

February 23, 2017 Advisory Council Meeting Materials Packet

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**Bureau of Electronic and Appliance Repair,
Home Furnishings and Thermal Insulation**
4244 South Market Court, Suite D, Sacramento, CA 95834-1243
P (916) 999-2041 F (916) 921-7279 www.bearhfti.ca.gov



ADVISORY COUNCIL MEETING NOTICE & AGENDA

Thursday, February 23, 2017, 9:00 a.m.
Bureau of Electronic and Appliance Repair,
Home Furnishings and Thermal Insulation

Meeting Locations

Department of Consumer Affairs
1450 Iowa Avenue, Suite 150, Riverside, CA 92507
and
4244 South Market Court, Suite D, Sacramento, CA 95834
Or by phone:
Teleconference Phone Number: (866) 842-2981
Participant Passcode #: 4598662

Advisory Council Members

Sharron Bradley, Industry (HFTI)	Donald Erwin, Industry (EAR)
Burt Grimes, Industry (HFTI)	Judy Levin, Public (HFTI)
Donald Lucas, Public (HFTI)	David Spears, Industry (EAR)
Joanne Mikami, Public (EAR & HFTI)	Leonard Price, Public (EAR)
David Yarbrough, Industry (HFTI)	David Velasquez, Industry (EAR)

Unless noticed for a specific time, items may be heard at any time during the period of the Council meeting. The Bureau welcomes and encourages public participation in its meetings. The public may take appropriate opportunities to comment on any issue before the Bureau at the time the item is heard. If public comment is not specifically requested, members of the public should feel free to request an opportunity to comment.

1. Welcome and Introductions
2. Review/Confirm Remaining Meeting Dates for 2017 – July 20, November 9

General Bureau Business Agenda Items

3. Licensing and Enforcement
 - a. Licensing Numbers/Fee Increase Status
 - b. Enforcement Numbers
4. Legislative/Regulatory Update
5. Operations Update
 - a. Budget Update
 - b. Consumer Satisfaction Survey
 - c. Strategic Plan
 - d. Sunset Report
 - e. Advisory Council Membership Expiration – October 2017
6. Public Comment on Items not on General Business Agenda

Electronic and Appliance Repair Agenda Items

7. Enforcement Sweeps Scheduled in 2017
8. Interlock Ignition Devices/Inspections
9. Recent Service Contract Trends
10. Public Comment on Items not on Electronic and Appliance Repair Agenda

Home Furnishings and Thermal Insulation Agenda Items

11. Bureau Lab Accreditation
12. Law Label Update
13. Sanitization Regulation
14. Barrier Research Study Update
15. SB 1019/DTSC Contract
16. Home Furnishings Retail Advertisement Survey
17. Public Comment on Items not on Home Furnishings and Thermal Insulation Agenda

Adjournment

This meeting facility is accessible to the physically disabled. A person who needs a disability-related accommodation or modifications in order to participate in the meeting may make a request by contacting Victoria Hernandez at (916) 999-2055 or for the hearing impaired, TDD (800) 326-2297; or by sending a written request to the Bureau at 4244 South Market Court, Suite D, Sacramento, CA 95834-1243, Attention: Victoria. Providing at least five working days' notice before the meeting will help ensure the availability of accommodations or modifications.

Interested parties should call the Bureau at (916) 999-2055 to confirm.

Agenda Item 3a: Licensing Statistics
and Fee Increase Status

LICENSING STATISTICS

October 2016 – January 2017

<i>EAR Registrations</i>	Oct 2016	Nov 2016	Dec 2016	Jan 2017
Appliance Service Dealer	2,630	2,613	2,609	2,602
Electronic Service Dealer	4,999	5,007	5,044	5,047
Combination Electronic/Appliance Service Dealer	623	624	640	597
Service Contract Administrator	46	48	48	48
Service Contract Seller	11,624	11,613	11,950	12,062
<i>Total EAR Registrations</i>	19,922	19,905	20,291	20,356

<i>HFTI Licenses</i>	Oct 2016	Nov 2016	Dec 2016	Jan 2017
Furniture Retailers	2,284	2,281	2,285	2,277
Bedding Retailers	1,629	1,618	1,600	1,612
Furniture & Bedding Retailers	11,799	11,680	11,683	11,630
Custom Upholsterers	504	506	507	507
Supply Dealers	128	127	125	114
Importers (includes overseas Manufacturers)	4,719	4,841	4,871	4,877
Manufacturers	1,504	1,534	1,537	1,537
Sanitizers	13	13	12	12
Wholesalers	172	174	175	180
Thermal Insulation Manufacturers	115	111	108	108
<i>Total HFTI Licenses</i>	22,967	22,885	22,903	22,854

CALIFORNIA DEPARTMENT OF CONSUMER AFFAIRS



INDUSTRY ADVISORY

NEW LICENSE FEES

The Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation will be raising fees on five license types effective February 1, 2017. All fees due on/after this date will be assessed using the matrix below.

LICENSE TYPE	NEW INITIAL FEE	NEW RENEWAL FEE	NEW DELINQUENT FEE (after expiration)
Appliance Service Dealer	\$190	\$190	\$95
Electronic Service Dealer	\$190	\$190	\$95
Combination Service Dealer	\$375	\$375	\$187.50 \$150
Service Contract Seller	\$95	\$95	\$47.50
Service Contract Administrator	\$95	\$95	\$47.50

For more information, please contact: Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation at 4244 South Market Court, Suite D, Sacramento, CA 95834-1243 (916) 999-2041 or visit our website at: www.bearhfti.ca.gov

CALIFORNIA DEPARTMENT OF CONSUMER AFFAIRS



INDUSTRY ADVISORY

NEW LICENSE FEES

The Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation will be raising fees on nine license types effective December 1, 2016. All fees due on/after this date will be assessed using the matrix below.

LICENSE TYPE	NEW INITIAL FEE	NEW RENEWAL FEE	NEW DELINQUENT FEE (after expiration)	NEW PENALTY FEE (90 days past expiration)
Furniture/Bedding Importer	\$750	\$750	\$100	\$225
Furniture/Bedding Manufacturer	\$750	\$750	\$100	\$225
Furniture/Bedding Wholesaler	\$625	\$625	\$100	\$187.50
Furniture Retailer	\$140	\$140	\$28	\$42
Bedding Retailer	\$140	\$140	\$28	\$42
Furniture/Bedding Retailer	\$280	\$280	\$56	\$84
Custom Upholsterer	\$420	\$420	\$84	\$126
Sanitizer	\$420	\$420	\$84	\$126
Supply Dealer	\$625	\$625	\$100	\$187.50

For more information, please contact: Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation at 4244 South Market Court, Suite D, Sacramento, CA 95834-1243 (916) 999-2041 or visit our website at: www.bearhfti.ca.gov

Agenda Item 3b: Enforcement Statistics

ENFORCEMENT STATS

CITATIONS ISSUED			
Year	EAR	HFTI	Total
2012-13	442	26	468
2013-14	1,047	488	1,535
2014-15	1,007	489	1,496
2015-16	985	537	1,522
2016-17	410	260	670

TELEPHONE DISCONNECTS ORDERED			
Year	EAR	HFTI	Total
2012-13	3	5	8
2013-14	0	0	0
2014-15	19	4	23
2015-16	78	19	97
2016-17	30	15	45

CONSUMER COMPLAINTS						
OPENED				CLOSED		
Year	EAR	HFTI	Total	EAR	HFTI	Total
2012-13	703	263	966	734	276	1,010
2013-14	730	272	1,002	718	277	995
2014-15	739	307	1,046	705	297	1,002
2015-16	678	299	977	758	303	1,061
2016-17	383	147	530	388	154	542

INTERNAL CASES (Investigations)						
OPENED				CLOSED		
Year	EAR	HFTI	Total	EAR	HFTI	Total
2012-13	646	332	978	700	278	978
2013-14	1,336	670	2,006	1,301	685	1,986
2014-15	1,155	622	1,777	1,215	626	1,841
2015-16	1,048	584	1,632	1,109	607	1,716
*2016-17	443	300	743	445	270	715

* through January 31, 2017

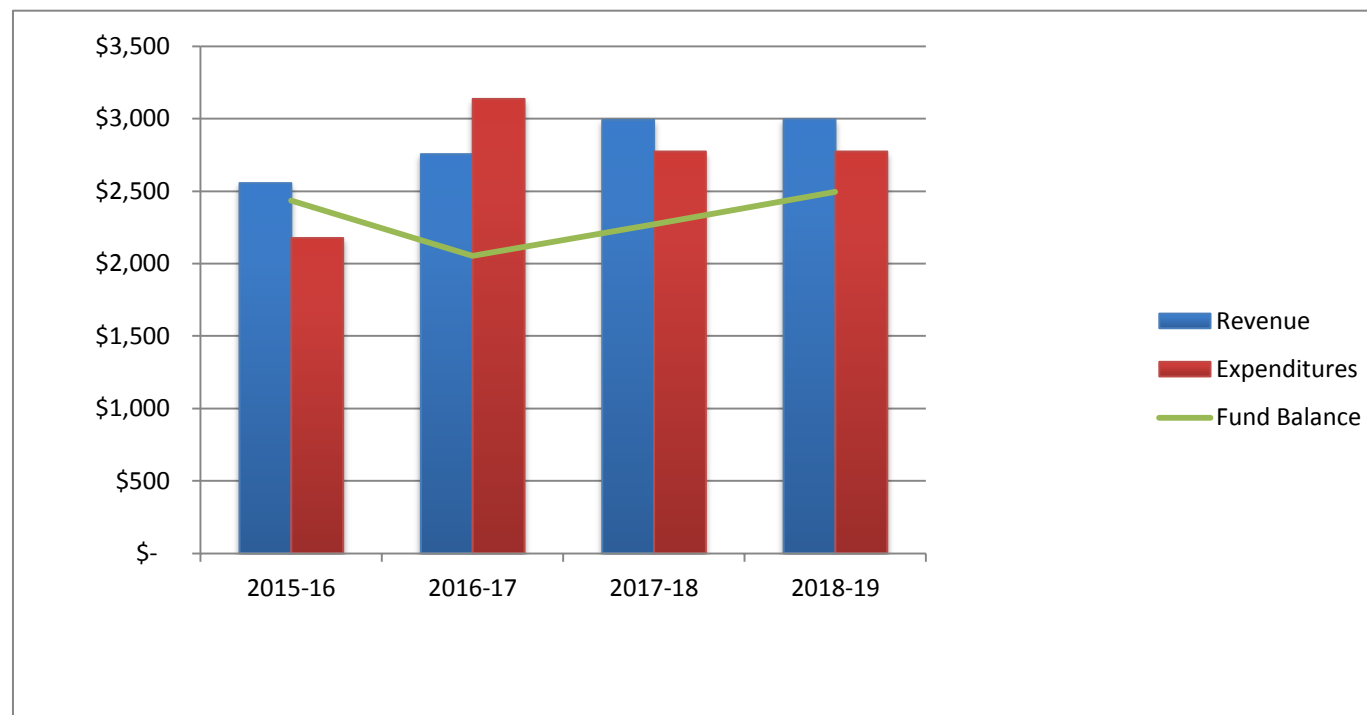
Agenda Item 5a: Budget Update

0325 - Electronic and Appliance Repair Analysis of Fund Condition

2/13/2017

(Dollars in Thousands)

2017-18 Governor's Budget + Fee Increase February 1, 2017		Actual 2015-16	Budget Act CY 2016-17	BY 2017-18	BY+1 2018-19
BEGINNING BALANCE		\$ 2,033	\$ 2,435	\$ 2,054	\$ 2,272
Prior Year Adjustment		\$ 23	\$ -	\$ -	\$ -
Adjusted Beginning Balance		\$ 2,056	\$ 2,435	\$ 2,054	\$ 2,272
REVENUES AND TRANSFERS					
Revenues:					
125600	Other regulatory fees	\$ 14	\$ 12	\$ 14	\$ 14
125700	Other regulatory licenses and permits	\$ 392	\$ 411	\$ 446	\$ 446
125800	Renewal fees	\$ 2,009	\$ 2,233	\$ 2,415	\$ 2,415
125900	Delinquent fees	\$ 102	\$ 90	\$ 108	\$ 108
141200	Sales of documents	\$ -	\$ -	\$ -	\$ -
142500	Miscellaneous services to the public	\$ -	\$ -	\$ -	\$ -
150300	Income from surplus money investments	\$ 11	\$ 5	\$ 5	\$ 9
160100	Settlements and Judgements - Anti-Trust	\$ -	\$ -	\$ -	\$ -
160800	Escheat of Unclaimed Property	\$ 5	\$ -	\$ -	\$ -
160400	Sale of fixed assets	\$ -	\$ -	\$ -	\$ -
161000	Escheat of unclaimed checks and warrants	\$ 20	\$ 2	\$ 1	\$ 1
161400	Miscellaneous revenues	\$ 1	\$ 1	\$ 1	\$ 1
Totals, Revenues		\$ 2,554	\$ 2,754	\$ 2,990	\$ 2,994
Transfers from Other Funds					
Transfers to Other Funds					
Totals, Revenues and Transfers		\$ 2,554	\$ 2,754	\$ 2,990	\$ 2,994
Totals, Resources		\$ 4,610	\$ 5,189	\$ 5,044	\$ 5,266
EXPENDITURES					
Disbursements:					
0840	State Controller (State Operations)	\$ -	\$ -	\$ -	\$ -
8880	Financial Information System for California (State Operations)	\$ 5	\$ 4	\$ 4	\$ 4
1111	Program Expenditures (State Operations)	\$ 2,170	\$ 2,904	\$ 2,607	\$ 2,607
9900	Statewide Admin. (State Operations)	\$ -	\$ 227	\$ 161	\$ 161
Total Disbursements		\$ 2,175	\$ 3,135	\$ 2,772	\$ 2,772
FUND BALANCE					
Reserve for economic uncertainties		\$ 2,435	\$ 2,054	\$ 2,272	\$ 2,494
Months in Reserve		9.3	8.9	9.8	10.6



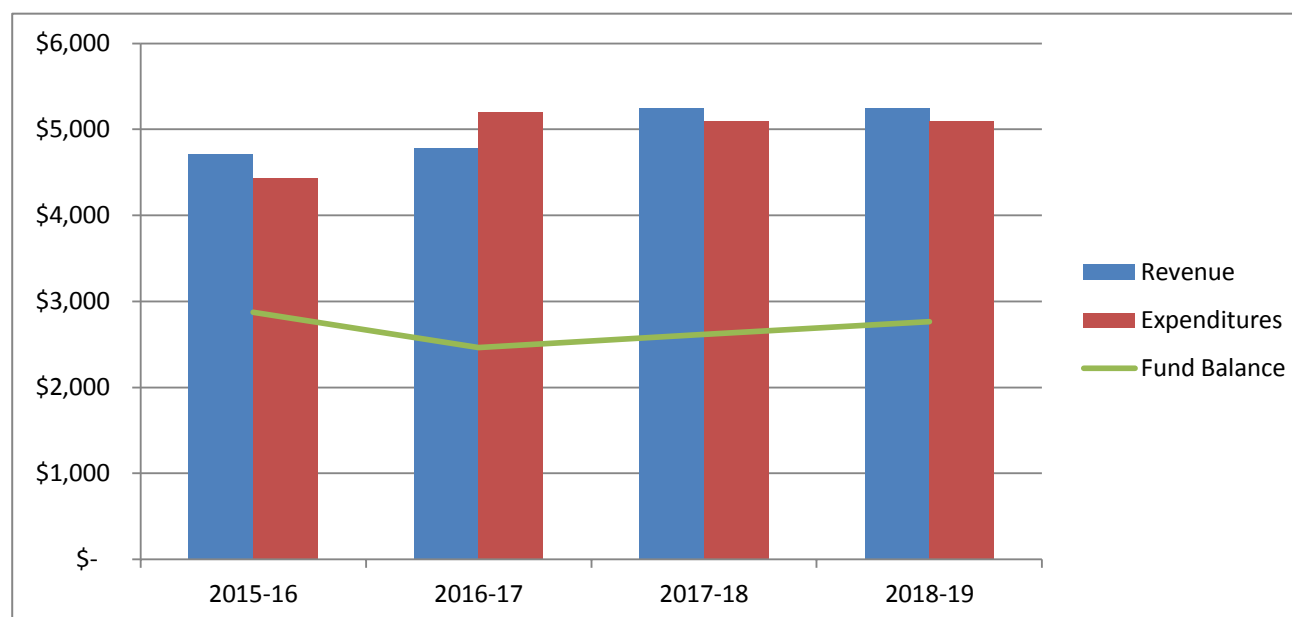
0752 - Home Furnishings and Thermal Insulation Analysis of Fund Condition

2/13/2017

(Dollars in Thousands)

2017-18 Governor's Budget

	Actual 2015-16	Budget Act CY 2016-17	BY 2017-18	BY+1 2018-19
BEGINNING BALANCE	\$ 2,530	\$ 2,876	\$ 2,461	\$ 2,614
Prior Year Adjustment	\$ 76	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 2,606	\$ 2,876	\$ 2,461	\$ 2,614
REVENUES AND TRANSFERS				
Revenues:				
125600 Other regulatory fees	\$ 89	\$ 89	\$ 86	\$ 86
125700 Other regulatory licenses and permits	\$ 876	\$ 978	\$ 1,050	\$ 1,050
125800 Renewal fees	\$ 3,605	\$ 3,581	\$ 3,963	\$ 3,963
125900 Delinquent fees	\$ 116	\$ 116	\$ 121	\$ 121
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ -	\$ -	\$ -	\$ -
150300 Income from surplus money investments	\$ 16	\$ 12	\$ 14	\$ 14
150500 Interest Income from Interfund Loans	\$ -	\$ -	\$ -	\$ -
160100 Settlements and Judgements Anti-trust	\$ -	\$ -	\$ -	\$ -
160400 Sale of fixed assets	\$ -	\$ -	\$ -	\$ -
161000 Escheat of unclaimed checks and warrants	\$ 8	\$ 6	\$ 8	\$ 8
161400 Miscellaneous revenues	\$ 1	\$ -	\$ -	\$ -
Totals, Revenues	\$ 4,711	\$ 4,782	\$ 5,242	\$ 5,242
Totals, Revenues and Transfers	\$ 4,711	\$ 4,782	\$ 5,242	\$ 5,242
Totals, Resources	\$ 7,317	\$ 7,658	\$ 7,703	\$ 7,856
EXPENDITURES				
Disbursements:				
0840 SCO (State Operations)	\$ -	\$ -	\$ -	\$ -
8880 Financial Information System for California (State Operations)	\$ 8	\$ 5	\$ 6	\$ 6
1111 Program Expenditures (State Operations)	\$ 4,433	\$ 4,815	\$ 4,815	\$ 4,815
9900 Statewide Admin. (State Operations)	\$ -	\$ 377	\$ 268	\$ 268
	\$ -	\$ -	\$ -	\$ -
Total Disbursements	\$ 4,441	\$ 5,197	\$ 5,089	\$ 5,089
FUND BALANCE				
Reserve for economic uncertainties	\$ 2,876	\$ 2,461	\$ 2,614	\$ 2,767
Months in Reserve	6.6	5.8	6.2	6.4



Agenda Item 12: Law Label Update



LAW LABEL REGULATION WORKSHOP NOTICE
Teleconference Meeting
Wednesday, February 15, 2017, 10:00 a.m. – 12:00 p.m.
Bureau of Electronic and Appliance Repair,
Home Furnishings and Thermal Insulation Headquarters
4244 South Market Court, Suite D (Main Conference Room)
Sacramento, CA 95834-1243
Teleconference Phone Number: 866-842-2981
Participant Passcode #: 4598662

The Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation (Bureau) invites you to participate in a public workshop to discuss the review of the Law Label regulations.

Agenda:

1. Welcome and Introductions
2. New examples of all existing law labels to eliminate "Revenue Stamp" section.
3. Clean-up of existing law label examples and regulation verbiage inconsistencies.
4. Elimination of obsolete passages/terminology from Regulations.
5. Additional label examples:
 - a) Plumage Label
 - b) Flammability Label example (BPC §19094 required verbiage) to be included.
6. Update of Plumage Regulations
7. Filling Material Percentage Variance
8. Definitions to be added or clarified
9. Review of allowances of format and/or verbiage of law labels. - e.g. Contents Sterilized, Permit No., Fin. Size at bottom of label
10. Additional fiber terminology discussion
11. Product amenability – review definitions of "upholstered furniture" and "bedding"
12. Product Exemption – Review of listed items.
13. Allowance of sticker for label corrections.
14. Comments
15. Follow-up Discussion Dates (if needed)
16. Adjournment

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