

**BUREAU OF ELECTRONIC AND APPLIANCE REPAIR,
HOME FURNISHINGS AND THERMAL INSULATION**

Sunset Review Report 2013

Presented to the Senate Committee on Business, Professions, and Economic
Development





BUREAU OF ELECTRONIC & APPLIANCE REPAIR,
HOME FURNISHINGS & THERMAL INSULATION

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HOME FURNISHINGS AND THERMAL INSULATION**

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Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation (BEARHFTI)

BACKGROUND INFORMATION AND OVERVIEW OF THE CURRENT REGULATORY PROGRAM

November 1, 2013

Section 1

Background and Description of the Bureau and Regulated Profession

The California Bureau of Home Furnishings and Thermal Insulation (BHFTI) was initially established in 1911 as part of the Bureau of Labor Statistics, in response to unscrupulous manufacturing in the mattress industry which contributed to the fires following the 1906 San Francisco earthquake. There were no standards at the time for disclosing the materials used in the contents of mattresses. Later, BHFTI's jurisdiction was expanded to include home furnishing products. In an effort to ensure public safety with these products, BHFTI's licensing population was broadened to include retailers, wholesalers and importers, to be able to trace the origin of a product to the source and, where products were deemed dangerous, to have a mechanism to remove the product from the market.

In addition to bedding and furniture manufacturers, importers, wholesalers and retailers, BHFTI currently regulates supply dealers, custom upholsters, sanitizers and manufacturers of thermal insulation. The Bureau also certifies thermal insulation products and publishes an annual directory of those products.

The California Bureau of Electronic and Appliance Repair (BEAR) was established in 1963 as the Bureau of Repair Services under the Department of Professional and Vocational Standards, which later became the Department of Consumer Affairs, in response to fraud and negligence in the television repair industry. In 1973, the repair of major home appliances was added to BEAR's regulatory authority. As technology evolved, the Bureau's regulation has been revised to add such items as microwave ovens, personal computers, satellite antennas and home office products. In 1994, service contracts over consumer electronic and home appliance products were added to BEAR's regulatory authority, in response to companies selling or administering contracts without providing adequate financial backing or properly disclosing the terms and conditions, as required in the California Song-Beverly Consumer Warranty Act. In 2004, the products covered under service contracts were expanded to include furniture, jewelry, lawn and garden products, and many other items used in homes and for personal use.

In an effort to effectively share resources and provide cost savings, BHFTI and BEAR were housed together and placed under the oversight of one Chief in the late 1990s. As time went on, different units within the Bureaus consolidated and staff cross-trained, blending the workload together. In 2009, ABX4 20 (Strickland, Chapter 18, Statutes of 2009-10 Fourth Extraordinary Session), officially merged the two bureaus together as the Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation (BEARHFTI or Bureau).

BEARHFTI licenses and regulates nearly 40,000 businesses serving California consumers in industries involving appliance, electronic and computer repair, service contracts; manufacturers, importers, retailers, upholsterers, sanitizers, and supply dealers providing home furnishings products; and, thermal insulation manufacturers providing thermal insulation products.

BEARHFTI has a combined authorized staffing of 41.9 positions, who license/register companies, inspect businesses, ensure compliance with laws and regulations, handle consumer complaints, conduct investigations, test products to ascertain if they meet the required standards, conduct research and development of standards, educate applicants and registrants/licensees, and initiate disciplinary action against companies who commit egregious violations.

The electronic and appliance repair industries and service contract industry are regulated under California Business and Professions Code Section 9800 et. seq. and the home furnishings and thermal insulation industries are regulated under California Business and Professions Code Section 19000 et. seq.

1. Describe the make-up and functions of each of the Bureau’s committees (cf., Section 12, Attachment B).

The BEARHFTI Consumer Advisory Council is a voluntary council dedicated to assisting the Bureau by providing perspective, information, and insight into the electronic and appliance repair, service contract, and the upholstered furniture, bedding, and thermal insulation markets in California. Members of the Advisory Council serve in an advisory capacity on policy matters making non-binding recommendations directly to the Bureau Chief.

The purpose of the Council is to:

- Provide perspective and advice on consumer and market issues,
- Research and recommend creative solutions to consumer and industry problems,
- Advise the Bureau Chief on outreach efforts to consumers, the public, licensees and the industry; and,
- Provide information and comments to the Chief on a broad range of policy issues including consumer education, industry outreach and regulatory compliance.

Previously, there were two Advisory Councils: the Bureau of Electronic and Appliance Repair Consumer Advisory Council and the Home Furnishings and Thermal Insulation Consumer Advisory Council. BEARHFTI combined the two Councils into one for efficiency - eliminating the need to schedule separate meetings with duplicative content. Further, the service contract industry, while regulated under the electronic and appliance repair program, also impacts home furnishing retailers that offer contracts on their products. Many consumer issues, such as false advertising, affect all the industries regulated. Combining the two Councils optimizes the dialogue of members of the different industries.

The BEARHFTI Consumer Advisory Council is comprised of 9 members (6 professional and 3 public). The Director of the Department of Consumer Affairs appoints members who typically serve two-year terms. Meetings are held twice a year and a notice and agenda of each meeting is distributed and posted on the website at least 10 days prior to each meeting. A copy of the current member orientation and reference manual is included in Section 12.

Table 1a. Attendance			
Sharron Bradley, Vice chair – HFTI			
Date Appointed: February 2006			
Meeting Type	Meeting Date	Meeting Location	Attended?
BHFTI Advisory Council Meeting	9/23/09	North Highlands, CA	Y
BEARHFTI Advisory Council Meeting	3/16/10	Norwalk, CA	Y
BEARHFTI Advisory Council Meeting	4/18/13	Sacramento, CA	Y

James Albers – HFTI			
Date Appointed: March 2004			
BHFTI Advisory Council Meeting	9/23/09	North Highlands, CA	Y
BEARHFTI Advisory Council Meeting	3/16/10	Norwalk, CA	Y
BEARHFTI Advisory Council Meeting	4/18/13	Sacramento, CA	Y

Walt Bader – HFTI			
Date Appointed: July 2011			
BEARHFTI Advisory Council Meeting	3/16/10	Norwalk, CA	Y
BEARHFTI Advisory Council Meeting	4/18/13	Sacramento, CA	Y

Burt Grimes – HFTI			
Date Appointed: October 2008			
BHFTI Advisory Council Meeting	9/23/09	North Highlands, CA	N
BEARHFTI Advisory Council Meeting	3/16/10	Norwalk, CA	Y
BEARHFTI Advisory Council Meeting	4/18/13	Sacramento, CA	Y

Kathleen Newman – HFTI			
Date Appointed: September 2008			
BHFTI Advisory Council Meeting	9/23/09	North Highlands, CA	N
BEARHFTI Advisory Council Meeting	3/16/10	Norwalk, CA	Y
BEARHFTI Advisory Council Meeting	4/18/13	Sacramento, CA	Y

Neil Puro – HFTI			
Date Appointed: March 2004			
BHFTI Advisory Council Meeting	9/23/09	North Highlands, CA	Y
BEARHFTI Advisory Council Meeting	3/16/10	Norwalk, CA	N
BEARHFTI Advisory Council Meeting	4/18/13	Sacramento, CA	Y

Gene Valke – HFTI			
Date Appointed: July 2007			
BHFTI Advisory Council Meeting	9/23/09	North Highlands, CA	Y
BEARHFTI Advisory Council Meeting	3/16/10	Norwalk, CA	Y
BEARHFTI Advisory Council Meeting	4/18/13	Sacramento, CA	Y

Bert Miles – EAR			
Date Appointed: November 2006			
BEAR Advisory Council Meeting	10/13/09	North Highlands, CA	Y
BEARHFTI Advisory Council Meeting	3/16/10	Norwalk, CA	Y
BEARHFTI Advisory Council Meeting	4/18/13	Sacramento, CA	N

Mona Terry – EAR			
Date Appointed: October 2008			
BEAR Advisory Council Meeting	10/13/09	North Highlands, CA	Y
BEARHFTI Advisory Council Meeting	3/16/10	Norwalk, CA	Y
BEARHFTI Advisory Council Meeting	4/18/13	Sacramento, CA	N

Timothy Hawkins – EAR			
Date Appointed: October 2008			
BEAR Advisory Council Meeting	10/13/09	North Highlands, CA	Y
BEARHFTI Advisory Council Meeting	3/16/10	Norwalk, CA	Y
BEARHFTI Advisory Council Meeting	4/18/13	Sacramento, CA	Y

James Webb - EAR			
Date Appointed: October 2008			
BEAR Advisory Council Meeting	10/13/09	North Highlands, CA	Y
BEARHFTI Advisory Council Meeting	3/16/10	Norwalk, CA	Y
BEARHFTI Advisory Council Meeting	4/18/13	Sacramento, CA	N

Table 1b. Bureau/Committee Member Roster					
Member Name (Include Vacancies)	Date First Appointed	Date Reappointed	Date Term Expires	Appointing Authority	Type (public or professional)
Sharron Bradley – HFTI	2/2006	10/02/2013	10/02/2015	DCA Director	Professional
Burt Grimes – HFTI	10/2008	10/02/2013	10/02/2015	DCA Director	Professional
Linda Hinojosa – HFTI	10/2013		10/02/2015	DCA Director	Professional
Timothy Hawkins -EAR	10/2008	10/02/2013	10/02/2015	DCA Director	Professional
David Valesquez – EAR	10/2013		10/02/2015	DCA Director	Professional
David Spears – EAR	10/2013		10/02/2015	DCA Director	Professional
Joanne Mikami	10/2013		10/02/2015	DCA Director	Public
Vacant				DCA Director	Public
Vacant				DCA Director	Public

2. In the past four years, was the Bureau unable to hold any meetings due to lack of quorum? If so, please describe. Why? When? How did it impact operations?

Since the Councils are voluntary, and not mandated, there is no quorum requirement for meetings. They do not have any decision-making authority and are not part of any type of disciplinary proceedings where a quorum would be necessary for the Bureau to take any action.

3. Describe any major changes to the Bureau since the last sunset review, including:

Internal changes (i.e., reorganization, relocation, change in leadership, strategic planning)

There have been a number of changes since the last sunset review in 1995. Prior to the official merger of the two bureaus, there were a number of Chiefs and Acting Chiefs, along with changes in the Department’s administration and executive staff. From 1998-2005, the two Bureaus integrated many of their functions in an effort to operate more efficiently and effectively; however, the Bureaus were still separate, until they were merged via legislation in 2009. While the Bureau now operates as one bureau, there are currently two budgets/funds for the Bureau - 1) Electronic and Appliance Repair Fund, 2) Home Furnishings and Insulation Fund

DCA embarked on a performance-based budgeting pilot program in the mid-1990s and all bureaus within the Department were reorganized into combined units serving multiple industries. This consisted of the following consolidated divisions: licensing, enforcement, complaint mediation, consumer information center, cashiering, and some administrative services. In 1998, some of the units were returned to the control of the Bureau - most notably licensing and enforcement functions; however, DCA maintained the consolidated call center, mediation

unit and cashiering. The policy, licensing and enforcement units for both bureaus relocated from the DCA headquarters to the facility which housed the Home Furnishings and Thermal Insulation laboratory and was the former location of the Bureau of Home Furnishings and Thermal Insulation in North Highlands. The combined Bureaus relocated its office and laboratory in 2012 to a facility in North Natomas, approximately one mile from the current DCA headquarters.

Since the last Sunset Review, the Bureau has developed Strategic Plans covering the following periods:

- 2000-2001 – Separate Strategic Plans
- 2005 – Consolidated Strategic Plan
- 2006 – Consolidated Strategic Plan
- 2008 – Consolidated Strategic Plan
- 2013- 2017 – Consolidated Strategic Plan

Some of the Bureau's accomplishments as a result of the Strategic Plans were:

- Establishment of a website (individual for each program, then combined).
- Revisions of procedures/process improvement for more effective operation in all units.
- Integration of both Bureaus together for efficiency and cost-savings, including staff cross-training and pooling existing resources.
- Conversion of the Thermal Insulation licensing program from manual processing to the DCA databases.
- Development of an electronic version of the Thermal Insulation Certified Product Directory.
- Establish a network of private sector laboratories to increase testing capacity.
- Develop and implement a method to track tested samples and maintain a consistent inventory of test samples.
- Produced the laws and regulation on compact disk format to save production and mailing costs.
- Development and utilization of additional screening methods for applicants to increase consumer protection.

The Bureau has accomplished the following as a result of the 2013 Strategic Plan:

- Implemented an on-line credit card license renewal program.
 - Published an annual newsletter to provide legislative and regulatory changes, disciplinary actions taken, and identify Bureau achievements.
 - Updated and disseminated a bilingual —**Guide to Electronic and Appliance Repair**”.
 - Implemented various legislative changes, including tracking and monitoring delinquent tax debt requirements, developing requirements for product reimbursements for samples obtained from retailers for testing, expeditious processing of military applicants and renewal license fee waivers, and the authorization for the installation of ignition interlock devices to be able to be performed under an electronic service dealer registration.
 - Developed and implemented a plan to address collection of unpaid citations.
 - Initiated a regulation package to revise the upholstered furniture flammability standard (Technical Bulletin 117) and exempt 15 additional juvenile products.
 - Redeveloped the licensing and enforcement webpages for posting of all enforcement actions and citations.
- All legislation sponsored by the Bureau and affecting the Bureau since the last sunset review.**
- The Bureau does not sponsor legislation; however, the following legislation has had an impact on the

Bureau and its activities.

Subject Of Legislation	Author Bill Number, Chapter Year	Sections Affected Business And Professions Code
Omnibus: (HFTI) Added Importer license type, consolidated Manufacturer and Wholesaler license types, eliminated Renovator license, exemption of <u>'antique'</u> and <u>'used'</u> furniture.	Greene SB 1077, Chapter 1137 Statutes of 1996	19004, 19006, 19051, 19052, 19053, 19054, 19055, 19056, 19059, 19060.6, 19071, 19072, 19072.5, 19080, 19124, 19161, 19170 add Sections 19008.1, 19008.2, 19011.1, and 19053.1
Departmental Omnibus: (EAR/HFTI) Extension of Service Contract Program to 2003, accrued renewal and delinquent fees, increase of fee caps for registrations, labeling requirements for renovated mattresses	Kelley SB 780, Chapter 401 Statutes of 1997	9810, 9830.5, 9832, 9832.5, 9847.5, 9849, 9851, 9853, 9855.2, 9855.3, 9855.9, 9860, 9862.5, 9863, 9873, 19008, 19010
HFTI Exemption of sanitizers from holding additional license, if they hold certain other license types	Committee on Business and Professions SB 1349, Chapter 549 Statutes of 1997	19059.5
HFTI Exemption of medical device retailers from licensure if they hold license from Department of Health Services	Olberg AB 1496, Chapter 837 Statutes of 2000	19051, 19055, and 19059.5
HFTI Flammability standards regarding bedding, fee cap increase for licenses	Dutra AB 603, Chapter 199 Statutes of 2001	19089.5, 19161, 19170
EAR/HFTI States the highest priority of the bureaus is the protection of the public	Correa AB 269, Chapter 107 Statutes of 2002	9810.1, 19004.1
EAR Deletion of cellular telephone repair from products under regulation	Committee on Business and Professions AB 446, Chapter 306 Statutes of 2001	9801, 9833
Departmental Omnibus: (EAR/HFTI) Extension of Service Contract Program to 2008, exemption for companies who sanitize to perform that activity under other license types	Committee on Business and Professions AB 2973, Chapter 405 Statutes of 2002	9812.5, 9814, 9830.5, 9832.5, 9847.5, 9849, 9851, 9853, 9855.9, 9860, 9862.5, 9863, 9873, 19010.1, 19010.5, 19011, 19017, 19031, 19034.5, 19049, 19059.5, 19060.5, 19062, 19063, 19064, 19072.6, 19093, 19162, 19170, 19208, 19211, 19215.1, 19215.2, 19215.3, 19215.4, 19215.5, 19215.6, 19215.7, and 19215.8
EAR Addition of regulated products under the service contract program	Wesson AB 1553, Chapter 775 Statutes of 2003	9855, 9855.2
HFTI Change the criteria for fire-resistant mattresses and mattress sets to the US Consumer Product Safety Commission's test.	Committee on Business, Professions and Economic Development. Professions and Vocations SB 1849, Chapter 760 Statutes of 2006	19161
Departmental Omnibus: (EAR) Extension of Service Contract Program to 2013, provisions regarding invalidation of registrations, allowance to collect accrued renewal, delinquent and penalty fees for home furnishings and thermal insulation licensees, extension of the law to include used bedding under sanitization requirements.	Committee on Business, Professions and Economic Development. Professions and Vocations SB 1047, Chapter 354 Statutes of 2007	9830.5, 9831, 9832.5, 9841, 9847.5, 9848, 9849, 9851, 9853, 9855.7, 9855.8, 9855.9, 9860, 9862.5, 9863, 9873, 9008.1, 19129

Subject Of Legislation	Author Bill Number, Chapter Year	Sections Affected Business And Professions Code
EAR/HFTI Merger, creating the Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation	Strickland ABX4 20, Chapter 18 Statutes of 2009-10 (Fourth Extraordinary Session)	9801, 9810, 9810.1, 9872, 19004, 19004.1, 19030, 19031, 19174
EAR Extension of Service Contract Program to 2018, adds _accessories_ of electronic sets and appliances to products covered under service contract regulation, deletes the \$250 limit on incidental payment of indemnity, allows administrators to be the seller and/or obligor on service contracts.	Smyth AB 2111, Chapter 543 Statutes of 2010	9855, 9855.1, 9855.2, and 9855.9, 9855.15 and 9855.85
HFTI Requirement to reimburse companies the actual cost of samples taken for testing, if the product passes the testing	Logue AB 1443, Chapter 90 Statutes of 2012	19200.5
Departmental Omnibus: (EAR) Extension of Service Contract Program to 2015 for sections not included in AB 2111, Chapter 543, Statutes of 2010	Price SB 1236, Chapter 322 Statutes of 2012	9812.5, 9830.5, 9832.5, 9847.5, 9849, 9851, 9853, 9860, 9862.5, 9863, 9873
HFTI Fire safety: fire retardants: building insulation	Skinner AB 127 Chapter 579 Statutes of 2013	N/A
EAR Service contracts	Calderon AB 480 Chapter 421 Statutes of 2013	9855

All regulation changes approved by the Bureau since the last sunset review. include the status of each regulatory change approved by the Bureau.

Electronic and Appliance Repair			
Regulation Name	Year of Change	Section	Purpose/Action
Invoice-Keeping of Records	1996	2724	Repealed – moved to section 2764, as more appropriate placement
Scope of Regulations	1996	2740	Repealed – Unnecessary
Advertising by Service Dealer	2008	2751	Section 100 – no regulatory impact
Definition of Product	2005	2755	Define home health care products from newly added language in statute.
Registration of Service Contractors	2004 2005	2756	Updated application. Additional financial backing alternative
Fees	1998	2760	Raised registration fees under the higher cap established by SB 2075
Record Keeping - Customer-Related Records	1996	2764	Section 2724 was moved into a new section for consistency placement
Disciplinary Guidelines	1998	2775	Incorporated Disciplinary Guidelines by reference into regulation

Home Furnishings and Thermal Insulation

Regulation Name	Year of Change	Section	Purpose/Action
Location of Offices	1996	1100	Repealed – unnecessary regulation
–Separate Service to the Trade”	1996	1103	Clarified and defined the intent of the statutory use of the term
The Term –On His or Her Own Account”	1998	1104	Updated text from obsolete verbiage and added clarity
Applications for License and Renewal Applications	1996	1106	Repealed - Duplicative language already covered in statute
License Fees	1997, 1998, 2002	1107	1997 – Added new licensing category and fee, amended existing categories 1998 – Removed obsolete text 2002 – Fee increase
Procedure Re License	1998	1108	Repeal of certain subsections that were no longer applicable and renumbering.
Registry Numbers	1998	1109	Renumbered section
–Withhold from Sale” Tag	1998	1110	Renumbered section
Names of Filling Materials	1998	1111	Renumbered section
Rot Proof, Rot Resistant	1996	1115	Repealed – obsolete
Wind Resistant, Wind Proof	1996	1117	Repealed – obsolete
Official Law Label Requirements	1998, 2000	1126	1998 – Corrections for consistency 2002 – Updated to standard reference date
Terms of Definitions and Label Requirements	1998	1135	Added a definition and amended language for clarity
Definitions of Types of Bedding	1998	1136	Typographical error corrections
Definitions of Types and Kinds of Plumage	1996 2000	1192	Repealed New Section filed
Plumage Products-Comply with Federal Standards	1996 2000	1192.1	New Section filed Repealed
Compositional Requirements	1996 2000	1193	Repealed New Section filed
Tolerances (Plumage)	1996	1194	Repealed – moved into 1193
Cleanliness (Plumage)	1996	1195	Repealed – moved into 1193
Kinds of Man-Made Fibers	1998	1238	Typographical errors corrected, clarifying text added
Terms and Definitions (Vegetable Fibers)	1998	1247	Added definitions (a) through (l) and amended current language for clarity
Removal of Red Tags After Sterilization	1996, 1998	1250	Repealed in 1982, subsequent changes were to correct heading
Methods of Sanitization	1996, 1998	1251	1996 – Updated term from ‘sterilization’ to ‘sanitization’ 1998 – Added subsections for clarity

Home Furnishings and Thermal Insulation			
Regulation Name	Year of Change	Section	Purpose/Action
Dry Heat Method	1998	1252	Reorganizes sections for clarity
Chemical Disinfection Method	1996, 1998	1253	1996 - Updated term from '_sterilization' to '_sanitization' 1998 – Reorganizes sections for clarity
Lot	1996, 1998	1254	1996 - Updated term from '_sterilization' to '_sanitization' 1998 – Reorganizes sections for clarity
Records	1998	1255	Reorganizes sections for clarity
Official Sanitization Label Requirements	1996, 1998	1256	1996 – Updated sanitization requirement for consistency with statute 1998 – Reorganizes sections for clarity
Storage of Formaldehyde	1996	1257	Repealed – obsolete requirement
Method of Sanitization	1998	1258	Repealed – sanitization regulations were rewritten for clarity
Vacuum Chemical Method	1996	1259	Repealed – obsolete requirement
Dry Heat Method	1996	1260	Repealed – sanitization regulations were rewritten for clarity
Feather and Down Method	1996	1261	Repealed – obsolete
Wet Method	1996	1262	Repealed – obsolete
Steam Under Pressure Method	1996	1263	Repealed – obsolete
Chemical Method	1996 1998	1265	1996 – Amended to make sanitization requirements specific and consistent with statute 1998 – Repealed - sanitization regulations were rewritten for clarity
Official Sanitization Label Requirements	1996 1998	1266	1996 – Updated and eliminated terms Repealed
Removal of Red Tags After Sterilization	1996	1267	Repealed – Duplicated in statute
Labeling Requirements (Latex Foam Rubber and Filling)	1996	1327	Repealed in 1974 – 1996 revision was only to heading
Definitions and Grades of Latex	1996	1329	Updated information on latex foam to current
Physical Requirements of Latex Foam	1996	1330	Updated information on latex foam to current
Material	1996	1331	Repealed – obsolete
Construction and Workmanship	1996	1332	Repealed – obsolete
Liquid-Filled Bedding Regulations	1997	(Article 12) 1350-1360	Repealed – Bureau deregulated waterbeds as a regulated product via statute
Flame Resistant, Flame Retardant	2000	1370	Updated standard reference date

Home Furnishings and Thermal Insulation			
Regulation Name	Year of Change	Section	Purpose/Action
Mattress-Open Flame Resistances	1998 2004 2005 2007	1371	1998 – Defined sleep system. 2004 – Updated standard reference date 2005 – change without regulatory effect 2007 – Added reference to CPSC standard
Voluntary Notice	1996	1373	Repealed – Duplicative – in statute and other regulations
Non-Flame Retardant Polyurethane Foam	2004-5	1373.1	Repealed
Flammability; Flexible Polyurethane Foam	2000	1373.2	Updated standard reference date
Flammability; Upholstered and Reupholstered Furniture	1996 1998 2000	1374	1996 – sub (b) – Updated term from ‘shall’ to ‘may’ 1998 – Updated Building Commission and NFPA reference numbers in subsections (d) and 3)
Criteria for Exemptions	2010	1374.2	Exemption of specified juvenile products from flammability standard
Labeling (Flammability)	1998	1374.3	Added and clarified language for subsections (a) and (b)
Work Order - Copy to Customer Records	1996	1376	Repealed – Duplicative of existing statute
Disciplinary Guidelines	1997	1379	Incorporated Disciplinary Guidelines by reference into regulation
Fines	1996 1998	1383.2	1996 – Updated text to clarify when fines are assessed 1998 – Corrected typographical errors
Public Access to Information	1996	1385	Repealed – Unnecessary regulation
Information to Be Provided Regarding Complaints	1996	1385.1	Repealed – Unnecessary regulation
Information to Be Provided Regarding Disciplinary Actions	1996	1385.2	Repealed – Unnecessary regulation
Information to Be Provided Regarding License Status	1996	1385.3	Repealed – Unnecessary regulation
Quantity of Information to Be Provided per Week	1996	1385.4	Repealed – Unnecessary regulation

4. Describe any major studies conducted by the Bureau (cf. Section 12, Attachment C).

a. Performance-Based Budgeting Pilot Project - Market Condition Indices – Futon Industry - December 1995

A market-study on consumer purchases, awareness of home furnishing safety standards, flammability compliance, labeling, unlicensed activity and other issues related to the futon industry in California. Research consisted of a consumer survey, inspections, product testing and data from other associated agencies (both public and private sector).

b. The Service Contract Industry In California - Market Trends And Policy Issues - August 1999

A study on the origins and development of the home service contract industry, focusing on the consumer perspective, review of current California law and regulation, comparison of regulation in other states, and distinction between service contracts and insurance. Research consisted of surveys to consumers and to other states that regulate the industry, review of current California insurance laws, and review of the Service Contract Industry Council Industry Model Act.

c. Precision and Bias Study – Upholstered Furniture Flammability Standard – August 2013

The Bureau must validate the new proposed residential upholstered furniture flammability standard (TB 117-2013) prior to implementation to prove that the test methods are reproducible and reliable. To demonstrate its reproducibility and repeatability the Bureau conducted an inter-laboratory study to establish a new Precision and Bias consistent with the ASTM E691 —Standard Practice for Conducting an Inter-Laboratory Study to Determine the Precision and Bias of a Test Method”. The study was necessitated as tests performed on presumably identical materials in presumably identical circumstances do not, in general, yield identical results. As such, the practical interpretation of test data, and the inherent variability has to be taken into account and ultimately the test must be validated to determine the precision of the test method. Under ASTM E691, the Bureau conducted round robin testing with a number of laboratories which were overseen by an independent statistician who assisted in designing, guiding and managing the work of study and conducted the statistical analysis of the data generated. The Precision and Bias was adopted and has been incorporated in the TB 117-2013 standard.

5. List the status of all national associations to which the Bureau belongs.

- IABFLO - International Association of Bedding and Furniture Law Officials
- NFPA - National Fire Protection Agency – organizational member
- ASTM - American Society for Testing and Materials – organizational member
- NVLAP – National Voluntary Laboratory Accreditation Program – certified member

Does the Bureau’s membership include voting privileges?

No, BEARHFTI only makes recommendations to the respective associations.

List committees, workshops, working groups, task forces, etc., on which Bureau participates.

The laboratory staff is on IABFLO’s laboratory committee. There are only two states with testing laboratories - California and Ohio. The rest of the states look to California and Ohio for technical expertise in testing and classifying filling materials found in furniture and bedding.

How many meetings did Bureau representative(s) attend? When and where?

Since the inception of out-of-state travel restrictions, BEARHFTI has attended IABFLO annual meetings via teleconference from its own office, with the exception of the 2012 meeting held in Sacramento and the 2007 meeting held in San Diego.

If the bureau is using a national exam, how is the Bureau involved in its development, scoring, analysis, and administration?

BEARHFTI does not use a national exam. BEARHFTI does not have any licensure examination requirements.

Section 2

6. Provide each quarterly and annual performance measure report as published on the DCA website

See attachments in Section 12, Attachment E, for the following:

- Performance Measures Annual Report - 2012-13
- Performance Measures Annual Report - 2011-12
- Performance Measures Annual Report - 2010-11

7. Provide results for each question in the customer satisfaction survey broken down by fiscal year. Discuss the results of the customer satisfaction surveys.

2011-12	Website	Regular Mail	Email	Phone	In Person
How did you contact the Bureau?	18	84	11	25	1
	Very Satisfied	Somewhat Satisfied	Neither Satisfied Or Dissatisfied	Somewhat Dissatisfied	Very Dissatisfied
How satisfied were you with the format and navigation of our Web site?	1	0	0	0	0
How satisfied were you with information pertaining to your complaint available on our Web site?	2	0	0	0	0
How satisfied were you with the time it took to respond to your initial correspondence?	8	1	0	0	0
How satisfied were you with the time it took to speak to a representative of our Bureau?	3	0	1	1	0
How satisfied were you with our representative's ability to address your complaint?	3	0	0	1	1
How satisfied were you with the time it took for us to resolve your complaint?	104	17	2	4	11
How satisfied were you with the explanation you were provided regarding the outcome of your complaint?	101	11	7	4	15
Overall, how satisfied were you with the way in which we handled you complaint?	108	8	1	9	12
	definitely	probably	maybe	probably not	definitely not
Would you contact us again for a similar situation?	116	4	4	7	7
Would you recommend us to a friend or family experiencing a similar situation?	113	4	5	7	9

2012-13	Website	Regular Mail	Email	Phone	In Person
How did you contact the Bureau?	22	36	11	19	1
	Very Satisfied	Somewhat Satisfied	Neither Satisfied Or Dissatisfied	Somewhat Dissatisfied	Very Dissatisfied
How satisfied were you with the format and navigation of our Web site?	2	2	0	1	1
How satisfied were you with information pertaining to your complaint available on our Web site?	2	1	0	2	1
How satisfied were you with the time it took to respond to your initial correspondence?	1	0	0	0	0

How satisfied were you with the time it took to speak to a representative of our Bureau?	3	1	0	0	1
How satisfied were you with our representative's ability to address your	2	0	0	0	2
How satisfied were you with the time it took for us to resolve your complaint?	79	10	3	3	10
How satisfied were you with the explanation you were provided regarding the outcome of your complaint?	77	8	2	5	13
Overall, how satisfied were you with the way in which we handled you complaint?	82	8	1	4	11
	Definitely	Probably	Maybe	Probably Not	Definitely Not
Would you contact us again for a similar situation?	84	5	4	5	7
Would you recommend us to a friend or family experiencing a similar situation?	85	4	5	5	7

BEARHFTI began collecting survey data in 2011-2012, which is reflected on the following page. When comments or suggestions for improvements are made, BEARHFTI identifies ways to address them and it often leads to revisions. Please note that the Department's system recorded data 'No Response' for most consumers over the first several survey questions, and then the latter questions were answered with a specific response by the majority of the consumers participating in the survey.

While the Bureau strives to address all consumer complaints, some are complex and require time to collect additional information. Some consumer complaints are found to be without merit or are non-jurisdictional and in some circumstances, the consumer is not satisfied with the proposed resolution. While the majority of complaints are resolved in a timely manner, isolated circumstances can delay the completion of a complaint.

Section 3 Fiscal and Staff

Fiscal Issues

8. Describe the Bureau's current reserve level, spending, and if a statutory reserve level exists.

BEARHFTI is a special fund agency in which all of its revenues are generated from fees. At the end of FY 2012-13, the Electronic and Appliance Repair Fund is anticipated to have a fund reserve of \$1.78 million or 7.9 months of reserves. Additionally, the Home Furnishings and Insulation Fund is projected to have a reserve balance of \$1.498 million or 3.7 months reserve. These programs will need to revise their license fee structure in future years as their revenue does not cover expenditures. Both programs do not have any statutory reserve limits.

9. Describe if/when a deficit is projected to occur and if/when fee increase or reduction is anticipated. Describe the fee changes (increases or decreases) anticipated by the Bureau.

The Electronic and Appliance Repair Fund is expected to have a deficit at the end of FY 2016-17.

Table 2. Fund Condition - BEAR

(Dollars in Thousands)	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14*	FY 2014/15*
Beginning Balance	\$2,095	\$2,270	\$2,270	\$1,935	\$2,152	\$1,844
Revenues and Transfers	\$2,106	\$2,222	\$2,303	\$2,373	\$2,394	\$2,389
Total revenue	\$2,106	\$2,222	\$2,303	\$2,373	\$2,394	\$2,389
Budget Authority	\$2,177	\$2,478	\$3,016	\$2,432	\$2,702	\$2,745
Expenditures	\$1,920	\$2,244	\$2,660	\$2,156	\$2,702*	\$2,745*
Loans to General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Accrued Interest, Loans to General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Loans Repaid From General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Fund Balance	\$2,281	\$2,248	\$1,913	\$2,152	\$1,844	\$1,488
Months in reserve	12.2	10.1	9.4	9.6	8.1	6.4

* Projected

The Home Furnishings and Thermal Insulation Fund is expected to have a deficit at the end FY 2015-16 and will pursue regulation to raise its license fees in FY 2014-15.

Table 2. Fund Condition - BHFTI

(Dollars in Thousands)	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14*	FY 2014/15*
Beginning Balance	\$4,029	\$4,306	\$3,741	\$2,271	\$1,780	\$2,261
Revenues and Transfers	\$4,066	\$3,734	\$4,071	\$3,879	\$5,365	\$3,872
Total revenue	\$4,066	\$3,734	\$4,071	\$3,879	\$5,364	\$3,872
Budget Authority	\$4,527	\$4,612	\$4,692	\$4,679	\$4,884	\$4,862
Expenditures	\$3,764	\$4,367	\$4,049	\$4,370	\$4,884	\$4,862
Loans to General Fund	\$0	\$0	-\$1,500	\$0	\$0	\$0
Accrued Interest, Loans to General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Loans Repaid From General Fund	\$0	\$0	\$0	\$0	\$1,500	\$0
Fund Balance	\$4,331	\$3,673	\$2,263	\$1,780	\$2,261	\$1,271
Months in reserve	11.9	10.9	5.8	4.4	5.6	3.1

* Projected

10. Describe history of general fund loans. When were the loans made? When were payments made? What is the remaining balance?

A loan of \$1.5 million was made from BHFTI to the General Fund in FY 2011-12 and is scheduled for full repayment in FY 2013-14.

11. Describe the amounts and percentages of expenditures by program component. use Table 3. Expenditures by Program Component to provide a breakdown of the expenditures by the bureau in each program area. Expenditures by each component (except for pro rata) should be broken out by personnel expenditures and other expenditures.

Enforcement costs have dropped off from 39% of BEAR's expenditures in FY 2009-10 to level out at 25% for FY 2012-13. Meanwhile, Licensing expenditures as a percentage of BEAR's budget have seen a slight increase over the past years and account for 12% of spending in FY 2012-13. Administration expenses have trended up and

comprise 21% of BEAR's expenditures in FY 2012-13.

Table 3. Expenditures by Program Component - BEAR								
	FY 2009/10		FY 2010/11		FY 2011/12		FY 2012/13	
	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E
Enforcement	556,749	160,132	424,653	133,987	410,177	137,052	353,247	171,862
Examination	0	0	0	0	0	0	0	362
Licensing	117,536	33,806	184,632	58,255	228,527	76,358	176,624	85,931
Administration *	247,444	71,170	307,720	97,092	234,387	78,315	294,373	143,219
DCA Pro Rata	0	670,518	0	913,730	0	1,486,332	0	905,851
Diversion (if applicable)	0	0	0	0	0	0	0	0
Totals	921,729	935,626	917,005	1,203,064	873,091	1,778,057	824,244	1,307,225

* Administration includes costs for executive staff, board, administrative support, and fiscal services.

Enforcement, Licensing, and Administration costs have remained relatively constant and represent 25%, 8%, and 45% of BHFTI's expenditures for FY 2012-13.

Table 3. Expenditures by Program Component - BHFTI								
	FY 2009/10		FY 2010/11		FY 2011/12		FY 2012/13	
	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E
Enforcement	655,053	310,043	650,946	427,788	668,259	304,295	664,322	430,862
Examination	0	0	0	0	0	0	0	0
Licensing	214,381	101,469	234,341	154,004	334,129	152,147	214,059	138,833
Administration *	1,012,354	479,157	1,106,609	727,240	1,042,484	474,700	1,181,017	765,977
DCA Pro Rata	0	987,418	0	1,080,500	0	1,045,526	0	931,139
Diversion (if applicable)	0	0	0	0	0	0	0	
Totals	1,881,788	1,878,087	1,991,896	2,389,532	2,044,872	1,976,668	2,059,398	2,266,811

* Administration includes costs for executive staff, board, administrative support, and fiscal services.

12. Describe license renewal cycles and history of fee changes in the last 10 years. give the fee authority (Business and professions code and California code of regulations citation) for each fee charged by the bureau.

Licensee renewal fees are based on the issue date (one year cycle for Electronic and Appliance Repair and Thermal Insulation, two year cycle for Home Furnishings), and expire on the last day of the corresponding month. Major retailers with multiple stores may request that their renewal dates be synced to a specific date and in those instances the Bureau prorates the fees accordingly. The Bureau has not changed fees within the last 10 years for its licensing categories. The Bureau's authority for fees is found in: Business and Professions Code Section 9873, 19170, and 19170.3, and California Code of Regulations sections 1107 and 2760.

Table 4. Fee Schedule and Revenue - BEAR

Fee	Current Fee Amount	Statutory Limit	FY 2009/10 Revenue	FY 2010/11 Revenue	FY 2011/12 Revenue	FY 2012/13 Revenue	% of Total Revenue
Registration - Service Contract Admin	\$75.00	\$ 75.00	\$300	\$900	\$1,125	\$675	0%
Registration - Service Contract Seller	\$75.00	\$ 75.00	\$68,475	\$160,875	\$110,850	\$97,800	5%
Registration - Electronic Repair	\$165.00	\$ 165.00	\$168,135	\$90,910	\$142,560	\$138,425	6%
Registration - Major Appliance Repair	\$165.00	\$ 165.00	\$47,025	\$38,775	\$39,104	\$36,135	2%
Registration - Combo Repair	\$325.00	\$ 325.00	\$11,995	\$5,525	\$28,925	\$2,135	1%
Renewal - Service Contract Admin	\$75.00	\$ 75.00	\$1,800	\$2,513	\$2,437	\$2,625	0%
Renewal - Service Contract Seller	\$75.00	\$ 75.00	\$506,475	\$537,188	\$589,200	\$684,280	26%
Renewal - Electronic Repair	\$165.00	\$ 165.00	\$725,593	\$794,010	\$799,101	\$789,128	35%
Renewal - Major Appliance	\$165.00	\$ 165.00	\$362,669	\$369,271	\$373,420	\$373,802	17%
Renewal - Combo Repair	\$300.00	\$ 300.00	\$129,900	\$139,485	\$138,848	\$166,500	6%
Delinq Renewal - Service Contract Admin	\$37.50	\$ 37.50	\$75	\$75	\$108	\$113	0%
Delinq Renewal - Service Contract Seller	\$37.50	\$ 37.50	\$7,237	\$13,425	\$3,300	\$6,338	0%
Delinq Renewal - Electronic Repair	\$82.50	\$ 82.50	\$36,805	\$32,157	\$41,537	\$43,500	2%
Delinq Renewal - Major Appliance Repair	\$82.50	\$ 82.50	\$16,581	\$19,140	\$21,118	\$22,906	1%
Delinq Renewal - Combo Repair	\$150.00	\$ 150.00	\$1,200	\$1,200	\$750	\$1,050	0%
Total	-	-	\$2,084,265	\$2,205,449	\$2,292,383	\$2,365,412	100%

Table 4. Fee Schedule and Revenue - HFTI

Fee	Current Fee Amount	Statutory Limit	FY 2009/10 Revenue	FY 2010/11 Revenue	FY 2011/12 Revenue	FY 2012/13 Revenue	% of Total Revenue
Initial -Retail Furn	\$ 120.00	\$ 120.00	\$ 8,760	\$ 12,480	\$ 7,680	\$ 5,880	0%
Initial - Retail Bedding	\$ 120.00	\$ 120.00	\$ 9,960	\$ 13,380	\$ 30,360	\$ 10,320	0%
Initial - Retail Furn-Chain	\$ 120.00	\$ 120.00	\$ 11,975	\$ 6,280	\$ 3,350	\$ 4,310	0%
Initial - Retail Bed-Chain	\$ 120.00	\$ 120.00	\$ 16,420	\$ 16,020	\$ 2,650	\$ 3,450	0%
Initial - Retail Furn/Bed	\$ 240.00	\$ 240.00	\$ 82,520	\$ 82,560	\$ 158,400	\$ 84,810	3%
Initial - Retail Furn/Bed-	\$ 240.00	\$ 240.00	\$ 218,040	\$ 92,965	\$ 53,050	\$ 53,505	3%
Initial - Custom Upholsterer	\$ 360.00	\$ 360.00	\$ 18,480	\$ 7,920	\$ 6,480	\$ 10,496	0%
Initial - Sanitizer	\$ 360.00	\$ 360.00	\$ -	\$ 360	\$ 2,640	\$ 360	0%
Initial - Sanitizer - Chain	\$ 360.00	\$ 360.00	\$ -	\$ -	\$ 165	\$ 885	0%
Initial - Supply Dealer	\$ 540.00	\$ 540.00	\$ 5,940	\$ 2,160	\$ 1,080	\$ -	0%
Initial - Manuf Furn -Chain	\$ 650.00	\$ 750.00	\$ -	\$ 135	\$ 596	\$ 893	0%
Initial - Supply Dealer-Chain	\$ 540.00	\$ 540.00	\$ -	\$ -	\$ -	\$ -	0%

Initial - Furn/Bed Wholesaler	\$ 540.00	\$ 540.00	\$ 14,040	\$ 16,260	\$ 10,800	\$ 10,140	0%
Initial - Furn/Bed Wholesaler-Chain	\$ 540.00	\$ 540.00	\$ 5,795	\$ -	\$ -	\$ 210	0%
Initial - Importer - Chain	\$ 650.00	\$ 650.00	\$ -	\$ 298	\$ 3,467	\$ 3,819	0%
Initial - Furn/Bed MFG	\$ 650.00	\$ 650.00	\$ 75,970	\$ 86,300	\$ 73,040	\$ 79,010	2%
Initial - Importer	\$ 650.00	\$ 650.00	\$ 408,105	\$ 412,720	\$ 398,730	\$ 464,000	11%
Initial - Thermal Insulation	\$ 2,000.00	\$ 2,000.00	\$ 22,000	\$ 22,000	\$ 18,000	\$ 16,000	1%
Renewal - Retail Furn	\$ 120.00	\$ 120.00	\$ 149,040	\$ 162,960	\$ 100,800	\$ 179,690	4%
Renewal - Retail Bedding	\$ 120.00	\$ 120.00	\$ 91,800	\$ 105,840	\$ 78,720	\$ 95,040	2%
Renewal - Retail Furn/Bed	\$ 240.00	\$ 240.00	\$1,228,040	\$ 944,520	\$1,360,960	\$ 1,039,708	30%
Renewal – Custom Upholsterer	\$ 360.00	\$ 360.00	\$ 89,740	\$ 84,984	\$ 83,520	\$ 82,080	2%
Renewal - Sanitizer	\$ 360.00	\$ 360.00	\$ 1,440	\$ 1,080	\$ 1,440	\$ 1,080	0%
Renewal - Supply Dealer	\$ 540.00	\$ 540.00	\$ 31,860	\$ 38,880	\$ 32,700	\$ 37,800	1%
Renewal- Furn/Bed Wholesaler	\$ 540.00	\$ 540.00	\$ 39,420	\$ 34,560	\$ 42,120	\$ 38,760	1%
Renewal - Importer	\$ 650.00	\$ 750.00	\$ 716,331	\$ 762,925	\$ 797,500	\$ 857,835	20%
Renewal - Furn/Bed MFG	\$ 650.00	\$ 750.00	\$ 428,910	\$ 362,105	\$ 419,760	\$ 372,090	10%
Renewal - Thermal Insulation	\$ 2,000.00	\$ 2,500.00	\$ 198,000	\$ 236,000	\$ 250,000	\$ 228,000	6%
Delq. Ren-Retail Furn	\$ 24.00	\$ 24.00	\$ 3,168	\$ 7,608	\$ 960	\$ 1,872	0%
Delq. Ren-Retail Bed	\$ 24.00	\$ 24.00	\$ 1,248	\$ 960	\$ 696	\$ 1,368	0%
Delq. Ren-Retail Combo	\$ 48.00	\$ 48.00	\$ 11,136	\$ 21,956	\$ 9,696	\$ 9,552	0%
Delq. Ren-Upholsterer	\$ 72.00	\$ 72.00	\$ 3,168	\$ 2,568	\$ 2,016	\$ 3,096	0%
Delq. Ren-Sanitizer	\$ 72.00	\$ 72.00	\$ -	\$ -	\$ 72	\$ -	0%
Delq. Ren-Supply Dealer	\$ 100.00	\$ 100.00	\$ 400	\$ 1,700	\$ 1,000	\$ 900	0%
Delq. Ren-Furn/Bed MFG	\$ 100.00	\$ 100.00	\$ 9,900	\$ 8,100	\$ 9,900	\$ 8,600	0%
Delq. Ren-Furn/Bed Wholesaler	\$ 100.00	\$ 100.00	\$ 700	\$ 800	\$ 1,500	\$ 1,100	0%
Delq. Ren-Importer	\$ 100.00	\$ 100.00	\$ 27,500	\$ 27,600	\$ 29,800	\$ 33,500	1%
Delq. Ren-Thermal Insulation	\$ 100.00	\$ 100.00	\$ 1,800	\$ 1,500	\$ 1,800	\$ 2,200	0%
Penalty Ren-Thermal Insulation	\$ 600.00	\$ 750.00	\$ 1,200	\$ -	\$ 1,200	\$ 600	0%
BHFTI - 30% Penalty	N/A	N/A	\$ 38,770	\$ 37,902	\$ 35,542	\$ 38,211	1%
Total	-	-	\$3,971,576	\$3,616,386	\$4,032,190	\$ 3,781,170	100%

13. Describe Budget change proposals (BCPS) submitted by the bureau in the past four fiscal years.

The Bureau has not submitted any approved BCPs in the last four fiscal years.

Staffing Issues

14. Describe any staffing issues/challenges, i.e., vacancy rates, efforts to reclassify positions, staff turnover, recruitment and retention efforts, succession planning.

The Bureau has had difficulty recruiting for specialized positions required for field and laboratory work. As budgetary constraints have eased, the Bureau is currently filling its vacant positions and has restructured some of the work as appropriate. In 2012, DCA, on behalf of the Bureau, administered open examinations for the Field Representative and Textile Technician classifications. Two hires have been made from these examination recruitments. The Bureau has also reclassified an inspector position to a senior analyst to address rulemaking files, budget change proposals and other policy and administrative work identified in the Strategic Plan. The Bureau

has provided opportunities to allow internal staff to compete for available positions whenever they meet the qualifications, to retain the expertise and Bureau knowledge, which provides upward mobility opportunities.

The Bureau recognizes that the most senior staff may potentially retire in the next few years and is working to ensure that procedures and historical knowledge is documented and memorialized for their successors. The Bureau is constantly working towards streamlining and ensuring certain policies and procedures are consistent across the various units.

15. Describe the Bureau's staff development efforts and how much is spent annually on staff development (cf., Section 12, Attachment D).

The Bureau takes advantage of the courses offered by DCA's SOLID training unit, both in classes and webinars. These courses include computer software, customer service skills, and other inter-personal classes. Field representatives are often offered free manufacturer training on various products. Also field staff takes mandatory investigative training offered both outside and within the Department to ensure they have the tools and training to effectively do their job. Bureau staff is encouraged by their managers to pursue training courses, such as the Analytical Certification Training, to build their skills and increase their potential for promotion to other positions within or outside the agency. This commitment is echoed in the Bureau's current Strategic Plan under the Organizational Effectiveness goal.

Section 4 Licensing Program

16. What are the Bureau's performance targets/expectations for its licensing program? Is the bureau meeting those expectations? If not, what is the bureau doing to improve performance?

The Bureau's performance target for issuing licenses and registrations is 30 days from receipt of the application. Where the application is complete, all requirements met, and there is no criminal history to contend with, the Bureau has been consistently able to meet this goal. During times when the volume of new applications and staffing shortages may delay issuance, the Bureau temporarily redirects available staff from other units.

In 2012, the Bureau implemented a successful on-line credit card renewal program for certain license and registration types to expedite renewals and bypass the manual cashing system which can create delays. This has cut the time down from up to a month to within 3 days for processing a renewal.

17. Describe any increase or decrease in average time to process applications, administer exams and/or issue licenses. Have pending applications grown at a rate that exceeds completed applications? If so, what has been done to address them? What are the performance barriers and what improvement plans are in place? What has the bureau done and what is the bureau going to do to address any performance issues, i.e., process efficiencies, regulations, BCP, legislation?

The Bureau does not administer exams. As stated above, the Bureau has been able to process complete applications within 30 days and redirects staff as needed to meet this goal.

The pending application rate has never exceeded the completed application rate. If an application is deficient, or if there are issues which need clarification, the Bureau returns the application within a few days of receipt. The Bureau periodically reviews procedures to make sure they are as clear and understandable as possible. Further, as the Bureau is meeting its licensing expectations, no regulatory actions or BCPs are being pursued at this time.

18. How many licenses or registrations does the bureau issue each year? How many renewals does the bureau issue each year?

¹ The term ~~“license”~~ in this document includes a license certificate or registration.

Table 6. Licensee Population					
		FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13
Appliance Service Dealer	Active	2,438	2,428	2,397	2,413
	Out-of-State	7	3	4	8
	Out-of-Country	0	0	0	0
	Delinquent	248	289	327	291
Combination Service Dealer	Active	489	476	543	499
	Out-of-State	11	5	6	6
	Out-of-Country	0	0	0	0
	Delinquent	10	27	6	10
Electronic Service Dealer	Active	4,392	5,227	5,442	5,279
	Out-of-State	19	30	31	28
	Out-of-Country	0	1	1	1
	Delinquent	709	852	799	720
Service Contract Administrator	Active	23	30	38	45
	Out-of-State	21	28	36	40
	Out-of-Country	0	0	0	0
	Delinquent	4	2	2	2
Service Contract Seller	Active	8,666	9,061	9,483	9,593
	Out-of-State	142	293	326	377
	Out-of-Country	6	7	7	7
	Delinquent	264	284	206	203
Bedding Retailer	Active	2,604	2,090	1,972	1,817
	Out-of-State	5	7	9	11
	Out-of-Country	0	0	0	0
	Delinquent	139	135	148	184
Custom Upholsterer	Active	566	551	487	488
	Out-of-State	3	2	2	2
	Out-of-Country	0	0	0	0
	Delinquent	71	79	112	103
Furniture & Bedding Retailer	Active	10,664	10,764	11,232	11,282
	Out-of-State	21	22	25	25
	Out-of-Country	0	0	0	0
	Delinquent	464	443	529	610
Furniture Retailer	Active	2,860	2,786	2,677	2,445
	Out-of-State	6	6	7	7
	Out-of-Country	0	0	0	0
	Delinquent	161	177	160	161
Importer	Active	3,342	3,425	3,545	3,736
	Out-of-State	436	433	452	458
	Out-of-Country	2,423	2,503	2,619	2,813
	Delinquent	1,916	2,209	2,550	1,860
Furniture & Bedding Manufacturer	Active	1,449	1,428	1,425	1,419
	Out-of-State	659	661	655	654
	Out-of-Country	2	2	2	2
	Delinquent	267	315	348	287

Sanitizer	Active	11	9	15	14
	Out-of-State	1	2	2	1
	Out-of-Country	0	0	0	0
	Delinquent	1	1	2	3
Supply Dealer	Active	156	147	134	132
	Out-of-State	30	28	26	24
	Out-of-Country	9	9	9	9
	Delinquent	19	19	26	21
Thermal Insulation Manufacturer	Active	127	132	127	122
	Out-of-State	85	91	86	84
	Out-of-Country	8	11	10	11
	Delinquent	7	3	8	11
Wholesaler	Active	184	183	189	182
	Out-of-State	35	28	31	27
	Out-of-Country	0	0	0	0
	Delinquent	52	57	57	46

Table 7a. Licensing Data by Type

	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	242	**	**	237	3	*_	*	*	*	33
	(Renewal)	**	**	**	2,321	*	*	*	*	*	8
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	244	**	**	227	6	*	*	*	*	10
	(Renewal)	**	**	**	2,347	*	*	*	*	*	15
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	205	**	**	204	14	*	*	*	*	21
	(Renewal)	**	**	**	1,889	*	*	*	*	*	18

Table 7a. Licensing Data by Type

	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	17	**	**	19	0	*	*	*	*	16
	(Renewal)	**	**	**	429	**	*	*	*	*	8
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	89	**	**	88	0	*	*	*	*	21
	(Renewal)	**	**	n/a	538	**	*	*	*	*	20
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	8	**	**	10	1	*	*	*	*	6
	(Renewal)	**	**	n/a	358	**	*	*	*	*	30

table 7a. licensing data by type											
	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	572	**	**	544	1	*	*	*	*	37
	(Renewal)	**	**	**	4,958	**	*	*	*	*	18
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	870	**	**	808	5	*	*	*	*	22
	(Renewal)	**	**	n/a	5,130	**	*	*	*	*	10
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	744	**	**	745	20	*	*	*	*	21
	(Renewal)	**	**	n/a	4,296	**	*	*	*	*	8

table 7a. licensing data by type											
	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)		**	**	5	0	*	*	*	*	95
	(Renewal)	**	**	n/a	30	**	*	*	*	*	16
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)		**	**	10		*	*	*	*	
	(Renewal)	**	**	n/a	33	**	*	*	*	*	10
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)		**	**	7		*	*	*	*	
	(Renewal)	**	**	n/a	29	**	*	*	*	*	15

table 7a. licensing data by type											
	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	242	**	**	237	3	*	*	*	*	33
	(Renewal)	**	**	n/a	7,233	**	*	*	*	*	6
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	1524	**	**	1476	1	*	*	*	*	35
	(Renewal)	**	*8	n/a	8,072	**	*	*	*	*	15
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	1272	**	**	1280	38	*	*	*	*	31
	(Renewal)	**	**	n/a	7,973	**	*	*	*	*	10

Table 7a. Licensing Data by Type

	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	274	**	**	273	0	*	*	*	*	20
	(Renewal)	**	**	n/a	900	**	*	*	*	*	10
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	287	**	**	265	0	*	*	*	*	12
	(Renewal)	**	**	n/a	661	**	*	*	*	*	10
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	121	**	**	114	4	*	*	*	*	7
	(Renewal)	**	**	n/a	686	**	*	*	*	*	10

Table 7a. Licensing Data by Type

	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	27	**	**	29	0	*	*	*	*	86
	(Renewal)	**	**	n/a	252	**	*	*	*	*	10
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	23	**	**	13	0	*	*	*	*	99
	(Renewal)	**	**	n/a	237	0	*	*	*	*	10
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	24	**	**	22	0	*	*	*	*	28
	(Renewal)	**	**	n/a	211	0	*	*	*	*	10

Table 7a. Licensing Data by Type

	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	4	**	**	4	0	*	*	*	*	23
	(Renewal)	**	**	n/a	71	*	*	*	*	*	8
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	5	**	**	3	0	*	*	*	*	18
	(Renewal)	**	**	n/a	65	**	*	*	*	*	11
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	7	**	**	5	0	*	*	*	*	22
	(Renewal)	**	**	n/a	76	*8	*	*	*	*	10

Table 7a. Licensing Data by Type											
	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	185	**	**	152	0	*	*	*	*	18
	(Renewal)	**	**	n/a	1,377	*	*	*	*	*	6
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	130	**	**		2	*	*	*	*	16
	(Renewal)	**	**	n/a	843	**	*	*	*	*	15
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	110	**	**	83	2	*	*	*	*	25
	(Renewal)	**	**	n/a	1,440	**	*	*	*	*	10

Table 7a. Licensing Data by Type											
	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	683	**	**	582	1	*	*	*	*	17
	(Renewal)	**	**	n/a	1,268	*	*	*	*	*	10
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	678	**	**	649	2	*	*	*	*	26
	(Renewal)	**	**	n/a	1,261	**	*	*	*	*	15
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	703	**	**	641	18	*	*	*	*	13
	(Renewal)	**	**	n/a	1,053	**	*	*	*	*	25

Table 7a. Licensing Data by Type											
	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	3	**	**	1	0	*	*	*	*	12
	(Renewal)	**	**	n/a	3	**	*	*	*	*	10
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	11	**	**	7	0	*	*	*	*	3
	(Renewal)	**	**	n/a	4	**	*	*	*	*	18
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	6	**	**	4	1	*	*	*	*	11
	(Renewal)	**	*8	n/a	3	**	*	*	*	*	25

Table 7a. Licensing Data by Type

	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	764	**	**	751	0	*	*	*	8	17
	(Renewal)	**	**	n/a	4,395	**	*	*	*	*	12
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	855	**	**	1034	4	*	*	*	*	11
	(Renewal)	**	**	n/a	5,815	**	*	*	*	*	10
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	622	**	*8	597	11	*	*	*	*	12
	(Renewal)	**	**	n/a	3,930	**	*	*	*	*	15

Table 7a. Licensing Data by Type

	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	159	**	**	133	0	*	*	*	*	18
	(Renewal)	**	**	n/a	635	*	*	*	*	*	10
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	134	**	*8	124	0	*	*	*	*	20
	(Renewal)	**	**	n/a	645	**	*	*	*	*	10
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	133	**	**	113	8	*	*	*	*	12
	(Renewal)	**	**	n/a	538	**	*	*	*	*	10

Table 7a. Licensing Data by Type

	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	11	**	**	11	0	*	*	*	*	11
	(Renewal)	**	**	n/a	125	*	*	*	*	*	7
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	9	**	**	9	0	*	*	*	*	19
	(Renewal)	**	**	n/a	124	**	*	*	*	*	5
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	7	**	**	6	0	*	*	*	*	16
	(Renewal)	**	**	n/a	120	**	*	*	*	*	10

Table 7a. Licensing Data by Type											
	Application Type Wholesaler	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Bureau control*	Within Bureau control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2010/11	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	32	**	**	30	0	*	*	*	*	16
	(Renewal)	**	**	n/a	72	*	*	*	*	*	8
FY 2011/12	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	29	**	**	21	0	*	*	*	*	16
	(Renewal)	**	**	n/a	80	*	*	*	*	*	11
FY 2012/13	(Exam)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	(License)	27	**	**	15	0	*	*	*	*	16
	(Renewal)	**	**	n/a	66	**	*	*	*	*	10

- * Not tracked by Bureau – the Department only utilized the Licensing Job Creation reports from September 2010 to August 2011, which captured the license applications closed. In addition the ATS system does not provide a way for the Bureau’s license type to capture the pending applications by inside or outside of Bureau control – the Total (Close of FY) was taken from the June 30th application statistical report in ATS.
- ** The Bureau does not have a mechanism to count the renewals received. The only time a renewal would not be processed is if there were a citation hold in place or the candidate was ineligible for renewal (family support, etc.). In all circumstances it is a very small population.

Table 7b. Total Licensing Data			
	FY 2010/11	FY 2011/12	FY 2012/13
Initial Licensing Data:			
Initial License/Initial Exam Applications Received	5,139	4,888	3,989
Initial License/Initial Exam Applications Approved	*	*	*
Initial License/Initial Exam Applications Closed	*	*	*
License Issued	4,864	4,816	3,833
Initial License/Initial Exam Pending Application Data:			
Pending Applications (total at close of FY)	6	20	118
Pending Applications (outside of bureau control)*	*	*	*
Pending Applications (within the bureau control)*	*	*	*
*			
Average Days to Application Approval (All - Complete/Incomplete) – EAR	28	29	26
Average Days to Application Approval (All – Complete/Incomplete) – HFTI	20	18	13
Average Days to Application Approval (incomplete applications)*	*	*	*
Average Days to Application Approval (complete applications)*	*	*	*
License Renewal Data:			
License Renewed	24,059	25,862	22,668

* Optional. List if tracked by the Bureau.

19. How does the Bureau verify information provided by the applicant?

- a. What process is used to check prior criminal history information, prior disciplinary actions, or other unlawful acts of the applicant?**

When applying for licensure, the applicant certifies and signs under penalty of perjury that the information being submitted is true. The applicant is also advised that any misstatements or erroneous information can lead to disciplinary action or denial of the application. When a criminal conviction is indicated on the application, the Bureau requires the applicant to complete a questionnaire to fully disclose all criminal convictions. The Bureau then obtains court records to determine if the convictions have a substantial relationship to the functions and duties of a licensee/registrant. The Bureau's enforcement database is also searched for criminal and administrative cases, outstanding citations or other actions.

- b. Does the Bureau fingerprint all applicants?**

No, the Bureau has no statutory authority to fingerprint applicants.

- c. Have all current licensees been fingerprinted? if not, explain.**

No, as stated above the Bureau does not have statutory authority to fingerprint applicants. Note: the Bureau licenses/registers businesses, not individuals.

- d. Is there a national databank relating to disciplinary actions? Does the Bureau check the national databank prior to issuing a license? Renewing a license?**

There is not a national database for disciplinary actions for the industries under the Bureau's purview.

- e. Does the Bureau require primary source documentation?**

The statutory requirements are a completed application, fee, and in the case of service contract sellers and administrators, financial documentation and sample contracts are required.

20. Describe the Bureau's legal requirement and process for out-of-state and out-of-country applicants to obtain licensure.

There are no special or specific requirements for out-of-state or out-of-country applicants, except service contract sellers and administrators must provide a Certification of Qualification.

21. Does the bureau send no longer interested notifications to DOJ on a regular and ongoing basis? Is this done electronically? Is there a backlog? If so, describe the extent and efforts to address the backlog.

The Bureau does not fingerprint, and as such does not have a current account with DOJ to receive criminal records.

Examinations

This section is not applicable in its entirety - the Bureau does not administer exams and there are no continuing education/competency requirements.

22. Describe the examinations required for licensure. Is a national examination used? Is a California specific examination required? N/A

23. What are pass rates for first time vs. retakes in the past 4 fiscal years? (Refer to Table 8: Examination Data) N/A

24. Is the Bureau using computer based testing? If so, for which tests? Describe how it works. Where is it

available? How often are tests administered? N/A

25. Are there existing statutes that hinder the efficient and effective processing of applications and/or examinations? If so, please describe. N/A

School Approvals

26. Describe legal requirements regarding school approval. Who approves your schools? What role does BPPE have in approving schools? How does the bureau work with BPPE in the school approval process? N/A

27. How many schools are approved by the bureau? How often are schools reviewed? N/A

28. What are the bureau's legal requirements regarding approval of international schools? N/A

Continuing Education/Competency Requirements

29. Describe the Bureau's continuing education/competency requirements, if any. Describe any changes made by the Bureau since the last review.

- a. How does the Bureau verify CE or other competency requirements? N/A
- b. Does the Bureau conduct CE audits on its licensees? Describe the Bureau's policy on CE audits. N/A
- c. What are consequences for failing a CE audit? N/A
- d. How many CE audits were conducted in the past four fiscal years? How many fails? N/A
- e. What is the Bureau's course approval policy? N/A
- f. Who approves CE providers? Who approves CE courses? if the Bureau approves them, what is the bureau application review process? N/A
- g. How many applications for CE providers and CE courses were received? How many were approved? N/A
- h. Does the Bureau audit CE providers? If so, describe the Bureau's policy and process. N/A
- i. Describe the Bureau's effort, if any, to review its CE policy for purpose of moving toward performance based assessments of the licensees' continuing competence. N/A

Section 5

30. What are the Bureau's performance targets/expectations for its enforcement program? Is the bureau meeting those expectations? If not, what is the bureau doing to improve performance?

Business and Professions Code Sections 9810.1 and 19004.1 specify that protecting the public is the highest priority of the Bureau and paramount to any other interests. The Bureau maintains an enforcement program designed to protect consumers, minimize substandard practice, and discipline licensees as warranted.

BEARHFTI is meeting the targets/expectations for its intake and investigations with a target time of 180 days and has been able to meet that goal consistently within half of the time, as reflected in the Performance Measure Goals (Section 12, Attachment E). Conversely, BEARHFTI has not been able to meet the Formal Disciplinary

targets, due to delays at the Attorney General's office which are outside BEARHFTI's control.

The Bureau conducts routine inspections, investigates complaints, and takes necessary disciplinary action to promote consumer protection, minimize substandard practice, and maintain a fair and competitive marketplace.

In 2013, the Bureau is focused on three enforcement goals as identified in the Bureau's Strategic Plan:

- Revise the Bureau's disciplinary guidelines to remediate misconduct.
- Review and update the probationary monitoring program to effectively monitor probationer terms and conditions.
- Develop and implement a plan to address unlicensed activity, illegal, or unfair business practices. Disciplinary Guidelines

The disciplinary guidelines for both programs were last updated in 1997. The Bureau has drafted new guidelines for both the Electronic and Appliance Repair Law and the Home Furnishings and Thermal Insulation Act. The Bureau has worked closely with the Office of the Attorney General and the Department's Legal Division to ensure that the new language and terminology, and terms and conditions are appropriate. Currently, the guidelines are undergoing review. The Bureau anticipates that regulations will be promulgated in the current Fiscal Year.

Probation Monitoring Program

In January 2013, the Bureau reviewed and refined procedures of the Probation Monitoring Program. The Bureau began adding additional probation requirements to stipulated settlements, began using licensing coding for tracking purposes, as well as posting probationer information on the Bureau's website providing for increased public disclosure.

Unlicensed Activity

In February 2013, the Bureau effectuated a policy change to more effectively address unlicensed activities. Specifically, the Bureau first seeks compliance by issuing an order of abatement citation with a notice to comply. Non-compliance is followed by a citation and fine, which can be issued via certified mail. This substantially reduces the need for field staff to contact the unlicensed business owner in person a second time, and their time is more efficiently allocated to address others that are unlicensed or operating with an expired license. After issuance of an abatement order and levying of a fine, if compliance is not obtained, the Bureau then seeks other enforcement actions with escalating consequences.

Further, office staff are now triaging consumer complaints and referring complaints to the field as necessary. This ensures that field staff has more time to be active in the field to address unlicensed and unscrupulous practitioners and handle the most complex consumer complaints.

Since implementation of the new policy, the volume of citations issued by the Bureau has increased dramatically. The Bureau is currently averaging 84 citations per month and the result of these citations has been a high ratio of compliance.

31. Explain trends in enforcement data and the Bureau's efforts to address any increase in volume, timeframes, ratio of closure to pending, or other challenges. What are the performance barriers? What improvement plans are in place? What has the Bureau done and what is the Bureau going to do to address these issues, i.e., process efficiencies, regulations, BCP, legislation?

The Bureau is unique in the fact that a lot of work is done in the field - via site inspection. In the Home Furnishings arena, the regulation is more product-safety driven than consumer complaint responsive. Products are inspected for proper labeling, sanitization of used and rebuilt mattresses, identifying product source to ensure the manufacturers are properly licensed and that consumer safety is ensured by sampling products for testing. On the Electronic and Appliance Repair side, like most licensing programs, many investigations are based on consumer complaint,

industry tips, and facilities are inspected for proper estimate practices, invoicing, proper repairs and disclosure to the consumer. However, the Bureau takes a positive approach in working to assist companies with complying with consumer protection laws in their business practices. The Bureau has a comprehensive –Write It Right” document on its website to provide instruction in how to properly give estimates, invoice, provide diagnostic fee and service call quotations. If a violation notice is given in the field, the Bureau continues to monitor the business for repeat violations so that further action may be warranted.

Table 9a. Enforcement Statistics			
	FY 2010/11	FY 2011/12	FY 2012/13
Complaint			
Intake (Use CAS Report EM 10)			
Received	2,153	1,910	1,621
Closed without Assignment	7	7	9
Referred to INV	2,150	1,906	1,739
Average Time to Close	6	8	8
Pending (close of FY)	31	28	29
Source of Complaint (Use CAS Report 091)			
Public	1,449	1,184	858
Licensee/Professional Groups	4	0	1
BEARHFTI	698	724	757
Other	2	2	2
Conviction / Arrest (Use CAS Report EM 10)			
CONV Received	n/a	n/a	n/a
CONV Closed	n/a	n/a	n/
Average Time to Close	n/a	n/a	n/a
CONV Pending (close of FY)	n/a	n/a	n/a
License denial (Use CAS Reports EM 10 and 095)			
License Applications Denied	10	10	7
SOIs Filed	4	10	7
SOIs Withdrawn	1	0	2
SOIs Dismissed	0	0	0
SOIs Declined	0	0	0
Average Days SOI	449	564	530
Accusation (Use CAS Report EM 10)			
Accusations Filed	1	1	1
Accusations Withdrawn	0	0	0
Accusations Dismissed	0	0	0
Accusations Declined	0	0	0
Average Days Accusations	0	789	448
Pending (close of FY)	3	1	

Table 9b. Enforcement Statistics (continued)			
	FY 2010/11	FY 2011/12	FY 2012/13
Discipline			
Disciplinary Actions (Use CAS Report EM 10)			
Proposed/Default Decisions	4	6	2
Stipulations	0	3	4
Average Days to Complete	528	623	776
AG Cases Initiated	7	11	11
AG Cases Pending (close of FY)	13	16	18
Disciplinary Outcomes (Use CAS Report 096)			
Revocation	0	3	0
Voluntary Surrender	0	0	1
Suspension	0	0	0
Probation with Suspension	0	0	0
Probation	0	0	0
Probationary License Issued	4	3	3
Denial Upheld (Default or Decision/Order)	3	3	2
Other	2	0	0
Probation			
New Probationers	7	2	6
Probations Successfully Completed	0	1	2
Probationers (close of FY)	7	8	11
Petitions to Revoke Probation	0	0	0
Probations Revoked	0	0	0
Probations Modified	1	0	1
Probations Extended	0	0	0
Probationers Subject to Drug Testing	0	0	1
Drug Tests Ordered	0	0	0
Positive Drug Tests	0	0	0
Petition for Reinstatement Granted (this is for reinstatement of previously revoked license, not probationary license)	2	0	0
Diversion			
New Participants	N/A	N/A	N/A
Successful Completions	N/A	N/A	N/A
Participants (close of FY)	N/A	N/A	N/A
Terminations	N/A	N/A	N/A
Terminations for Public Threat	N/A	N/A	N/A
Drug Tests Ordered	N/A	N/A	N/A
Positive Drug Tests	N/A	N/A	N/A

Table 9c. Enforcement Statistics (continued)			
	FY 2010/11	FY 2011/12	FY 2012/13
Investigation			
All Investigations (Use CAS Report EM 10)			
First Assigned	2,153	1,905	1,877
Closed	2,254	1,874	1,844
Average days to close	63	66	62
Pending (close of FY)	283	315	306
Desk Investigations (Use CAS Report EM 10)			
Closed	1,750	1,488	1,210
Average days to close	55	56	52
Pending (close of FY)	191	129	199
Non-Sworn Investigation (Use CAS Report EM 10)			
Closed	504	386	674
Average days to close	85	98	104
Pending (close of FY)	92	186	107
Sworn Investigation			
Closed (Use CAS Report EM 10)	N/A	N/A	N/A
Average days to close	N/A	N/A	N/A
Pending (close of FY)	N/A	N/A	N/A
Compliance action (Use CAS Report 096)			
ISO & TRO Issued	0	0	0
PC 23 Orders Requested	0	0	0
Other Suspension Orders	0	0	0
Public Letter of Reprimand	0	0	0
Cease & Desist/Warning	1	0	0
Notices of Violation Issued	2,000	1,584	1,396
Referred for Diversion	0	0	0
Compel Examination	0	0	0
Citation and fine (Use CAS Report EM 10 and 095)			
Citations Issued	72	121	465
Average Days to Complete	183	114	30
Amount of Fines Assessed	\$31,700	\$39,850	\$28,000
Reduced, Withdrawn, Dismissed	\$4,250	\$9,750	\$3,750
Amount Collected	\$12,200	\$19,600	\$14,100
Criminal action			
Referred for Criminal Prosecution	0	0	0
Inspections conducted	5,687	4,653	3,109

Table 10. Enforcement Aging

	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	Cases Closed	Average %
Attorney General Cases (Average %)						
Closed Within:						
1 Year	1	2	2	2	7	18%
2 Years	2	9	5	5	21	53.85%
3 Years	2	3	3	2	10	25.64%
4 Years	0	0	0	0	0	0%
Over 4 Years	0	1	0	0	1	.56%
Total Cases Closed	5	15	10	9	39	100%
Investigations (Average %)						
Closed Within:						
90 Days	2,208	1,708	1,500	1,370	6,858	76.39%
180 Days	550	370	256	189	1,365	15.2%
1 Year	336	96	93	111	636	7.08%
2 Years	55	8	25	27	115	1.28%
3 Years	1	0	0	3	4	.04%
Over 3 Years	0	0	0	0	0	0%
Total Cases Closed	3,150	2,254	1,874	1,700	8,978	100%

32. What do overall statistics show as to increases or decreases in disciplinary action since last review.

In 1995-96, the Bureau (then separate Bureaus) reported a total of 52 Citations issued. These have increased dramatically. The Bureaus filed only two Statements of Issues in 1995-96 combined, however, in the last three fiscal years, it has filed an average of 9-10 per year. While the number of accusations and subsequent revocations has decreased, the Bureau has used other disciplinary methods (education, violation notices, citations, telephone disconnect and probation) in an effort to gain compliance in the marketplace.

33. How are cases prioritized? What is the Bureau's complaint prioritization policy? Is it different from DCA's complaint prioritization guidelines for Health care agencies (august 31, 2009)? If so, explain why.

The highest priority of the Bureau is consumer protection. The Bureau makes sure resources are allocated to respond to consumer complaints and that illegal or unethical behavior is addressed appropriately. The Bureau works closely with the Office of the Attorney General on administrative actions and to prioritize workload to address the most egregious acts first. When appropriate, the Bureau refers cases to the district attorney's to pursue criminal or civil actions.

The Bureau uses the applicable criteria in the Complaint Prioritization Guidelines for Health Care Agencies (CPGFHCA), in that complaints regarding health and safety issues are of the highest priority, multiple complaints, and where there is a financial harm to the consumer because of fraud or dishonest dealings. Unlicensed activity is also considered a high priority as the respondent is an unknown quantity until they are licensed. As with CPGFHCA, the Bureau deems advertising discrepancies, invoicing, etc. complaints as routine. Cases with a higher priority are transferred to field staff to work at the Bureau, routine complaints are normally handled through the DCA Complaint Resolution Unit.

34. Are there mandatory reporting requirements? For example, requiring local officials or organizations, or other professionals to report violations, or for civil courts to report actions taken against a licensee. Are there problems with receiving the required reports? If so, what could be done to correct the problems?

There are no mandatory reporting requirements; however, the Bureau has faced some challenges when it comes to obtaining information on criminal court action in the past regarding adjudication which can impact its own disciplinary action. The Bureau diligently follows up when there is criminal or civil action that impacts a license.

35. Does the Bureau operate with a statute of limitations? If so, please describe and provide citation. If so, how many cases were lost due to statute of limitations? If not, what is the bureau's policy on statute of limitations?

The Bureau does not operate with a statute of limitations for its administrative discipline cases. However, since there is a statute of limitations on criminal cases which is generally one-year from the date of discovery for misdemeanor cases (and violations of the Act are deemed misdemeanor offenses per Business and Professions Code Sections 9850 and 19220), the Bureau works diligently with its enforcement staff and the Office of the Attorney General to avoid losing cases to an expiration of the statute of limitations.

The Bureau does not have record of any cases lost in the past five years due to a statute of limitations issue.

36. Describe the Bureau's efforts to address unlicensed activity and the underground economy.

The Bureau's authority to cite and fine individuals and businesses engaging in unlicensed activity is an effective administrative tool in addressing such activity. In seeking out unlicensed practitioners, the Bureau conducts field visits and inspections. After issuance of an abatement order and levying of a fine, the Bureau then seeks other enforcement actions with escalating consequences.

The Bureau also works with a variety of state agencies, local law enforcement entities and the Office of the Attorney General to combat unlicensed activity, predatory practices, and other violations of the Electronic and Appliance Repair Law and Home Furnishings Act.

The Bureau looks for opportunities to partner with other agencies in combating unlicensed activity. Some of those partnerships have included:

- In 2012, the Bureau concluded a joint investigation with the San Mateo County District Attorney's Office. A \$195,000 judgment was awarded against the unlicensed company. The company has since registered with the Bureau. The judgment also stipulated other consumer protection terms regarding warranty and repair work over the course of the next two years.
- The Bureau partners with the California Public Utilities Commission. When an unlicensed appliance and service repair business is non-compliant, the Bureau will initiate a business phone disconnect under the Business and Professions Code Section 149. In 2012, the Bureau initiated 42 telephone disconnects. The Bureau understands that CPUC has the ability to disable the website of a non-compliant business. This is an area where the potential for greater collaboration between the Bureau and CPUC exists.

Cite and Fine

37. Discuss the extent to which the Bureau has used its cite and fine authority. Discuss any changes from last review and last time regulations were updated. Has the bureau increased its maximum fines to the \$5,000 statutory limit?

In 2009, the Bureau modified its practice to seek compliance of unlicensed activity through an initial field visit with the goal of correcting the unlicensed activity by informing them of the Bureau's registration requirements. Failure to comply would prompt the Bureau to seek compliance through issuance of a citation. In many cases, the

initial contact would result in the business completing the registration process and paying the appropriate fees or delinquent fees.

In recent years, the electronic and appliance repair business has markedly changed from storefronts to mobile businesses, making it increasingly difficult to make a follow-up field contact with someone who is not willing to comply with the Bureau's registration requirements. This prompted the Bureau to review our processes for addressing unlicensed activity.

In 2013, the Bureau effectuated a policy change to appropriately address the current marketplace. Specifically, the Bureau first seeks compliance by issuing an order of abatement citation with a notice to comply. Non-compliance is followed by a citation and fine, which can be issued via certified mail. This substantially reduces the need for field staff to contact the unlicensed business owner in person a second time, and their time is allocated to address others that are unlicensed or operating with an expired license. Under this new policy, the number of citations issued more appropriately reflects the unlicensed activity that the Bureau is addressing. The respondent has the right to appeal both the order of abatement and the citation with fine, in accordance with Government Code Section 11500.

The Bureau's maximum fines are not at the \$5,000 statutory limit.

38. How is cite and fine used? What types of violations are the basis for citation and fine?

Cite and fine has been used for unlicensed and delinquent activity, advertising violations, in conjunction with statewide withhold from sale actions, estimate and invoicing violations and failure to return parts.

39. How many informal office conferences, disciplinary review committees reviews and/or administrative procedure act appeals in the last 4 fiscal years?

Over the last four fiscal years, the Bureau has conducted 35 Citation Review Conferences, and five Administrative hearings for citation appeal.

40. What are the 5 most common violations for which citations are issued?

The most common violations are:

- Unlicensed activity (B&P Code Section 9840/19049)
- Product test failures (flammability and/or label) (CCR Sections 1370-1374.3)
- Operating/advertising under a name and/or address other than registered (CCR Section 2751)
- Failure to provide written estimates/diagnoses fee. (CCR Sections 2722, 2722.5, 2723, 2725)
- Failure to return parts. (B&P Code Section 9843)

41. What is average fine pre and post appeal?

The typical citation for Electronic and Appliance Repair violations is \$250, and Home Furnishings and Thermal Insulation violations is \$500.

42. Describe the bureau's use of franchise tax Bureau intercepts to collect outstanding fines.

The Bureau is currently participating in the Franchise Tax Bureau (FTB) intercept program to collect dishonored checks and plans to expand the program to include unpaid fines associated with citations. Staff are currently notifying respondents with outstanding fines of the intent to submit to FTB, if they fail to pay, and is finalizing those procedures to begin transmitting those who remain out of compliance to FTB for interception.

Cost Recovery and Restitution

43. Describe the Bureau's efforts to obtain cost recovery. Discuss any changes from the last review.

The Bureau has not historically sought cost recovery under its disciplinary actions, unless the action was to

place a license on probation in lieu of revocation or voluntary surrender.

44. How many and how much is ordered for revocations, surrenders and probationers? How much do you believe is uncollectable? Explain.

The Bureau has only historically ordered cost recovery for stipulated agreements in lieu of revocation or voluntary surrender. It has collected on the orders it has made in the past. Since most of the probationers are new licensees with a criminal history, there is no cost recovery associated with the criminal history process. It is a denial and an appeal based on a prior criminal conviction, not a violation of our law that was investigated.

45. Are there cases for which the Bureau does not seek cost recovery? Why?

The Bureau seeks revocation for its administrative cases, and has found it is nearly impossible to recover costs from a company who has its license (and livelihood) taken away. In cases where there is a stipulation for probation, there is a better chance for cost recovery.

46. Describe the Bureau's use of franchise tax Bureau intercepts to collect cost recovery.

The Bureau currently does not use FTB for intercepts for cost recovery; however, it will be part of the extension of what is currently used now for dishonored checks and will be implemented for outstanding fines associated with citations.

47. Describe the Bureau's efforts to obtain restitution for individual consumers, any formal or informal bureau restitution policy, and the types of restitution that the Bureau attempts to collect, i.e., monetary, services, etc. describe the situation in which the Bureau may seek restitution from the licensee to a harmed consumer.

BEARHFTI cannot order restitution; however it can recommend settlements of refunds, reworks, and adjustments of the transactions. In 2012-13, BEARHFTI was able to recover approximately \$240,000 directly related to consumer complaints. BEARHFTI works complaints through the DCA Complaint Resolution Unit, and through its field staff. While not all complaints have a monetary value associated, additionally not all consumer complaints consist of violations of the statute or regulation and a monetary settlement is not always an appropriate recommendation.

In cases where a pattern of violations is manifest, BEARHFTI will conduct a formal investigation based on the violations and seek disciplinary action, as appropriate. If the violations are egregious, BEARHFTI will seek revocation of the registration/license. In the case of a revocation, most times there is not an opportunity to seek cost recovery or restitution, as the business has closed operation, however a judge may order either if the case goes to hearing. Since stipulated probations are rare in disciplinary proceedings against licensees (probations are more common for denied licenses on appeal), revocations do not contain a stipulation and collection of those fees is virtually impossible if the license has been taken away – so has the leverage.

Section 6

48. How does the Bureau use the Internet to keep the public informed of Bureau activities? Does the Bureau post Bureau meeting materials online? When are they posted? How long do they remain on the website? When are draft meeting minutes posted online? When does the Bureau post final meeting minutes? How long do meeting minutes remain available online?

The Bureau actively updates its website to announce Advisory Council and other public meetings. Draft agenda items are posted to the website for viewing at the time the meeting is announced (at least 10 days in advance of the meeting). Draft minutes are typically posted within 30 days of the meeting. Current meeting minutes remain on the website until the next meeting minutes are posted, and then are archived to an accessible file on the website.

49. Does the Bureau webcast its meetings? What is the Bureau's plan to webcast future bureau and committee meetings?

The Bureau has webcast both the upholstered furniture flammability standard workshop and the thermal insulation workshop held in 2012/2013. The Bureau intends to webcast all Advisory Council and other public meetings, which are held at DCA headquarters using the equipment and facilities when available, or will seek out meeting places, when necessary, at other locales that can provide that option.

50. Does the Bureau establish an annual meeting calendar, and post it on the Bureau's web site?

Yes. The Bureau announced the annual meetings in the 2013 newsletter (which is posted on the web site). Any additional meetings will be announced via the website. The Bureau will continue to provide future postings of all meetings via the newsletter and/or website.

51. Is the Bureau's complaint disclosure policy consistent with DCA's recommended minimum standards for consumer complaint disclosure? Does the Bureau post accusations and disciplinary actions consistent with DCA's Web site posting of accusations and disciplinary actions (may 21, 2010)?

The Bureau's policy is consistent with the DCA Recommended Minimum Standards. In 2013, the Bureau began posting accusations and disciplinary actions on the Web Site in accordance with the DCA's criteria.

52. What information does the Bureau provide to the public regarding its licensees (i.e., education completed, awards, certificates, certification, specialty areas, disciplinary action, etc.)?

The Bureau has a licensing look up component of its website to check the current status of a license/registration, so the public can immediately know if a valid license or registration is held. In addition, citations, statewide withholds from sale, accusations, statement of issues, and disciplinary adjudications, such as revocation, suspension, and probation are posted on the website and are also accessible from the licensing look-up page.

53. What methods are used by the Bureau to provide consumer outreach and education?

The Bureau provides information to guide consumers in making informed choices and businesses to comply with the law via the website. In addition, the Bureau recently produced a newsletter to inform industry of new relevant legislation, Bureau activities, advisory council recruitment, and the ability to pay online. The Bureau also updated its *Consumer Guide to Electronic and Appliance Repair* for dissemination in both English and Spanish.

**Section 7
Online Practice Issues**

54. Discuss the prevalence of online practice and whether there are issues with unlicensed activity. How does the Bureau regulate online practice? Does the Bureau have any plans to regulate internet business practices or believe there is a need to do so?

The Bureau is cognizant of Internet e-tailers that offer furniture and bedding for sale on various products that the Bureau regulates. The Bureau's Compliance Unit is currently working to identify these businesses to educate them regarding the laws and regulations governing transactions with California consumers, the need for licensure and to take appropriate action against companies who fail to comply.

Section 8 Workforce Development and Job Creation

55. What actions has the Bureau taken in terms of workforce development?

The Bureau's website posts resource links to help business owners get started in the relevant industries regulated as well as recently published a newsletter for licensees to help stay informed on the latest changes with the Bureau and the industry.

56. Describe any assessment the Bureau has conducted on the impact of licensing delays.

BEARHFTI has worked to ensure that timeframes are consistently met so there are no delays in the issuance of licenses and registrations, so that businesses are able to open and operate in a reasonable amount of time. During peak workload volumes, staff are redirected from other units to assist with processing and maintaining the timelines.

57. Describe the Bureau's efforts to work with schools to inform potential licensees of the licensing requirements and licensing process.

The Bureau is in the process of identifying different schools that teach electronic and appliance repair and custom upholstery to provide information for students considering going into business for themselves in the regulated fields.

58. Provide any workforce development data collected by the bureau, such as:

a. Workforce shortages

The Bureau has received only anecdotal information regarding shortages in the appliance repair industry of technicians. As technicians do not require registration to work there is no specific data available. There is no data for the other regulated industries.

b. Successful training programs

The Bureau has identified national associations that offer certification in certain areas, such as A+ Computer certification, Electronic and Appliance service provider certification (technician, manager, service center) – which are industry recognized and endorsed. Inquiries received are referred to those entities which offer programs that provide training related to the industries.

Section 9 Current Issues

59. What is the status of the Bureau's implementation of the uniform standards for substance abusing licensees?

Uniform Standards do not apply to the Bureau, because the Bureau is not a healing arts program.

60. What is the status of the Bureau's implementation of the consumer protection enforcement initiative (CPEI) regulations?

Because the Bureau is not a healing arts bureau, the regulatory changes mandated by CPEI do not apply. However, the Bureau strives to achieve the performance measures outlined by CPEI, such as the goal to complete

all investigations within 540 days. In addition, the Bureau continues to report to the department on a quarterly basis its success in meeting the applicable enforcement goals of CPEI.

61. Describe how the Bureau is participating in development of BreeZe and any other secondary it issues affecting the Bureau.

The Bureau is scheduled for Release III. Once Release II nears implementation, the Bureau anticipates its interaction with DCA increasing on this project in preparation for Release III.

**Section 10
Bureau Action and Response to Prior Sunset Issues**

Include the following:

1. Background information concerning the issue as it pertains to the Bureau.

The report presented the following scenarios:

EAR:

Option 1 - Certification

- Maintain status quo
- Aid Industry in self certification efforts
- Certification of technicians

Option 2 – Increased Enforcement

- Maintain status quo
- Increased proactive enforcement and inspection activity
- Dispute resolution through arbitration/mediation only; no enforcement

Option 3 – Review of Long Term Strategy

- Maintain status quo
- Deregulation
- Combine regulatory activity with another dca program or outside agency

Option 4 – Consumer Education

- Maintain status quo
- Aid the industry in the self certification process

Recommendation made in the report:

- Deregulate the electronics repair industry segment
- Continue market evaluation and restoration of appliance repair
- Monitor market condition of service contracts
- Consolidate consumer household products under one bureau

HFTI:

Licensing Options

- Maintain status quo
- Streamline the number of license categories
- Add an importers category for manufacturers outside of the us

Product Options

- Maintain the status quo
- Deregulate the sanitization aspect of the industry
- Reformat labels and educate consumer
- Deregulate practices of product labeling
- Deregulate the waterbed segment of the industry
- Deregulate the feather and down aspect of the industry
- Assume federal guidelines, but maintain authority to enforce

Strategic Direction Options

- Maintain the status quo
- Perform ongoing market condition assessments
- Increase educational opportunities

Recommendations:

- Simplify licensing structure
- Redefine the labeling requirements in format, context and reduce the number of label designs
- Adopt federal plumage guidelines, but maintain ability to enforce
- Deregulate waterbeds and allow industry to self-regulate
- Market condition assessment to target resources and evaluate consumer risk and impact
- Implement a comprehensive communication strategy for education of consumers, targeted industry segments and government and consumer related organizations.

2. Short discussion of recommendations made by the committee/Joint committee during prior sunset review.

The Committee recommended to not deregulate the electronic repair industry as there was still a propensity for consumer fraud and dishonest dealing. While there have been an influx of electronic items as technology expands that are considered “throw away” because of the low price, there have also been a number of “big ticket” items such as home theater products, powerful computers, and other consumer electronics that have been introduced on the marketplace that are more effective to repair. Industry supported continued regulation.

3. What action the Bureau took in response to the recommendation or findings made under prior sunset review.

- A Service Contract Market Study was conducted in 1999 which concluded that regulation was warranted. Note: The scope of regulation was expanded in 2004 to include many other home and personal use products outside the electronic and appliance arena.
- The Bureau of Electronic and Appliance Repair and the Bureau of Home Furnishings and Thermal Insulation were housed together and consolidated some of its like functions and activities in 1998. Over the years, the Bureaus took more opportunities to effectively combine resources for cost-savings and efficiencies. In 2009 legislation merged the two Bureaus.
- The Home Furnishings program restructured its licensing types to simplify and remove duplication for companies who manufactured, imported and wholesaled both furniture and bedding.
- The Importer category was added for overseas companies who manufacture product.
- Amendments were made to the labeling regulations for clarity and simplification.
- Creation of a consumer educational flyer — “What’s In a Label”.
- Deregulation of waterbeds.

4. Any recommendations the Bureau has for dealing with the issue, if appropriate.

The Bureau continues to receive consumer complaints and initiates enforcement activities for all facets of industries it regulates. The Bureau constantly reviews its processes to look for improvements and maximize its resources while maintaining a high level of consumer protection. The Bureau continues to monitor and evaluate the several industries it regulates for appropriateness of regulation.

This is the opportunity for the Bureau to inform the committee of solutions to issues identified by the Bureau and by the committee. Provide a short discussion of each of the outstanding issues, and the Bureau's recommendation for action that could be taken by the bureau, by DCA or by the legislature to resolve these issues (i.e., legislative changes, policy direction, budget changes) for each of the following:

1. Issues that were raised under prior sunset review that have not been addressed.

This is the Bureau's first combined Sunset Review.

2. New issues that are identified by the bureau in this report.

- A. The Bureau is amending regulations to update its disciplinary guidelines and to raise citation fees to the level allowed by statute.
- B. The Bureau is in Phase Three of the integrated licensing and enforcement database known as BreEZe.
- C. The Bureau implemented the credit card payment for renewals for certain license types (focusing on small and foreign businesses which have challenges paying via check or money order). This is an interim solution until the BreEZe system is fully operational, but has been very successful thus far.
- D. The Bureau utilizes the telephone disconnect authority under Business and Professions Code Section 149 for electronic and appliance service dealers. Expanding the authority to apply to websites and other electronic telephone directories would substantially increase the number of disconnects.

3. New issues not previously discussed in this report.

- A. In June 2012, Governor Edmund G Brown Jr. directed the Bureau to review the state's flammability standards set forth in Technical Bulletin 117 and to recommend changes to the standards to reduce toxic flame retardants while continuing to ensure fire safety.

The Bureau has finalized the new upholstered furniture flammability standard entitled Technical Bulletin 117-2013. The Bureau worked closely with manufacturers in developing this standard and in keeping with the Bureau's mission to protect the public and ensure a fair and competitive marketplace, manufacturers will have until January 1, 2015 to meet the requirements of the standard.

- B. Updating the regulations for the Thermal Insulation program. Business and Professions Code Section 19164 lays out specific procedures for how the Bureau will work with other state agencies when promulgating their own regulations regarding thermal insulation.

In May of 2012, the Bureau actively resumed work on the Thermal Insulation standard and corresponding regulations, meeting with the California Building Standards Commission (CBSC) on the process of publishing regulations in Title 24, California Code of Regulations, Part 12, Chapter 12-13. In December 2012, the California Energy Commission provided comments on the draft standard. The Bureau incorporated the recommended changes and held a public workshop on the proposed new standards in June 2013. The Bureau is currently working with industry to finalize the regulations and standard.

- C. On September 30, 2013, Governor Brown signed AB 480 (Calderon, Chapter 421, Statutes of 2013) into law, which will add optical product (both prescriptive and non-prescriptive) service contracts to the Bureau's jurisdiction, effective January 1, 2014. This will increase the Bureau's registration population, and the workload associated with licensing, education, compliance, and enforcement of this segment of the industry.

4. New issues raised by the committee.

N/A

Please provide the following attachments:

A. Bureau’s administrative manual.

See Attachment A.

B. Current organizational chart showing relationship of committees to the bureau and membership of each committee (cf., Section 1, Question 1).

See Attachment B.

C. Major studies, if any (cf., Section 1, Question 4).

See Attachment C.

D. Year-end organization charts for last four fiscal years. each chart should include number of staff by classifications assigned to each major program area (licensing, enforcement, administration, etc.) (cf., Section 3, Question 15).

See Attachment D.

