director will carefully re-evaluate the need, function and location of the position(s) and fill only those positions deemed necessary or critical to the mission of the Agency.

### Administrative and Informational Efficiencies

The CPB intends to reduce its telecommunications and technology spending by \$5,000 by extending our staggered technology replacement plan from four to five years when feasible. Roll out of new technology infrastructure will be predicated on a priority basis. Further, non-essential telephones have been and will continue to be disconnected. The CPB will cut its printing costs by reducing the number of informational resources it prints in hard copy, for distribution. Further, the creation and printing of new material will be carefully scrutinized for utility. This approach will reduce our spending in this area by \$5,000.

The CPB will expand the number of public and private partnerships to further distribution of our materials thereby, reducing mailing costs. The CPB continues to use the Office of Temporary and Disability Assistance (OTDA) to purchase low-cost translation services. For example, these services have enabled the Agency to produce educational pamphlets, PowerPoint presentations and other resources in Spanish and Chinese which have been distributed at outreach events and posted on the CPB's website. Further, as a member of the Proprietary Schools Advisory Council, the CPB has created material which will also be translated by the Bureau of Proprietary Schools into Russian, French and Korean at no cost to the CPB. This collaboration will allow the CPB to bring the program to underserved communities in New York City in a cost-effective manner.

### Travel

Travel for all staff is restricted and requires a compelling reason. All travel, which is to be accomplished in the most economic fashion, (i.e., travel by car pool instead of train or partner with a co-worker or other NYS employee when traveling to the same meeting or event), must be approved by the Deputy Executive Director and the Chairperson and Executive Director. Additionally, the CPB has restricted training or conference activities involving registration fees and travel costs. Only one staff member will be sent to an event, conference or meeting when necessary or video conferencing equipment will be used when feasible to maximize our limited travel budget. Thus, we will seek to reduce our travel spending by \$5,000.

### Publications/Subscriptions and Contractual Services.

Subscriptions, publications and contract expenditures will be reduced creating a cost savings of \$5,000 for 2008-09 and will continue to be scrutinized for value and utility.

#### *A. 3 Protecting Key Priorities*

The CPB will protect its mission-critical and statutory priorities by achieving savings as described in this document and utilizing new processes or methodologies.

In 2008-09, the CPB plans to streamline its interactive voice response (IVR) system to allow consumers to quickly receive the most commonly requested information via a recorded message while instituting an option to leave a message or stay on the line for live

assistance. This approach will allow for a more efficient application of our limited resources in our call center and allow staff to respond more expeditiously to consumers wishing to file a complaint. This will also enable staff to close cases faster, and respond more timely to consumers who leave messages requesting information and publications.

The CPB previously closed non essential regional offices to cut costs. By instituting additional cost-cutting measures like curtailing printing and using innovative and more efficient delivery mechanisms, the CPB will be able to preserve its priorities.

#### A. 4 Treatment of New Initiatives Program

The CPB was granted the authority for two more FTEs that were allocated from the Agency's Consumer Protection Special Revenue Fund. The Agency intends to hire a Product Safety Specialist to meet our current statutory responsibilities relating to product safety and our enhanced role in this area in response to the Governor's proposed Children's Product Safety and Recall Effectiveness Act of 2008. The other new staff person will have the responsibilities of supporting the Agency's outreach and education efforts; and responding to Do Not Call and identity theft complaints and product safety inquiries in our CAU.

#### OTHER FUNDS – YEAR-TO-YEAR CHANGE, AFTER SAVINGS

	Required Reduction	2008-09 Savings	2009-10 Savings
Local Assistance	N/A	N/A	N/A
Personal Service	N/A	\$ 70,000	\$ 70,000
Non-Personal Service	N/A	\$ 54,000	\$ 54,000
Total State Operations	\$100,000	\$124,000	\$124,000
Capital	N/A	N/A	N/A
TOTAL	\$100,000	\$124,000	\$124,000

#### OTHER FUNDS – SAVINGS SUMMARY

Local Assistance	N/A	N/A	
Personal Service	\$2,249,000	\$2,376,000	+ 5%
Non-Personal Service	\$1,853,000	\$2,256,000	+21%
Total State Operations	\$4,102,000	\$4,632,000	+13%
Capital	N/A	N/A	N/A
TOTAL	\$4,102,000	\$4,632,000	+13%

## B. Plan to Manage the Workforce

### B.1 Overall Approach

The CPB has thirty-two targets. With the passage of the 2008-09 budget, the CPB has the authority to create seven new FTE items to continue to fulfill our mission. The authority to create five new FTE items came with a General Fund allocation of \$320,000. Additionally, the CPB was granted the authority for two more FTEs that were allocated from the Agency's Consumer Protection Special Revenue Fund. The two FTEs will be used to meet our statutory responsibilities relating to product safety and recall and responding to consumer complaints in this area. (See Attachment A)

In order to be fiscally prudent, we will utilize our Special Revenue Funds first to support our ongoing mission and priorities while leaving the General Fund monies for new and different initiatives that may be requested or required in the future.

Further, the CPB will continue to closely monitor staffing assignments and portfolios to ensure that the staff perform mission-critical duties and meet performance measurements. With advancements in technologies, difficult economic times, emerging scams and new and sophisticated items available in the marketplace and on the Internet, Agency staff must keep pace to advance consumer protections and policy on different fronts and overcome barriers to energy policy reform.

Workforce Impact – All Funds

<b>a. Initial Target:</b>	<b>39</b>
b. Current Fills PP# 3 or 4	31
c. Recurring impact of proposed actions (see Parts C & E)	0
d. Recurring impact of vacancy-refilling plan (see F.2)	2
e. Total FTEs March 31, 2009 (line b minus line c, plus/minus line d)	33
f. Change from Initial 2008-09 Target (line a minus line e)	-6

### *B.2 Plan for Refill of Vacant Positions*

With respect to any future vacancies, the Chairperson and Executive Director will carefully re-evaluate the need, function and location of the position(s). Further, where possible, we will delay filling open positions deemed necessary and mission critical to achieve additional savings in the current and next fiscal year.

### **C. Assumptions Underlying the Proposed Plan**

The cost savings measures outlined in this plan will be met with staff adjustments and administrative efficiencies. The CPB is assuming that it will be able to hire two additional staff members, both of whom will have multiple responsibilities to assist the Agency in meeting its mission. Additionally, because the CPB intends on narrowing its focus of programs and educational tools and reduce printing and direct distribution of materials, this will allow the Agency to respond, if necessary, to scams or other issues in an effective manner. However, the response will be tailored and strategically planned to ensure the efficient use of resources.

### **D. Management of Risks in the Plan**

The CPB puts forth a budget reduction as well as makes a commitment to leave one professional item vacant to achieve recurring savings. As a result, the Agency risks realizing negative performance outcomes. Specifically, the CPB may not be able to respond to all utility rate and generic proceedings and achieve significant cost savings on behalf of consumers; not meet all outreach and educational obligations throughout the State; and, may not have sufficient supply of brochures and educational materials to meet demand.

Because the PSC and New York Independent System Operator (NYISO) meetings convene primarily in New York City, our staff may be required to travel more frequently than planned to fulfill our statutory mission. Therefore, if the use of video or teleconferencing services



and/or the scheduling of more meetings in Albany does not occur, this increases the risk for incurring increased travel-related costs.

Notwithstanding these risks, Agency internal controls, strategic planning, regular meetings, scheduled inventory reporting, the support of our partnership with OGS for Internal Control Certification, direct reporting to the Chairperson and Executive Director and a clear chain of command, will allow the Agency to successfully monitor and address vulnerabilities that may arise. Additionally, our performance measurement practices will enable us to identify most deficiencies and readjust our course early.

The CPB Chairperson and Executive Director, Deputy Executive Director and senior staff review and will continue to assess the Agency's operations to identify and implement cost-saving initiatives. Expenditures are monitored and controlled on a regular basis using a financial management system. Cost savings continue to be realized as the Agency is hosted by OGS for administrative support and by the Department of Taxation and Finance for technical and infrastructure services.

### **E. Additional Savings Opportunities for 2008-09**

The CPB will closely monitor its spending to carry out its functions within its existing budget. Additional savings may be realized if new partners arise and cover costs associated with travel, printing or product distribution. For example, in 2007, our partnership with the National Credit Union Foundation resulted in the CPB providing training on identity theft to its staff and clients without incurring travel costs. Shared programming and innovative media opportunities with State and local agencies may also allow for the realization of additional savings. Finally, the CPB continues to explore more cost effective supply purchasing opportunities.

### **F. Potential Future Savings Opportunities**

The CPB continues to seek grant funding opportunities. The award of a grant may afford the Agency with the opportunity to execute broader programming and services within our existing budget. The CPB will also seek expansion of its recall effectiveness contract with the United States Consumer Product Safety Commission if the opportunity arises. Further, piggybacking with other public and private partners in terms of exhibition tables and/or outreach events including the State Fair may realize additional savings or at the very least stretch our dollars.

### **G. Reports and Reporting**

The CPB's relevant Staffing and Disbursement Plans for our Special Revenue Funds are attached hereto and will be updated monthly and forwarded by our host Agency, The Office of General Services. (See Attachments A and B)

