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CPS HR Consulting Fee Study

April 14, 2023

Senator Richard D. Roth, Chair
Senate Committee on Business, Professions and Economic Development
1021 O Street, Room 3320
Sacramento, CA 95814

Assembly Member Marc Berman, Chair
Assembly Committee on Business and Professions
Legislative Office Building, Room 379
Sacramento, California 95814

Dear Chairs Roth and Berman:

The Bureau of Household Goods and Services (Bureau) administers three programs – Electronic and Appliance Repair (EAR), Home Furnishings and Thermal Insulation (HFTI), and Household Movers (HHM).

In 2021, the Bureau commissioned an independent fee study with CPS HR Consulting to review the fee schedules across its three separate programs to determine appropriate fee levels to adequately recover costs. CPS HR Consulting was also asked to evaluate whether the Bureau should consolidate these three funds into a single fund or continue to retain separate funds for each program area. California Business and Professions code section 19288 requires that the Bureau adopt its own fee structure.

In 2021, and again in 2022, CPS HR Consulting conducted a workload analysis of Bureau staff. They met with Bureau management, conducted staff surveys and prepared the enclosed report.

While the fee study report recommends significant fee increases for EAR and HFTI, the Bureau recommends more moderate fee increases for these two programs and will plan a further workload analysis after the full implementation/integration of the Household Movers program. In addition, based on the evaluation provided in the fee study, the Bureau recommends consolidating the three separate funds into a single fund both to more accurately account for program costs and to facilitate administrative tasks. (These issues are discussed in more detail in the Bureau's Sunset Report as New Issue #1, "Fund Consolidation and Limited Fee Increases," pp. 90-92).

Fee Study: Key Findings

- The fee study recommends significant license/registrant fee increases to EAR and HFTI to address a structural imbalance between what the Bureau spends each year and incoming revenue to these funds. The fee study projects that the EAR program will have a deficit by Fiscal Year 2025-26 (page 47).
- While HHM continues to grow a budget surplus annually, the 2022 workload analysis identified approximately 8 positions that perform HHM work but that are paid for by the EAR and HFTI programs (3.4 PY and 4.3 PY respectively, page 60). Though this analysis captures a finite period of time, it comports with the Bureau's internal discussions that HHM implementation requires more staff time and resources than was planned and budgeted for as part of transitioning the program from the Public Utilities Commission to the Bureau (SB 19, Hill, 2017). The Bureau expects to complete implementation of the HHM program with existing staff resources and is not seeking a budget change proposal for additional staff.
- Through its work time allocation analysis, the fee study noted that consolidating the three separate funds into a single fund would "allow BHGS to more easily justify staff to perform work across multiple programs, providing coverage or back-up to other areas and maintaining more smooth operations in the event of vacancies" (p. 48).

Bureau Recommendations

- The Bureau recommends more modest fee increases for EAR and HFTI than the fee study recommends to ensure that all license types pay fees that allow the Bureau to adequately recover its operational costs. The Bureau does not recommend increasing permit fees for HHM. The Bureau's detailed fee recommendations are on pages 90-92 of the Sunset Report.
- Based on the findings in the fee study and a review of Bureau internal operations (e.g., fleet operations, supply ordering, staffing), the Bureau recommends that the three separate operating funds be consolidated into a single fund. It is exceedingly difficult to accurately reconcile costs for three different programs on a day-to-day or month-to-month basis. For example, the bureau chief and all other staff are compensated from one specific fund, but often work in all three program areas. Following fund consolidation and completion of the initial implementation of the HHM program (i.e., implementing enforcement and licensing regulations and completing the IT transfer from the Public Utilities Commission system to a DCA platform), the Bureau recommends a routine

workload analysis utilizing DCA resources to determine the accurate allocation of staff time and funds.

Please let me know if you have any questions or concerns, thank you.
Sincerely,

A handwritten signature in black ink that reads "Justin Paddock". The script is cursive and fluid, with the first letter of each word being capitalized and larger than the others.

Justin Paddock, Chief

December 15, 2022

FINAL REPORT

Bureau of Household Goods and Services: Fee Study

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Introduction and Bureau History

The Bureau of Household Goods and Services (Bureau or BHGS) is a regulatory body under the organizational structure of the California Department of Consumer Affairs (DCA). The Bureau is currently comprised of three programs – Home Furnishings and Thermal Insulation (HFTI), Electronic and Appliance Repair (EAR), and Household Movers (HHM). In the HFTI program, the Bureau licenses and regulates the manufacture and sale of upholstered furniture, bedding, and thermal insulation products, and conducts flammability and sanitization testing. In the EAR program, the Bureau registers and regulates electronic and appliance repair businesses and has jurisdiction over the sale and administration of service contracts over consumer products. In the HHM program, the Bureau regulates household movers performing moves of household goods and personal effects over any public highway in the state. The Bureau’s mission is: “to protect and serve consumers while ensuring a fair and competitive market.”

The HFTI program was originally established under the Bureau of Labor Statistics in 1911 in response to unscrupulous manufacturing in the mattress industry which contributed to the fires following the 1906 San Francisco earthquake. Mattress manufacturers were required to label their products to disclose the mattresses’ concealed filling materials. These requirements extended to upholstered furniture manufacturers in 1927.

In 1935, HFTI (initially named the Bureau of Furniture and Bedding Inspection) was established under the Department of Professional and Vocational Standards, which later became the Department of Consumer Affairs. The HFTI’s jurisdiction expanded to include retailers, wholesalers, and importers. This provided HFTI a mechanism to trace the origin of a product to remove products deemed dangerous from the marketplace. Today, BHGS’s jurisdiction includes supply dealers, custom upholsterers, thermal insulation manufacturers, and bedding sanitizers.

The California Bureau of Electronic and Appliance Repair (EAR) 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 EAR’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 EAR’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. Senate Bill 1483 (Hill, Ch. 578, St. of 2018) further expanded products covered under service contracts to all consumer products (with a few exceptions) beginning January 1, 2020.

In an effort to effectively share resources and provide cost savings, HFTI and EAR were housed together and placed under the oversight of one Chief in the late 1990s. Over time, different units within the Bureaus consolidated and staff cross-trained, blending the workload together. In 2009, legislation (ABx4 20) officially merged the two bureaus together as the Bureau of Electronic and Appliance Repair, Home Furnishings, and Thermal Insulation (BEARHFTI).

In October of 2017, Senate Bill 19 was signed into law and established within BEARHFTI the Division of Household Movers. The purpose of this division is regulation of household movers performing moves of household goods and personal effects over any public highway in the state. Jurisdictional oversight of this industry was transferred from the California Public Utilities Commission to BEARHFTI on July 1, 2018. In recognition of the Bureau's expanded role, Senate Bill 1483 changed the name of the Bureau to the Bureau of Household Goods and Services effective January 1, 2019.

Project Scope and Objectives

BHGS is a consumer protection agency that is entirely funded by license fees and enforcement assessments and as described above, with the addition of HHM as of July 2018, the Bureau became comprised of three distinct programs. In December 2021, BHGS contracted with CPS HR Consulting (CPS) to conduct a study of its fee structures across its three programs (HFTI, EAR, HHM) to determine if fee levels are appropriate for the recovery of the actual program costs to meet their mandated functions for the next five years. Given the recent adoption of the HHM program, one of the primary reasons for the fee study was for the Bureau to develop a new fee schedule for HHM. The legal maximum months in reserve for all three programs is 24 months. BHGS management requested that fees be set at a level that would maintain the months in reserve balance between 10 to 15 months. The specific recommended fee levels can be found in the Recommended Fee Levels section of the report. The Bureau also sought recommendations from CPS to implement new fees, abolish select fees and modify how certain fees are structured. Additionally, the Bureau seeks recommendations regarding combining the three funds associated with the three programs into a single fund.

Approach and Methodology

The CPS HR approach to determining the recommended fees is outlined in the high-level methodology below.

Project Initiation and Project Management

CPS conducted an initial kick-off meeting with BHGS leadership and supervisors to confirm the scope of the study, request the needed background documents, and obtain a high-level understanding of the work performed and the current fee structure. Meetings were held with the project sponsor on a regular basis to provide updates, discuss subsequent steps, and request additional information or clarification as needed.

Current Fees, Fee History and Changes to Fee Structure

The Current Fees, Fee History and Changes to Fee Structure describes each fee, past fee levels and current fee levels. The section also presents recommended changes to the fee structure for all three programs.

Revenue and Expense Analysis

The Revenue and Expense Analysis examines historical and projected revenue and expenditures in detail and identifies the current trajectory and projected months in reserve for each fund. This includes identifying any structural imbalances in the funds that contributes to the need to revise the fees to align with the targeted months in reserve. It also highlights the categories of smallest and largest revenue and expenses to understand BHGS's complete financial picture.

Funding Gap Analysis

The Funding Gap Analysis examines the projected revenues and expenditures in context of each overall fund condition and in a potential combined fund condition across the three programs. This analysis determined the required revenue to cover the projected expenditures in addition to maintaining a healthy 10-to-15-month reserve. The difference between the projected revenue and the required revenue was categorized as the funding gap – the amount needed to be covered by the increased fees.

Fee Costing Analysis Methodology

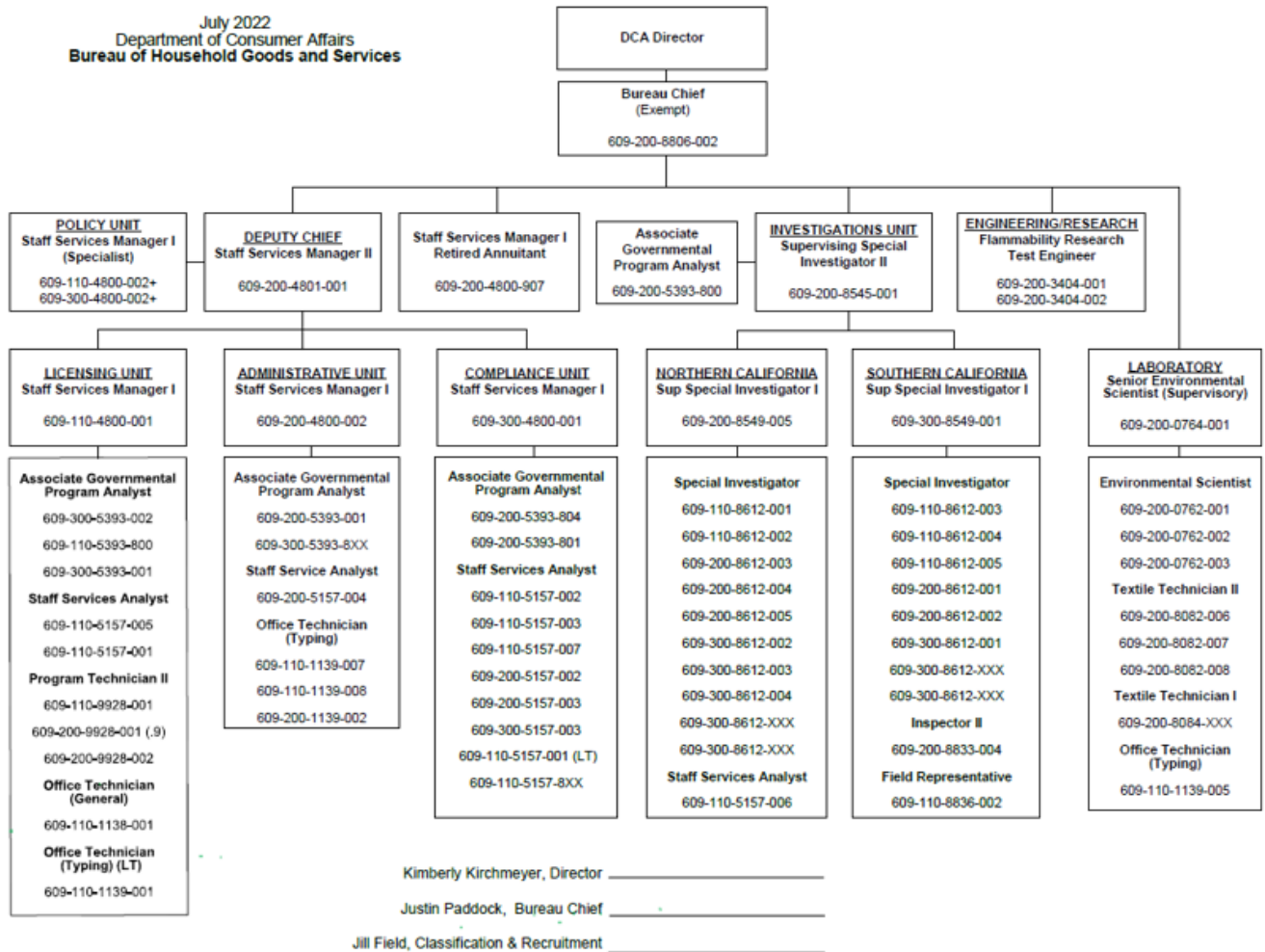
The Fee Costing Analysis determined the revenue needed to cover the expenditures associated with each fee, outlining the work requirements and industry considerations utilized in determining the recommended fees. This analysis involved four distinct phases.

- **Licensing, Exam, and Enforcement Workload Statistics** – Describes the review of historical workload statistics to identify trends or anomalies in the frequency of work in order to project the future workload requirements. This included a review of delinquent and penalty renewals statistics to ensure delinquency fees were incorporated into the expected revenue stream.
- **Work Time Allocation Analysis** – Describes the quantification of work related to the various fees, including an analysis of staff time through work time allocation spreadsheets and the distribution of licensing, administrative unit, enforcement, and laboratory position time.
- **Distribution of Expenses** – Describes how the Personnel, Operating, Enforcement, and Direct Assessment expenditures outlined in BHGS's budget were distributed among the fees.
- **Determination of Initial Fee Levels and Adjustments** – Describes how overall fees were calculated and how adjustments were made to take into consideration the impact on licensees, industry practice, and the practicality of the recommended fee changes.

BHGS Staffing and Functions

BHGS is comprised of programs whose functions, duties and goals are to meet its mandate of consumer protection. BHGS accomplishes this through its policy, licensing, compliance, administrative, investigation, laboratory and engineering/research units. Figure 1 below present BHGS organizational chart, effective July 2022, followed by a brief description of each functional area.

Figure 1 - BHGS Organizational Chart



- **Policy Unit** is responsible for organizational policy, legislative matters, promulgating regulations, and overseeing the Bureau's budget.
- **Licensing Unit** is responsible for licensing businesses and processing license renewals.
- **Compliance Unit** is an enforcement unit responsible for the initial intake and processing of consumer complaints.
- **Investigation Unit** is an enforcement unit responsible for investigating complaints filed against regulated companies, including those who operate unlicensed, and initiating disciplinary actions.
- **Administrative Unit** is responsible for providing support for the Bureau, primarily in the areas of procurement, contracts, human resources, cashiering, inventory management, public records act request processing, and other administrative support.
- **Laboratory and the Engineering/Research Units** are responsible for flammability and other types of testing on furniture and bedding products and thermal insulation, preparing lab reports, reviewing outside lab reports, and conducting research and development on new material and product technologies.

Current Fees, Fee History and Changes to Fee Structure

CPS performed an analysis of BHGS's fees to determine the appropriate fee levels for the recovery of its actual costs. Tables 1, 2 and 3 present a description of each fee under study, past fee levels, current fee levels and the current statutory maximums. This section also describes recommended changes to the fee structures for all three programs.

Table 1 - HFTI Current and Previous Fees

Home Furnishings and Thermal Insulation Fees	Description of Fee	Fees Prior to December 1, 2016	Fees December 1, 2016, to Current	Statutory Maximum
New Applications				
Furniture and Bedding Importer Initial License	Original application fee to apply for licensure	\$650.00	\$750.00	\$940.00
Furniture and Bedding Manufacturer Initial License	Original application fee to apply for licensure	\$650.00	\$750.00	\$940.00
Furniture and Bedding Wholesaler Initial License	Original application fee to apply for licensure	\$540.00	\$625.00	\$675.00
Furniture Retailer Initial License	Original application fee to apply for licensure	\$120.00	\$140.00	\$150.00
Bedding Retailer Initial License	Original application fee to apply for licensure	\$120.00	\$140.00	\$150.00
Furniture and Bedding Retailer Initial License	Original application fee to apply for licensure	\$240.00	\$280.00	\$300.00
Custom Upholsterer Initial License	Original application fee to apply for licensure	\$360.00	\$420.00	\$450.00
Sanitizer Initial License	Original application fee to apply for licensure	\$360.00	\$420.00	\$450.00
Supply Dealer Initial License	Original application fee to apply for licensure	\$540.00	\$625.00	\$675.00
Thermal Insulation Manufacturer Initial License	Original application fee to apply for licensure	\$2,000.00	\$2,000.00	\$2,500.00

Home Furnishings and Thermal Insulation Fees	Description of Fee	Fees Prior to December 1, 2016	Fees December 1, 2016, to Current	Statutory Maximum
Renewal Fees				
Furniture and Bedding Importer Biennial Renewal	Renewal of license every two years	\$650.00	\$750.00	\$940.00
<i>Delinquent License Renewal</i>	<i>Delinquency fees are assessed upon license expiration</i>	<i>\$100.00</i>	<i>\$100.00</i>	<i>Delinquency fees are equal to 20% of the biennial renewal fee but not more than \$100</i>
<i>Penalty Fee</i>	<i>Penalty fees are assessed 90 days from license expiration</i>	<i>\$195.00</i>	<i>\$225.00</i>	<i>Penalty fees are equal to 30% of the biennial renewal fee</i>
Furniture and Bedding Manufacturer Biennial Renewal	Renewal of license every two years	\$650.00	\$750.00	\$940.00
<i>Delinquent License Renewal</i>	<i>Delinquency fees are assessed upon license expiration</i>	<i>\$100.00</i>	<i>\$100.00</i>	<i>The delinquency fee is equal to 20% of the biennial renewal fee but not more than \$100</i>
<i>Penalty Fee</i>	<i>Penalty fees are assessed 90 days from license expiration</i>	<i>\$195.00</i>	<i>\$225.00</i>	<i>Penalty fees are equal to 30% of the biennial renewal fee</i>
Furniture and Bedding Wholesaler Biennial Renewal	Renewal of license every two years	\$540.00	\$625.00	\$675.00
<i>Delinquent License Renewal</i>	<i>Delinquency fees are assessed upon license expiration</i>	<i>\$100.00</i>	<i>\$100.00</i>	<i>The delinquency fee is equal to 20% of the biennial renewal fee but not more than \$100</i>
<i>Penalty Fee</i>	<i>Penalty fees are assessed 90 days from license expiration</i>	<i>\$195.00</i>	<i>\$187.50</i>	<i>Penalty fees are equal to 30% of the biennial renewal fee</i>
Furniture Retailer Biennial Renewal	Renewal of license every two years	\$120.00	\$140.00	\$150.00
<i>Delinquent License Renewal</i>	<i>Delinquency fees are assessed upon license expiration</i>	<i>\$24.00</i>	<i>\$28.00</i>	<i>Delinquency fees are equal to 20% of the biennial renewal fee but not more than \$100</i>
<i>Penalty Fee</i>	<i>Penalty fees are assessed 90 days from license expiration</i>	<i>\$36.00</i>	<i>\$42.00</i>	<i>Penalty fees are equal to 30% of the biennial renewal fee</i>

Home Furnishings and Thermal Insulation Fees	Description of Fee	Fees Prior to December 1, 2016	Fees December 1, 2016, to Current	Statutory Maximum
Bedding Retailer Biennial Renewal	Renewal of license every two years	\$120.00	\$140.00	\$150.00
<i>Delinquent License Renewal</i>	<i>Delinquency fees are assessed upon license expiration</i>	<i>\$24.00</i>	<i>\$28.00</i>	<i>Delinquency fees are equal to 20% of the biennial renewal fee but not more than \$100</i>
<i>Penalty Fee</i>	<i>Penalty fees are assessed 90 days from license expiration</i>	<i>\$36.00</i>	<i>\$42.00</i>	<i>Penalty fees are equal to 30% of the biennial renewal fee</i>
Furniture and Bedding Retailer Biennial Renewal	Renewal of license every two years	\$240.00	\$280.00	\$300.00
<i>Delinquent License Renewal</i>	<i>Delinquency fees are assessed upon license expiration</i>	<i>\$48.00</i>	<i>\$56.00</i>	<i>Delinquency fees are equal to 20% of the biennial renewal fee but not more than \$100</i>
<i>Penalty Fee</i>	<i>Penalty fees are assessed 90 days from license expiration</i>	<i>\$72.00</i>	<i>\$84.00</i>	<i>Penalty fees are equal to 30% of the biennial renewal fee</i>
Custom Upholsterer Biennial Renewal	Renewal of license every two years	\$360.00	\$420.00	\$450.00
<i>Delinquent License Renewal</i>	<i>Delinquency fees are assessed upon license expiration</i>	<i>\$72.00</i>	<i>\$84.00</i>	<i>Delinquency fees are equal to 20% of the biennial renewal fee but not more than \$100</i>
<i>Penalty Fee</i>	<i>Penalty fees are assessed 90 days from license expiration</i>	<i>\$108.00</i>	<i>\$126.00</i>	<i>Penalty fees are equal to 30% of the biennial renewal fee</i>
Sanitizer Biennial Renewal	Renewal of license every two years	\$360.00	\$420.00	\$450.00
<i>Delinquent License Renewal</i>	<i>Delinquency fees are assessed upon license expiration</i>	<i>\$72.00</i>	<i>\$84.00</i>	<i>Delinquency fees are equal to 20% of the biennial renewal fee but not more than \$100</i>
<i>Penalty Fee</i>	<i>Penalty fees are assessed 90 days from license expiration</i>	<i>\$108.00</i>	<i>\$126.00</i>	<i>Penalty fees are equal to 30% of the biennial renewal fee</i>

Home Furnishings and Thermal Insulation Fees	Description of Fee	Fees Prior to December 1, 2016	Fees December 1, 2016, to Current	Statutory Maximum
Supply Dealer Biennial Renewal	Renewal of license every two years	\$540.00	\$625.00	\$675.00
<i>Delinquent License Renewal</i>	<i>Delinquency fees are assessed upon license expiration</i>	<i>\$100.00</i>	<i>\$100.00</i>	<i>Delinquency fees are equal to 20% of the biennial renewal fee but not more than \$100</i>
<i>Penalty Fee</i>	<i>Penalty fees are assessed 90 days from license expiration</i>	<i>\$162.00</i>	<i>\$187.50</i>	<i>Penalty fees are equal to 30% of the biennial renewal fee</i>
Thermal Insulation Manufacturer Annual Renewal	Licenses are renewed every year	\$2,000.00	\$2,000.00	\$2,500.00
<i>Delinquent License Renewal</i>	<i>Delinquency fees are assessed upon license expiration</i>	<i>\$100.00</i>	<i>\$100.00</i>	<i>Delinquency fees are equal to 20% of the annual renewal fee but not more than \$100</i>
<i>Penalty Fee</i>	<i>Penalty fees are assessed 90 days from license expiration</i>	<i>\$600.00</i>	<i>\$600.00</i>	<i>Penalty fees are equal to 30% of the annual renewal fee</i>

Table 2 - EAR Current and Previous Fees

Electronic and Appliance Repair Fees	Description of Fee	Fees Prior to February 1, 2017	Fees February 1, 2017, to Current	Statutory Maximum
New Applications				
Appliance Service Dealer Registration	Original application fee to apply for registration	\$165.00	\$190.00	\$205.00
Electronic Service Dealer Registration	Original application fee to apply for registration	\$165.00	\$190.00	\$205.00
Combination Service Dealer Registration	Original application fee to apply for registration	\$325.00	\$375.00	\$405.00
Service Contract Seller Registration	Original application fee to apply for registration	\$75.00	\$95.00	\$95.00
Service Contract Administrator Registration	Original application fee to apply for registration	\$75.00	\$95.00	\$95.00
Renewal Fees				
Appliance Service Dealer Renewal	Annual Registration Renewal	\$165.00	\$190.00	\$205.00
<i>Delinquent Registration Renewal</i>	<i>Delinquency fees are assessed upon registration expiration</i>	<i>\$82.50</i>	<i>\$95.00</i>	<i>Delinquency fees are equal to 50% of the annual renewal fee but not more than \$150</i>
Electronic Service Dealer Renewal	Annual Registration Renewal	\$165.00	\$190.00	\$205.00
<i>Delinquent Registration Renewal</i>	<i>Delinquency fees are assessed upon registration expiration</i>	<i>\$82.50</i>	<i>\$95.00</i>	<i>Delinquency fees are equal to 50% of the annual renewal fee but not more than \$150</i>
Combination Service Dealer Renewal	Annual Registration Renewal	\$300.00	\$375.00	\$400.00
<i>Delinquent Registration Renewal</i>	<i>Delinquency fees are assessed upon registration expiration</i>	<i>\$150.00</i>	<i>\$150.00</i>	<i>Delinquency fees are equal to 50% of the annual renewal fee but not more than \$150</i>

Electronic and Appliance Repair Fees	Description of Fee	Fees Prior to February 1, 2017	Fees February 1, 2017, to Current	Statutory Maximum
Service Contract Seller Renewal	Annual Registration Renewal	\$75.00	\$95.00	\$150.00
<i>Delinquent Registration Renewal</i>	<i>Delinquency fees are assessed upon registration expiration</i>	\$37.50	\$47.50	<i>Delinquency fees are equal to 50% of the annual renewal fee but not more than \$150</i>
Service Contract Administrator Renewal	Annual Registration Renewal	\$75.00	\$95.00	\$150.00
<i>Delinquent Registration Renewal</i>	<i>Delinquency fees are assessed upon registration expiration</i>	\$37.50	\$47.50	<i>Delinquency fees are equal to 50% of the annual renewal fee but not more than \$150</i>

Table 3 - HHM Current and Previous Fees

Household Movers Fees	Description of Fee	Statutory Maximum
New Applications		
Household Movers Original Permit	Original Application Fee	\$500.00
Quarterly Permit Fee		
Quarterly Permit Fee	Percentage of Gross Operating Revenue Paid on Quarterly Basis	One-Tenth of 1% of Gross Operating Revenue; in addition to Seven-tenths of 1% for Movers Subject to the Tariff or One-tenth of 1% for Movers not Subject to the Tariff
<i>Penalty Fee</i>	<i>Penalty fees are assessed 30 days from default on payment of the quarterly fees</i>	<i>Penalty fees are equal to 25% of the defaulted amount</i>

Fee Level History

The HFTI's licensing fees and EAR's registration fees were raised once within the last decade, as follows:

2015 – Assembly Bill (AB) 1175 (Ridley-Thomas, Chapter 187, Statutes of 2015) increased the statutory fee ceilings for all license (with exception to the thermal insulation manufacturer license) and registration types by approximately 25 percent. Prior to 2015, the Bureau last raised fee maximums in statute in 1998 for the home furnishings and thermal insulation industries and 1978 for the electronic and appliance repair industries.

2016 – After the passage of AB 1175, the Bureau increased all HFTI license fees, with exception to the thermal insulation manufacturer license, by approximately 15 percent which became effective December 1, 2016. The remaining HFTI license fees established by regulation that had not yet reached the statutory fee ceilings were last increased in 2002. The HFTI Fund was expected to face a deficit by fiscal year 2017-18 due to the fund's structural imbalance.

2017 – After the passage of AB 1175, the Bureau increased all registration fees by approximately 19 percent which became effective February 1, 2017. The EAR registration fees established by regulation remained the same since 1998. The EAR Fund was expected to face a deficit by fiscal year 2018-19 due to the fund's structural imbalance.

Recommended Changes to Fee Structure

We recommend several changes to the fee structures for the various programs. Below we describe what those changes were and the rationale behind them.

Fee Structure Changes Applicable to all Programs

Duplicate License Fee and Change of Business Name Fee

We recommend that all three programs add a Duplicate License Fee and a Change of Business Name Fee because these processes are currently being performed by the Bureau, but there is not an associated fee amount to recoup this cost to the Bureau. Additionally, since the processes associated with each fee are nearly identical for each of the three programs, we recommend the fee amount be the same.

Dishonored Check Fee

The current dishonored check service charge authorized by Section 6157 of the Government Code is \$10 for each check. (*Authority cited: Section 7008, Business and Professions Code. Reference: Section 7008, Business and Professions Code; and Section 6157, Government Code.*)

We would recommend, however, that this fee be set to recover the actual cost that the bank charges BHGS (which is currently higher than \$10).

EAR Changes

The EAR program currently aligns with the practices of other DCA boards and fee structure practices with initial fees distinct from annual renewal fees. Renewals that are not paid on time are assessed a delinquency fee equivalent to 50% of the renewal fee with a cap of \$150. While this study will examine the fee amounts, there are no recommended changes to the way the fees structure at this time.

HFTI Changes

Abolishing the Furniture/Bedding Importer Classification

In conjunction with Bureau management, we recommend that the Bureau abolish the importer classification and combine current importers under the manufacturer classification. The law as it relates to licensing manufacturers and importers is currently not structured logically. For example, under the current law, manufacturers are treated as US-based product builders; importers are either out-of-country manufacturers, US manufacturers who import, or just pure importers; and wholesalers are treated as US-based wholesalers.

To simplify the law, we would recommend that manufacturers should include all manufacturers, no matter where they are located and allow manufacturers to import as part of the license. According to Bureau management, these corrections would simplify and streamline the law but would require changes to the definitions currently in law. Additional benefits including streamlining licensing and reducing staff workload and customer frustration by not having to constantly explain to foreign companies who manufacture that they must apply as an importer instead of a manufacturer. The Bureau would not have to make any adjustments if the licensee decides to manufacture furniture/bedding products vs. import them or vice versa.

Change All HFTI Classifications Renewal Cycles from Biennial to Annual

Currently all HFTI classifications, with the exception of Thermal Insulation, are on a biennial renewal cycle. We would recommend that they be changed to an annual cycle. If all the licenses were renewed annually, this would result in a larger and more predictable annual revenue stream to pay for operations. According to Bureau management, an additional benefit to annual license renewal is that it increases enforcement effectiveness by catching unlicensed businesses within a year before noncompliant firms go out of business or otherwise escape enforcement.

Deleting Penalty Fees

Currently, if a licensee does not renew their license within a year, a delinquency fee is assessed. Then, if after 90 days the licensee has still not paid, the licensee is assessed a penalty fee.

Currently, delinquency fees are equal to 20% of the biennial renewal fee but not more than \$100 and penalty fees are equal to 30% of the annual renewal fee with no cap. Through conversations with BHGS management, it was decided to recommend abolishing all of the penalty fees and then set the delinquent fees 50% of the renewal, but not to exceed \$150. This was done to be consistent with the way that the EAR delinquent fees are set (and other boards/bureaus within DCA). Additionally, if the current penalty fee timeline were to remain in effect, that would mean it would be being assessed a quarter of the way through an annual cycle (90/365 days). Having a licensee pay extra money for not renewing their license in a timely fashion twice within a year could be considered excessive and is not a common practice in other DCA organizations.

Thermal Insulation Fee for Testing Resulting in Non-Compliance

Business and Professions Code Section 19213 dictates that the Bureau should test thermal insulation products for which standards have been adopted and that the Bureau may require those manufacturers, distributors, or retailers that are inspected and found not in compliance with this article, or any regulation implementing it, to pay such reasonable fees as are necessary to cover the costs of testing. The code stipulates that fees shall be fixed in an amount not more than the cost of testing and inspection with a minimum fee of two hundred dollars (\$200) for each test or inspection. This study developed a recommended fee amount associated with thermal insulation tests resulting in non-compliance.

Furniture and Bedding Fee for Inspections/Tests Resulting in Non-Compliance

Business and Professions Code Section 19213.1 dictates that the Bureau may require a licensee who sells or manufactures furniture and bedding products that are inspected and found not to be in compliance with the chapter, or any regulation implementing it, to pay those reasonable fees as are necessary to cover the costs of inspections and testing necessary to investigate and enforce compliance by those licenses. The range of fees for testing or inspection shall be fixed by the Bureau in an amount not less than two hundred dollars (\$200) and not more than five hundred dollars (\$500) for each test or inspection. This study developed a recommended fee amount associated with furniture and bedding inspections/tests resulting in non-compliance.

HHM Changes

Initial Application Fee

Currently, applicants applying for the HHM permit must complete an application and get fingerprinted (which results in a report produced by the Department of Justice that is delivered to BHGS). There is currently a flat \$500 fee that applicants pay. We recommend that BHGS break the initial application fee into three components:

1. The flat base application fee as determined by this fee structure analysis (\$1200);

2. Fingerprint report fees (the applying business would pay the same cost the Department of Justice charges BHGS, which is currently \$32. The applicant would still be responsible for paying for the actual Live Scan fingerprinting service performed at a location of their choosing.); and
3. Applicable exam fees (the business would pay the actual exam costs charged to BHGS by the testing vendor for each individual required to take an exam).

Transfer Fee

Currently, a transfer fee can occur in one of three scenarios: 1) The business is transferred to another individual(s) and none of the same original business owners will remain on the permit, 2) the business is changing from one business entity type to another (e.g., Corp to LLC, etc.), or 3) the business owner/employee that previously passed the HHM exam as part of the initial application process leaves the business, thus requiring a current business owner/employee to complete an exam. In discussions with Licensing Unit management regarding the current transfer fee, we concluded that from a cost recovery standpoint, the flat \$150 HHM transfer fee as it currently exists should be abolished. As with the HHM initial application process, during the transfer fee process, licensing staff must always perform a review of the same application that is required as when a business is applying for an initial permit. However, unlike the initial permit process, the business applying for a transfer may or may not have to have the individuals transferring onto the permit get fingerprinted or take the exam depending on if those individuals have already been fingerprinted or taken the exam. Ultimately, the amount that the business should be charged should be in accordance with the number of exams and fingerprint reports required to process the permit transfer per regulatory requirements.

Therefore, we propose that businesses that would formally have gone through the transfer fee process be charged the following:

1. The same flat base application fee determined by this fee structure analysis (\$1200);
2. Fingerprint report fees (the applying business would pay the \$32 for each individual – the same cost the Department of Justice charges BHGS. The applicant would still be responsible for paying for the actual Live Scan fingerprinting service performed at a location of their choosing.); and
3. Applicable exam fees (the business would pay the actual exam costs charged to BHGS by the testing vendor for each individual required to take an exam).

Quarterly Permit Fee

Currently, as indicated in Table 3, the HHM fee is paid quarterly and includes four components:

- 1) Permit Processing Fee – A \$10 fee due each quarter to maintain an active permit.
- 2) CHP Cargo Security Fee – A \$5 fee due each quarter to maintain an active permit. These funds are passed directly on to CHP and do not impact Bureau revenue or expenses.
- 3) Rate Fund Fee – Rate based fee on any revenue after deducting subhauler operations revenue. This is split between two rates with the movement of household good subject

to the Maximum Rate Tariff charged at 0.7% and the movement of property not subject to the Maximum Rate Tariff charged at 0.1%.

- 4) Uniform Business License Tax – Permitholders pay 0.1% of revenue for moving household goods on California highways with prime movers paying this rate on revenue after deducting subhauler revenue and those who are 100% subhaulers paying it on their total subhauler revenue. This amount is reduced by the cost of any Intracity Transportation Business license tax.

In addition to the quarterly fee described above, permitholders are required to pay a penalty fee of 25% if paid after the quarterly due date.

The Bureau initially asked CPS to holistically evaluate the feasibility of renewal fee structure based on a metric related to the business size. The three business-size related metrics that were evaluated included: 1) total pieces of equipment the business owned (e.g., number of trucks, trailers, etc.), 2) business entity type (Corporation, LLC, Partnership, Individual), or 3) total revenue. The Bureau provided a sample database consisting of 300 permitholders (approximately a quarter of current permits) that contained each business's revenue, number of pieces of equipment owned and the business entity type. This information was only collected for this 300-permit subset as the equipment, business entity type, and amount paid in fees and penalties each quarter had to be manually compiled from filed permit applications. The results of the analyses for each type of metric are outlined below.

Equipment Based Renewal Fee

There was not a strong relationship between the number of pieces of equipment a business owned (e.g., number of trucks, trailers, etc.) and total revenue (as the basis for the current fees). A fee set on the amount of equipment could cause some permitholders with a lot of equipment but little revenue to pay a higher fee than those with less equipment but more revenue. Additionally, the accuracy of reported equipment is unclear because it is not currently audited by the Bureau. The auditing of equipment counts would need to be added as a function if this methodology were selected thus adding a significant amount of work for Bureau staff.

Business Entity Type Based Renewal Fee

There was not a strong relationship between the business type and total revenue with a large variance in revenue within each business type. Similar to the equipment-based fee, a fee set on business type would likely result in some permitholders with lower revenue paying a higher fee than those with more revenue. It could also incentivize businesses to change their business entity type to manipulate the fees they are required to pay.

Revenue Based Renewal Fee

The current fee structure is based on revenue, as described above, with the total revenue being more reflective of the business size than equipment counts or business entity type. The Bureau provided a more comprehensive data set inclusive of each permitholder ID and total revenue spanning the last five years. This was used to determine trends in the number of permitholders

and the average income per permit holder. Given that this was the most feasible of the three metrics to produce an equitable fee structure, CPS HR conducted an analysis to determine how a revenue-based fee would be structured. This tentative structure would have resulted in permit holders paying a flat permit fee/CHP fee in addition to a flat percent fee per thousand earned.

The challenge with using a percentage-based approach is the reliance on revenue trends being consistent with any major shifts in the amount of revenue gained/lost per year having a direct impact on the revenue generated by fees for the Bureau. Additionally, this model could be significantly impacted by the entities with the highest revenue because these businesses provide a large amount of money to the Bureau (e.g., the loss of a single service provider with a \$1 million dollar income paying at 0.7% would be a loss of \$7,000 in revenue from fees). These factors make fee revenue projections less stable and predictive.

Flat Renewal Fee

Upon further discussion with Bureau management, with consideration to these analyses, it was determined a more practical approach would be to have a flat fee across service providers regardless of revenue. This would minimize the impact of revenue fluctuations on the overall Bureau fund condition health in addition to bring the fee structure in line with the methodology utilized in both the EAR and HFTI programs as well as across the Department of Consumer Affairs.

We also recommend changing the quarterly permit fee to an annual renewal fee. This would reduce the amount of work for Bureau staff by moving from four separate payments to one per year for each business and reduce the administrative burden on the business as well. Currently, businesses pay a \$10 BHGS processing fee and a \$5 fee for the CHP Motor Carrier Safety Improvement with every quarterly permit fee submission. The \$10 processing fee would be incorporated into the annual fee determined by this fee structure analysis, but the \$5 CHP fee would need to be increased to \$20 to account for the fact that the renewal payments would be annual instead of quarterly.

Licensing, Exam, and Enforcement Workload Statistics

BHGS provided CPS with the necessary licensing, enforcement, and laboratory workload statistics from FY 2016-17 to FY 2020-21 for each of the fee areas. This included both initial licensing and renewal application statistics, exam statistics, and select laboratory and enforcement statistics as it related to the enforcement inspection/testing fees (Furniture and Bedding Fee for Non-Compliance Inspection/Testing and Thermal Insulation Fee for Testing Resulting In Non-Compliance) to identify potential trends or anomalies in the workload.

EAR Program

Table 4 - EAR Program Statistics

	FY	FY	FY	FY	FY
	2016 17	2017 18	2018 19	2019 20	2020 21
Initial Fees					
Appliance Service Dealer	292	365	493	323	391
Electronic Service Dealer	774	594	376	310	193
Combination Service Dealer	54	17	63	23	15
Service Contract Seller	1809	4414	723	899	1647
Service Contract Administrator	13	6	19	9	15
Renewal Fees					
Appliance Service Dealer Renewal	2370	2433	2390	2378	2212
<i>Delinquent Fee - Appliance Service Dealer</i>	323	284	342	313	333
Electronic Service Dealer Renewal	4420	4487	4232	3755	3513
<i>Delinquent Fee - Electronic Service Dealer</i>	660	603	549	421	529
Combination Service Dealer Renewal	504	543	506	425	250
<i>Delinquent Fee - Combination Service Dealer</i>	7	2	24	18	16
Service Contract Seller Renewal	10447	9877	11837	11026	9616
<i>Delinquent Fee - Service Contract Seller</i>	79	220	380	120	448
Service Contract Administrator Renewal	47	45	46	128	52
<i>Delinquent Fee - Service Contract Administrator</i>	5	4	6	3	4
Other Workload					
Change of Business Name	865	2,090	727	615	458
Duplicate License	3,367	2,349	526	814	537

Initial Registration Fees

- Service Contract initial registrations consistently had the highest volume over the last five years compared to the other EAR registration types. However, the fluctuations were also the greatest compared to the other classifications with the highest volume occurring in FY 2017-18 at 4414 to the lowest in FY 2018-19 at 723.
- Combination Service Dealers and Service Contract Administrators initial registrations had the lowest volume compared to the other registrations.

- The Electronic Service Dealer initial registration volume has been declining more each year. The volume of 774 in FY 2016-17 to 193 in FY 2020-21 represents a 75% decrease.

Renewal Fees

- Both the Electronic Service Dealer classification and the Combination Service Dealer classifications have significantly and steady decreasing volumes, decreasing by 21% and 50% from FY 2016-17 to FY 2020-21, respectively.

Other Workload Statistics

- Both Change of Business Name and Duplicate Licenses volumes have significantly declined over the last three years. Change of Business Name workload volumes from FY 2017-2018 to FY 2020-21 have decreased by 78% and Duplicate License workload volumes have decreased by 77% during the same time period.

HFTI Program

Table 5 - HFTI Program Statistics

	FY	FY	FY	FY	FY
	2016 17	2017 18	2018 19	2019 20	2020 21
Initial Fees					
Furniture/Bedding Importer	783	838	917	786	911
Furniture/Bedding Manufacturer	275	223	125	76	137
Furniture/Bedding Wholesaler	53	25	21	18	17
Furniture Retailer	94	106	100	94	409
Bedding Retailer	413	227	313	286	121
Furniture/Bedding Retailer	1007	581	521	553	499
Custom Upholsterer	29	32	23	18	48
Sanitizer	1	1	12	0	0
Supply Dealer	5	3	0	2	3
Thermal Insulation	7	2	11	7	5
Renewal Fees					
Furniture/Bedding Importer Renewal	1738	1845	1940	1876	2155
Combining every two years		3785		4031	
<i>Delinquent Fee - Furniture/Bedding Importer</i>	656	326	336	358	491
<i>Penalty Fee - Furniture/Bedding Importer</i>	n/a	n/a	n/a	n/a	n/a
Furniture/Bedding Manufacturer Renewal	589	618	647	583	612
Combining every two years		1265		1195	

	FY	FY	FY	FY	FY
	2016 17	2017 18	2018 19	2019 20	2020 21
<i>Delinquent Fee - Furniture/Bedding Manufacturer</i>	174	91	89	89	113
<i>Penalty Fee - Furniture/Bedding Manufacturer</i>	n/a	n/a	n/a	n/a	n/a
Furniture/Bedding Wholesaler Renewal	59	62	88	60	83
Combining every two years		150		143	
<i>Delinquent Fee - Furniture/Bedding Wholesaler</i>	18	10	20	6	22
<i>Penalty Fee - Furniture/Bedding Wholesaler</i>	n/a	n/a	n/a	n/a	n/a
Furniture Retailer Renewal	1442	687	1229	675	484
Combining every two years		1916		1159	
<i>Delinquent Fee - Furniture Retailer</i>	42	154	42	42	64
<i>Penalty Fee - Furniture Retailer</i>	n/a	n/a	n/a	n/a	n/a
Bedding Retailer Renewal	702	788	908	749	974
Combining every two years		1696		1723	
<i>Delinquent Fee - Bedding Retailer</i>	40	56	28	135	75
<i>Penalty Fee - Bedding Retailer</i>	n/a	n/a	n/a	n/a	n/a
Furniture/Bedding Retailer Renewal	4224	6000	4321	5541	3777
Combining every two years		10321		9318	
<i>Delinquent Fee - Furniture/Bedding Retailer</i>	330	205	269	395	463
<i>Penalty Fee - Furniture/Bedding Retailer</i>	n/a	n/a	n/a	n/a	n/a
Custom Upholsterer Renewal	207	239	209	203	201
Combining every two years		448		404	
<i>Delinquent Fee - Custom Upholsterer</i>	40	50	51	38	53
<i>Penalty Fee - Custom Upholsterer</i>	n/a	n/a	n/a	n/a	n/a
Sanitizer Renewal	1	9	1	11	5
Combining every two years		10		16	
<i>Delinquent Fee - Sanitizer</i>	0	0	0	0	0
<i>Penalty Fee - Sanitizer</i>	n/a	n/a	n/a	n/a	n/a
Supply Dealer Renewal	60	46	48	39	43
Combining every two years		94		82	
<i>Delinquent Fee - Supply Dealer</i>	26	4	3	4	4
<i>Penalty Fee - Supply Dealer</i>	n/a	n/a	n/a	n/a	n/a
Thermal Insulation Renewal	106	111	105	110	109
<i>Delinquent Fee - Thermal Insulation</i>	21	12	19	19	39

	FY	FY	FY	FY	FY
	2016 17	2017 18	2018 19	2019 20	2020 21
<i>Penalty Fee - Thermal Insulation</i>	4	2	4	0	5
Other Workload					
Change of Business Name	2,164	1,389	1,290	743	478
Duplicate License	1,496	1,312	1,080	1,211	990

Initial License Fees

- Overall, none of the HFTI initial licenses have a dramatic and consistently increasing or decreasing trend in volume.
- The Furniture Retailer Initial License had an almost fourfold increase in volume from 94 in FY 2019-20 to 409 in FY 2020-21. However, from FY 2016-17 through FY 2019-20, the volume has hovered around 100.
- While the Furniture/Bedding Retailer Initial License had an unusually high volume in FY 2016-17 at 1007, the last four years have all been between 499 and 581. In a similar pattern, the Furniture/Bedding Wholesaler had a peak of 53 in FY 2016-17 but has stabilized between 17 and 25 in the last four years.
- The Furniture/Bedding Wholesaler, Sanitizer, Supply Dealer and Thermal Insulation initial License volume is significantly lower than it is for the remainder of the classifications.

Renewal Fees

A review of the renewal fee metrics considered the current biennial renewal for all except the thermal insulation renewal which is submitted annually. The total number of applications in FY 2017-18 and FY 2018-19 were looked at collectively in Table 5 above as were those in FY 2019-20 and FY 2020-21.

- While the two-year renewal volumes fluctuated with some increasing during the second combined period and some decreasing, the level of fluctuation mostly fell within 10-11% of the other combined total.
 - The exceptions include the Furniture Retailer which fell 40% during the second period and the Sanitizer Renewal which increased by 60%.
- Furniture/Bedding Retailer Renewals and Furniture/Bedding Importer Renewals had the highest and second highest average volumes across the two combined two-year summations compared to the rest of the classifications.
- Sanitizers, Supply Dealers and Furniture/Bedding Wholesalers had the lowest average renewal volume across the two combined two-year summations compared to the rest of the classifications.

- Penalty fee volume data was not available for all classifications with the exception of Thermal Insulation.

Furniture and Bedding Fee for Non-Compliance Inspection/Testing

Below we describe the statistics that were used as some of the inputs in determining the amount for the Furniture and Bedding Fee for Non-Compliance Inspection/Testing.

Enforcement Inspections

We gathered data for the number of enforcement inspections associated with the furniture and bedding license classifications – in other words - all HFTI license types with the exception of Supply Dealers and Thermal Insulation classifications (i.e. Furniture/Bedding Importer, Furniture/Bedding Manufacturer, Furniture/Bedding Wholesaler, Furniture Retailer, Bedding Retailer, Furniture/Bedding Retailer, Sanitizers, Custom Upholsterers) who require an inspection to make a determination of non-compliance (e.g. failing posting requirements, inspection needed due to failure to cooperate). Table 6 below examines the total number of inspections and of those inspections, the number which resulted in a finding of non-compliance.

Table 6 - Furniture and Bedding Inspections

	FY	FY	FY
	2018 19	2019 20	2020 21
Total Furniture and Bedding Inspections	2020	1179	553
Total Furniture and Bedding Inspections Resulting in Non-Compliance	397	257	353

The decline in inspections in FY 2020-21 was partially due to that fact that from March to June of 2020, field enforcement staff were not allowed to visit business locations due to the COVID-19 Pandemic. Additionally, when they went back into the field in July 2020 (i.e., FY 2020-21), the focus was on unlicensed activity rather than compliance inspections to allow the visits to be quick and reduce Bureau staff’s exposure. For these reasons, Bureau enforcement management felt that FY 2018-19 was more representative of work done by the field in a normal year and those numbers were utilized as an input in determining the final fee amount.

Laboratory Testing

We requested metrics to quantify the number of tests performed by the BHGS laboratory to make a determination if a material associated with a Furniture and Bedding licensee was non-compliant.

Table 7 - Furniture and Bedding Testing

	FY	FY	FY	FY	FY	5 Yr
	2016 17	2017 18	2018 19	2019 20	2020 21	Avg
Total Furniture and Bedding Tests	120	254	178	96	88	187
Total Furniture and Bedding Tests Resulting in Non-Compliance	37	29	26	8	12	33

The five-year average was utilized for projection purposes. We combined data from both the Enforcement and Laboratory Units as inputs in determining the single final fee amount for the Furniture and Bedding Fee for Non-Compliance Inspection/Testing fee.

Thermal Insulation Fee for Testing Resulting In Non-Compliance

The following tables outline the metrics utilized in determining the amount for the Thermal Insulation Fee for Testing Resulting in Non-Compliance.

Table 8 below depicts the total number of tests performed on thermal insulation materials/products to make a determination if the material/product was non-compliant and the number of those tests that resulted in non-compliance.

Table 8 - Thermal Insulation Testing

	FY	FY	FY	FY	FY	5 Yr
	2016 17	2017 18	2018 19	2019 20	2020 21	Avg
Total Thermal Insulation Tests	20	39	4	1	14	16
Total Thermal Insulation Tests Resulting in Non-Compliance	4	10	0	0	5	4

The five-year average was utilized for projection purposes.

HHM Program

Table 9 - HHM Program Statistics

	FY	FY	FY
	2018 19	2019 20	2020 21
Initial Fees			
HHM Initial Applications Received	169	267	212
Other Fees			
Change of Business Name	18	56	49
Duplicate License	38	52	120
Transfer Fee	15	15	22
Exams	161	146	209
Fingerprint Reports	170	257	257

Initial Permit Fees

- Overall, the initial permits did not have a dramatic and consistently increasing or decreasing trend in volume over the three years of data points.

Only data from FY 2018-19 to FY 2020-21 was utilized because jurisdictional oversight of this industry was transferred from the California Public Utilities Commission to BHGS in July 2018, so prior year data was not easily obtainable.

Renewal Fees

The total number of permit holders and revenue per permit holder generated for the period of 2016 to 2021 was used to assist in identifying trends. While oversight was not transferred to BHGS until 2018, this basic information was still available. CPS looked at the trends for both the number of permit holders and the average revenue per permit holder over the five years with Table 10 outlining the number and percentage growth.

Table 10 - HHM Number of Permit Holders and Revenue

	2016	2017	2018	2019	2020	2021
# Permit holders	637	693	755	849	964	1113
% Change from Prior Year		+8.8%	+8.9%	+12.4%	+13.5%	+15.5%
Average Revenue	\$486,898	\$490,214	\$482,347	\$458,729	\$442,408	\$497,007
% Change from Prior Year		+0.7%	-1.6%	-4.9%	-3.6%	+12.3%

- The change in average revenue did not show consistent growth or decline with small to moderate declines from 2018 to 2020 and a sharp increase in 2021. This supports

the decision not to use the revenue to determine the fee as discussed above due to the variance being too impactful to the received fee revenue.

- A review of the number of permitholders showed a consistent increase in 2017 and 2018 and an increase each year from 2019 to 2021.

Discussion with BHGS management indicated the growth shown in 2017 and 2018 is likely a more accurate representation for future projections. The average growth between 2017 and 2018 was applied to the last known number of permitholders in 2021 and in subsequent years to project the number of anticipated permitholders for use in the fee structure analysis.

Revenue and Expense Analysis - EAR

Important Note: The Revenue and Expense Analysis was completed with financial information as of February 10th, 2022. Additional expenditures associated with the Bizmod (business modernization efforts) were not contained in any financial information in this section or any other sections in the report. The Bizmod expenditures will be split 60% HHM/30% HFTI/10% EAR.

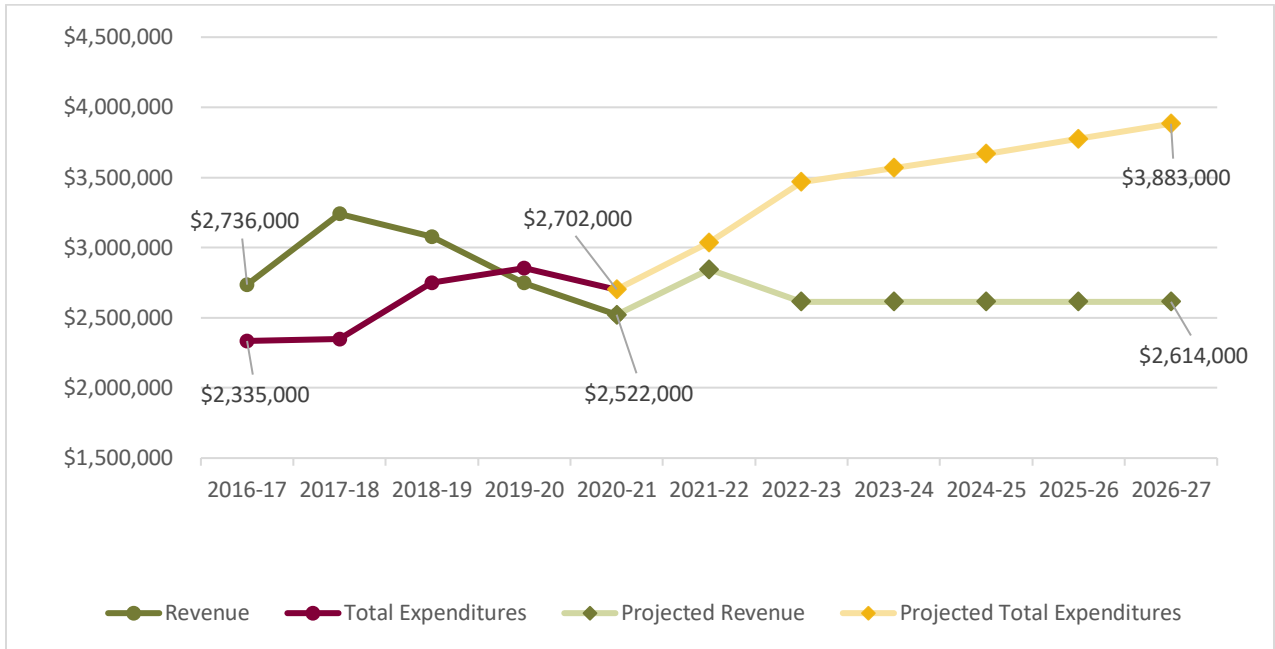
Beginning in FY 2019-20, EAR's fund condition has been structurally imbalanced and is projected to remain imbalanced if a fee increase is not implemented.

EAR's revenue has gone from \$2.7M in FY 2016-17 to \$2.5M in FY 2020-21, thanks in part to a roughly 19% fee increase in 2017 and an emergency renewal fee increase effective February 2020. This represents a **25.5% increase** in revenue over the last seven fiscal years. During the same period, EAR expenditures have grown from \$2.3M in FY 2016-17 to \$2.7M in FY 2020-21. This **15.7% increase** in expenditures has exceeded revenues, thus perpetuating the structural imbalance that began in FY 2016-17.

Over the next six fiscal years, this structural imbalance will continue to grow even wider if a fee increase is not implemented. Current projections incorporating the February 2017 fee increase show revenue growing from \$2.5M in FY 2020-21 to \$2.6M in FY 2025-26 – only a **3.6% increase**. Current projections show expenditures growing from \$2.7M in FY 2019-20 to \$3.77M in FY 2025-26 – this represents a **39.7% increase, which is ten times the rate of increase compared to revenues**.

Figure 2 shows the historical and projected revenue and expenditures with a growing gap as expenditures outpaces revenues further each subsequent year. EAR's fund is estimated to have a balance of \$.7 million (2 months-in-reserve) by the end of FY 2024-25 and will be insolvent in FY 2025-26.

Figure 2 - EAR Revenue and Total Expenditures



Dollars in thousands

Source: BHGS

Fee and Non-Fee Scheduled Revenue - EAR

Table 11 contains a breakdown of the fee and non-fee scheduled revenue EAR collected from FY 2016-17 through FY 2020-21. EAR gets most of its revenue from fee scheduled revenue (97.87%) compared to non-fee scheduled revenue (2.13%).

Table 11 - EAR Fee and Non-fee Scheduled Revenues

Revenue Category	FY 2016 17 Actual	FY 2017 18 Actual	FY 2018 19 Actual	FY 2019 20 Actual	FY 2020 21 Actual	5 Yr. Avg Revenue	% Of 5 Yr. Avg Revenue
Fee scheduled revenue - Renewal fees	\$2,231	\$2,459	\$2,585	\$2,384	\$2,109	\$2,354	82.17%
Fee scheduled revenue - Other regulatory licenses and permits	\$355	\$606	\$258	\$191	\$277	\$337	11.78%
Fee scheduled revenue - Delinquent fees	\$90	\$95	\$107	\$75	\$106	\$95	3.30%
Fee scheduled revenue - Other regulatory fees	\$25	\$29	\$24	\$8	\$3	\$18	0.62%
Total fee scheduled revenue	\$2,701	\$3,189	\$2,974	\$2,658	\$2,495	\$2,803	97.87%
Total non-fee scheduled revenue	\$35	\$50	\$103	\$86	\$27	\$61	2.13%
Total Revenue	\$2,736	\$3,239	\$3,077	\$2,744	\$2,522	\$2,864	100.00%

Dollars in thousands
Source: BHGS

Fee scheduled revenue categories contain revenue from the first four categories in the table: renewal fees, other regulatory licenses and permits, delinquent fees and other regulatory fees. The renewal fee category constitutes the highest amount of total revenue (82.17%). The other regulatory licenses and permits category includes revenue associated with initial registration fees. Delinquent fees revenue covers additional money that licensees are charged for paying their renewal fees late. The other regulatory fees revenue includes citations and fine fees.

Non-fee scheduled revenue contains revenue from miscellaneous services to the public, income from surplus money investments, escheat of unclaimed checks and warrants, escheat of unclaimed property, and miscellaneous revenue. The scope of the current study did not involve examining or recommending amounts to charge for non-fee scheduled items.

Selected Fee Revenue Analysis - EAR

Table 12 displays the total actual revenue collected for each fee examined in this study.

Table 12 - EAR Selected Fee Revenue

Fees	FY 2018 19	FY 2019	FY 2020	FY 2021	4 year Average	
	Actual	Actual	Actual	Projected	Revenue	% Total
Initial Fees						
Appliance Service Dealer	\$93,585	\$61,415	\$74,335	\$67,875	\$74,303	2.66%
Electronic Service Dealer	\$71,840	\$58,805	\$36,670	\$47,738	\$53,763	1.92%
Combination Service Dealer	\$23,530	\$8,625	\$5,810	\$7,218	\$11,296	0.40%
Service Contract Seller	\$68,685	\$85,410	\$156,465	\$120,938	\$107,875	3.86%
Service Contract Administrator	\$1,945	\$855	\$1,425	\$1,140	\$1,341	0.05%
Renewal Fees						
Appliance Service Dealer Renewal	\$455,044	\$451,765	\$420,335	\$436,050	\$440,798	15.76%
Delinquent Fee - Appliance Service Dealer	\$32,680	\$29,723	\$31,675	\$30,699	\$31,194	1.11%
Electronic Service Dealer Renewal	\$805,502	\$712,417	\$667,644	\$690,530	\$719,023	25.70%
Delinquent Fee - Electronic Service Dealer	\$52,493	\$39,980	\$50,260	\$45,120	\$46,963	1.68%
Combination Service Dealer Renewal	\$189,936	\$159,380	\$93,840	\$93,840	\$134,249	4.80%
Delinquent Fee - Combination Service Dealer	\$3,563	\$2,700	\$2,345	\$2,523	\$2,783	0.10%
Service Contract Seller Renewal	\$1,124,468	\$1,047,478	\$913,410	\$980,492	\$1,016,462	36.33%
Delinquent Fee - Service Contract Seller	\$18,068	\$5,700	\$21,280	\$13,490	\$14,634	0.52%
Service Contract Administrator Renewal	\$4,275	\$12,205	\$4,940	\$8,573	\$7,498	0.27%
Delinquent Fee - Service Contract Administrator	\$285	\$143	\$190	\$167	\$196	0.01%

Fees	FY 2018 19	FY 2019 20	FY 2020 21	FY 2021 22	4 year Average	
	Actual	Actual	Actual	Projected	Revenue	% Total
Selected Fee Totals¹	\$2,945,896	\$2,676,601	\$2,480,624	\$2,546,393	\$2,662,379	95.16%
Total Revenue (fee scheduled and non fee scheduled)	\$3,077,000	\$2,747,000	\$2,522,000	\$2,845,000	\$2,797,750	

Source: BHGS Budget Office

The three fees that constituted the largest percentage of total revenue were the Service Contract Seller Renewal Fee (36.33%), the Electronic Service Dealer Renewal Fee (25.70%), and the Appliance Service Dealer Renewal Fee (15.76%).

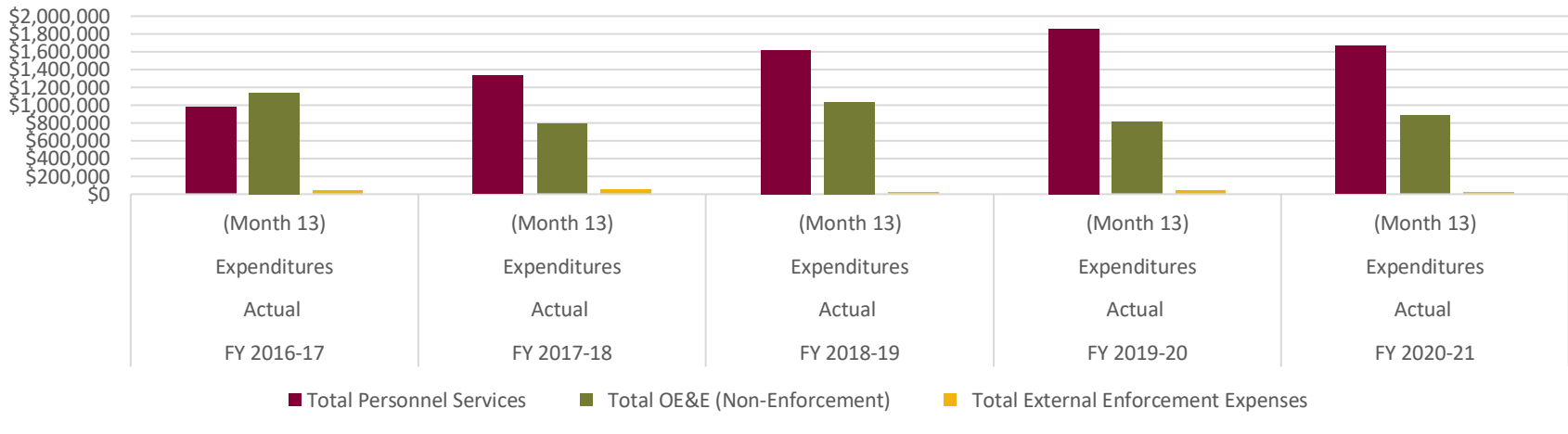
Expense Analysis - EAR

EAR's two largest expense categories are Personnel and Operating Expenses and Equipment (OE&E), with the latter further broken down into OE&E (Non-Enforcement) and External Enforcement Expenses. The expenditures for each of these categories for FY 2016-17 through FY 2020-21 are summarized below, with Personnel being the largest expense (61.7%), followed by OE&E (Non-Enforcement) (38.7%), and External Enforcement (1.6%). Reimbursements as offsets reduced expenditures by -2.0%.

¹ Selected fee totals in table 12 do not match the total fee scheduled revenue row in table 11 because the Bureau collects revenue from other fees not displayed in table 12.

Table 13 - EAR Expenditures

Total Expenditures	FY 2016 17	FY 2017 18	FY 2018 19	FY 2019 20	FY 2020 21	5 Year Average	% Total
	Actual	Actual	Actual	Actual	Actual		
	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures		
	(Month 13)	(Month 13)	(Month 13)	(Month 13)	(Month 13)		
Total Personnel Services	\$981,192	\$1,330,642	\$1,619,090	\$1,861,202	\$1,669,333	\$1,492,292	61.7%
Total OE&E (Non-Enforcement)	\$1,137,557	\$797,880	\$1,036,193	\$821,798	\$891,780	\$937,042	38.7%
Total External Enforcement Expenses	\$45,864	\$54,131	\$26,085	\$37,384	\$26,166	\$37,926	1.6%
Total Operating Expenses & Equipment	\$1,183,421	\$852,011	\$1,062,278	\$859,182	\$917,946	\$974,968	40.3%
Total Expenditures	\$2,164,613	\$2,182,653	\$2,681,368	\$2,720,384	\$2,587,279	\$2,467,259	102.0%
Total Reimbursements as Offsets	(61,000)	0	(61,000)	(61,000)	(61,000)	(\$48,800)	-2.0%
Net Expenditures	\$2,103,613	\$2,182,653	\$2,620,368	\$2,659,384	\$2,526,279	\$2,418,459	100.0%



Revenue and Expense Analysis - HFTI

Important Note: The Revenue and Expense Analysis was completed with financial information as of February 10th, 2022. Additional expenditures associated with the Bizmod (business modernization efforts) were not contained in any financial information in this section or any other sections in the report. The Bizmod expenditures will be split 60% HHM/30% HFTI/10% EAR.

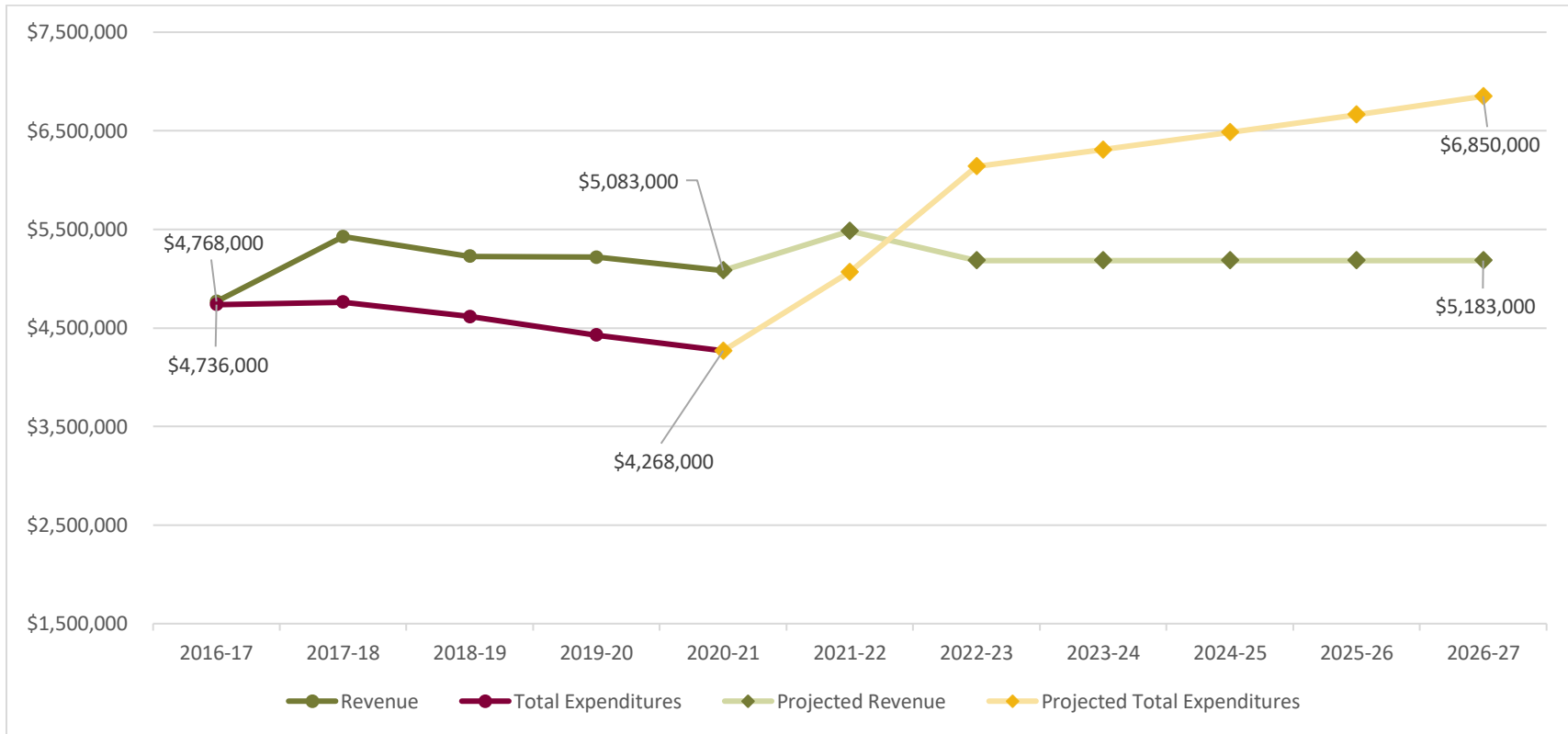
Beginning in FY 2022-23, HFTI's fund condition will be structurally imbalanced and is projected to remain imbalanced if a fee increase is not implemented.

HFTI's revenue has grown from \$4.76M in FY 2016-17 to \$5.08M in FY 2020-21, thanks in part to a 15% fee increase in December 2016. This represents a **9.4% increase** in revenue over the last five fiscal years. During the same period, HFTI expenditures have decreased from \$4.73M in FY 2016-17 to \$4.27M in FY 2020-21. This **9.9% decrease in expenditures appears to be an anomaly.**

Over the next seven fiscal years, this structural imbalance will continue to grow even wider if a fee increase is not implemented. Current projections incorporating the December 2016 fee increase show revenue growing from \$4.76M in FY 2016-17 to \$5.18M in FY 2026-27 – only an **8.7% increase**. Current projections show expenditures growing from \$4.74M in FY 2016-17 to \$6.85M in FY 2026-27 – this represents a **44.6% increase, which is more than five times the rate of increase compared to revenues.**

Figure 3 shows the historical and projected revenue and expenditures with a growing gap as expenditures outpaces revenues further each subsequent year. BHGS's fund is estimated to have a balance of \$1.6 million (2.8 months-in-reserve) by the end of FY 2025-26 and will be insolvent in FY 2026-27.

Figure 3 - HFTI Revenue and Total Expenditures



Fee and Non-Fee Scheduled Revenue – HFTI

Table 14 contains a breakdown of the fee and non-fee scheduled revenue HFTI collected from FY 2016-17 through FY 2020-21. HFTI gets most of its revenue from fee scheduled revenue (98.63%) compared to non-fee scheduled revenue (1.37%).

Table 14 - HFTI Fee and Non-fee Scheduled Revenues

Revenue Category	FY 2016 17 Actual	FY 2017 18 Actual	FY 2018 19 Actual	FY 2019 20 Actual	FY 2020 21 Actual	5 Yr. Avg Revenue	% Of 5 Yr. Avg Revenue
Fee scheduled revenue - Renewal fees	\$3,354	\$4,133	\$3,836	\$3,973	\$3,758	\$3,811	74.32%
Fee scheduled revenue - Other regulatory licenses and permits	\$1,119	\$1,021	\$1,028	\$884	\$1,038	\$1,018	19.85%
Fee scheduled revenue - Delinquent fees	\$107	\$104	\$124	\$121	\$156	\$122	2.39%
Fee scheduled revenue - Other regulatory fees	\$135	\$99	\$122	\$129	\$45	\$106	2.07%
Total fee scheduled revenue	\$4,715	\$5,357	\$5,110	\$5,107	\$4,997	\$5,057	98.63%
Total non-fee scheduled revenue	\$53	\$70	\$115	\$86	\$27	\$70	1.37%
Total Revenue	\$4,768	\$5,427	\$5,225	\$5,193	\$5,024	\$5,127	100.00%

Dollars in thousands
Source: BHGS

Fee scheduled revenue categories contain revenue from the first four categories in the table: renewal fees, other regulatory licenses and permits, delinquent fees and other regulatory fees. The renewal fee category constitutes the highest amount of total revenue (74.32%). The other regulatory licenses and permits category includes revenue associated with initial license fees. Delinquent fees revenue covers additional money that licensees are charged for paying their renewal fees late. The other regulatory fee revenue includes citations and fine fees and revenue from the Thermal Insulation Directory fees.

Non-fee scheduled revenue contains revenue from miscellaneous services to the public, income from surplus money investments, escheat of unclaimed checks and warrants, escheat of unclaimed property, and miscellaneous revenue.

Selected Fee Revenue Analysis – HFTI

Table 15 displays the total actual revenue collected for each fee examined in this study.

Table 15 - HFTI Selected Fee Revenue

Fees	FY 2018 19	FY 2019 20	FY 2020 21	FY 2021 22	4 year Average	
	Actual	Actual	Actual	Projected	Revenue	% Total
Initial Fees						
Furniture/Bedding Importer	\$688,216	\$589,260	\$683,386	\$636,323	\$649,296	12.36%
Furniture/Bedding Manufacturer	\$93,846	\$56,745	\$102,420	\$79,583	\$83,149	1.58%
Furniture/Bedding Wholesaler	\$13,040	\$11,250	\$10,345	\$10,798	\$11,358	0.22%
Furniture Retailer	\$14,929	\$13,171	\$57,267	\$35,219	\$30,147	0.57%
Bedding Retailer	\$44,015	\$40,075	\$16,940	\$28,508	\$32,385	0.62%
Furniture/Bedding Retailer	\$146,461	\$154,752	\$139,658	\$147,206	\$147,019	2.80%
Custom Upholsterer	\$9,660	\$7,560	\$20,160	\$13,860	\$12,810	0.24%
Sanitizer	\$5,040	\$0	\$0	\$0	\$1,260	0.02%
Supply Dealer	\$0	\$1,250	\$1,875	\$1,563	\$1,172	0.02%
Thermal Insulation	\$22,000	\$14,000	\$10,000	\$12,000	\$14,500	0.28%
Renewal Fees						
Furniture/Bedding Importer Renewal	\$1,455,073	\$1,406,771	\$1,616,300	\$1,511,536	\$1,497,420	28.51%
Delinquent Fee - Furniture/Bedding Importer	\$33,700	\$35,828	\$49,100	\$42,464	\$40,273	0.77%
Furniture/Bedding Manufacturer Renewal	\$484,195	\$437,260	\$458,945	\$448,103	\$457,126	8.70%
Delinquent Fee - Furniture/Bedding Manufacturer	\$8,900	\$8,900	\$11,300	\$10,100	\$9,800	0.19%
Furniture/Bedding Wholesaler Renewal	\$55,285	\$37,445	\$52,000	\$44,723	\$47,363	0.90%

Fees	FY 2018 19	FY 2019 20	FY 2020 21	FY 2021 22	4 year Average	
	Actual	Actual	Actual	Projected	Revenue	% Total
Delinquent Fee - Furniture/Bedding Wholesaler	\$2,000	\$600	\$2,200	\$1,400	\$1,550	0.03%
Furniture Retailer Renewal	\$172,078	\$94,554	\$67,788	\$81,171	\$103,898	1.98%
Delinquent Fee - Furniture Retailer	\$1,176	\$1,164	\$1,792	\$1,478	\$1,403	0.03%
Bedding Retailer Renewal	\$127,166	\$104,910	\$136,330	\$120,620	\$122,257	2.33%
Delinquent Fee - Bedding Retailer	\$796	\$3,776	\$2,100	\$2,938	\$2,403	0.05%
Furniture/Bedding Retailer Renewal	\$1,210,113	\$1,551,357	\$1,057,613	\$1,304,485	\$1,280,892	24.39%
Delinquent Fee - Furniture/Bedding Retailer	\$15,136	\$22,140	\$25,928	\$24,034	\$21,810	0.42%
Custom Upholsterer Renewal	\$87,720	\$85,200	\$84,210	\$84,705	\$85,459	1.63%
Delinquent Fee - Custom Upholsterer	\$4,272	\$3,180	\$4,478	\$3,829	\$3,940	0.08%
Sanitizer Renewal	\$420	\$4,620	\$2,190	\$3,405	\$2,659	0.05%
Delinquent Fee - Sanitizer	\$0	\$0	\$0	\$0	\$0	0.00%
Supply Dealer Renewal	\$30,000	\$24,375	\$26,975	\$25,675	\$26,756	0.51%
Delinquent Fee - Supply Dealer	\$400	\$400	\$400	\$400	\$400	0.01%
Total Penalty Fee - All Home Furnishings License Types	\$53,108	\$42,680	\$52,275	\$47,478	\$48,885	0.93%
Thermal Insulation Renewal	\$210,625	\$220,000	\$218,000	\$219,000	\$216,906	4.13%
Delinquent Fee - Thermal Insulation	\$1,900	\$1,900	\$3,900	\$2,900	\$2,650	0.05%
Penalty Fee - Thermal Insulation	\$2,400	\$0	\$3,000	\$1,500	\$1,725	0.03%
Certified Product Listing	\$84,450	\$89,100	\$77,300	\$83,200	\$83,513	1.59%

Fees	FY 2018 19	FY 2019 20	FY 2020 21	FY 2021 22	4 year Average	
	Actual	Actual	Actual	Projected	Revenue	% Total
Selected Fee Totals ²	\$5,078,120	\$5,064,223	\$4,996,175	\$5,030,204	\$5,042,181	96.90%
Total Revenue (fee scheduled and non fee scheduled)	\$5,225,000	\$5,217,000	\$5,083,000	\$5,483,000	\$5,252,000	

The three fees that constituted the largest percentage of total revenue were the Furniture/Bedding Importer Renewal Fee (28.51%), the Furniture/Bedding Retailer Renewal Fee (24.39%), and the Furniture/Bedding Importer Initial Fee (12.36%).

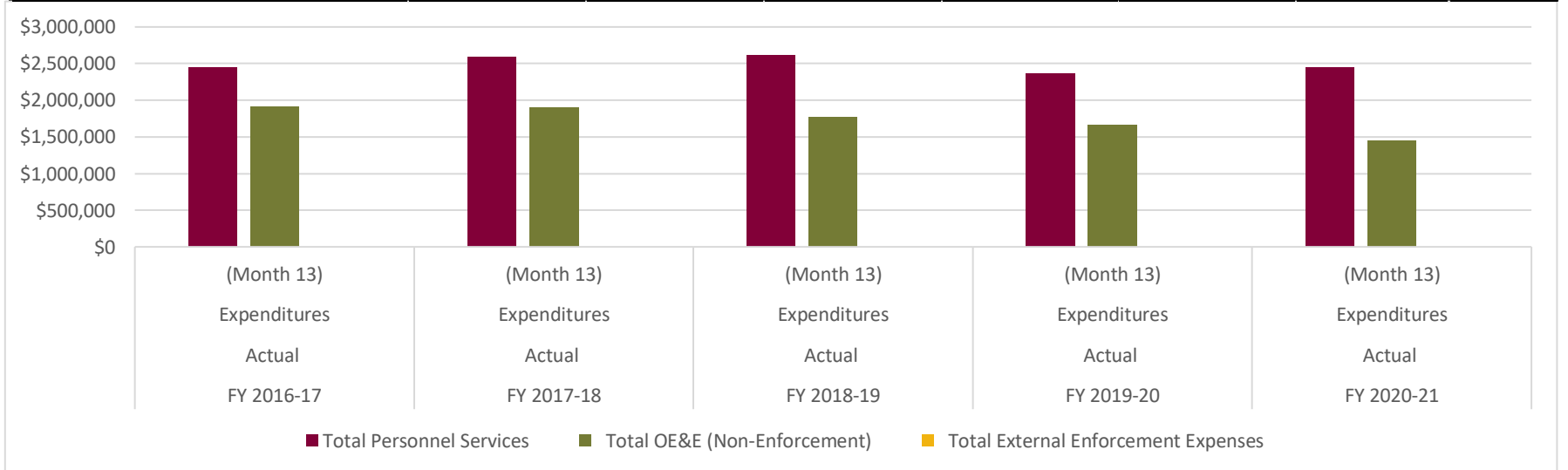
Expense Analysis – HFTI

HFTI's two largest expense categories are Personnel and Operating Expenses and Equipment (OE&E), with the latter further broken down into OE&E (Non-Enforcement) and External Enforcement Expenses. The expenditures for each of these categories for FY 2016-17 through FY 2020-21 are summarized below, with Personnel being the largest expense (61.7%), followed by OE&E (Non-Enforcement (38.7%), and External Enforcement (1.6%). Reimbursements as offsets reduced expenditures by -2.0%.

² Selected fee totals in table 15 do not match the total fee scheduled revenue row in table 14 because the Bureau collects revenue from other fees not displayed in table 15.

Table 16 - HFTI Expenditures

	FY 2016 17	FY 2017 18	FY 2018 19	FY 2019 20	FY 2020 21	5 Year Average	% Total
	Actual Expenditures (Month 13)	Actual Expenditures (Month 13)	Actual Expenditures (Month 13)	Actual Expenditures (Month 13)	Actual Expenditures (Month 13)		
Total Expenditures							
Total Personnel Services	\$2,441,379	\$2,589,070	\$2,606,521	\$2,363,692	\$2,451,137	\$2,490,360	58.9%
Total OE&E (Non-Enforcement)	\$1,907,855	\$1,896,067	\$1,768,950	\$1,662,244	\$1,443,392	\$1,735,702	41.1%
Total External Enforcement Expenses	\$5,725	\$988	\$4,713	\$1,095	\$3,278	\$3,160	0.1%
Total Operating Expenses & Equipment	\$1,913,580	\$1,897,055	\$1,773,663	\$1,663,339	\$1,446,670	\$1,738,861	41.2%
Total Expenditures	\$4,354,959	\$4,486,125	\$4,380,184	\$4,027,031	\$3,897,807	\$4,229,221	100.1%
Total Reimbursements as Offsets	(1,000)	(600)	(17,150)	0	0	(3,750)	-0.1%
Net Expenditures	\$4,353,959	\$4,485,525	\$4,363,034	\$4,027,031	\$3,897,807	\$4,225,471	100.0%



Revenue and Expense Analysis – HHM

Revenue and Expense Analysis - HHM

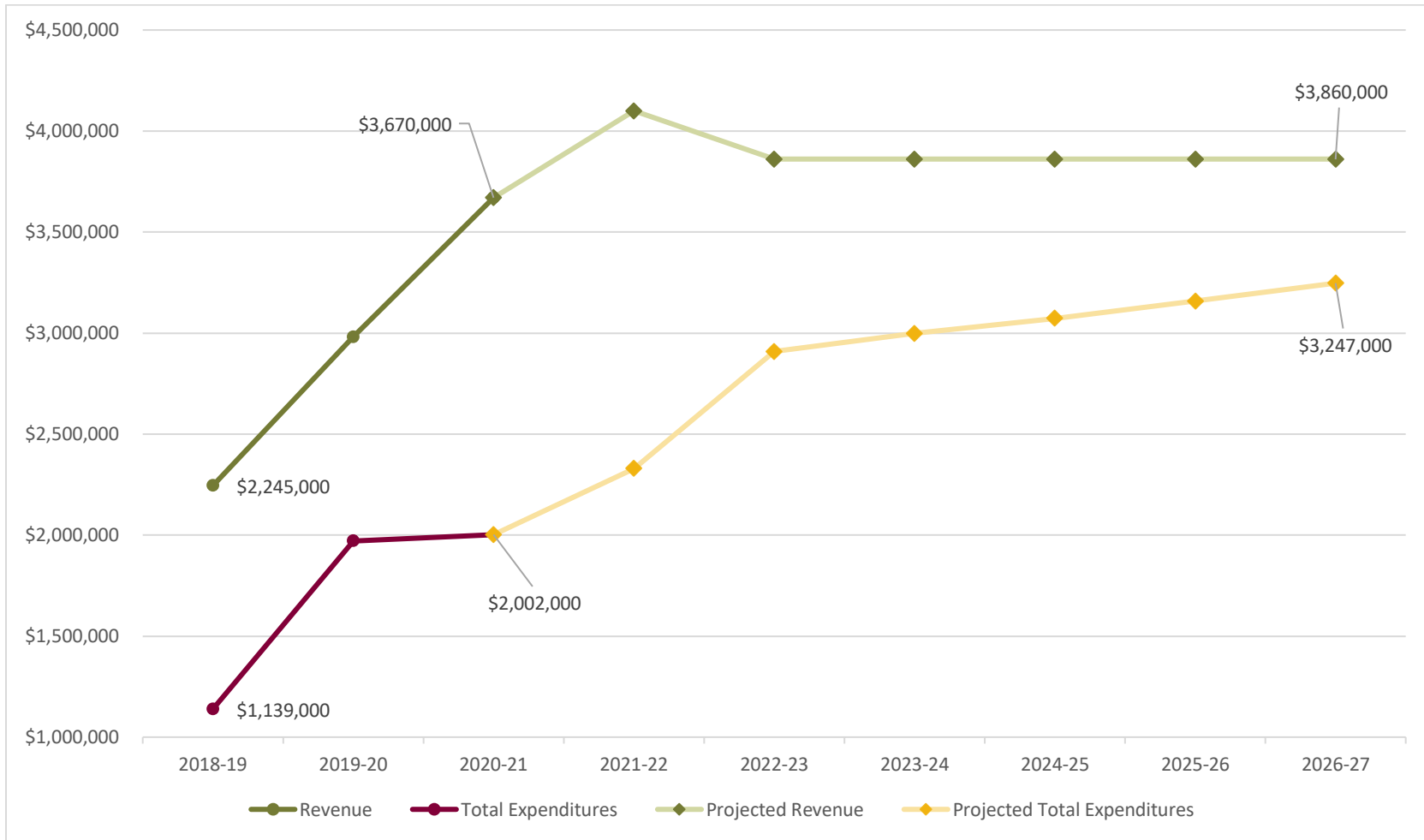
Important Note: The Revenue and Expense Analysis was completed with financial information as of February 10th, 2022. Additional expenditures associated with the Bizmod (business modernization efforts) were not contained in any financial information in this section or any other sections in the report. The Bizmod expenditures will be split 60% HHM/30% HFTI/10% EAR. For most tables in this section, only data from FY 2018-19 to FY 2020-21 was utilized because jurisdictional oversight of this industry was transferred from the California Public Utilities Commission to BHGS in July 2018, so prior year data was not easily obtainable.

HHM's revenue has grown from \$2.24M in FY 2018-19 to \$3.67M in FY 2020-21. This represents a **61.2% increase** in revenue over the last three fiscal years. During the same period, HHM expenditures have grown from \$1.14M in FY 2018-19 to \$3.67M in FY 2020-21. This **56.9% increase** in expenditures has matched revenues, thus no structural imbalance has occurred.

Current projections show revenue growing from \$3.67M in FY 2020-21 to \$3.86M in FY 2026-27 – a **5.2% increase**. Current projections also show expenditures growing from \$2M in FY 2020-21 to \$3.25M in FY 2026-27 – this represents a **62.2% increase, which while more than revenue, still will not create an imbalance.**

Figure 4 shows the historical and projected revenue and expenditures with a narrowing gap as expenditures outpaces revenues further each subsequent year. HHM's fund is estimated to have a balance of \$10.7 million (37.8 months-in-reserve) by the end of FY 2026-27.

Figure 4 - HHM Revenue and Total Expenditures



Fee and Non-Fee Scheduled Revenue – HHM

Table 17 contains a breakdown of the fee and non-fee scheduled revenue HHM collected from FY 2016-17 through FY 2020-21. The Bureau gets most of its revenue from fee scheduled revenue (99.94%) compared to non-fee scheduled revenue (.06%).

Table 17 - HHM Fee and Non-fee Scheduled Revenues

Revenue Category	FY 2018 19 Actual	FY 2019 20 Actual	FY 2020 21 Actual	3 Yr. Avg Revenue	% Of 3 Yr. Avg Revenue
Fee scheduled revenue - Renewal fees	\$2,080	\$2,719	\$3,368	\$2,722	91.79%
Fee scheduled revenue - Other regulatory licenses and permits	\$70	\$108	\$100	\$93	3.12%
Fee scheduled revenue - Delinquent fees	\$40	\$90	\$125	\$85	2.87%
Fee scheduled revenue - Other regulatory fees	\$54	\$65	\$73	\$64	2.16%
Total fee scheduled revenue	\$2,244	\$2,982	\$3,666	\$2,964	99.94%
Total non-fee scheduled revenue	\$1	\$0	\$4	\$2	0.06%
Total Revenue	\$2,245	\$2,982	\$3,670	\$2,966	100.00%

Fee scheduled revenue categories contain revenue from the first four categories in the table: renewal fees, other regulatory licenses and permits, delinquent fees and other regulatory fees. The renewal fee category includes revenue from the quarterly permit fee based on gross operating revenue - this category constitutes the highest amount of total revenue (91.79%). The other regulatory licenses and permits category includes revenue associated with initial permit/license fees. Delinquent fees revenue covers additional money that permit holders are charged for paying their quarterly permit fees late. The other regulatory fees revenue includes citations and fine fees, permit transfer fees, and the quarterly permit filing fee.

Non-fee scheduled revenue contains revenue from miscellaneous services to the public, income from surplus money investments, escheat of unclaimed checks and warrants, escheat of unclaimed property, and miscellaneous revenue. The scope of the current study did not involve examining or recommending amounts to charge for non-fee scheduled items.

Selected Fee Revenue Analysis – HHM

Table 18 displays the total actual revenue collected for each fee examined in this study.

Table 18 - HHM Selected Fee Revenue

Fees	FY 2018 19	FY 2019 20	FY 2020 21	FY 2021 22
	Actual	Actual	Actual	Projected
Initial Fee				
Household Mover Permit	\$56,500	\$109,000	\$101,000	\$102,010
Renewal Fees				
Household Mover Quarterly Gross Operating Rev Fee	\$1,982,085	\$2,675,919	\$3,300,655	\$3,333,662
Household Mover Permit Quarterly Filing Fee	\$42,840	\$58,395	\$44,301	\$44,744
Penalty Fee - Household Mover Permit	\$36,325	\$84,541	\$124,679	\$125,926
Selected Fee Totals³	\$2,117,750	\$2,927,855	\$3,570,635	\$3,606,342
Total Revenue (fee scheduled and non fee scheduled)	\$2,245,000	\$2,982,000	\$3,670,000	\$4,100,000

The fee that constituted the largest percentage of total revenue was the Household Mover Quarterly Gross Operating Revenue Fee (86.88%).

Expense Analysis – HHM

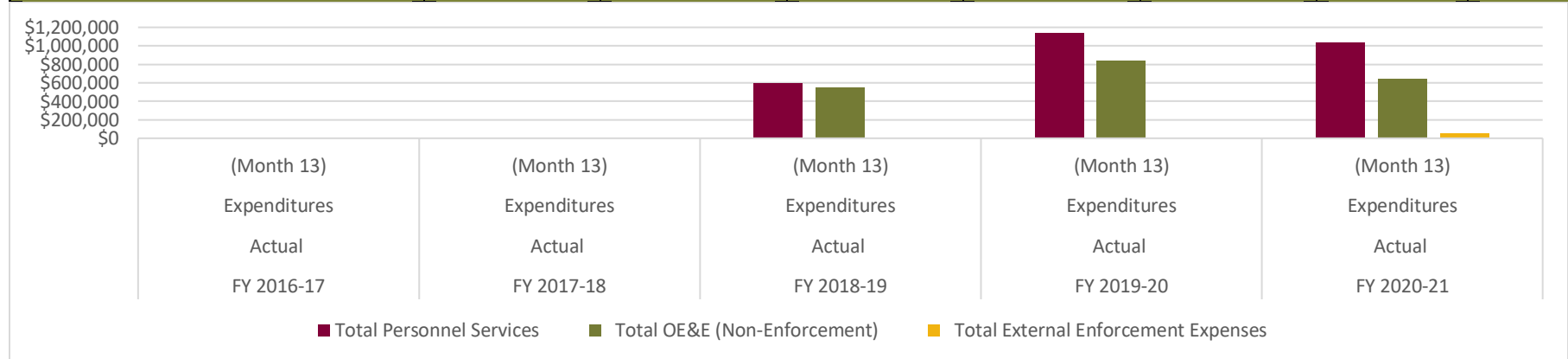
HHM’s two largest expense categories are Personnel and Operating Expenses and Equipment (OE&E), with the latter further broken down into OE&E (Non-Enforcement) and External Enforcement Expenses. The expenditures for each of these categories for FY 2018

³ Selected fee totals in table 18 do not match the total fee scheduled revenue row in table 17 because the Bureau collects revenue from other fees not displayed in table 18.

through FY 2020-21 are summarized below, with Personnel being the largest expense (57.1%), followed by OE&E (Non-Enforcement (41.9%), and External Enforcement (1.1%). There were no reimbursements to offset expenditures.

Table 19 - HHM Expenditures

	FY 2016 17	FY 2017 18	FY 2018 19	FY 2019 20	FY 2020 21	3 Year Average	% Total
	Actual Expenditures (Month 13)	Actual Expenditures (Month 13)	Actual Expenditures (Month 13)	Actual Expenditures (Month 13)	Actual Expenditures (Month 13)		
Total Expenditures							
Total Personnel Services	\$0	\$0	\$595,264	\$1,132,257	\$1,028,796	\$918,772	57.1%
Total OE&E (Non-Enforcement)	\$0	\$0	\$544,214	\$835,553	\$642,462	\$674,076	41.9%
Total External Enforcement Expenses	\$0	\$0	\$0	\$2,908	\$48,438	\$17,115	1.1%
Total Operating Expenses & Equipment	\$0	\$0	\$544,214	\$838,461	\$690,900	\$691,192	42.9%
Total Expenditures	\$0	\$0	\$1,139,478	\$1,970,718	\$1,719,696	\$1,609,964	100.0%
Total Reimbursements as Offsets	0	0	0	0	0	0	0.0%
Net Expenditures	\$0	\$0	\$1,139,478	\$1,970,718	\$1,719,696	\$1,609,964	100.0%



Funding Gap Analysis

For each of the three programs (HFTI, EAR and HHM), legislation dictates that the Bureau shall set fees to generate revenues sufficient to maintain each programs reserve fund at a level not to exceed 24 months of annual authorized expenditures.

BHGS provided CPS with the historical and projected financial documentation, including expenditure and revenue summaries, and fund conditions for each of the three programs (HFTI, EAR and HHM). BHGS’s current financial picture was reviewed to document the current status of the fund condition and the projected expenses in order to identify the needed revenue to meet the corresponding expenditures. CPS also combined the financial information for all three programs to assess the financial projections if the funds were combined into a single fund condition.

The individual HFTI and EAR fund conditions show rapidly declining fund conditions with EAR even reaching a negative balance in FY 2025-26 while the HHM fund condition shows an increase in the months in reserve (Table 20). When merging the three funds, the months in reserve declines, but does not reach a negative balance by FY 2026-27.

Table 20 - Fund Condition Months in Reserve with Current Fee Amounts⁴

	Months in Reserve			
	HFTI	EAR	HHM	Combined Fund
FY 21-22	12.65	12.39	28.1	16.2
FY 22-23	10.50	9.17	31.1	14.9
FY 23-24	8.13	5.80	33.6	13.4
FY 24-25	5.57	2.29	35.7	11.7
FY 25-26	2.82	-1.37	37.3	9.7
FY 26-27	0.10	-5.00	37.8	7.4

Combining the three funds offers several advantages to the Bureau including:

⁴ Additional expenditures associated with the Bizmod (business modernization efforts) were not contained in any financial information used to create this table or any others in the report. The Bizmod expenditures will be split 60% HHM/30% HFTI/10% EAR.

- The HHM months in reserve currently exceeds the 24-month maximum with continued growth expected, however the combined fund contains month in reserve amounts that are below 24 months.
- There is a current need to increase the EAR and HFTI fees to reverse the downward trend in the months in reserve.
- Tables 22 and 23 in the Work Time Allocation Analysis show that budgeted positions for certain programs are performing work on other programs. Combining the funds would allow BHGS to more easily justify staff to perform work across multiple programs, providing coverage or back-up to other areas and maintaining more smooth operations in the event of vacancies.

Table 21 below shows a further breakdown of the combined fund condition with current fee amounts.

Table 21 - BHGS Combined (HFTI/EAR/HHM) Fund Condition with Current Fee Amounts

BHGS Combined (HFTI/EAR/HHM) Fund Condition								
	Actual	Prior Year	Current Year	BY	BY+1	BY+2	BY+3	BY+4
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Beginning Reserve Balance	\$10,805	\$12,611	\$14,893	\$16,867	\$15,988	\$14,780	\$13,212	\$11,271
Revenues	\$10,946	\$11,275	\$12,428	\$11,657	\$11,657	\$11,657	\$11,657	\$11,657
Total Resources¹	\$21,721	\$23,865	\$27,300	\$28,503	\$27,645	\$26,437	\$24,869	\$22,928
Expenditures ²	\$8,657	\$8,144	\$9,460	\$11,597	\$11,947	\$12,307	\$12,679	\$13,062
Direct Assessments ³	\$596	\$828	\$973	\$918	\$918	\$918	\$918	\$918
Total Expenditures	\$9,253	\$8,972	\$10,433	\$12,515	\$12,865	\$13,225	\$13,597	\$13,980
Fund Balance	\$12,468	\$14,893	\$16,867	\$15,988	\$14,780	\$13,212	\$11,271	\$8,949
Months in reserve	16.7	17.1	16.2	14.9	13.4	11.7	9.7	7.4
¹ Total Resources figures consist of total revenues, transfers, and other adjustments. ² Expenditure figures include BHGS’s Operating Expenses and Equipment and Personnel Services cost categories. These costs are described in detail in the Expense Analysis section. ³ Direct assessments are expenses assessed against the fund condition in addition to the OE&E and Personnel Services categories and include Statewide Pro Rata and Supplemental Pension Payments. Statewide Pro Rata is a recovery of statewide general administrative costs (i.e., indirect costs incurred by central service agencies). Supplemental Pension Payments are related to Senate Bill 84 (Chapter 50, Statutes of 2017) that authorized a one-time \$6 billion supplemental pension payment in FY 2017/18 to CalPERS. This loan is to be repaid through funds responsible for retirement contributions. Dollars in thousands								

Closing the Gap – Identifying Needed Revenue

The following methodology was utilized to identify the total revenue needed to close the gap between the total expenditures and projected revenue with current fees as documented in Table 21 above, including building a fifteen-month reserve.

1. The financial information for FY 2019-20 projected through FY 2026-27 for all three programs (HFTI/EAR/HHM) was reviewed and combined to identify the beginning balances, revenues, expenditures, and months in reserve if the fees remained at their current levels at beginning of this study (as of February 2022).
2. The expenditures summaries for all three programs were combined to identify a breakdown of expenditures, including personnel, operations, enforcement, and direct expenses, with consideration to the reimbursements. Each expense category was further distributed among the fees based on the corresponding workload, as discussed in the Distribution of Expenses section.
3. The additional revenue required to build a fifteen-month reserve, assuming fees are increased in January 2024, was identified based on the projected expenditures for FY 2020-21 through FY 2027-28.⁵
4. The projected expenditures were added to the additional revenue needed to meet the targeted months in reserve to identify the total revenue needed each year. This was compared to the expected revenue for each year to identify the funding gap that would need to be filled by the fee schedule changes.

The following Fee Costing Analysis describes how the needed fees were determined to ensure coverage of the increased revenue requirements.

³Projections go out to FY 2026/27, however the total expenditure for FY 2027/28 was needed to calculate the needed revenue to have fifteen months in reserve for FY 2026/27.

Fee Costing Analysis

Work Time Allocation Analysis

CPS HR Consultants reviewed duty statements to develop a task list defining the key processes associated with the current fee schedule. Consultants worked with Enforcement, Licensing, Laboratory, and Administrative Unit management to refine the task list to ensure clarity, mutual exclusivity, and comprehensiveness of the included tasks. The task list is organized by work unit and then by program (e.g., HFTI, EAR, HHM). In addition to defining the key work tasks encompassing the majority of the work of BHGS staff, each section has other work tasks to capture the miscellaneous tasks related to each program area that are not covered by the key work tasks. Additionally, the last section on the task list, General and Supervisory Tasks, contained tasks that were general or supervisory in nature and not specific to any particular program or work unit – these tasks were used by all the work units. The finalized task list language is provided in Appendix A.

Each supervisor completed a work time allocation spreadsheet identifying the percentage of time spent on each discrete task area over the course of a year for each of their staff (as of January 2022). The completed spreadsheets were then reviewed by second level management as a validation check on the time distributions prior to finalization. BHGS had a total of 62 positions whose time was captured in the time study conducted between February 8, 2022, to March 2, 2022.

In addition to the task list defining the key processes for line staff, an additional task, EE-1, was utilized by CPS to define the time of the two Staff Service Manager Is in the Policy Unit, the Staff Service Manager II that reports to the Bureau Chief, and the Bureau Chief since their time is not devoted to a specific fee or program area.

Shortly after the initial data collection, the Bureau requested that CPS re-administer the survey for 25 selected positions within the Compliance and Investigations Units to gain a more accurate representation of the work performed by these positions and to include newly budgeted positions. Unlike the first survey effort, if the position was currently filled, the incumbent completed the survey (as opposed to the supervisor). If the position was vacant, the position's manager completed the survey. This new survey data also incorporated four newly added Special Investigator positions in the HHM budget and one Staff Service Analyst position in the EAR budget. These positions brought the total position count to 67. The new survey data was collected in September 2022.

Table 22 summarizes the total annual hours and the equivalent number of Personnel Years (PY) allocated to each task. A Personnel Year is a measure of the number of working hours associated with a full-time employee. While there are technically 2080 hours in a working year (52 weeks * 40 hours/week), the DCA Budget Office uses 1776 hours to define a single "PY" which removes hours for vacation, holiday, and leave.

Table 22 - Annual Hours and PY Spent on Tasks

Task #	Task Description	Annual Hours	Equivalent PY	% Of Total PY
EXECUTIVE (attributed to multiple fees and/or program areas)				
EE-1	Overall Executive Functions	7104.0	4.0	5.97%
LICENSING TASKS				
Home Furnishing and Thermal Insulation (HFTI)				
Application and Initial Licensing Tasks				
LAHFTI-1	Furniture/Bedding Importer	257.52	0.15	0.22%
LAHFTI-2	Furniture/Bedding Manufacturer	230.88	0.13	0.19%
LAHFTI-3	Furniture/Bedding Wholesaler	177.60	0.10	0.15%
LAHFTI-4	Furniture Retailer	230.88	0.13	0.19%
LAHFTI-5	Bedding Retailer	204.24	0.12	0.17%
LAHFTI-6	Furniture/Bedding Retailer	257.52	0.15	0.22%
LAHFTI-7	Custom Upholsterer	204.24	0.12	0.17%
LAHFTI-8	Sanitizer	71.04	0.04	0.06%
LAHFTI-9	Supply Dealer	71.04	0.04	0.06%
LAHFTI-10	Thermal Insulation	177.60	0.10	0.15%
Renewal Tasks				
LRHFTI-1	Furniture/Bedding Importer Renewal	195.36	0.11	0.16%
LRHFTI-2	Furniture/Bedding Wholesaler Renewal	195.36	0.11	0.16%
LRHFTI-3	Furniture/Bedding Manufacturer Renewal	195.36	0.11	0.16%
LRHFTI-4	Furniture Retailer Renewal	195.36	0.11	0.16%
LRHFTI-5	Bedding Retailer Renewal	195.36	0.11	0.16%
LRHFTI-6	Furniture/Bedding Retailer	195.36	0.11	0.16%
LRHFTI-7	Custom Upholsterer Renewal	195.36	0.11	0.16%
LRHFTI-8	Sanitizer Renewal	88.80	0.05	0.07%
LRHFTI-9	Supply Dealer Renewal	88.80	0.05	0.07%
LRHFTI-10	Thermal Insulation Renewal	106.56	0.06	0.09%
Other Tasks				
LOFHFTI-1	Duplicate License - HFTI	177.60	0.10	0.15%
LOFHFTI-2	Change of Business Name - HFTI	301.92	0.17	0.25%
HFTI Other Licensing Work Tasks				
LOWHFTI-1	HFTI Other Licensing Work Tasks	1154.40	0.65	0.97%
SUBTOTAL HFTI LICENSING TIME:		5168.16	2.91	4.34%
Electronic and Appliance Repair (EAR)				
Application and Initial Licensing Tasks				
LAEAR-1	Appliance Service Dealer	177.60	0.10	0.15%

Task #	Task Description	Annual Hours	Equivalent PY	% Of Total PY
LAEAR-2	Electronic Service Dealer	177.60	0.10	0.15%
LAEAR-3	Combination Service Dealer	177.60	0.10	0.15%
LAEAR-4	Service Contract Seller	1172.16	0.66	0.99%
LAEAR-5	Service Contract Administrator	1101.12	0.62	0.93%
Renewal Tasks				
LREAR-1	Appliance Service Dealer Renewal	195.36	0.11	0.16%
LREAR-2	Electronic Service Dealer Renewal	195.36	0.11	0.16%
LREAR-3	Combination Service Dealer Renewal	195.36	0.11	0.16%
LREAR-4	Service Contract Seller Renewal	621.60	0.35	0.52%
LREAR-5	Service Contract Administrator Renewal	195.36	0.11	0.16%
Other Tasks				
LOFEAR-1	Duplicate License - EAR	177.60	0.10	0.15%
LOFEAR-2	Change of Business Name - EAR	301.92	0.17	0.25%
EAR Other Licensing Work Tasks				
LOWEAR-1	EAR Other Licensing Work Tasks	1847.04	1.04	1.55%
SUBTOTAL EAR LICENSING TIME:		6535.68	3.68	5.49%
Household Movers (HHM)				
Application and Initial Licensing Tasks				
LAHHM-1	Household Mover Initial Application	994.56	0.56	0.84%
Renewal Tasks				
LRHHM-1	Household Mover Quarterly Reports	1882.56	1.06	1.58%
Other Tasks				
LOFHMM-1	Duplicate License - HHM	195.36	0.11	0.16%
LOFHMM-2	Change of Business Name - HHM	230.88	0.13	0.19%
HHM Other Licensing Work Tasks				
LOWHHM-1	HHM Other Licensing Work Tasks	1704.96	0.96	1.43%
SUBTOTAL HHM LICENSING TIME:		5008.32	2.82	4.21%
ENFORCEMENT TASKS				
Home Furnishing and Thermal Insulation (HFTI)				
Non-Compliance Inspection Tasks				
ENCHFTI-1	Furniture and Bedding Fee for Non-Compliance Inspections	2326.56	1.31	1.96%
Enforcement Tasks				
EHFTI-1	Furniture/Bedding Importer	479.52	0.27	0.40%
EHFTI-2	Furniture/Bedding Manufacturer	461.76	0.26	0.39%
EHFTI-3	Furniture/Bedding Wholesaler	497.28	0.28	0.42%
EHFTI-4	Furniture Retailer	1420.80	0.80	1.19%
EHFTI-5	Bedding Retailer	834.72	0.47	0.70%
EHFTI-6	Furniture/Bedding Retailer	2291.04	1.29	1.93%

Task #	Task Description	Annual Hours	Equivalent PY	% Of Total PY
EHFTI-7	Custom Upholsterer	470.64	0.27	0.40%
EHFTI-8	Sanitizer	124.32	0.07	0.10%
EHFTI-9	Supply Dealer	62.16	0.04	0.05%
EHFTI-10	Thermal Insulation	142.08	0.08	0.12%
HFTI Other Enforcement Work Tasks				
EOHFTI-1	HFTI Other Enforcement Work Tasks	2655.12	1.50	2.23%
SUBTOTAL HFTI ENFORCEMENT TIME:		11774.88	6.63	9.90%
Electronic and Appliance Repair (EAR)				
Enforcement Tasks				
EEARS-1	Appliance Service Dealer	3054.72	1.72	2.57%
EEARS-2	Electronic Service Dealer	3250.08	1.83	2.73%
EEARS-3	Combination Service Dealer	1189.92	0.67	1.00%
EEARS-4	Service Contract Seller	2131.20	1.20	1.79%
EEARS-5	Service Contract Administrator	2806.08	1.58	2.36%
EAR Other Enforcement Work Tasks				
EOEARS-1	EAR Other Enforcement Work Tasks	2504.16	1.41	2.10%
SUBTOTAL EAR ENFORCEMENT TIME:		14936.16	8.41	12.55%
Household Movers (HHM)				
Enforcement Tasks				
EHHM-1	Household Mover Enforcement Tasks	21436.32	12.07	18.01%
HHM - Other Enforcement Work Tasks				
EOHHM-1	HHM - Other Enforcement Work Tasks	4475.52	2.52	3.76%
SUBTOTAL HHM ENFORCEMENT TIME:		25911.84	14.59	21.78%
LABORATORY TASKS				
Non-Compliance Testing Tasks				
LABNC-1	Furniture and Bedding Fee for Testing Resulting in Non-Compliance	1476.20	0.83	1.24%
LABNC-2	Thermal Insulation Fee for Testing Resulting in Non-Compliance	336.98	0.19	0.28%
Laboratory Tasks				
LAB-1	Furniture	6906.05	3.89	5.80%
LAB-2	Bedding	2565.16	1.44	2.16%
LAB-3	Custom Upholsterer	124.32	0.07	0.10%
LAB-4	Sanitizer	71.04	0.04	0.06%
LAB-5	Supply Dealer	71.04	0.04	0.06%
LAB-6	Thermal Insulation	1249.46	0.70	1.05%
LAB-7	Thermal Insulation Directory	1283.08	0.72	1.08%
Laboratory Other Work Tasks				

Task #	Task Description	Annual Hours	Equivalent PY	% Of Total PY
LABO-1	Laboratory Other Work Tasks	3539.45	1.99	2.97%
	SUBTOTAL LABORATORY TIME:	17622.77	9.92	14.81%
ADMINISTRATIVE UNIT TASKS				
Procurement and Contracts				
AU-1	Procurement and Contracts - HFTI	1598.40	0.90	1.34%
AU-2	Procurement and Contracts - EAR	799.20	0.45	0.67%
AU-3	Procurement and Contracts - HHM	763.68	0.43	0.64%
Administrative Unit Other Work Tasks				
AUO-1	Administrative Unit Other Work Tasks	8205.12	4.62	6.90%
	SUBTOTAL ADMINISTRATIVE UNIT TIME:	11366.40	6.40	9.55%
GENERAL AND SUPERVISORY TASKS (ALL BHGS WORK UNITS)				
General and Supervisory Tasks (All BHGS Work Units)				
GS-1	Administrative Tasks	7836.19	4.41	6.59%
GS-2	General Supervision	2477.52	1.40	2.08%
GS-3	Overall Program Management	3250.08	1.83	2.73%
	SUBTOTAL GENERAL AND SUPERVISORY TASKS TIME:	13563.79	7.64	11.40%
TOTAL OVERALL		118,992	67.00	100.00%

While Table 22 above shows the raw distribution of staff time across the different tasks and functions, the analysis of the fee structure required the inclusion of Enforcement, Laboratory and the Administrative Unit staff into the licensing fees (and the two enforcement inspection/testing fees – Furniture and Bedding Fee for Testing/Inspections Resulting in Non-Compliance and the Thermal Insulation Fee for Testing Resulting in Non-Compliance). Time from the “Other Work”, “General & Supervisory” and “Overall Executive Functions” (EE-1) tasks were redistributed back to the corresponding program and work unit proportionally based on the number of PY allocated to each fee within the workload study. The total PY allocated to each of the fees is summarized in Table 23 below, including the number of Enforcement, Laboratory and the Administrative Unit staff contributing to each fee based on the distribution of personnel and operational expenses in the next section.

Table 23 - Redistribution of Time to Fees

Task #	Task Description	Licensing PY	Enforcement PY	Lab PY	Admin Unit PY	Total PY	Total Hours
Home Furnishing and Thermal Insulation (HFTI)							
Application and Initial Licensing							
LAHFTI-1&2	Furniture/Bedding Importer & Manufacturer	0.4		1.9	0.5	2.8	4940.6
LAHFTI-3	Furniture/Bedding Wholesaler	0.2		0.7	0.2	1.0	1796.6
LAHFTI-4	Furniture Retailer	0.2		0.6	0.2	1.1	1905.1
LAHFTI-5	Bedding Retailer	0.2		0.2	0.2	0.6	1053.8
LAHFTI-6	Furniture/Bedding Retailer	0.2		1.0	0.3	1.5	2605.1
LAHFTI-7	Custom Upholsterer	0.2		0.1	0.2	0.4	770.2
LAHFTI-8	Sanitizer	0.1		0.0	0.1	0.2	282.4
LAHFTI-9	Supply Dealer	0.1		0.0	0.1	0.2	282.4
LAHFTI-10	Thermal Insulation	0.2		0.7	0.2	1.0	1779.7
Renewal Tasks							

Task #	Task Description	Licensing PY	Enforcement PY	Lab PY	Admin Unit PY	Total PY	Total Hours
LRHFTI-1&3	Furniture/Bedding Importer & Manufacturer Renewal	0.3	0.8	1.5	0.4	3.1	5437.8
LRHFTI-2	Furniture/Bedding Wholesaler Renewal	0.2	0.4	0.8	0.2	1.6	2761.0
LRHFTI-4	Furniture Retailer Renewal	0.2	1.3	0.5	0.2	2.2	3854.0
LRHFTI-5	Bedding Retailer Renewal	0.2	0.7	0.2	0.2	1.3	2325.1
LRHFTI-6	Furniture/Bedding Retailer	0.2	2.0	0.8	0.2	3.1	5591.5
LRHFTI-7	Custom Upholsterer Renewal	0.2	0.4	0.1	0.2	0.8	1479.4
LRHFTI-8	Sanitizer Renewal	0.1	0.1	0.0	0.1	0.3	549.2
LRHFTI-9	Supply Dealer Renewal	0.1	0.1	0.0	0.1	0.3	451.1
LRHFTI-10	Thermal Insulation Renewal	0.1	0.1	1.5	0.1	1.8	3254.5
Other Tasks							
ENCHFTI-1 & LABNC-1	Furniture and Bedding Fee for Non-Compliance Testing/Inspections		3.3	0.0	0.0	3.3	5872.4
LABNC-2	Thermal Insulation Fee for Testing Resulting in Non-Compliance			0.3	0.0	0.3	510.4
Electronic and Appliance Repair (EAR)							
Application and Initial Licensing Tasks							

Task #	Task Description	Licensing PY	Enforcement PY	Lab PY	Admin Unit PY	Total PY	Total Hours
LAEAR-1	Appliance Service Dealer	0.2		0.0	0.1	0.2	431.6
LAEAR-2	Electronic Service Dealer	0.2		0.0	0.1	0.2	431.6
LAEAR-3	Combination Service Dealer	0.2		0.0	0.1	0.2	431.6
LAEAR-4	Service Contract Seller	1.1		0.0	0.5	1.6	2848.7
LAEAR-5	Service Contract Administrator	1.0		0.0	0.5	1.5	2676.0
Renewal Tasks							
LREAR-1	Appliance Service Dealer Renewal	0.2	2.5	0.0	0.1	2.8	4963.0
LREAR-2	Electronic Service Dealer Renewal	0.2	2.7	0.0	0.1	3.0	5250.1
LREAR-3	Combination Service Dealer Renewal	0.2	1.0	0.0	0.1	1.3	2223.1
LREAR-4	Service Contract Seller Renewal	0.6	1.8	0.0	0.3	2.6	4642.0
LREAR-5	Service Contract Administrator Renewal	0.2	2.3	0.0	0.1	2.6	4597.7
Other Tasks							
Household Movers (HHM)							
Application and Initial Licensing Tasks							

Task #	Task Description	Licensing PY	Enforcement PY	Lab PY	Admin Unit PY	Total PY	Total Hours
LAHMM-1	Household Mover Initial Application	1.0		0.0	0.6	1.6	2827.3
Quarterly Revenue Report Tasks							
LRHMM-1	Household Mover Quarterly Reports	1.9	17.8	0.0	1.1	20.9	37038.0
Other Tasks							
LOFHFTI-1 & LOFEAR-1 & LOFHMM-1	Duplicate License	0.5	0.0	0.0	0.4	0.9	1572.2
LOFHFTI-2 & LOFEAR-2 & LOFHMM-2	Change of Business Name	0.8	0.0	0.0	0.6	1.3	2385.0

Notes Regarding Consolidation of Time for Select Tasks

- Time from ENCHFTI-1 – Furniture and Bedding Fee for Non-Compliance Inspections was combined with LABNC-1 – Furniture and Bedding Fee for Testing Resulting Non-Compliance in determining a single fee.
- Time from LAHFTI-1 – Furniture/Bedding Importer (initial licensing fee) was ultimately combined with LAFHTI-2 – Furniture/Bedding Manufacturer (initial licensing fee) and time from LRHFTI-1 – Furniture/Bedding Importer (renewal) was ultimately combined with LRHFTI-3 – Furniture/Bedding Manufacturer (renewal fee) because the classifications are being combined.
- Time for the Duplicate License and Change of Business Name tasks (LOFHFTI-1, LOFHFTI-2, LOFEAR-1, LOFEAR-2, LOFHMM-1, LOFHMM-2) was combined to develop single Duplicate License and Change of Business Name fees across all BHGS programs.

Key findings from Table 23 above are presented below (percentages include all staff allocated to the fee).

Key Findings

Overall, 20.92% of staff time was allocated to application and initial licensing tasks, 70.45% to renewal tasks, 3.3% to other tasks (Duplicate license and Change of business name) and 5.33% to the enforcement inspection/testing tasks (Furniture and Bedding Fee for Testing/Inspection Resulting in Non-Compliance and Thermal Insulation Fee for Testing Resulting in Non-Compliance).

Table 24 below compares the total budgeted PY by program to the results of the time allocation analysis.

Table 24 - PY by Program

Table Program	Total Budgeted PY by Program	Total PY from Time Allocation Study by Program	Difference
HFTI	31	28	3
EAR	21	17	4
HHM	15	23	-8

The results indicate that there is a total of 8.1 more PY working on HHM program activities that what is budgeted and a total of 3.4 less PY working on HFTI and 4.3 PY working on EAR that budgeted.

Distribution of Expenses

The total revenue required for each year FY 2021-22 through FY 2026-27 (including expenditures plus needed reserve) was determined utilizing projections from the EAR, HHM, and HFTI Fund Conditions and Five-Year Expenditures reports. The percentage of expenditures allocated to Personnel, Operating, Enforcement, and Direct Assessment in each projected year was applied to the total required revenue to determine the expenses linked to each category. Table 25 outlines how each expenditure category was further distributed among the fees to determine the total revenue required by each fee to meet overall expenditures. Note that not all programs had monies associated with each expenditure line item.

Table 25 - Summary of Distribution Methodology

Expenditure Category	Expenditure Line Item(s)	Distribution Method
Personnel	All Personnel	<p>Expenses distributed among fees based on the number of allocated PY identified in the work time allocation spreadsheets.</p> <ul style="list-style-type: none"> • PY directly attributed to processing applications/renewals/other fees • Enforcement PY distributed among renewals based on methods described in Enforcement distribution within this table. • Executive PY was proportionally distributed across all fees based on the number of PY attributed in the above methods. • Administrative Unit PY was proportionally distributed across all fees based on the number of PY attributed in the above methods. • Laboratory Unit PY was proportionally distributed across all fees requiring laboratory services based on the number of PY attributed to the respective fees in the above methods.
Operating – Non-Enforcement	<ul style="list-style-type: none"> • Printing, Postage • Consolidated Data Center (Teale) • DP Maint. /Supplies 	Operating expenses linked to the number of licenses being maintained/serviced. Expenses proportionally distributed among license application, renewal, and other fees based on projected workload statistics for each year.
	Expert Examiners	Expenses proportionally distributed among fees requiring examinations based on projected workload statistics for each year.
	All Other Operating lines (<i>travel, training, facilities, vehicles, etc.</i>)	Operating expenses linked to the number of PY. Expenses distributed among fees based on the number of allocated PY identified in the work time allocation spreadsheets.
	Fingerprinting	Expenses proportionally distributed among initial applications requiring fingerprinting based on projected workload statistics.

Expenditure Category	Expenditure Line Item(s)	Distribution Method
Reimbursements	Scheduled Reimbursement - Fingerprints	Expenses proportionally distributed among initial applications requiring fingerprinting based on projected workload statistics.
	Scheduled Reimbursement – Other	Expenses distributed among fees based on the number of allocated PY identified in the work time allocation spreadsheets.
Enforcement (under Operating)	All Enforcement	Expenses proportionally distributed among renewals based on number of Enforcement PY allocated to each fee classification.
Direct Assessments	<input type="checkbox"/> Supplemental Pension Payments <input type="checkbox"/> Statewide Gen. Admin. Pro Rata	Expenses distributed among fees based on the number of allocated PY identified in the work time allocation spreadsheets.

Determination of Initial Fee Levels and Adjustments

The distribution of expenses (described above) identified the total revenue needed by each fee to meet the total expenditures plus a portion of the targeted months in reserve. This information was utilized in conjunction with the projected workload statistics in each fee to identify an initial recommended fee structure based entirely on workload statistics and financial requirements.

The recommended initial fee structure was then adjusted to round fee amounts and incorporate BHGS management feedback on the practicality and acceptable increases with consideration to the current fees and industry standards. Additional consideration was given to minimizing the impact on the current and future licensees by making small adjustments to high frequency fees to subsidize fees with smaller frequencies that would have required a larger change to the current fee to meet expenditures. Throughout the adjustments, care was taken to ensure the fees were still supported by the work time allocation spreadsheet analysis and that the total revenue did not exceed the expenditures plus targeted months in reserve within the next five years.

Recommended Fee Levels

The fees required to generate sufficient revenue to cover expenditures and remain within the 10-to-15-month reserve are outlined in Table 26.

Table 26 - Recommended Fee Levels

Fee	Current Fee	Current Statutory Max	Current Fee (Converted to annual basis as applicable)	New Fee	New Statutory Max (+25% except for delinquent fees)	New Fee Increase from Current Fee (Annualized)
HFTI						
Initial Fees						
Furniture/Bedding Manufacturer - Initial	\$ 750.00	\$ 940.00	Same	\$ 750.00	\$ 937.50	0%
Furniture/Bedding Wholesaler - Initial	\$ 625.00	\$ 675.00	Same	\$ 1,000.00	\$ 1,250.00	60%
Furniture Retailer - Initial	\$ 140.00	\$ 150.00	Same	\$ 300.00	\$ 375.00	114%
Bedding Retailer - Initial	\$ 140.00	\$ 150.00	Same	\$ 300.00	\$ 375.00	114%
Furniture/Bedding Retailer - Initial	\$ 280.00	\$ 300.00	Same	\$ 460.00	\$ 575.00	64%

Fee	Current Fee	Current Statutory Max	Current Fee (Converted to annual basis as applicable)	New Fee	New Statutory Max (+25% except for delinquent fees)	New Fee Increase from Current Fee (Annualized)
Custom Upholsterer - Initial	\$ 420.00	\$ 450.00	Same	\$ 420.00	\$ 525.00	0%
Sanitizer - Initial	\$ 420.00	\$ 450.00	Same	\$ 420.00	\$ 525.00	0%
Supply Dealer - Initial	\$ 625.00	\$ 675.00	Same	\$ 900.00	\$ 1,125.00	44%
Thermal Insulation - Initial	\$ 2,000.00	\$ 2,500.00	Same	\$ 3,000.00	\$ 3,750.00	50%
Renewal Fees						
Furniture/Bedding Manufacturer Renewal	\$ 750.00	\$ 940.00	\$ 375	\$ 375.00	\$ 468.75	0%
<i>Delinquent - Furniture/Bedding Manufacturer Renewal</i>	\$ 100.00		\$ 50	\$ 150.00	<i>50% of the annual renewal fee but not more than \$150</i>	
Furniture/Bedding Wholesaler Renewal	\$ 625.00	\$ 675.00	\$ 313	\$ 500.00	\$ 625.00	60%
<i>Delinquent - Furniture/Bedding Wholesaler Renewal</i>	\$ 100.00		\$ 50	\$ 150.00	<i>50% of the annual renewal fee but not more than \$150</i>	
Furniture Retailer Renewal	\$ 140.00	\$ 150.00	\$ 70	\$ 150.00	\$ 187.50	114%
<i>Delinquent - Furniture Retailer Renewal</i>	\$ 28.00		\$ 14	\$ 75.00	<i>50% of the annual renewal fee but not more than \$150</i>	
Bedding Retailer Renewal	\$ 140.00	\$ 150.00	\$ 70	\$ 150.00	\$ 187.50	114%
<i>Delinquent - Bedding Retailer Renewal</i>	\$ 28.00		\$ 14	\$ 75.00	<i>50% of the annual renewal fee but not more than \$150</i>	
Furniture/Bedding Retailer Renewal	\$ 280.00	\$ 300.00	\$ 140	\$ 230.00	\$ 287.50	64%

Fee	Current Fee	Current Statutory Max	Current Fee (Converted to annual basis as applicable)	New Fee	New Statutory Max (+25% except for delinquent fees)	New Fee Increase from Current Fee (Annualized)
<i>Delinquent - Furniture/Bedding Retailer Renewal</i>	\$ 56.00		\$ 28	\$ 115.00	50% of the annual renewal fee but not more than \$150	
Custom Upholsterer Renewal	\$ 420.00	\$ 450.00	\$ 210	\$ 210.00	\$ 262.50	0%
<i>Delinquent - Custom Upholsterer Renewal</i>	\$ 84.00		\$ 42	\$ 105.00	50% of the annual renewal fee but not more than \$150	
Sanitizer Renewal	\$ 420.00	\$ 450.00	\$ 210	\$ 250.00	\$ 312.50	19%
<i>Delinquent - Sanitizer Renewal</i>	\$ 84.00		\$ 42	\$ 125.00	50% of the annual renewal fee but not more than \$150	
Supply Dealer Renewal	\$ 625.00	\$ 675.00	\$ 313	\$ 450.00	\$ 562.50	44%
<i>Delinquent - Supply Dealer Renewal</i>	\$ 100.00		\$ 50	\$ 150.00	50% of the annual renewal fee but not more than \$150	
Thermal Insulation Renewal	\$ 2,000.00	\$ 2,500.00	\$ 2,000	\$ 3,000.00	\$ 3,750.00	50%
<i>Delinquent - Thermal Insulation Renewal</i>	\$ 100.00		\$ 50	\$ 150.00	50% of the annual renewal fee but not more than \$150	
Other Fees						
Thermal Insulation Fee for Testing Resulting in Non-Compliance	N/A	\$200 min	N/A	\$ 1,000.00	?	N/A

Fee	Current Fee	Current Statutory Max	Current Fee (Converted to annual basis as applicable)	New Fee	New Statutory Max (+25% except for delinquent fees)	New Fee Increase from Current Fee (Annualized)
Furniture and Bedding Fee for Non-Compliance Inspections/Testing	N/A	\$200-\$500	N/A	\$ 500.00	\$ 500.00	N/A
EAR						
Initial Fees						
Appliance Service Dealer - Initial	\$ 190.00	\$ 205.00	Same	\$ 220.00	\$ 275.00	16%
Electronic Service Dealer - Initial	\$ 190.00	\$ 205.00	Same	\$ 220.00	\$ 275.00	16%
Combination Service Dealer - Initial	\$ 375.00	\$ 405.00	Same	\$ 400.00	\$ 500.00	7%
Service Contract Seller - Initial	\$ 95.00	\$ 95.00	Same	\$ 120.00	\$ 150.00	26%
Service Contract Administrator - Initial	\$ 95.00	\$ 95.00	Same	\$ 150.00	\$ 187.50	58%
Renewal Fees						
Appliance Service Dealer - Renewal	\$ 190.00	\$ 205.00	Same	\$ 220.00	\$ 275.00	16%
<i>Delinquent - Appliance Service Dealer</i>	\$ 95.00		Same	\$ 110.00	<i>50% of the annual renewal fee but not more than \$150</i>	16%
Electronic Service Dealer - Renewal	\$ 190.00	\$ 205.00	Same	\$ 220.00	\$ 275.00	16%
<i>Delinquent - Electronic Service Dealer</i>	\$ 95.00		Same	\$ 110.00	<i>50% of the annual renewal fee but not more than \$150</i>	16%
Combination Service Dealer - Renewal	\$ 375.00	\$ 400.00	Same	\$ 400.00	\$ 500.00	7%
<i>Delinquent - Combination Service Dealer</i>	\$ 150.00		Same	\$ 150.00	<i>50% of the annual renewal fee but not more than \$150</i>	0%
Service Contract Seller - Renewal	\$ 95.00	\$ 150.00	Same	\$ 120.00	\$ 150.00	26%

Fee	Current Fee	Current Statutory Max	Current Fee (Converted to annual basis as applicable)	New Fee	New Statutory Max (+25% except for delinquent fees)	New Fee Increase from Current Fee (Annualized)
<i>Delinquent Service Contract Seller</i>	\$ 47.50		Same	\$ 60.00	50% of the annual renewal fee but not more than \$150	26%
Service Contract Administrator - Renewal	\$ 95.00	\$ 150.00	Same	\$ 150.00	\$ 187.50	58%
<i>Delinquent - Service Contract Administrator</i>	\$ 47.50		Same	\$ 75.00	50% of the annual renewal fee but not more than \$150	58%
HHM						
Initial Fees						
Household Mover Original Permit	\$ 500.00	\$ 940.00	Same	\$ 1200.00	\$ 1500.00	0%
Fingerprint Report Fee	N/A	N/A	N/A	\$ 32.00	Current cost of what DOJ charges BHGS	N/A
Exam Fee	N/A	N/A	N/A	Current amount exam vendor charges BHGS	Current amount exam vendor charges BHGS	N/A
Renewal Fees						

Fee	Current Fee	Current Statutory Max	Current Fee (Converted to annual basis as applicable)	New Fee	New Statutory Max (+25% except for delinquent fees)	New Fee Increase from Current Fee (Annualized)
Household Mover - Renewal	One-Tenths of 1% of Gross Operating Revenue; in addition to Seven-tenths of 1% for Movers Subject to the Tariff or One-tenths of 1% for Movers not Subject to the Tariff.	Same as current	N/A	\$ 2,500.00	25% above new fee	N/A
<i>Delinquent - Household Mover - Renewal Fee</i>	<i>Penalty fees are equal to 25% of the defaulted amount</i>	<i>Penalty fees are equal to 25% of the defaulted amount</i>	N/A	25% of last paid fee	Same as current	Same as current
Household Mover - Renewal - Additional Fees	\$15 (\$5 CHP Fee + \$10 BHGS Processing Fee)	N/A	\$60 (\$20 CHP Fee + \$40 BHGS Processing Fee)	\$20 CHP Fee	Same as new fee	CHP same as current
Other Fees						

Fee	Current Fee	Current Statutory Max	Current Fee (Converted to annual basis as applicable)	New Fee	New Statutory Max (+25% except for delinquent fees)	New Fee Increase from Current Fee (Annualized)
Transfer Fee ⁶	\$ 150.00	N/A	N/A	See notes	N/A	N/A
New Fees Across Programs						
Duplicate License	N/A	N/A	N/A	\$ 60.00	\$ 75.00	N/A
Change of Business Name	N/A	N/A	N/A	\$ 110.00	\$ 137.50	N/A
Returned Check Fee	N/A	N/A	N/A	\$ 25.00	Cost banks charge BHGS	N/A

Impact Analysis of a Flat-rate HHM Renewal

The Bureau provided a dataset containing the revenue for each HHM permit holder by year. This information was utilized to conduct a supplemental analysis identifying the number and percentage of permit holders that would have to pay a certain percentage of their revenue if the HHM renewal fee was restructured to a flat rate of \$2,500. Table 27 below provides the results of this analysis to help understand how impactful the proposed \$2,500 renewal fee would be on HHM permit holders, particularly those with smaller incomes. This analysis demonstrates that while at least three-quarters of permit holders would be paying less than 5% of their revenue, an increasing number of permit holders would be paying at least 25% of their revenue, representing a significant amount of their overall revenue (e.g., in 2021, 7.73% of permit holders would be paying at least 25% of their revenue). Given the complexity of the HHM fee renewals, the consideration of the impact to smaller businesses, and the current healthy fund condition, it was requested that the fund condition be re-evaluated assuming no changes to the HHM fees. This allows the Bureau more time to evaluate the impact to HHM permit holders prior to any updates to the fee structure.

⁶ New proposed amount is the same as the Household Mover Original Permit Fee (\$1200) + Cost of how many exams and fingerprint reports are required. For example, the total cost for a transfer fee if two fingerprint reports and one exam were required would be \$1200 (same cost as the initial application fee) + \$64 (two fingerprint report fees) + \$50 (one exam fee) for a total of \$1314.

Table 27 - Number and Percentage of Permitholders Paying Percentages of Revenue Historically if HHM Renewal Fee were set at \$2,500

	2016	2017	2018	2019	2020	2021
Total Permitholders	637	693	755	849	964	1113
# Permitholders that would pay at least 25% revenue	25 (3.92%)	36 (5.19%)	45 (5.96%)	51 (6.01%)	59 (6.12%)	86 (7.73%)
# Permitholders that would pay between 10 and 25% of revenue	41 (6.44%)	37 (5.34%)	41 (5.43%)	43 (5.06%)	70 (7.26%)	73 (6.56%)
# Permitholders that would pay 5 to 10% of revenue	53 (8.32%)	52 (7.50%)	57 (7.55%)	79 (9.31%)	79 (8.20%)	101 (9.07%)
# Permitholders that would pay less than 5% of revenue	518 (81.32%)	568 (81.96%)	612 (81.06%)	676 (79.62%)	756 (78.42%)	853 (76.64%)

Projected Combined Fund Condition with Recommended Fees

The combined fund condition based on financial information as of February 2022 with the current fee structure produced a decreasing fund condition as outlined in more detail in prior sections. The first column in the Table 28 below replicates the projected fund condition assuming no changes to the current fee structure as a point of reference. The second column demonstrates the projected months in reserve if all the recommended fees in Table 26 above were implemented in January 2024. The last column in Table 28 below shows the combined fund condition if the HFTI and EAR fees were implemented in January 2024 and the HHM fees were not.

Table 28 - Projected Fund Condition Months in Reserve

	Combined Fund Condition Months in Reserve		
	Current Fee Structure as of February 2022	All Recommended Fees Implemented	Only EAR and HFTI Recommended Fees Implemented
FY 21-22	16.2	16.2	16.2
FY 22-23	14.9	14.9	14.9
FY 23-24	13.4	14.0	14.8
FY 24-25	11.7	13.9	15.8
FY 25-26	9.7	14.8	18.0
FY 26-27	7.4	15.6	20.0

Below is a further breakdown of the combined projected fund condition with the recommended fees for HFTI and EAR being implemented in January 2024 and not the recommended HHM fees.

Table 29 - BHGS Combined (HFTI/EAR/HHM) Fund Condition with EAR and HFTI Recommended Fees (effective January 2024)

BHGS Combined (HFTI/EAR/HHM) Fund Condition								
	Actual	Prior	Current	BY	BY+1	BY+2	BY+3	BY+4
	FY	FY	FY	FY	FY	FY	FY	FY
	2019-	2020-	2021-	2022-	2023-	2024-	2025-	2026-
	20	21	22	23	24	25	26	27
Beginning Reserve Balance	\$10,805	\$12,611	\$14,893	\$16,867	\$15,988	\$16,267	\$17,904	\$20,983
Revenues	\$10,946	\$11,275	\$12,428	\$11,657	\$13,144	\$14,863	\$16,676	\$17,209
Total Resources¹	\$21,721	\$23,865	\$27,300	\$28,503	\$29,132	\$31,129	\$34,580	\$38,192
Expenditures ²	\$8,657	\$8,144	\$9,460	\$11,597	\$11,947	\$12,307	\$12,679	\$13,062
Direct Assessments ³	\$596	\$828	\$973	\$918	\$918	\$918	\$918	\$918
Total Expenditures	\$9,253	\$8,972	\$10,433	\$12,515	\$12,865	\$13,225	\$13,597	\$13,980
Fund Balance	\$12,468	\$14,893	\$16,867	\$15,988	\$16,267	\$17,904	\$20,983	\$24,212
Months in reserve	16.7	17.1	16.2	14.9	14.8	15.8	18.0	20.0
<p>¹Total Resources figures consist of total revenues, transfers, and other adjustments.</p> <p>² Expenditure figures include BHGS’s Operating Expenses and Equipment and Personnel Services cost categories. These costs are described in detail in the Expense Analysis section.</p> <p>³Direct assessments are expenses assessed against the fund condition in addition to the OE&E and Personnel Services categories and include Statewide Pro Rata and Supplemental Pension Payments. Statewide Pro Rata is a recovery of statewide general administrative costs (i.e., indirect costs incurred by central service agencies). Supplemental Pension Payments are related to Senate Bill 84 (Chapter 50, Statutes of 2017) that authorized a one-time \$6 billion supplemental pension payment in FY 2017/18 to CalPERS. This loan is to be repaid through funds responsible for retirement contributions.</p> <p>Dollars in thousands</p>								

Appendix A: Work Time Allocation Spreadsheet Task Definitions

LICENSING TASKS	
Home Furnishing and Thermal Insulation (HFTI)	
Application and Initial Licensing Tasks	
LAHFTI-1	Furniture/Bedding Importer
<p>Furniture/Bedding Importer:</p> <ul style="list-style-type: none"> • Initial Application Processing - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g. secretary of state) as necessary. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System). • Communication and Follow-Up - Communicate with applicants to resolve questions, application deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary. • Miscellaneous - This task includes any other activity specifically to initial application processing not already mentioned. 	
LAHFTI-2	Furniture/Bedding Manufacturer
<p>Furniture/Bedding Manufacturer:</p> <ul style="list-style-type: none"> • Initial Application Processing - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g. secretary of state) as necessary. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System). Assigns business registry number to licensee. • Communication and Follow-Up - Communicate with applicants to resolve questions, application deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary. • Miscellaneous - This task includes any other activity specifically to initial application processing not already mentioned. 	
LAHFTI-3	Furniture/Bedding Wholesaler

<p><u>Furniture/Bedding Wholesaler:</u></p> <ul style="list-style-type: none"> • Initial Application Processing - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g., secretary of state) as necessary. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System). • Communication and Follow-Up - Communicate with applicants to resolve questions, application deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary. • Miscellaneous - This task includes any other activity specifically to initial application processing not already mentioned. 	
LAHFTI-4	Furniture Retailer
<p><u>Furniture Retailer:</u></p> <ul style="list-style-type: none"> • Initial Application Processing - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g. secretary of state) as necessary. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System). • Communication and Follow-Up - Communicate with applicants to resolve questions, application deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary. • Miscellaneous - This task includes any other activity specifically to initial application processing not already mentioned. 	
LAHFTI-5	Bedding Retailer
<p><u>Bedding Retailer:</u></p> <ul style="list-style-type: none"> • Initial Application Processing - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g. secretary of state) as necessary. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System). • Communication and Follow-Up - Communicate with applicants to resolve questions, application deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary. • Miscellaneous - This task includes any other activity specifically to initial application processing not already mentioned. 	
LAHFTI-6	Furniture/Bedding Retailer

Furniture/Bedding Retailer:

- **Initial Application Processing** - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g. secretary of state) as necessary. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System).
- **Communication and Follow-Up** - Communicate with applicants to resolve questions, application deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically to initial application processing not already mentioned.

LAHFTI-7

Custom Upholsterer

Custom Upholsterer:

- **Initial Application Processing** - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g. secretary of state) as necessary. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System). Assigns business registry number to licensee.
- **Communication and Follow-Up** - Communicate with applicants to resolve questions, application deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically to initial application processing not already mentioned.

LAHFTI-8

Sanitizer

Sanitizer:

- **Initial Application Processing** - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g. secretary of state) as necessary. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System). Assigns business registry number to licensee.
- **Communication and Follow-Up** - Communicate with applicants to resolve questions, application deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically to initial application processing not already mentioned.

LAHFTI-9

Supply Dealer

Supply Dealer:

- **Initial Application Processing** - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g. secretary of state) as necessary. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System). Assigns business registry number to licensee.
- **Communication and Follow-Up** - Communicate with applicants to resolve questions, application deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically to initial application processing not already mentioned.

LAHFTI-10	Thermal Insulation
<p>Thermal Insulation:</p> <ul style="list-style-type: none"> • Initial Application Processing - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g. secretary of state) as necessary. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System). • Communication and Follow-Up - Communicate with applicants to resolve questions, application deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary. • Miscellaneous - This task includes any other activity specifically to initial application processing not already mentioned. 	
Renewal Tasks	
LRHFTI-1	Furniture/Bedding Importer Renewal
<p>Furniture/Bedding Importer Renewal:</p> <ul style="list-style-type: none"> • Renewal Processing - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing"). • Communication and Follow-Up - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary. • Miscellaneous - This task includes any other activity specifically related to renewal processing not already mentioned. 	
LRHFTI-2	Furniture/Bedding Wholesaler Renewal
<p>Furniture/Bedding Wholesaler Renewal:</p> <ul style="list-style-type: none"> • Renewal Processing - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing"). • Communication and Follow-Up - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary. • Miscellaneous - This task includes any other activity specifically related to renewal processing not already mentioned. 	
LRHFTI-3	Furniture/Bedding Manufacturer Renewal

Furniture/Bedding Manufacturer Renewal:

- **Renewal Processing** - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing").
- **Communication and Follow-Up** - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically related to renewal processing not already mentioned.

LRHFTI-4

Furniture Retailer Renewal

Furniture Retailer Renewal:

- **Renewal Processing** - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing").
- **Communication and Follow-Up** - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically related to renewal processing not already mentioned.

LRHFTI-5

Bedding Retailer Renewal

Furniture/Bedding Importer Renewal:

- **Renewal Processing** - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing").
- **Communication and Follow-Up** - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically related to renewal processing not already mentioned.

LRHFTI-6

Furniture/Bedding Retailer

	<p>Furniture/Bedding Retailer Renewal:</p> <ul style="list-style-type: none"> • Renewal Processing - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing"). • Communication and Follow-Up - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary. • Miscellaneous - This task includes any other activity specifically related to renewal processing not already mentioned.
LRHFTI-7	<p>Custom Upholsterer Renewal</p>
	<p>Custom Upholsterer Renewal:</p> <ul style="list-style-type: none"> • Renewal Processing - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing"). • Communication and Follow-Up - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary. • Miscellaneous - This task includes any other activity specifically related to renewal processing not already mentioned.
LRHFTI-8	<p>Sanitizer Renewal</p>
	<p>Sanitizer Renewal:</p> <ul style="list-style-type: none"> • Renewal Processing - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing"). • Communication and Follow-Up - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary. • Miscellaneous - This task includes any other activity specifically related to renewal processing not already mentioned.
LRHFTI-9	<p>Supply Dealer Renewal</p>

<p>Supply Dealer Renewal:</p> <ul style="list-style-type: none"> • Renewal Processing - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing"). • Communication and Follow-Up - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary. • Miscellaneous - This task includes any other activity specifically related to renewal processing not already mentioned. 	
LRHFTI-10	Thermal Insulation Renewal
<p>Thermal Insulation Renewal:</p> <ul style="list-style-type: none"> • Renewal Processing - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing"). • Communication and Follow-Up - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary. • Miscellaneous - This task includes any other activity specifically related to renewal processing not already mentioned. 	
Other Fees	
LOFHFTI-1	Duplicate License – HFTI
<p>Duplicate License - HFTI</p> <ul style="list-style-type: none"> • Duplicate License Processing - Enter licensee number in CAS computer system and send email to vendor to mail the licensee a duplicate license. (Note: Does not include time spent on processing a duplicate license when this activity is being done as the result of the Bureau's fault related to mistakes in data entry or lost forms). • Communication and Follow-Up - Communicate with licensees to resolve questions or obtain missing or incomplete information. • Miscellaneous - This task includes any other activity specifically related to HFTI duplicate license processing not already mentioned. 	
LOFHFTI-2	Change of Business Name – HFTI

Change of Business Name - HFTI

- **Change of Business Name Processing** – Locate the business profile in the CAS computer system, modify the name, log the change and re-issue the business certificate. (Note: This task is only applicable to situations where the business entity type is remaining the same)
- **Communication and Follow-Up** - Communicate with licensees to resolve questions or obtain missing or incomplete information.
- **Miscellaneous** - This task includes any other activity specifically related to Change of Business Name processing not already mentioned.

HFTI Other Licensing Work Tasks

LOWHFTI-1

HFTI Other Licensing Work Tasks

HFTI Other Licensing Work Tasks

- **General Communication** – Communicates with business and consumers regarding HFTI regulations to answer questions and provide education not related to a specific classification.
- **Miscellaneous Payment Processing** - Determine need for refund or appropriate transfer of fees for overpayments. Transfer fees from one license type to another or between new applications and renewals as appropriate. Track the completion of refunds and transfers from the DCA office. Identify suspended revenue and make appropriate adjustments. Send invoices for underpayment to licensees that did not pay the full renewal amount. Process change of name and address forms.
- **Fee Waivers** – Conduct online research on fee waiver applications to determine if the business qualifies for a waiver. Forward to compliance to perform site visit. Issue license.
- **Other** - Other work tasks not described in the other classification specific HFTI tasks.

Electronic and Appliance Repair (EAR)

Application and Initial Licensing Tasks

LAEAR-1

Appliance Service Dealer

Appliance Service Dealer:

- **Initial Application Processing** - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g. secretary of state) as necessary. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System).
- **Communication and Follow-Up** - Communicate with applicants to resolve questions, application deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically to initial application processing not already mentioned.

LAEAR-2

Electronic Service Dealer

Electronic Service Dealer:

- **Initial Application Processing** - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g. secretary of state) as necessary. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System). Assigns business registry number to licensee.
- **Communication and Follow-Up** - Communicate with applicants to resolve questions, application deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically to initial application processing not already mentioned.

LAEAR-3

Combination Service Dealer

Combination Service Dealer:

- **Initial Application Processing** - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g. secretary of state) as necessary. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System).
- **Communication and Follow-Up** - Communicate with applicants to resolve questions, application deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically to initial application processing not already mentioned.

LAEAR-4

Service Contract Seller

Service Contract Seller:

- **Initial Application Processing** - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g. secretary of state) as necessary. Reviews service contract filings to determine if they meet disclosure requirements, that the company applies for the appropriate registration type, etc. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System).
- **Communication and Follow-Up** - Communicate with applicants to resolve questions, application and contract deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically to initial application processing not already mentioned.

LAEAR-5

Service Contract Administrator

Service Contract Administrator:

- **Initial Application Processing** - Key application information into ATS (Application Tracking System). Review checklist to ensure application fields are complete and appropriate documentation has been submitted and verify information with outside agencies (e.g. secretary of state) as necessary. Reviews service contract filings to determine if they meet disclosure requirements, that the company applies for the appropriate registration type, etc. Verify applicant information inputted into ATS has been successfully transferred into CAS (Consumer Affairs System).
- **Communication and Follow-Up** - Communicate with applicants to resolve questions, application and contract deficiencies, or obtain missing application information or communicate with other parties as necessary; forward application to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically to initial application processing not already mentioned.

Renewal Tasks

LREAR-1

Appliance Service Dealer Renewal

Appliance Service Dealer Renewal:

- **Renewal Processing** - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing").
- **Communication and Follow-Up** - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically related to renewal processing not already mentioned.

LREAR-2

Electronic Service Dealer Renewal

Electronic Service Dealer Renewal:

- **Renewal Processing** - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing").
- **Communication and Follow-Up** - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically related to renewal processing not already mentioned.

LREAR-3

Combination Service Dealer Renewal

Combination Service Dealer Renewal:

- **Renewal Processing** - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing").
- **Communication and Follow-Up** - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically related to renewal processing not already mentioned.

LREAR-4

Service Contract Seller Renewal

Service Contract Seller Renewal:

- **Renewal Processing** - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing").
- **Communication and Follow-Up** - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically related to renewal processing not already mentioned.

LREAR-5

Service Contract Administrator Renewal

Service Contract Administrator Renewal:

- **Renewal Processing** - Key manual renewal and cashiering information into CAS database, verify payment amounts, receipt numbers, and expiration dates. Update licensee record changes (e.g. names, addresses, etc.) in CAS database. Verify CAS system has created a new expiration date; prepare renewal for imaging and send to DCA record imaging service. Query ATS and CAS databases for existing delinquent licenses, calculate and ensure the appropriate fees have been paid including delinquent, penalty, and citation fees. Includes processing renewals for multiple store locations for a single business entity (i.e. "chain renewal processing").
- **Communication and Follow-Up** - Communicate with licensees to resolve questions or obtain missing or incomplete information; forward information to compliance unit if necessary.
- **Miscellaneous** - This task includes any other activity specifically related to renewal processing not already mentioned.

Other Fees

LOFEAR-1

Duplicate License - EAR

<p><u>Duplicate License - EAR</u></p> <ul style="list-style-type: none"> • Duplicate License Processing - Enter licensee number in CAS computer system and send email to vendor to mail the licensee a duplicate license. (Note: Does not include time spent on processing a duplicate license when this activity is being done as the result of the Bureau's fault related to mistakes in data entry or lost forms). • Communication and Follow-Up - Communicate with licensees to resolve questions or obtain missing or incomplete information. • Miscellaneous - This task includes any other activity specifically related to EAR duplicate license processing not already mentioned. 	
LOFEAR-2	Change of Business Name - EAR
<p><u>Change of Business Name - EAR</u></p> <ul style="list-style-type: none"> • Change of Business Name Processing – Locate the business profile in the CAS computer system, modify the name, log the change and re-issue the business certificate. (Note: This task is only applicable to situations where the business entity type is remaining the same) • Communication and Follow-Up - Communicate with licensees to resolve questions or obtain missing or incomplete information. • Miscellaneous - This task includes any other activity specifically related to Change of Business Name processing not already mentioned. 	
EAR Other Licensing Work Tasks	
LOWEAR-1	EAR Other Licensing Work Tasks
<p><u>EAR Other Licensing Work Tasks</u></p> <ul style="list-style-type: none"> • General Communication – Communicates with business and consumers regarding EAR regulations to answer questions and provide education not related to a specific classification. • Miscellaneous Payment Processing - Determine need for refund or appropriate transfer of fees for overpayments. Transfer fees from one license type to another or between new applications and renewals as appropriate. Track the completion of refunds and transfers from the DCA office. Identify suspended revenue and make appropriate adjustments. Send invoices for underpayment to licensees that did not pay the full renewal amount. Process change of name and address forms. • Fee Waivers – Conduct online research on fee waiver applications to determine if the business qualifies for a waiver. Forward to compliance to perform site visit. Issue license. • Other - Other work tasks not described in the other classification specific EAR tasks. 	
Household Movers (HHM)	
Application and Initial Licensing Tasks	
LAHHM-1	Household Mover Initial Application

Household Mover Initial Application:

- **Initial Processing** - Verifies payment amounts, uses application checklist to identify missing or incomplete information on application form, checks for documentation (e.g. bank records, CA state residency length, proof of insurance, fingerprint records, etc.), verifies HHM exam status, driving records of employed drivers, vehicle VIN numbers, etc. This also includes time related to the initial application review that is currently associated with transfer fees.
- **Communication and Follow-Up** - Communicate with applicants to resolve questions, application deficiencies, or obtain missing application information or communicate with other parties as necessary; forward criminal background information to compliance unit if applicant has a RAP sheet.
- **Miscellaneous** - This task includes any other activity specifically related to HHM initial application processing not already mentioned.

Renewal Tasks

LRHHM-1

Household Mover Quarterly Reports

Household Mover Quarterly Reports:

- **Quarterly Report Processing** - Mails quarterly report of gross operating revenue notices to licensees. Upon receiving quarterly reports, reviews report to identify deficiencies, and inputs revenue information into cashiering log. Revenue information from report is inputted into TMIS computer system. If an over or an underpayment is submitted, performs a manual calculation to ensure amount owed or due is correct. Notices of under or overpayment are generated in TMIS and mailed to permit holder. Completed cashiering log with checks is sent to DCA cashiering for processing; remedies any additional errors. Scan quarterly report and check into TMIS system.
- **Communication and Follow-Up** - Communicate with licensees to resolve questions or obtain missing or incomplete information.
- **Miscellaneous** - This task includes any other activity specifically related to HHM quarterly report processing not already mentioned.

Other Fees

LOFHMM-1

Duplicate License - HHM

Duplicate License - HHM

- **Duplicate License Processing** - Enter licensee number in CAS computer system and send email to vendor to mail the licensee a duplicate license. (Note: Does not include time spent on processing a duplicate license when this activity is being done as the result of the Bureau's fault related to mistakes in data entry or lost forms).
- **Communication and Follow-Up** - Communicate with licensees to resolve questions or obtain missing or incomplete information.
- **Miscellaneous** - This task includes any other activity specifically related to HHM duplicate license processing not already mentioned.

LOFHMM-2

Change of Business Name - HHM

Change of Business Name - HHM

- **Change of Business Name Processing** – Locate the business profile in the CAS computer system, modify the name, log the change and re-issue the business certificate. (Note: This task is only applicable to situations where the business entity type is remaining the same)
- **Communication and Follow-Up** - Communicate with licensees to resolve questions or obtain missing or incomplete information.
- **Miscellaneous** - This task includes any other activity specifically related to Change of Business Name processing not already mentioned.

HHM Other Licensing Work Tasks

LOWHHM-1

HHM Other Licensing Work Tasks

HHM Other Work Tasks

- **Bulk Notice Processing** – Runs notices in TMIS system related to license reinstatements, revocations, suspensions, insurance expirations and mails out notifications to licensees.
- **Miscellaneous Requests** - Receives and process request from permit holders related to updating contact information (e.g. change of address), and permit cancellation requests.
- **General Communication** – Communicates with business, consumers and others regarding HHM Act, laws, rules and regulations and maximum rate tariff to answer questions and provide education.
- **Other** - Other work tasks related to the HHM program not described in the other HHM tasks.

ENFORCEMENT TASKS

Home Furnishing and Thermal Insulation (HFTI)

Non-Compliance Inspection Tasks

ENCHFTI-1

Furniture and Bedding Fee for Non-Compliance Inspections

Furniture and Bedding Fee for Non-Compliance Inspections:

The following task description is applicable to inspections associated with all HFTI business license types with the exception of Supply Dealers and Thermal Insulation (i.e. Furniture/Bedding Importer, Furniture/Bedding Manufacturer, Furniture/Bedding Wholesaler, Furniture Retailer, Bedding Retailer, Furniture/Bedding Retailer, Sanitizers, Custom Upholsterers) who require an inspection or test to make a determination of non-compliance (e.g. failing posting requirements, inspection needed due to failure to cooperate) and the inspection results in non-compliance.

- **Inspections and Evidence Collection** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.)
- **Reporting and Documentation** - Prepares administrative reports related to the inspection.
- **Sample Collection** - Collects and ships samples of HFTI products to Bureau laboratory for analysis.

Enforcement Tasks

EHFTI-1	Furniture/Bedding Importer
<p><u>Furniture/Bedding Importer:</u> The following task description is only applicable to work associated with business that have a Furniture/Bedding Importer license.</p> <ul style="list-style-type: none"> • Research and Evidence Collection – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary. • Reporting and Documentation - Prepares written reports and other documents in cases that result in the business being in compliance. • Communication - Provides education and outreach to businesses and consumers regarding BHGS regulations. • Inspections – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories resulting in the business being in compliance. • Sample Collection - Collects and ships samples of HFTI products to Bureau laboratory for analysis. • Probation Monitoring and Rehabilitation – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated. • Enforcement Action Issuance – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, withholds-from-sale for products, telephone disconnects, precluding manufacturers and/or retailers from selling products, citations, fines, other legal documents and serve subpoenas and other enforcement actions. • Miscellaneous - This task includes any other activity specifically related to Furniture/Bedding Retailers not already mentioned in this task and that is not contained in the “Furniture and Bedding Fee for Non-Compliance Inspections” task. 	
EHFTI-2	Furniture/Bedding Manufacturer

Furniture/Bedding Manufacturer:

The following task description is only applicable to work associated with business that have a Furniture/Bedding Manufacturer license.

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents in cases that result in the business being in compliance.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories resulting in the business being in compliance.
- **Sample Collection** - Collects and ships samples of HFTI products to Bureau laboratory for analysis.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, withholds-from-sale for products, telephone disconnects, precluding manufacturers and/or retailers from selling products, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Fee Waivers** – Reviews applications for fee waivers.
- **Miscellaneous** - This task includes any other activity specifically related to Furniture/Bedding Manufacturer not already mentioned in this task and that is not contained in the “Furniture and Bedding Fee for Non-Compliance Inspections” task.

EHFTI-3

Furniture/Bedding Wholesaler

Furniture/Bedding Wholesaler:

The following task description is only applicable to work associated with business that have a Furniture/Bedding Wholesaler license.

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents in cases that result in the business being in compliance.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories resulting in the business being in compliance.
- **Sample Collection** - Collects and ships samples of HFTI products to Bureau laboratory for analysis.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, withholds-from-sale for products, telephone disconnects, precluding manufacturers and/or retailers from selling products, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Miscellaneous** - This task includes any other activity specifically related to Furniture/Bedding Wholesalers not already mentioned in this task and that is not contained in the “Furniture and Bedding Fee for Non-Compliance Inspections” task.

EHFTI-4

Furniture Retailer

Furniture Retailer:

The following task description is only applicable to work associated with business that have a Furniture Retailer license.

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents in cases that result in the business being in compliance.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories resulting in the business being in compliance.
- **Sample Collection** - Collects and ships samples of HFTI products to Bureau laboratory for analysis.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, withholds-from-sale for products, telephone disconnects, precluding manufacturers and/or retailers from selling products, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Miscellaneous** - This task includes any other activity specifically related to Furniture Retailers not already mentioned in this task and that is not contained in the “Furniture and Bedding Fee for Non-Compliance Inspections” task.

EHFTI-5

Bedding Retailer

Bedding Retailer:

The following task description is only applicable to work associated with business that have a Bedding Retailer license.

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents in cases that result in the business being in compliance.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories resulting in the business being in compliance.
- **Sample Collection** - Collects and ships samples of HFTI products to Bureau laboratory for analysis.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, withholds-from-sale for products, telephone disconnects, precluding manufacturers and/or retailers from selling products, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Fee Waivers** – Reviews applications for fee waivers.
- **Miscellaneous** - This task includes any other activity specifically related to Bedding Retailer not already mentioned in this task and that is not contained in the “Furniture and Bedding Fee for Non-Compliance Inspections” task.

EHFTI-6

Furniture/Bedding Retailer

Furniture/Bedding Retailer:

The following task description is only applicable to work associated with business that have a Furniture/Bedding Retailer license.

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents in cases that result in the business being in compliance.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories resulting in the business being in compliance.
- **Sample Collection** - Collects and ships samples of HFTI products to Bureau laboratory for analysis.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, withholds-from-sale for products, telephone disconnects, precluding manufacturers and/or retailers from selling products, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Miscellaneous** - This task includes any other activity specifically related to Furniture/Bedding Retailer not already mentioned in this task and that is not contained in the “Furniture and Bedding Fee for Non-Compliance Inspections” task.

EHFTI-7

Custom Upholsterer

Custom Upholsterer:

The following task description is only applicable to work associated with business that have a Custom Upholsterer license.

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents in cases that result in the business being in compliance.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories resulting in the business being in compliance.
- **Sample Collection** - Collects and ships samples of HFTI products to Bureau laboratory for analysis.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, withholds-from-sale for products, telephone disconnects, precluding manufacturers and/or retailers from selling products, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Miscellaneous** - This task includes any other activity specifically related to Custom Upholsterer not already mentioned in this task and that is not contained in the “Furniture and Bedding Fee for Non-Compliance Inspections” task.

EHFTI-8

Sanitizer

Sanitizer:

The following task description is only applicable to work associated with business that have a Sanitizer license.

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents in cases that result in the business being in compliance.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories resulting in the business being in compliance.
- **Sample Collection** - Collects and ships samples of HFTI products to Bureau laboratory for analysis.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, withholds-from-sale for products, telephone disconnects, precluding manufacturers and/or retailers from selling products, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Miscellaneous** - This task includes any other activity specifically related to Sanitizer not already mentioned in this task and that is not contained in the “Furniture and Bedding Fee for Non-Compliance Inspections” task.

EHFTI-9

Supply Dealer

Supply Dealer:

The following task description is only applicable to work associated with business that have a Supply Dealer license.

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents in cases that result in the business being in compliance.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories resulting in the business being in compliance.
- **Sample Collection** - Collects and ships samples of HFTI products to Bureau laboratory for analysis.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, withholds-from-sale for products, telephone disconnects, precluding manufacturers and/or retailers from selling products, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Miscellaneous** - This task includes any other activity specifically related to Supply Dealer not already mentioned in this task and that is not contained in the “Furniture and Bedding Fee for Non-Compliance Inspections” task.

EHFTI-10

Thermal Insulation

Thermal Insulation:

The following task description is only applicable to work associated with business that have a Thermal Insulation license.

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents in cases that result in the business being in compliance.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories resulting in the business being in compliance.
- **Sample Collection** - Collects and ships samples of HFTI products to Bureau laboratory for analysis.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, withholds-from-sale for products, telephone disconnects, precluding manufacturers and/or retailers from selling products, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Miscellaneous** - This task includes any other activity specifically related to Thermal Insulation not already mentioned in this task and that is not contained in the “Furniture and Bedding Fee for Non-Compliance Inspections” task.

HFTI Other Enforcement Work Tasks

EOHFTI-1

HFTI Other Enforcement Work Tasks

HFTI Other Enforcement Work Tasks

- **General Communication** – Communicates with business and consumers regarding HFTI regulations to answer questions and provide education not related to a specific classification.
- **Case Management** - Designs and maintains effective enforcement tracking systems including citation monitoring, providing administrative and clerical support to field staff, opening cases, assigning citation numbers and closing cases and referring cases to the Attorney General or District Attorney when necessary. Coordinates and prepares for and attends Citation Review Conferences. Transmits documents to the AG for formal citation appeals.
- **Other** - Other HFTI work tasks not described in the other classification specific HFTI tasks.

Electronic and Appliance Repair (EAR)

Enforcement Tasks

EEARS-1

Appliance Service Dealer

Appliance Service Dealer:

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents for certain cases as necessary to support appropriate enforcement action.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations. Coordinates with other government agencies (e.g. federal, state, and local law enforcement agencies on investigations) as necessary related to a complaint, investigation for any other enforcement action.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, telephone disconnects, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Miscellaneous** - This task includes any other activity specifically related to Appliance Service Dealer businesses not already mentioned.

EEARS-2

Electronic Service Dealer

Electronic Service Dealer:

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents for certain cases as necessary to support appropriate enforcement action.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations. Coordinates with other government agencies (e.g. federal, state, and local law enforcement agencies on investigations) as necessary related to a complaint, investigation for any other enforcement action.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, telephone disconnects, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Miscellaneous** - This task includes any other activity specifically related to Electronic Service Dealer businesses not already mentioned.

EEARS-3

Combination Service Dealer

Combination Service Dealer:

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents for certain cases as necessary to support appropriate enforcement action.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations. Coordinates with other government agencies (e.g. federal, state, and local law enforcement agencies on investigations) as necessary related to a complaint, investigation for any other enforcement action.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, telephone disconnects, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Miscellaneous** - This task includes any other activity specifically related to Combination Service Dealer businesses not already mentioned.

EEARS-4

Service Contract Seller

Service Contract Seller:

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents for certain cases as necessary to support appropriate enforcement action.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations. Coordinates with other government agencies (e.g. federal, state, and local law enforcement agencies on investigations) as necessary related to a complaint, investigation for any other enforcement action.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, telephone disconnects, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Miscellaneous** - This task includes any other activity specifically related to Service Contract Seller businesses not already mentioned.

EEARS-5

Service Contract Administrator

Service Contract Administrator:

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents for certain cases as necessary to support appropriate enforcement action.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations. Coordinates with other government agencies (e.g. federal, state, and local law enforcement agencies on investigations) as necessary related to a complaint, investigation for any other enforcement action.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, telephone disconnects, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Miscellaneous** - This task includes any other activity specifically related to Service Contract Administrator businesses not already mentioned.

EAR Other Enforcement Work Tasks

EOEARS-1

EAR Other Enforcement Work Tasks

EAR Other Enforcement Work Tasks

- **General Communication** – Communicates with business and consumers regarding EAR regulations to answer questions and provide education not related to a specific classification.
- **Case Management** - Designs and maintains effective enforcement tracking systems including citation monitoring, providing administrative and clerical support to field staff, opening cases, assigning citation numbers and closing cases and referring cases to the Attorney General or District Attorney when necessary. Coordinates and prepares for and attends Citation Review Conferences. Transmits documents to the AG for formal citation appeals.
- **Other** - Other EAR work tasks not described in the other classification specific EAR tasks.

Household Movers (HHM)

Enforcement Tasks

EHHM-1

Household Mover Enforcement Tasks

Household Mover Enforcement Tasks:

- **Research and Evidence Collection** – Reviews regulations and legislation impacting the case. Evaluates and gathers evidence (e.g. documents, products, items, written estimates, invoices, photographs, products, etc.) and conducts interviews with complainants, witnesses, stakeholders, or persons in charge of the business to collect testimony to determine if allegation/complaint can be substantiated and the appropriate enforcement action (e.g. citation, fine, advisory notice, etc.). Refer to field investigators for further investigation if necessary.
- **Reporting and Documentation** - Prepares written reports and other documents for certain cases as necessary to support appropriate enforcement action.
- **Communication** - Provides education and outreach to businesses and consumers regarding BHGS regulations. Coordinates with other government agencies (e.g. federal, state, and local law enforcement agencies on investigations) as necessary related to a complaint, investigation for any other enforcement action.
- **Enforcement Action Issuance** – Issues a variety of enforcement actions as appropriate including, but not limited to notice to appear, telephone disconnects, citations, fines, other legal documents and serve subpoenas and other enforcement actions.
- **Inspections** – Performs site inspections of businesses by examining their premises, paperwork, business records and inventories.
- **Probation Monitoring and Rehabilitation** – Ensures businesses that are on probation are abiding by the terms of their probation by performing ongoing compliance monitoring activities (e.g. inspections, reviewing periodic reports, conducting interviews, audits) and evaluating if the business has been rehabilitated sufficiently to have their license reinstated.
- **Goods Recovery** – Recovers missing goods of consumers by locating the belongings, negotiating with the storage facility, gaining access the belongings, inventorying belongings, identifying owners, making contact with owners, coordinate pickup of goods with consumer and law enforcement and Bureau team members, and monitoring the pickup of goods.
- **Miscellaneous** - This task includes any other enforcement activity specifically related to Household Movers not already mentioned.

HHM - Other Enforcement Work Tasks

EOHHM-1

HHM - Other Enforcement Work Tasks

HHM Other Enforcement Work Tasks

- **General Communication** – Communicates with business and consumers regarding HHM laws to answer questions and provide education not related to a specific classification.
- **Case Management** - Designs and maintains effective enforcement tracking systems including citation monitoring, providing administrative and clerical support to field staff, opening cases, assigning citation numbers and closing cases and referring cases to the Attorney General or District Attorney when necessary. Coordinates and prepares for and attends Citation Review Conferences. Transmits documents to the AG for formal citation appeals.
- **Other** - Other HHM enforcement work tasks not described elsewhere.

LABORATORY TASKS

Non-Compliance Testing Tasks

LABNC-1

Furniture and Bedding Fee for Testing Resulting in Non-Compliance

Furniture and Bedding Fee for Testing Resulting in Non-Compliance:

The following task description is applicable to testing associated with all HFTI business license types with the exception of Supply Dealers and Thermal Insulation: Furniture/Bedding Importer, Furniture/Bedding Manufacturer, Furniture/Bedding Wholesaler, Furniture Retailer, Bedding Retailer, Furniture/Bedding Retailer, Sanitizers, Custom Upholsterers) who require an inspection or test to make a determination of non-compliance (e.g. failed testing, failing posting requirements, inspection needed due to failure to cooperate) and the testing results in non-compliance.

- **Product Preparation** – Receives, log in, examines, verifies, breaks down, and prepares, (e.g. measuring, weighing of all inside materials and photographing, etc.), samples for flammability, material identification and may send samples to other agencies for chemical analysis if necessary.
- **Testing and Analysis** – Performs flammability testing, physical property evaluation (e.g. weight and form), and material identification. Conducts initial calculations, analyzes data to determine final results. Reviews data package and prepares report. Reviews report. Finalize report along with quality control evaluation. Forwards finalized report for enforcement action when necessary.
- **Research** - Develops, reviews, evaluates and performs research related to furniture products to answer inquiries or provides guidance to management. May perform more in-depth research to determine appropriate interpretation of standards and proper use and types of materials to substantiate a determination of non-compliance.
- **Communication** – Corresponds and collaborates primarily with Bureau staff (e.g. Compliance Unit) and the manufacturer (as necessary), to substantiate non-compliance.
- **Miscellaneous** - This task includes any other activity specifically related to testing associated with applicable HFTI business license types where the testing results in non-compliance.

LABNC-2

Thermal Insulation Fee for Testing Resulting in Non-Compliance

Thermal Insulation Fee for Testing Resulting in Non-Compliance:

The following task description is applicable to Thermal Insulation testing who require an inspection or test to make a determination of non-compliance (e.g. failed testing) and the testing results in non-compliance.

- **Product Preparation** – Receives, log in, examines, verifies receipt of requested product, and prepares, (e.g. measuring, weighing and photographing, etc); prepares samples (e.g. cutting, packaging, etc.) for sending to contracted testing labs when necessary.
- **Testing and Analysis** – Performs physical property evaluation (e.g. measurement of heat transmission, material conductivity, smoldering, corrosiveness, flame-spread, etc.). Conducts initial calculations, analyzes data to determine final results. Reviews data package and prepares report. Reviews report. Finalize report along with quality control evaluation. Forwards finalized report for enforcement action when necessary.
- **Research** - Develops, reviews, evaluates and performs research related to thermal insulation to answer inquiries or provides guidance to management. May perform more in-depth research to determine appropriate interpretation of standards and proper use and types of materials to substantiate a determination of non-compliance.
- **Communication** – Corresponds and collaborates primarily with Bureau staff (e.g. Compliance Unit), the manufacturer (as necessary), and government agencies, to substantiate non-compliance.
- **Miscellaneous** - This task includes any other activity specifically related to testing associated with thermal insulation business license types where the testing results in non-compliance.

Laboratory Tasks

LAB-1	Furniture
<p><u>Furniture:</u> The following task description is only applicable to furniture products:</p> <ul style="list-style-type: none"> • Product Preparation – Receives, log in, examines, verifies, breaks down, and prepares, (e.g. measuring, weighing of all inside materials and photographing, etc.), samples for flammability, material identification and may send samples to other agencies for chemical analysis if necessary. • Testing and Analysis – Performs flammability testing, physical property evaluation (e.g. weight and form), and material identification. Conducts initial calculations, analyzes data to determine final results. Reviews data package and prepares report. Reviews report. Finalize report along with quality control evaluation. Forwards finalized report for enforcement action when necessary. • Research - Develops, reviews, evaluates and performs research related to furniture products to answer inquiries or provides guidance to management. • Communication – Corresponds and collaborates with manufacturers, industry organizations, government agencies, consumers, Bureau staff and others internal and external to the Bureau specifically related to furniture products for any purpose. • Miscellaneous - This task includes any other activity specifically to Furniture not already mentioned. 	
LAB-2	Bedding
<p><u>Bedding:</u> The following task description is only applicable to bedding products:</p> <ul style="list-style-type: none"> • Product Preparation – Receives, log in, examines, verifies, breaks down, and prepares, (e.g. measuring, weighing of all inside materials and photographing, etc.), samples for mattress flammability, material identification and may send samples to other agencies for chemical analysis if necessary. • Testing and Analysis – Performs mattress flammability testing, physical property evaluation (e.g. weight, dimensions), and material identification. Conducts initial calculations, analyzes data to determine final results. Reviews data package and prepares report. Reviews report. Finalize report along with quality control evaluation. Forwards finalized report for enforcement action when necessary. • Research - Develops, reviews, evaluates and performs research related to bedding products to answer inquiries or provides guidance to management. • Communication – Corresponds and collaborates with manufacturers, industry organizations, government agencies, consumers, Bureau staff and others internal and external to the Bureau specifically related to bedding products for any purpose. • Miscellaneous - This task includes any other activity specifically to bedding not already mentioned. 	
LAB-3	Custom Upholsterer
<p><u>Custom Upholsterer:</u> Responds to questions from custom upholsterers or business requiring custom upholsterer services regarding how to ensure HFTI standards are met. This task includes any other activity specifically to custom upholsterers not already mentioned.</p>	
LAB-4	Sanitizer

<p>Sanitizer: Reviews sanitized mattresses labels, inspects components of the rebuilt mattress and labels for compliance and proper labeling; consults with Bureau investigators as needed. This task includes any other activity specifically to sanitizers not already mentioned.</p>	
LAB-5	Supply Dealer
<p>Supply Dealer: Examines labeling on bulk home furnishing materials (e.g. fabrics, polyurethane foam, etc.) to ensure labeling accurately reflects the attributes of the materials (e.g. size, finished weight, etc.) and complies with other standards. This task includes any other activity specifically to supply dealers not already mentioned.</p>	
LAB-6	Thermal Insulation
<p>Thermal Insulation: The following task description is only applicable to thermal insulation products:</p> <ul style="list-style-type: none"> • Product Preparation – Receives, log in, examines, verifies receipt of requested product, and prepares, (e.g. measuring, weighing and photographing, etc); prepares samples (e.g. cutting, packaging, etc.) for sending to contracted testing labs when necessary. • Testing and Analysis – Performs physical property evaluation (e.g. measurement of heat transmission, material conductivity, smoldering, corrosiveness, flame-spread, etc.). Conducts initial calculations, analyzes data to determine final results. Reviews data package and prepares report. Reviews report. Finalize report along with quality control evaluation. Forwards finalized report for enforcement action when necessary. • Research - Develops, reviews, evaluates and performs research related to thermal insulation to answer inquiries or provides guidance to management. • Communication – Corresponds and collaborates with other government agencies, industry organizations, (e.g. Bureau staff, manufacturers, consumers, etc.) internal and external to the Bureau specifically related to Thermal Insulation products for any purpose. • Miscellaneous - This task includes any other activity specifically Thermal Insulation not already mentioned. 	
LAB-7	Thermal Insulation Directory
<p>Thermal Insulation Directory: • Thermal Insulation Directory - Manage the Thermal Insulation Certified Directory by creating, maintaining, and updating spreadsheets, tracking invoices and fees, verifying and researching information provided by manufacturer for inclusion into the directory, coordinating publishing and providing support to licensees regarding the Directory. Collaborates with other Bureau staff to ensure manufacturers are eligible for inclusion in directory.</p>	
Laboratory Other Work Tasks	
LABO-1	Laboratory Other Work Tasks

Other General Work Tasks

- **Permit Maintenance** - Work related to maintaining permits for the lab (e.g. CalEPA, hazardous waste, air quality) such as completing forms, updating and submitting supporting Bureau documentation as appropriate (e.g. contact persons), paying invoices to permitting agencies and participating in on-site inspections from control agencies.
- **Accreditation Compliance** - Maintains lab documentation to satisfy accreditation standards (e.g. equipment calibration certificates, personnel training, internal audits, internal procedures, method uncertainties, etc.) to ensure they are compliant with accreditation standards, prepares for and participates in biennial onsite three-day onsite accreditation assessments.
- **Lab Maintenance and Supply/Sample Tracking** - Clean and maintain the lab testing facility including storing test samples, and repairing, maintaining laboratory equipment; track and maintain related contracts. Purchasing of laboratory supplies and equipment and correspond with manufacturers. Manage and track incoming and outgoing samples, equipment, other mail and correspondence with manufacturers.
- **Other** - Other laboratory work tasks not described in the other classification specific laboratory tasks.

ADMINISTRATIVE UNIT TASKS

Procurement and Contracts

AU-1

Procurement and Contracts - HFTI

Procurement and Contracts HFTI:

The following task description is only applicable to procurement and contract related work tasks associated with the HFTI program.

- **Procurement and Contracts** - Develops contract documents and purchase orders. Obtains bids, solicit Requests for Quotes, determines the scope of work for contracts, and determines the best course of action for securing contracts. Evaluates and selects vendors. Monitors and tracks the delivery of products and services and payments associated with contracts and purchase orders.
- **Communication** – Corresponds with vendors, Bureau staff, and the DCA Business Service Office regarding to HFTI procurements and contracts.

AU-2

Procurement and Contracts - EAR

Procurement and Contracts EAR:

The following task description is only applicable to procurement and contract related work tasks associated with the EAR program.

- **Procurement and Contracts** - Develops contract documents and purchase orders. Obtains bids, solicit Requests for Quotes, determines the scope of work for contracts, and determines the best course of action for securing contracts. Evaluates and selects vendors. Monitors and tracks the delivery of products and services and payments associated with contracts and purchase orders.
- **Communication** – Corresponds with vendors, Bureau staff, and the DCA Business Service Office regarding to HFTI procurements and contracts.

AU-3

Procurement and Contracts - HHM

Procurement and Contracts HHM:

The following task description is only applicable to procurement and contract related work tasks associated with the HHM program.

- **Procurement and Contracts** - Develops contract documents and purchase orders. Obtains bids, solicit Requests for Quotes, determines the scope of work for contracts, and determines the best course of action for securing contracts. Evaluates and selects vendors. Monitors and tracks the delivery of products and services and payments associated with contracts and purchase orders.
- **Communication** – Corresponds with vendors, Bureau staff, and the DCA Business Service Office regarding to HFTI procurements and contracts.

Administrative Unit Other Work Tasks

AUO-1

Administrative Unit Other Work Tasks

Administrative Unit Other Work Tasks

- **Cashiering** – Processes incoming payments to the Bureau (e.g. licensing, renewal and citation fees).
- **Reception**- Assists walk-in visitors, licensees, and couriers. Answers incoming Bureau calls.
- **Document Distribution**- Monitors the Bureau’s general email box. Addresses administrative emails and forwards non-administrative emails to the appropriate team. Distributes mail to Bureau staff.
- **Liaison**: Acts as a liaison and coordinator for travel, training, facilities management issues, and submits tickets for computer access and to resolve computers and telephone problems.
- **Inventory**: Maintains an inventory of Bureau **supplies and electronic equipment**.
- **Advisory Council/Bureau Chief Support** – Coordinates all activities associated with the Bureau’s Advisory Council including but not limited to organizing and preparing for Advisory Council meetings, onboarding and assisting Advisory Council members, and writing meeting minutes to be approved by the Advisory Council and posted on the Bureau’s website.
- **Bureau Records Coordination** – Processes Public Records Act Requests (PRAs), maintains miscellaneous Bureau records and oversees records management activities, and coordinates updates to the Bureau’s website.
- **Personnel** – Performs Personnel functions for the Bureau including recruitment and hiring, onboarding and offboarding, acts as a liaison for DCA staff that perform benefits administration and compensation, and provides guidance to management on any personnel related questions and decisions.

GENERAL AND SUPERVISORY TASKS (ALL BHGS WORK UNITS)

General and Supervisory Tasks (All BHGS Work Units)

GS-1

Administrative Tasks

Administrative Work Tasks:

- **General Work Requirements** - Breaks; calendar and work organization; administrative work (e.g. administrative paperwork, attending to computer problems); professional development (e.g. attending training and conferences, monitoring industry trends); miscellaneous meetings and collaboration with individuals internal or external to the Bureau; providing guidance to staff in a lead capacity.
- **Administrative Tasks** - General reporting not related to unit specific deliverables, responding to public records requests or other outside agency requests, special projects (e.g. updating policies, one-time projects, implementing new processes).

GS-2	General Supervision
<p>General Supervision:</p> <ul style="list-style-type: none"> • Staff Supervision/Mentoring/Oversight – Time spent managing staff assignments, schedules, and timesheet approvals, conducting meetings, providing guidance/training to staff, participating in the hiring process, updating duty statements, completing performance management and disciplinary action tasks. • Other Supervisory Tasks – Any other supervisory/program management time not already mentioned in this description. 	
GS-3	Overall Program Management
<p>Overall Program Management:</p> <ul style="list-style-type: none"> • Analysis/Reporting/Program Management – Performing analysis and reporting (written and verbal) regarding your program area, answering questions regarding program performance, or issues; meeting with upper level management; monitoring program costs/invoices, and providing feedback into program budget, strategic plan, and/or operational goals. 	

Appendix B: About CPS HR Consulting

Report Contributors	
Chris Atkinson, MS	Project Manager
John Freeburn	Project Consultant
Paula North, MA	Project Consultant

CPS HR is an innovative, client-centered human resources and management consulting firm specializing in solving the unique problems and challenges faced by government and non-profit agencies. As a self-supporting public agency, we understand the needs of public sector clients and have served as a trusted advisor to our clients for more than 25 years. The distinctive mission of CPS HR is to transform human resource management in the public sector.

CPS HR offers clients a comprehensive range of competitively priced services, all of which can be customized to meet your organization’s specific needs. We are committed to supporting and developing strategic organizational leadership and human resource management in the public sector. We offer expertise in the areas of classification and compensation, organizational strategy, recruitment and selection, and training and development.

CPS HR occupies a unique position among its competitors in the field of government consulting; as a Joint Powers Authority (JPA), whose charter mandates that we serve only public sector clients, we actively serve all government sectors including Federal, State, Local, Special Districts and Non-Profit Organizations. This singular position provides CPS HR with a systemic and extensive understanding of how each government sector is inter-connected to each other and to their communities. That understanding, combined with our knowledge of public and private sector best practices, translates into meaningful and practical solutions for our clients’ operational and business needs.

With more than 80 full-time employees as well as 200+ project consultants and technical experts nationwide, CPS HR delivers breakthrough solutions that transform public sector organizations to positively impact the communities they serve.