

BUREAU OF HOUSEHOLD GOODS AND SERVICES

SUNSET REVIEW REPORT 2022

PRESENTED TO THE SENATE COMMITTEE ON BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT AND THE ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS



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BUREAU OF HOUSEHOLD GOODS AND SERVICES

BACKGROUND INFORMATION AND OVERVIEW OF THE CURRENT REGULATORY PROGRAM

As of December 15, 2022

Section 1 –

Background and Description of the Bureau and Regulated Profession

History and Background

The Department of Consumer Affairs (Department), Bureau of Household Goods and Services' (BHGS or Bureau) mission is to protect and serve consumers while ensuring a fair and competitive market. The Bureau provides consumer protection by enforcing the provisions of the Electronic and Appliance Repair Law (Business and Professions Code (BPC) sections 9800 et seq.), the Home Furnishings and Thermal Insulation Act (BPC sections 19000 et seq.), and the Household Movers Act (BPC sections 19225 et seq.) Although the Bureau administers three practice acts, the Bureau is split into four distinct areas of regulation: 1) home furnishings and thermal insulation, 2) electronic and appliance repair, 3) service contracts, and 4) household movers.

Home Furnishings and Thermal Insulation

The California Bureau of Home Furnishings and Thermal Insulation (BHFTI) was initially established in 1911 as part of the Bureau of Labor Statistics in response to unscrupulous manufacturing in the mattress industry. There were no requirements at the time to disclose the materials used in the contents of the mattresses, which were widely recognized as contributors to fires following the 1906 San Francisco earthquake. Later, BHFTI's jurisdiction was expanded to include retailers, wholesalers, and importers to be able to trace the origin of a product to the source and when products were deemed dangerous, to have a mechanism to remove the product from the market.

In addition to bedding and furniture manufacturers, importers, wholesalers, and retailers, the Bureau currently regulates supply dealers, custom upholsterers, bedding sanitizers, and manufacturers of thermal insulation.

Electronic and Appliance Repair

The California Bureau of Electronic and Appliance Repair (BEAR) was established in 1963 as the Bureau of Repair Services under the Department of Professional and Vocational Standards, which later became the Department, in response to fraud and negligence in the television repair industry.

In 1973, major home appliance repair was added to BEAR's regulatory authority. As technology evolves, the Bureau's regulation has been expanded to add such items as microwave ovens, personal computers, satellite antennas, and home office products. In 2013, BEAR was also authorized to regulate the installation, service, and maintenance of ignition interlock devices.

Service Contracts

In 1994, service contracts for consumer electronic and home appliance products were added to BEAR's regulatory authority in response to companies selling or administering contracts without providing adequate financial backing or properly disclosing the terms and conditions as required by the Song-Beverly Consumer Warranty Act.

Products covered under service contracts were expanded in 2004 to include furniture, jewelry, lawn and garden products, and other items used in homes for personal use. In 2014, service contract authority was expanded again to include optical products, such as eyeglasses. On January 1, 2020, the products covered under service contracts were expanded again to include all consumer goods.

Household Movers (HHM)

On July 1, 2018, the Bureau's oversight was again expanded to include household movers as a result of Senate Bill (SB) 19 (Hill, Chapter 421, Statutes of 2017), which transferred administration of the Household Movers Act from the California Public Utilities Commission (Commission).

How the Bureau's Composition and Functions Evolved

To effectively share resources and provide cost savings, BHFTI and BEAR were housed together and placed under the oversight of one Chief in the late 1990s. As time went on, units within the Bureaus consolidated and staff cross-trained, sharing the workload. In 2009, Assembly Bill (AB) X4 20 officially merged the two bureaus, which was renamed the Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation.

SB 19 created the Division of Household Movers within the Bureau and augmented the Bureau's existing workforce by providing additional licensing, enforcement, and administrative positions to effectively regulate the moving industry and protect consumers. The Bureau recruited additional staff, while providing cross-training and opportunities for existing staff to affect the implementation of the new program. This was done while maintaining a high level of service for the existing programs. Effective January 1, 2019, SB 1483 (Hill, Chapter 578, Statutes of 2018) renamed the Bureau to the "Bureau of Household Goods and Services" to reflect the addition of household movers to the Bureau's scope.

The Bureau currently licenses and regulates over 41,000 companies across the globe from small single-person businesses to major corporations. The Bureau currently has a combined staff of over 60 employees who license, register, and permit companies, handle consumer complaints, inspect businesses, ensure compliance with laws and regulations, conduct investigations, test products to determine whether they meet Bureau and federal standards, and initiate disciplinary action against companies that commit violations.

Advisory Council

The Bureau's Consumer Advisory Council (Advisory Council) is a voluntary council dedicated to assisting the Bureau in an advisory capacity on policy matters making recommendations to the Bureau Chief. The purpose of the Advisory Council is to provide:

- Perspective and advice on consumer and market issues, trends, and business practices;

- Creative solutions to consumer and industry problems; and
- Recommendations on a broad range of policy issues including consumer education, industry outreach, and regulatory compliance.

The Director of the Department appoints members who typically serve two-year terms. Meetings are held at least twice a year, and a notice and agenda of each meeting is distributed and posted on the Bureau's website at least 10 days prior to each meeting. A copy of the current Member Orientation and Reference Manual is included in Section 13, Attachment A.

Table 1a. Attendance			
PASCAL BENYAMINI – Current Member			
Date Appointed:	October 2017		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	October 13, 2022	Online	Y
Advisory Council	June 15, 2022	Sacramento, CA/Online	Y
Advisory Council	January 20, 2022	Online	Y
Advisory Council	August 26, 2021	Online	Y
Advisory Council	March 25, 2021	Online	Y
Advisory Council	August 27, 2020	Online	Y
Advisory Council	March 12, 2020	Sacramento, CA	Y
Advisory Council	November 7, 2019	Sacramento, CA	Y
Advisory Council	July 18, 2019	Sacramento, CA	Y
Advisory Council	March 14, 2019	Sacramento, CA	Y
Advisory Council	November 29, 2018	Sacramento, CA	Y
Advisory Council	August 2, 2018	Sacramento, CA	Y
Advisory Council	March 29, 2018	Sacramento, CA	Y
Advisory Council	December 7, 2017	Sacramento, CA	Y

SHARON BRADLEY			
Date Appointed:	September 2015		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	March 12, 2020	Sacramento, CA	N
Advisory Council	November 7, 2019	Sacramento, CA	Y
Advisory Council	July 18, 2019	Sacramento, CA	Y
Advisory Council	March 14, 2019	Sacramento, CA	N
Advisory Council	November 29, 2018	Sacramento, CA	N
Advisory Council	August 2, 2018	Sacramento, CA	Y
Advisory Council	March 29, 2018	Sacramento, CA	N
Advisory Council	December 7, 2017	Sacramento, CA	N

JAMES GARELLI			
Date Appointed:	April 2020		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	January 20, 2022	Online	Y

Advisory Council	August 26, 2021	Online	Y
Advisory Council	March 25, 2021	Online	N
Advisory Council	August 27, 2020	Online	Y

BURT GRIMES – Current Member			
Date Appointed:	October 2015		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	October 13, 2022	Online	Y
Advisory Council	June 15, 2022	Sacramento, CA/Online	Y
Advisory Council	January 20, 2022	Online	Y
Advisory Council	August 26, 2021	Online	Y
Advisory Council	March 25, 2021	Online	Y
Advisory Council	August 27, 2020	Online	Y
Advisory Council	March 12, 2020	Sacramento, CA	Y
Advisory Council	November 7, 2019	Sacramento, CA	Y
Advisory Council	July 18, 2019	Sacramento, CA	Y
Advisory Council	March 14, 2019	Sacramento, CA	Y
Advisory Council	November 29, 2018	Sacramento, CA	N
Advisory Council	August 2, 2018	Sacramento, CA	N
Advisory Council	March 29, 2018	Sacramento, CA	Y
Advisory Council	December 7, 2017	Sacramento, CA	Y

CHRIS HIGDON			
Date Appointed:	December 2017		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	January 20, 2022	Online	Y
Advisory Council	August 26, 2021	Online	Y
Advisory Council	March 25, 2021	Online	N
Advisory Council	August 27, 2020	Online	Y
Advisory Council	March 12, 2020	Sacramento, CA	N
Advisory Council	November 7, 2019	Sacramento, CA	Y
Advisory Council	July 18, 2019	Sacramento, CA	Y
Advisory Council	March 14, 2019	Sacramento, CA	Y
Advisory Council	November 29, 2018	Sacramento, CA	Y
Advisory Council	August 2, 2018	Sacramento, CA	Y
Advisory Council	March 29, 2018	Sacramento, CA	Y
Advisory Council	December 7, 2017	Sacramento, CA	Y

TOM KEEPERS – Current Member			
Date Appointed:	October 2022		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	October 13, 2022	Online	Y

JUDY LEVIN			
Date Appointed:	October 2015		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	March 12, 2020	Sacramento, CA	N
Advisory Council	November 7, 2019	Sacramento, CA	Y
Advisory Council	July 18, 2019	Sacramento, CA	Y
Advisory Council	March 14, 2019	Sacramento, CA	Y
Advisory Council	November 29, 2018	Sacramento, CA	Y
Advisory Council	August 2, 2018	Sacramento, CA	Y
Advisory Council	March 29, 2018	Sacramento, CA	Y
Advisory Council	December 7, 2017	Sacramento, CA	Y

MIKE LIPSETT			
Date Appointed:	October 2017		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	March 12, 2020	Sacramento, CA	N
Advisory Council	November 7, 2019	Sacramento, CA	N
Advisory Council	July 18, 2019	Sacramento, CA	Y
Advisory Council	March 14, 2019	Sacramento, CA	Y
Advisory Council	November 29, 2018	Sacramento, CA	Y
Advisory Council	August 2, 2018	Sacramento, CA	Y
Advisory Council	March 29, 2018	Sacramento, CA	Y
Advisory Council	December 7, 2017	Sacramento, CA	Y

DONALD LUCAS – Current Member			
Date Appointed:	October 2015		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	June 15, 2022	Sacramento, CA/Online	Y
Advisory Council	January 20, 2022	Online	Y
Advisory Council	August 26, 2021	Online	Y
Advisory Council	March 25, 2021	Online	Y
Advisory Council	August 27, 2020	Online	Y
Advisory Council	March 12, 2020	Sacramento, CA	Y
Advisory Council	November 7, 2019	Sacramento, CA	Y
Advisory Council	July 18, 2019	Sacramento, CA	Y
Advisory Council	March 14, 2019	Sacramento, CA	Y
Advisory Council	November 29, 2018	Sacramento, CA	Y
Advisory Council	August 2, 2018	Sacramento, CA	Y
Advisory Council	March 29, 2018	Sacramento, CA	Y
Advisory Council	December 7, 2017	Sacramento, CA	Y

STEPHEN McDANIEL			
Date Appointed:	October 2017		
Meeting Type	Meeting Date	Meeting Location	Attended?

Advisory Council	January 20, 2022	Online	N
Advisory Council	August 26, 2021	Online	N
Advisory Council	March 25, 2021	Online	N
Advisory Council	August 27, 2020	Online	Y
Advisory Council	March 12, 2020	Sacramento, CA	N
Advisory Council	November 7, 2019	Sacramento, CA	Y
Advisory Council	July 18, 2019	Sacramento, CA	N
Advisory Council	March 14, 2019	Sacramento, CA	N
Advisory Council	November 29, 2018	Sacramento, CA	N
Advisory Council	August 2, 2018	Sacramento, CA	N
Advisory Council	March 29, 2018	Sacramento, CA	Y
Advisory Council	December 7, 2017	Sacramento, CA	N

SARA OAKLEY – Current Member			
Date Appointed:	September 2022		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	October 13, 2022	Online	Y

DAN RHODES – Current Member			
Date Appointed:	April 2020		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	October 13, 2022	Online	Y
Advisory Council	June 15, 2022	Sacramento, CA/Online	Y
Advisory Council	January 20, 2022	Online	Y
Advisory Council	August 26, 2021	Online	Y
Advisory Council	March 25, 2021	Online	Y
Advisory Council	August 27, 2020	Online	Y

HEIDI SANBORN			
Date Appointed:	April 2020		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	August 26, 2021	Online	Y
Advisory Council	March 25, 2021	Online	Y
Advisory Council	August 27, 2020	Online	Y

ANTIONETTE STEIN			
Date Appointed:	October 2017		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	March 12, 2020	Sacramento, CA	Y
Advisory Council	November 7, 2019	Sacramento, CA	Y
Advisory Council	July 18, 2019	Sacramento, CA	Y
Advisory Council	March 14, 2019	Sacramento, CA	Y
Advisory Council	November 29, 2018	Sacramento, CA	Y
Advisory Council	August 2, 2018	Sacramento, CA	Y

Advisory Council	March 29, 2018	Sacramento, CA	Y
Advisory Council	December 7, 2017	Sacramento, CA	Y

TOBY TAYLOR – Current Member			
Date Appointed:	April 2020		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	October 13, 2022	Online	N
Advisory Council	June 15, 2022	Sacramento, CA/Online	N
Advisory Council	January 20, 2022	Online	Y
Advisory Council	August 26, 2021	Online	Y
Advisory Council	March 25, 2021	Online	Y
Advisory Council	August 27, 2020	Online	Y

STEVE WEITEKAMP – Current Member			
Date Appointed:	December 2017		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	October 13, 2022	Online	Y
Advisory Council	June 15, 2022	Sacramento/Online	Y
Advisory Council	January 20, 2022	Online	Y
Advisory Council	August 26, 2021	Online	Y
Advisory Council	March 25, 2021	Online	Y
Advisory Council	August 27, 2020	Online	Y
Advisory Council	March 12, 2020	Sacramento, CA	Y
Advisory Council	November 7, 2019	Sacramento, CA	Y
Advisory Council	July 18, 2019	Sacramento, CA	Y
Advisory Council	March 14, 2019	Sacramento, CA	Y
Advisory Council	November 29, 2018	Sacramento, CA	Y
Advisory Council	August 2, 2018	Sacramento, CA	Y
Advisory Council	March 29, 2018	Sacramento, CA	Y
Advisory Council	December 7, 2017	Sacramento, CA	Y

DAVID YARBROUGH			
Date Appointed:	October 2015		
Meeting Type	Meeting Date	Meeting Location	Attended?
Advisory Council	March 12, 2020	Sacramento, CA	Y
Advisory Council	November 7, 2019	Sacramento, CA	Y
Advisory Council	July 18, 2019	Sacramento, CA	Y
Advisory Council	March 14, 2019	Sacramento, CA	Y
Advisory Council	November 29, 2018	Sacramento, CA	Y
Advisory Council	August 2, 2018	Sacramento, CA	Y
Advisory Council	March 29, 2018	Sacramento, CA	Y
Advisory Council	December 7, 2017	Sacramento, CA	Y

Table 1b. Bureau/Committee Member Roster					
Member Name (Include Vacancies)	Date First Appointed	Date Re- appointed	Date Term Expires	Appointing Authority	Type (public or professional)
Pascal Benyamini	October 17, 2017	April 1, 2022	April 1, 2024	Director	Public
Burt Grimes	October 1, 2013	April 1, 2022	April 1, 2024	Director	Industry
Tom Keepers	September 16, 2022	N/A	September 16, 2024	Director	Public
Donald Lucas	October 1, 2015	April 1, 2022	April 1, 2024	Director	Public
Sara Oakley	August 8, 2022	N/A	August 8, 2024	Director	Public
Dan Rhodes	April 7, 2020	April 1, 2022	April 1, 2024	Director	Industry
Toby Taylor	April 7, 2020	April 1, 2022	April 1, 2024	Director	Industry
Steve Weitekamp	December 1, 2017	April 1, 2022	April 1, 2024	Director	Industry

Quorum

The Bureau's Advisory Council is not mandated by statute and has no quorum requirements to hold meetings. Therefore, no meetings were postponed for lack of a quorum.

Major Changes

Reorganization

Effective July 1, 2018, administration of the Household Movers Act transferred from the Commission to the Bureau along with 11 positions to implement the new program. Legislative Budget Change Proposal (BCP) 1111-089-BCP 2018-GB identified the initial positions as one Attorney III (two-year limited term), one Staff Services Manager I (SSM I) in the Policy Unit, two Staff Services Analysts (SSA) in the Licensing Unit, two SSAs in the Enforcement Unit, one Associate Governmental Program Analyst (AGPA) in the Administrative Unit, and four Special Investigator (SI) positions.

In November 2018, the Bureau reorganized its Policy Unit. One Policy Manager (SSM I Specialist) position was created by reclassifying an AGPA and a second Policy Manager (SSM I Specialist) was created by reclassifying an SSA. The previous Policy Unit, supervised by the Licensing Manager and responsible for various administrative duties, was dissolved and the new Policy Manager positions began reporting to the Deputy Chief. This reorganization allowed policy work to be performed at a more technical level to enable implementation of the Household Movers Act.

In December 2021, the Bureau established an Administrative Unit, comprised of one SSM I, two AGPAs, one SSA, and three Office Technicians (OT). The Bureau was struggling with a high percentage of vacancies and expiring contracts. Creating the Administrative Unit streamlined administrative functions within the Bureau to help resolve these issues and provide the appropriate management oversight of all administrative activities within the Bureau. The SSM I was reclassified from a vacant Public Information Office (PIO) position to serve as a manager of the Administrative Unit. Concurrently, the Executive Secretary position was reclassified to an SSA to perform the less technical personnel and contract duties and provide analytical support for Bureau-wide projects. All other classifications were existing positions; however, the OTs and AGPAs previously reported to the Bureau

Chief and Deputy Bureau Chief, respectively. These positions were more appropriately placed under the direction of the Administrative Manager in the Administrative Unit.

Change in Leadership

In October 2017, Nicholas Oliver was appointed as Bureau Chief and confirmed in June 2018. Mr. Oliver vacated this position on July 1, 2021. On January 3, 2022, Justin Paddock was sworn in as Bureau Chief after appointment by the Governor. The Senate confirmed Mr. Paddock's appointment on June 9, 2022.

Strategic Planning

The Bureau conducted surveys of internal and external stakeholders in November 2021 to prepare for its strategic planning session held on January 20, 2022. The stakeholder review process included a survey that was distributed to the Bureau's interested party lists, known industry stakeholders, and employees. The development process also included interviews with Advisory Council members and members of the Bureau's management team. The Bureau adopted its Strategic Plan for 2022-2026 in July 2022 (Section 13, Attachment D).

Legislation

The Bureau has not sponsored any legislation since the last sunset review; however, the following legislation has affected BHGS since the last sunset review:

2018 Legislation

AB 2998 (Bloom, Chapter 924, Statutes of 2018) prohibited the sale and distribution of juvenile products, upholstered furniture, replacement components of reupholstered furniture, and the foam in mattresses (collectively referred to as "covered products") that contain covered flame-retardant (FR) chemicals at levels above 1,000 parts per million (ppm) in California on and after January 1, 2020. This bill required the Bureau to extend to covered products the FR chemical content testing required by SB 1019 (Leno, Chapter 862, Statutes of 2014) for upholstered furniture.

SB 1483 (Hill, Chapter 578, Statutes of 2018) changed the name of the Bureau from the Bureau of Electronic and Appliance Repair, Home Furnishings, and Thermal Insulation to the Bureau of Household Goods and Services, effective January 1, 2019. This bill also amends the definitions of "service contract" and "consumer goods" to include all consumer goods other than consumables.

2019 Legislation

SB 391 (Monning, Chapter 210, Statutes of 2019) authorized Special Investigators employed by the Bureau to issue notices to appear in court for misdemeanor violations of the Household Movers Act after delegation by the Director of the Department.

2020 Legislation

House of Representatives 133, the federal COVID-19 Regulatory Relief and Work From Home Safety Act, adopts the Bureau's flammability standard, Technical Bulletin (TB) 117-2013, as a national flammability standard to be administered by the U.S. Consumer Product Safety Commission (CPSC). The Act establishes a new labeling requirement for which all products sold or offered for sale in the United States, and subject to TB 117-2013,

must have a label required by California Code of Regulations Title 4, section 1374.3 and the federal label must be attached.

2021 Legislation

AB 1221 (Flora, Chapter 452, Statutes of 2021) specified that a service contract may cover a class of products and allowed service contracts to be offered on a month-by-month basis or as continuous until canceled by the consumer or service contractor. The bill required a service contract that continues until canceled to disclose to the buyer, in a clear and conspicuous manner, that the service contract will continue until canceled. It also enacted various consumer protection requirements for month-to-month and continuous-until-canceled service contracts.

SB 607 (Min, Chapter 367, Statutes of 2021) rescheduled the Bureau's sunset review from 2022 to 2023.

SB 826 (Committee on Business, Professions and Economic Development, Chapter 188, Statutes of 2021) made several technical, non-substantive changes related to the Bureau.

2022 Legislation

AB 2956 (Committee on Transportation, Chapter 295, Statutes of 2022) amends various sections of the Vehicle Code changing references from the Commission to the Bureau, Public Utilities Code to Business and Professions Code, and other amendments to recognize the transfer of the Household Movers Act to the Bureau.

SB 1443 (Roth, Chapter 625, Statutes of 2022) extends provisions of the Electronic and Appliance Service Dealer Registration Law that would have been repealed on January 1, 2023, to accommodate the one-year sunset review postponement.

Regulations

HFTI Substantial Relationship and Rehabilitation Criteria – Approved and Effective April 9, 2021

The California Code of Regulations, Title 4, Division 3, Sections 1380 and 1381 were amended to develop criteria for use when considering whether to deny, suspend, or revoke a HFTI license. The criteria are to determine whether a crime is substantially related to the qualifications, functions, or duties of the Bureau's regulated professions. The criteria also include the nature and gravity of the offense and the number of years elapsed. In addition, this rulemaking modified the existing rehabilitation criteria for use when considering whether to deny, suspend, or revoke a license in response to a conviction of a crime substantially related to the qualification, functions, or duties of a licensee. The amendments were made to conform with requirements of AB 2138 (Chiu, Chapter 995, Statutes of 2018).

EAR Substantial Relationship and Rehabilitation Criteria – Approved and Effective April 9, 2021

The California Code of Regulations, Title 16, Division 27, Sections 2767 and 2768 were amended to develop criteria for use when considering whether to deny, suspend, or revoke an EAR registration. The criteria are used to determine whether a crime is

substantially related to the qualifications, functions, or duties of the Bureau's regulated professions. The criteria also include the nature and gravity of the offense, and the number of years elapsed. In addition, this rulemaking modified the existing rehabilitation criteria for use when considering whether to deny, suspend, or revoke a license in response to a conviction of a crime substantially related to the qualifications, functions, or duties of a registrant. The amendments were made to conform with requirements of AB 2138 (Chiu, Chapter 995, Statutes of 2018).

HFTI Technical Bulletin 133 (Large Open Flame Test) Repeal – Approved and Effective January 22, 2019

The California Code of Regulations, Title 4, Division 3, Sections 1374 and 1374.3 were amended to repeal TB 133, which set flammability standards for upholstered furniture in public occupancies. The Bureau replaced TB 133, which required upholstered furniture to meet performance standards against open flame, with TB 117-2013, which tests against a smoldering ignition source. TB 133 was found to promote the use of flame retardant chemicals, which pose serious health risks to consumers. These risks were found to outweigh the benefits provided by flame retardant chemicals, especially after considerable fire safety improvements in public buildings were adopted in California.

Major Studies

The Bureau commissioned a fee study to review its fee structure across the three programs – EAR, HFTI, and HHM – to determine appropriate fee levels to recover actual costs to the Bureau associated with administering each practice act. This study was conducted to support a proposed fee structure for HHM. Currently, the Bureau follows the same fee structure as that administered by the Commission, but the HHM Act requires the Bureau to adopt its own fee structure (BPC section 19288). Additionally, the fee study evaluated whether the Bureau should combine the three funds into a single fund or retain separate funds to administer each practice act (the fee study is in draft form and will be submitted as an addendum after it is finalized).

Based on the findings in the fee study and review of Bureau internal operations (e.g., fleet operations and supply ordering), the Bureau is recommending the three operating funds be consolidated into one fund, the “Household Goods and Services Fund.” The Bureau further recommends that licensing fees be augmented based on the recommendations in the study to ensure all license types pay in accordance with the Bureau's identified operational workload. The Bureau's detailed response to the recommendations of the fee study can be found in Section 12, Issue # 1.

National Associations

The Bureau is a member of several national associations including:

- International Accreditation Service (IAS) – Accredited member
- American Society for Testing and Materials (ASTM) - Organizational member
- International Association of Bedding and Furniture Law Officials (IABFLO) – Organizational member
- National Voluntary Laboratory Accreditation Program (NVLAP) - Accredited member

The Bureau currently has voting privileges with IABFLO and ASTM. The Bureau participates in the IABFLO Laboratory Committee and two Bureau employees are committee members. The Committee meets whenever necessary to discuss terminology, law label issues, regulation requirements, and other related topics. The Bureau also participates in the ASTM C-16 Committee, which is the insulation standards committee.

Bureau enforcement personnel participate in quarterly meetings of the San Diego County District Attorney's Consumer Fraud Task Force with San Diego County's Consumer Protection Unit, a sub-unit of the Economic Crimes Division. The unit is composed of deputies district attorney, investigators and paralegals dedicated to protecting consumers and law-abiding businesses from fraudulent or unfair business practices. Meeting participants share information regarding their agencies' programs and provide insight on cases they are investigating, particularly those that are being worked jointly with other public safety and regulatory agencies.

Fifteen employees of the Bureau's Investigative Unit (13 Special Investigators, one Field Representative and one Inspector) were members of the Governor's COVID-19 Enforcement Task Force, which provided health and COVID-related safety guidance and education to California businesses regulated by the Bureau.

The Bureau attended all IABFLO's scheduled annual meetings via teleconference (the 2020 conference was canceled due to the pandemic). Given that many of the meetings hosted by this association are out of state, the Bureau primarily participates via telephone.

Bureau enforcement representatives attended the San Diego County District Attorney's Consumer Fraud Task Force meetings in person, by conference call, or via Teams on:

- May 15, June 7, September 4, and November 13, 2019
- February 19, April 15, June 17, and September 9, 2020
- February 10, April 14, June 9, September 8, and November 10, 2021
- February 9, April 13, June 8, and November 16, 2022

The Bureau's Investigations Unit served as members of the Governor's COVID-19 Task Force from June 2020 to May 2021, during which Bureau personnel contacted approximately 20 businesses each week to assist the businesses with coming into compliance with public health orders to protect California consumers, employees, and business owners.

Since the Bureau does not use a national examination for any of its license types it is not involved in any examination preparation at the national level.

Section 2 – Performance Measures and Customer Satisfaction Surveys

Performance Measures

Quarterly and annual performance measure reports can be reviewed in Section 13, Attachment E or online at the Department of Consumer Affairs' Open Data [Portal](#).

Customer Satisfaction Survey

The Bureau does not have a customer satisfaction survey. However, it is working with the Department's SOLID office to release a survey beginning in Fiscal Year (FY) 2022/23. The Bureau plans to largely adopt the [survey](#) used by the California Architects Board (Board), which is straightforward and easily accessible on the Board's website.

Section 3 – Fiscal and Staff

Fiscal Issues

The Bureau's fund is not continuously appropriated. The Department prepares the Bureau's annual budget for inclusion in the Governor's proposed budget, and the BHGS appropriation is part of each year's Budget Act.

Presently, the Bureau maintains healthy reserve levels for each program. By the end of FY 2021/22, the HFTI fund is anticipated to have \$6.7 million (12.8 months in reserve) remaining, the EAR fund is anticipated to have \$3.5 million (10.8 months in reserve) remaining, and the HHM fund is anticipated to have \$7.1 million (22.2 months in reserve) remaining. This is a result of the Bureau reducing unnecessary spending where possible, such as eliminating maintenance agreements for outdated office equipment, and purchasing hybrid vehicles to reduce fuel expenses. No mandate exists that requires the Bureau to maintain certain reserve levels however, BPC section 128.5 requires the Bureau to reduce fees when reserve levels reach 24 months or more.

The HFTI fund is projected to remain solvent through FY 2023/24, but it is anticipated to have 2.5 months in reserve by FY 2025/26. Based on the fee study findings and Bureau workload associated with certain license types, the Bureau will seek an increase to the furniture retailer, bedding retailers, furniture and bedding retailers, and wholesaler. In addition, the Bureau will seek to change the existing biennial renewal cycle for HFTI licenses to an annual cycle to align the licensing cycle with EAR and make it easier for licensees to maintain a valid and current license. These are discussed in greater detail in Section 12, Issue #1.

Table 2. Fund Condition – HFTI						
(Dollars in Thousands)	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Beginning Balance	\$3,721	\$4,424	\$5,243	\$6,058	\$6,779	\$5,595
Revenues and Transfers	\$5,237	\$5,217	5,085	\$5,655	\$5,183	\$5,203
Total Resources	\$8,958	\$9,641	\$10,328	\$11,713	\$11,962	\$10,798
Budget Authority	\$5,035	\$5,521	\$5,244	\$6,268	\$5,895	\$5,939
Expenditures	\$4,363	\$4,027	\$3,898	\$4,475	\$5,895	\$5,939
Loans to General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Accrued Interest, Loans to General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Loans Repaid From General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Fund Balance*	\$4,331	\$5,213	\$6,058	\$6,778	\$5,594	\$4,386
Months in Reserve	11.7	14.7	14.7	12.8	10.5	8.0

The EAR fund is projected to be reduced to \$895,000 (2.8 months in reserve) in FY 2023/24 and will be in a deficit in FY 2024/25. Based on the fee study findings, the Bureau will seek an increase to all EAR registration types. The highest increase will affect the Service Contract

Administrator registration due to the increased workload demand compared to the other registration types. The EAR fee increases are further discussed in Section 12, Issue #1.

Table 2. Fund Condition – EAR						
(Dollars in Thousands)	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Beginning Balance	\$3,745	\$4,046	\$3,953	\$3,773	\$3,546	\$2,203
Revenues and Transfers	\$3,077	\$2,748	\$2,521	\$2,625	\$2,614	\$2,626
Total Resources	\$6,822	\$6,794	\$6,474	\$6,298	\$6,160	\$4,829
Budget Authority	\$2,802	\$2,978	\$2,817	\$4,264	\$3,722	\$3,700
Expenditures	\$2,594	\$2,659	\$2,526	\$2,620	\$3,722	\$3,700
Loans to General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Accrued Interest, Loans to General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Loans Repaid From General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Fund Balance*	\$4,072	\$3,939	\$3,773	\$3,545	\$2,202	\$894
Months in Reserve	17.1	17.5	15.9	10.8	6.7	2.8

The HHM fund is solvent and anticipated to reach the statutory maximum by the end of FY 2023/24. The Bureau does not anticipate the funds will reach the statutory maximum but will closely monitor the fund and consider alternatives should the fund reach 24 months in reserves. The Bureau will seek to adjust the initial application fee to assess the examination and fingerprinting fees separately based on actual costs to be paid directly by the applicant to the entities providing these services (see Section 12, Issue #1).

Table 2. Fund Condition – HHM						
(Dollars in Thousands)	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Beginning Balance	\$0	\$2,335	\$3,415	\$5,062	\$7,132	\$7,109
Revenues and Transfers	\$3,553	\$2,952	\$3,648	\$3,782	\$3,839	\$3,830
Total Resources	\$3,553	\$5,287	\$7,063	\$8,844	\$10,971	\$10,949
Budget Authority	\$2,502	\$2,373	\$2,850	\$2,121	\$3,651	\$3,531
Expenditures	\$1,139	\$1,971	\$1,720	\$1,804	\$3,651	\$3,531
Loans to General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Accrued Interest, Loans to General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Loans Repaid From General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Fund Balance*	\$2,414	\$3,316	\$5,062	\$7,133	\$7,110	\$7,198
Months in Reserve	14.7	19.9	29.1	22.2	22.8	24.3

* Fund Balance includes the impact of statewide pro rata and supplemental pension payments against the fund, which are not listed on the tables.

General Fund Loans

The Bureau provided the State General Fund a loan in the amount of \$1.5 million from the HFTI fund in FY 2011/12. The loan was repaid in full in FY 2013/14 and the Bureau received \$16,000 in interest. The Bureau has provided no other loans since then.

Expenditures by Program

The Bureau's three programs do not incur expenditures related to education or diversion since these components are not a requirement for licensure within any of the programs. The overall decrease in personnel services and operating expenditures for the HFTI program is due to the Bureau's high vacancy rate, which began showing improvement in FY 2021/22. The breakdown of HFTI expenditures by program component are as follows:

Table 3. Expenditures by Program Component – HFTI (list dollars in thousands)								
	FY 2018/19		FY 2019/20		FY 2020/21		FY 2021/22	
	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E
Enforcement	\$1,894	\$682	\$1,683	\$562	\$1,824	\$439	\$2,084	\$482
Examination	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Licensing	\$262	\$93	\$145	\$48	\$151	\$36	\$172	\$40
Administration *	\$451	\$161	\$536	\$178	\$476	\$114	\$544	\$125
DCA Pro Rata	\$0	\$837	\$0	\$875	\$0	\$858	\$0	\$1,028
Diversion (if applicable)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTALS	\$2,607	\$1,773	\$2,364	\$1,663	\$2,451	\$1,447	\$2,800	\$1,675

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

Expenditures related to the EAR program have seen a decrease in personnel services and operating expenditures also due to the Bureau's high vacancy rate. The breakdown of EAR expenditures by program component is as follows:

Table 3. Expenditures by Program Component – EAR (list dollars in thousands)								
	FY 2018/19		FY 2019/20		FY 2020/21		FY 2021/22	
	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E
Enforcement	\$1,108	\$212	\$1,024	\$135	\$918	\$125	\$891	\$120
Examination	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Licensing	\$341	\$57	\$558	\$53	\$501	\$56	\$520	\$59
Administration *	\$170	\$28	\$279	\$26	\$250	\$28	\$223	\$25
DCA Pro Rata	\$0	\$642	\$0	\$584	\$0	\$648	\$0	\$782
Diversion (if applicable)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTALS	\$1,619	\$939	\$1,861	\$798	\$1,669	\$857	\$1,634	\$986

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

Expenditures related to HHM personnel services and operating expenses increased since the Bureau assumed the transfer of the program in FY 2018/19. This is due to the staff recruitments to assist with the implementation of the HHM program. The breakdown of HHM expenditures by program component is as follows:

Table 3. Expenditures by Program Component – HHM (list dollars in thousands)								
	FY 2018/19		FY 2019/20		FY 2020/21		FY 2021/22	
	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E

Enforcement	\$379	\$158	\$721	\$341	\$655	\$245	\$656	\$282
Examination	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Licensing	\$108	\$46	\$206	\$97	\$187	\$91	\$188	\$79
Administration *	\$108	\$45	\$206	\$96	\$187	\$59	\$188	\$61
DCA Pro Rata	\$0	\$295	\$0	\$304	\$0	\$296	\$0	\$350
Diversion (if applicable)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTALS	\$595	\$544	\$1,133	\$838	\$1,029	\$691	\$1,032	\$772

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

BreEze Costs

The Bureau has not made any contributions to the BreEze program since FY 2017/18. Previous payments are as follows:

BreEze Costs										
	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	Total
HFTI	\$3,019	\$0	\$50,746	\$4,620	\$86,479	\$46,073	\$44,605	\$107,581	\$80,428	\$423,551
EAR	\$4,202	\$29,480	\$36,875	\$2,739	\$60,955	\$29,305	\$28,173	\$70,404	\$52,414	\$314,547

As a member of the Business Modernization Cohort 2 Project, the Bureau has made the following contributions to the Cohort 2 Project beginning FY 2021/22:

Business Modernization Costs			
	FY 2021/22	FY 2022/23*	Total
HFTI	\$13,364	\$404	\$13,768
EAR	\$40,092	\$1,211	\$41,303
HHM	\$88,464	\$5,779	\$94,243
Bureau Total	\$141,920	\$7,394	\$149,314

* Through July 2022

Bureau Fees

All home furnishings license types are required to be renewed biennially. AB 1175 (Ridley-Thomas, Chapter 187, Statutes of 2015) increased the statutory fee ceilings allowing the Bureau to adopt regulations that increased licensing fees in December 2016. All home furnishings license fees were increased at an average of 15 percent. Prior to 2016, the license fees had not been increased since 2002. The authority related to the home furnishings license and renewal fees is found in BPC section 19170; delinquency and penalty fees are found in BPC section 19170.5. Licensing fees established in regulation are found in Title 4, California Code of Regulation (4 CCR) section 1107(a).

BPC section 19165 requires the Bureau to publish a directory containing insulation materials that have met or exceeded minimum established standards and requires the Bureau to charge \$50 annually for each certified product listed in the directory, up to a maximum of \$5,000 per manufacturer.

Table 4. Fee Schedule and Revenue – HFTI

(list revenue dollars in thousands)

Initial License Fee	Current Fee Amount	Statutory Limit	FY 2018/19 Revenue	FY 2019/20 Revenue	FY 2020/21 Revenue	FY 2021/22 Revenue	% of Total Revenue
Bedding Retailer	\$140	\$150	\$44	\$40	\$17	\$14	<1%
Custom Upholsterer	\$420	\$450	\$10	\$8	\$20	\$21	<1%
Furniture and Bedding Manufacturer	\$750	\$940	\$94	\$57	\$102	\$67	1%
Furniture and Bedding Retailer	\$280	\$300	\$146	\$155	\$140	\$133	2%
Furniture and Bedding Wholesaler	\$625	\$675	\$13	\$11	\$10	\$7	<1%
Furniture Retailer	\$140	\$150	\$15	\$13	\$57	\$20	<1%
Importer	\$750	\$940	\$688	\$589	\$683	\$665	12%
Sanitizer	\$420	\$450	\$5	\$0	\$0	\$3	<1%
Supply Dealer	\$625	\$675	\$0	\$1	\$2	\$3	<1%
Thermal Insulation Manufacturer	\$2,000	\$2,500	\$22	\$14	\$10	\$10	<1%
Certified Directory Fee	Current Fee Amount	Statutory Limit	FY 2018/19 Revenue	FY 2019/20 Revenue	FY 2020/21 Revenue	FY 2021/22 Revenue	% of Total Revenue
Thermal Insulation Manufacturer	\$50	\$5,000	\$84	\$89	\$77	\$77	1%
Renewal Fee	Current Fee Amount	Statutory Limit	FY 2018/19 Revenue	FY 2019/20 Revenue	FY 2020/21 Revenue	FY 2021/22 Revenue	% of Total Revenue
Bedding Retailer	\$140	\$150	\$127	\$110	\$136	\$128	2%
Custom Upholsterer	\$420	\$450	\$88	\$85	\$84	\$75	1%
Furniture and Bedding Manufacturer	\$750	\$940	\$484	\$437	\$459	\$424	7%
Furniture and Bedding Retailer	\$280	\$300	\$1,210	\$1,551	\$1,058	\$1,717	30%
Furniture and Bedding Wholesaler	\$625	\$675	\$55	\$37	\$52	\$35	1%
Furniture Retailer	\$140	\$150	\$172	\$90	\$68	\$115	2%
Importer	\$750	\$940	\$1,455	\$1,407	\$1,616	\$1,592	28%
Sanitizer	\$420	\$450	<\$1	\$5	\$2	\$8	<1%
Supply Dealer	\$625	\$675	\$30	\$24	\$27	\$27	<1%
Thermal Insulation Manufacturer	\$2,000	\$2,500	\$211	\$220	\$218	\$202	4%
Delinquency Fee	Current Fee Amount	Statutory Limit	FY 2018/19 Revenue	FY 2019/20 Revenue	FY 2020/21 Revenue	FY 2021/22 Revenue	% of Total Revenue
Bedding Retailer	\$28	\$28	\$1	\$4	\$2	\$5	<1%
Custom Upholsterer	\$84	\$84	\$4	\$3	\$4	\$2	<1%
Furniture and Bedding Manufacturer	\$100	\$100	\$9	\$9	\$11	\$7	<1%
Furniture and Bedding Retailer	\$56	\$56	\$15	\$22	\$26	\$38	1%
Furniture and Bedding Wholesaler	\$100	\$100	\$2	\$1	\$2	\$1	<1%
Furniture Retailer	\$28	\$28	\$1	\$1	\$2	\$12	<1%

Importer	\$100	\$100	\$34	\$36	\$49	\$49	1%
Sanitizer	\$84	\$84	\$0	\$0	\$0	\$0	0%
Supply Dealer	\$100	\$100	<\$1	<\$1	<\$1	\$1	<1%
Thermal Insulation Manufacturer	\$100	\$100	\$2	\$2	\$4	\$3	<1%
Penalty Fee	Current Fee Amount	Statutory Limit	FY 2018/19 Revenue	FY 2019/20 Revenue	FY 2020/21 Revenue	FY 2021/22 Revenue	% of Total Revenue
All Home Furnishings License Types	N/A	N/A	\$53	\$43	\$52	\$115	2%
Thermal Insulation Manufacturer	\$600	\$750	\$2	\$0	\$3	\$5	<1%

The EAR registration types are required to be renewed annually. AB 1175 increased the statutory fee ceiling for all EAR registrations, allowing the Bureau to adopt regulations that increased registration fees in February 2017. The increase to registration fees equated to an average of 19 percent. Prior to 2017, the registration fees had not been increased since 1998. The authority related to the EAR registration, renewal, and delinquency fees is found under BPC section 9873 and Title 16, CCR section 2760.

Table 4. Fee Schedule and Revenue – EAR							
(list revenue dollars in thousands)							
Initial Registration Fee	Current Fee Amount	Statutory Limit	FY 2018/19 Revenue	FY 2019/20 Revenue	FY 2020/21 Revenue	FY 2021/22 Revenue	% of Total Revenue
Appliance Service Dealer	\$190	\$205	\$94	\$61	\$74	\$67	3%
Combination Service Dealer	\$375	\$405	\$24	\$9	\$6	\$5	<1%
Electronic Service Dealer	\$190	\$205	\$72	\$59	\$37	\$65	2%
Service Contract Administrator	\$95	\$95	\$2	\$1	\$1	\$31	1%
Service Contract Seller	\$95	\$95	\$69	\$85	\$156	\$266	10%
Renewal Fee	Current Fee Amount	Statutory Limit	FY 2018/19 Revenue	FY 2019/20 Revenue	FY 2020/21 Revenue	FY 2021/22 Revenue	% of Total Revenue
Appliance Service Dealer	\$190	\$205	\$455	\$452	\$420	\$425	16%
Combination Service Dealer	\$375	\$400	\$190	\$159	\$94	\$94	4%
Electronic Service Dealer	\$190	\$205	\$806	\$714	\$668	\$606	23%
Service Contract Administrator	\$95	\$95	\$4	\$12	\$5	\$29	1%
Service Contract Seller	\$95	\$95	\$1,124	\$1,047	\$913	\$920	35%
Delinquency Fee	Current Fee Amount	Statutory Limit	FY 2018/19 Revenue	FY 2019/20 Revenue	FY 2020/21 Revenue	FY 2021/22 Revenue	% of Total Revenue
Appliance Service Dealer	\$95	\$95	\$33	\$30	\$32	\$23	1%
Combination Service Dealer	\$150	\$150	\$4	\$3	\$2	\$6	<1%
Electronic Service Dealer	\$95	\$95	\$52	\$40	\$50	\$46	2%
Service Contract Administrator	\$47.50	\$47.50	\$0	\$0	\$0	\$0	<1%
Service Contract Seller	\$47.50	\$47.50	\$18	\$6	\$21	\$34	1%

Under historical Commission Practice, household movers' permits did not expire. Once issued, they were valid in perpetuity, so long as the mover continued to meet insurance, quarterly report, and payment requirements. SB 19 (Hill, Chapter 421, Statutes of 2017) established the existing permit and quarterly fee requirements under the Household Movers Act and requires the Bureau to maintain the fee structure as administered by the Commission until regulations are adopted. There have been no changes to fees since the transfer of the program in July 2018. The Bureau has maintained this practice pursuant to BPC section 19228; however, once licensing regulations are adopted, the Bureau will reevaluate.

Please note, the household mover quarterly revenue fee structure is unique within DCA licensing programs, which typically use a standard renewal fee for licensees on an annual or biennial basis. In future years the Bureau plans to reevaluate the overall fee structure for this program to assess the feasibility of conforming it to other licensing fee structures. The authority related to the HHM permit fees is found under BPC sections 19240, 19288, 19288.1, and 19288.2.

Table 4. Fee Schedule and Revenue – HHM								(list revenue dollars in thousands)
Permit Fee	Current Fee Amount	Statutory Limit	FY 2018/19 Revenue	FY 2019/20 Revenue	FY 2020/21 Revenue	FY 2021/22 Revenue	% of Total Revenue	
Household Mover	\$500	\$500	\$57	\$109	\$101	\$84	2%	
Permit Transfer Fee	\$150	\$150	\$2	\$2	\$3	\$2	<1%	
Quarterly Filing Fee	\$10	\$10	\$43	\$58	\$44	\$45	1%	
Quarterly Fee for CHP	\$5	\$5	\$0	\$0	\$22	\$22	<1%	
Quarterly Gross Operating Revenue Permit Fee	Various	Various	\$2,049	\$2,676	\$3,301	\$3,846	92%	
Quarterly Gross Operating Revenue Penalty Fee	25%	25%	\$36	\$90	\$125	\$119	3%	
Underpayment of Quarterly Filing Fee Collected	Various	Various	\$30	\$41	\$65	\$52	1%	

Budget Change Proposals (BCPs)

The Bureau submitted BCP 1111-089 related to SB 19 (Hill, Chapter 421, Statutes of 2017), which transferred the jurisdiction of HHM from the Commission to the Bureau beginning July 1, 2018. The Bureau requested budget augmentation for 11 positions to support the transfer and oversight of the new program formed to enforce the Household Movers Act.

The Bureau submitted BCP 1111-013 related to AB 2998 (Bloom, Chapter 924, Statutes of 2018), which prohibited the sale of covered products that contain covered flame-retardant chemicals in quantities greater than 1,000 parts per million. The Bureau requested two positions to review and process consumers' complaints, conduct inspections of businesses, and collect product samples that are forwarded to the Department of Toxic Substance Control for compliance testing.

The Bureau submitted BCP 1111-013 related to SB 1483 (Hill, Chapter 578, Statutes of 2018), which expanded the Bureau's jurisdiction over service contracts to include any consumer good used primarily for personal, family, or household purposes. The Bureau requested one

position to address increased workload related to application processing, financial review, and service contract reviews due to this enforcement expansion.

The Bureau submitted BCP 1111-122 and 1111-139 to request appropriation augmentation and two limited-term positions in support of implementing the Business Modernization software alternative to replace outdated and inadequate information technology (IT) systems. The funding requests provided the necessary augmentations to cover system integration, software licensing, project management, credit card activities, project oversight costs, and staffing costs.

The Bureau submitted BCP 1111-069 to request appropriation augmentation and four positions to effectively regulate the HHM industry by providing a more consistent and proactive enforcement approach to protect consumers from those who continuously violate HHM mandates.

The Bureau submitted BCP 1111-119 related to AB 1221 (Flora, Chapter 452, Statutes of 2021), which provided that a service contract may cover a class of products and allowed service contracts to be offered on a month-by-month basis or as continuous until canceled by the consumer or service contractor. The Bureau requested one position to address the increase in complaints and enforcement actions anticipated by the implementation of this bill.

Table 5. Budget Change Proposals (BCPs)								
BCP ID #	Fiscal Year	Description of Purpose of BCP	Personnel Services				OE&E	
			# Staff Requested (include classification)	# Staff Approved (include classification)	\$ Requested	\$ Approved	\$ Requested	\$ Approved
1111-089	2018-19	Household Movers Act (Senate Bill 19)	1.0 Attorney III 1.0 SSMI 4.0 SSA 1.0 AGPA 4.0 Special Investigator	1.0 Attorney III 1.0 SSMI 4.0 SSA 1.0 AGPA 4.0 Special Investigator	\$1,124,000	\$1,124,000	\$1,031,000	\$1,031,000
1111-013	2019-20	Legislative Workload (AB 2998) (HFTI)	1.0 SSA 1.0 Special Investigator	1.0 SSA 1.0 Special Investigator	\$141,000	\$141,000	\$56,000	\$56,000
1111-013	2019-20	Legislative Workload (SB 1483) (EAR)	1.0 SSA	1.0 SSA	\$87,000	\$87,000	\$15,000	\$15,000
1111-122	2021-22	BizMod Cohort 2 (EAR)	1.0 SSA	1.0 SSA	\$111,000	\$111,000	\$1,015,000	\$1,015,000
		BizMod Cohort 2 (HFTI)	1.0 OT	1.0 OT	\$32,000	\$32,000	\$357,000	\$357,000
		BizMod Cohort 2 (HHM)	1.0 OT	1.0 OT	\$15,000	\$15,000	\$187,000	\$187,000
1111-139	2022-23	BizMod Cohort 2 (EAR)	N/A	N/A	\$47,000	\$47,000	\$442,000	\$442,000
		BizMod Cohort 2 (HFTI)	N/A	N/A	\$16,000	\$16,000	\$860,000	\$860,000
		BizMod Cohort 2 (HHM)	N/A	N/A	\$94,000	\$94,000	\$212,000	\$212,000
1111-069	2022-23	Enforcement Staff Augmentation (HHM)	4.0 Special Investigator	4.0 Special Investigator	\$488,000	\$488,000	\$132,000	\$132,000
1111-119	2022-23	Legislative Workload (AB 1221) (EAR)	1.0 SSA	1.0 SSA	\$97,000	\$33,000	\$97,000	\$33,000

Staffing Issues

Vacancy Rates

As of June 30, 2022, the Bureau had a 26 percent vacancy rate (17 out of 64 positions). The Bureau has seen a large number of retirements and staff who sought promotions in other state agencies, which led to a higher than normal vacancy rate. Since the last sunset review, 23 Bureau employees (roughly 30 percent) retired or were promoted outside the Bureau. In addition, 19 employees were promoted within the Bureau, which simultaneously created vacancies while filling vacancies. To place a priority on filling vacant positions, the Bureau created a stand-alone Administrative Unit in September 2021 (discussed in Reorganization in Section 1). In the nine months that followed, the Administrative Unit filled 15 vacancies and as of September 30, 2022, had 13 more recruitments in process (recruitment, interviews, or candidates in background check).

The Bureau struggled to hire several classifications: Field Representatives, Inspectors, and Textile Technicians. These positions remained vacant for long periods of time because many individuals who meet the required skills and experience were also eligible for other civil service jobs with higher compensation. When the Bureau assumed administration of the Household Movers Act, it began reclassifying many enforcement positions to the Special Investigator (SI) classification, which are required to possess knowledge of investigative techniques and the ability to conduct in-depth investigations. Also, SIs can cross-train to conduct enforcement activity for all Bureau jurisdictions and the Bureau can recruit from a much larger candidate pool. Since reclassifying the vacant positions, the Bureau has reclassified Field Representative and Inspector positions as they become vacant through attrition. One Inspector and one Field Representative remain.

The Bureau also struggles to hire Textile Technicians. This specialized job holds a relatively small candidate pool. The bureau is currently exploring the use of other general classifications that have the same minimum qualifications and larger candidate pools, both of which will improve the bureau's ability to recruit and reduce the vacancy rate.

Reclassified and Redirected Positions

Since assuming administration of the Household Movers Act, the Bureau reassessed its staffing needs. This analysis resulted in reclassifying many of its positions to enable the Bureau to effectively meet the needs of all Bureau regulated industries while incorporating oversight of the Household Movers Act. In chronological order, the Bureau reclassified the following positions:

- In May 2018, redirected a vacant AGPA from the Policy Unit to an AGPA in the Investigations Unit. The work of the AGPA in the Policy Unit was later absorbed by the yet to be created SSM I (Specialist) positions discussed in the next two bullets. The AGPA in the Investigations Unit serves as the primary point of contact and support for the northern and southern field units, including the newly created SIs. The AGPA was also redirected to act as the liaison between the field personnel and the Compliance Unit to promote continuity in enforcement operations.
- In September 2018, reclassified a vacant Field Representative position to an SSM I (Specialist) to act as the Bureau's subject matter expert for the Household Movers

Act pertaining to legislation, regulations, BCPs, Bureau policies and procedures, compliance with legislative mandates, and general program oversight and implementation.

- In September 2018, reclassified a vacant SSA position to an SSM I (Specialist) to act as the Bureau's subject matter expert pertaining to legislation, regulations, BPCs, Bureau policies and procedures, and compliance with legislative mandates impacting the Bureau's remaining industries. Examples of these changes include AB 2998 (Bloom, Chapter 924, Statutes of 2017), which instituted flame retardant chemical content limits on upholstered furniture and juvenile products, as well as SB 1483 (Hill, Chapter 578, Statutes of 2018), which expanded the Bureau's jurisdiction of service contracts from a small inclusive list of products to service contracts for all consumer products.
- In February 2019, reclassified a vacant Inspector III to a Research Data Specialist I (RDS) limited term. The Inspector position, which has historically been difficult to fill, was left vacant by an employee who promoted to an SI. The RDS was intended to conduct a fee study to recommend and support a fee structure proposal for HHM, as required by BPC section 19288 (b)(1); however, the employee left the Bureau before the analysis commenced. See the April 2020 bullet for additional information on this position.
- In April 2019, reclassified a vacant Attorney III position to a Supervising Special Investigator I (SSI I) position. The Attorney III was transferred to the Bureau as one of 11 positions intended to implement SB 19 (Hill, Chapter 421, Statutes of 2017). The SSI I was created to oversee daily operations of the field team in southern California and implement enforcement strategies to address unlicensed activity in the HHM industry.
- In July 2019, reclassified a vacant Program Tech II (PT) in the Licensing Unit to an OT in Support Services. Duties of the PT position were successfully absorbed by Licensing staff, allowing the position to be designated to provide Bureau-wide support services that were needed after assuming administration of the Household Movers Act.
- In September 2019, reclassified three Chemist positions to Environmental Scientists (ES). The ES classification was determined to better meet operational needs, specifically those introduced by AB 2998. The wider range of education and training required to qualify for the classification allowed the Bureau to recruit from a larger pool of candidates trained in varying scientific disciplines. Two of the Chemist positions were vacant at the time and one employee received a promotion-in-place.
- In September 2019, reclassified the Supervising Chemist to a Senior Environmental Scientist (Supervisory). After the Chemist positions were reclassified to ESs, it was appropriate to reclassify the Laboratory Manager in a conforming manner.

- In November 2019, reclassified a vacant SSA to a PIO. Outreach and education have historically been challenges for the Bureau. The HHM program brought additional challenges, stakeholders, and urgency to outreach. The PIO was intended to focus on building name recognition, profiling the Bureau's regulated industries to educate stakeholders, and to create a social media presence for the Bureau. Soon after hiring a PIO, COVID-related travel restrictions made in-person outreach impossible. The position became vacant a year later and the Bureau reclassified the position to an SSM I to oversee the newly created Administrative Unit (discussed in Reorganization in Section 1).
- In April 2020, reclassified the RDS position, which had been vacated by the incumbent to an SSI II. The Bureau determined it would be more cost effective to contract for the fee study, which allowed the Bureau to create the SSI II to implement a Bureau-wide proactive enforcement program to include sting and sweep operations as required by BPC section 19229.1, subd. (b)(6).
- In August 2022, reclassified the vacant PIO position to an SSM I (Supervisory) to oversee the administrative, analytical, and support staff and provide day-to-day oversight and direction, ensuring proper personnel, business services, budgetary and accounting practices are followed.
- In August 2022, reclassified the vacant Executive Secretary to an SSA in the new Administrative Unit to provide Bureau-wide analytical support, including coordinating all Advisory Council meeting functions with the Department of Consumer Affairs (DCA) services units, tracking Advisory Council member appointments, acting as a liaison with DCA's Board and Bureau Relations, coordinating the Bureau's responses to Public Records Act requests, and assigning and tracking equipment.

Staff Turnover

The organization chart for June 2022 showed 17 vacancies, which included two limited term positions the Bureau has elected not to fill. Staff turnover has largely been driven by retirements and promotions outside and within the Bureau; among the current vacancies, nine employees were promoted and four retired. Due to the number and type of vacancies, the majority of which are in enforcement and require background and medical clearance processes, the vacancies take a significant amount of time to fill; once a finalist is selected, the medical and background process can take up to six months. As of September 30, 2022, the Bureau has filled five of those vacancies and is in the process of filling 13 (the Bureau has five positions, created by a BCP, that were added effective July 1, 2022, which is why the recruitments and hires after June exceed the number of vacancies).

Recruitment and Retention Efforts

The Bureau recognizes that availability of telework is a key recruitment element that attracts applicants. To prepare for offering telework, the Bureau has been obtaining laptops, headsets, and other equipment needed to allow employees to be productive while working from home. The Bureau also transitioned on August 29, 2022, to an online

telephone platform to allow employees to take and make telephone calls from home without using their personal equipment or personal phone numbers.

Finally, the Bureau is working with the Department's Division of Public Affairs to update the Bureau's outreach plan. Although typically designed to inform consumers and licensees about the Bureau, increased visibility may increase the number of applicants for Bureau positions as more people become familiar with the Bureau's scope and activities.

Succession Planning

During the Bureau's planning process for its 2022-2026 Strategic Plan, Bureau stakeholders identified, "Create a comprehensive Bureau training plan to initiate long-term success planning," as Objective 5.4 under Organizational Development. To achieve that objective, the Bureau's leadership is committed to implementing processes that allow the Bureau to conduct succession planning consistent with the principles identified by the [DCA Workforce and Succession Plan 2017-2021](#).

Staff Development

The Department's SOLID training unit offers several classes and webinars available to Bureau staff at no cost to the Bureau. Staff are routinely encouraged to take advantage of these courses. These courses include time management, Microsoft Suite program training, and manager leadership and personnel trainings.

In addition, the Bureau focuses most of its training efforts on enforcement training. Staff received training from outside experts on administrative investigation methods, preparing a case for hearing, licensee disciplinary measures, and annual code training from the Bureau's Policy Unit. Enforcement staff were also trained on laws pertaining to search and seizure, lawful arrest, and evidence procedures; testimony, which included Proposition 115 certification to provide hearsay testimony; and report writing practices to prepare for issuing notices to appear after enactment of SB 391 in 2020.

The Bureau's recent training expenses are:

Training Expenses	
FY 2019/20	\$5,325
FY 2020/21	\$14,250
FY 2021/22	\$24,944

Several enforcement and policy staff also received a weeklong training from the Federal Motor Carrier Safety Administration (FMCSA). This training was on federal laws pertaining to inter-state moves and how to use federal complaint, licensing, insurance, and other databases, that the Bureau can access under its Memorandum of Agreement with FMCSA, to obtain information on movers that conduct inter-state moves originating in or destined to California. This training is provided to the Bureau at no cost.

Finally, managers took advantage of leadership trainings and Bureau staff were able to take courses on becoming familiar with databases like Excel, on written and verbal communication, and on customer service.

Licensing Performance Targets/Expectations

The Bureau set a performance target of 30 days from receipt of a complete application to process HFTI and EAR applications. The Bureau's processing times were met in FY 2019/20 and FY 2020/21; however, processing times in FY 2021/22 have exceeded the performance target as the cycle times ranged from 17 to 120 days. This increase is mainly affecting only the HFTI cycles times.

One anomaly exists within the EAR cycle times; the Bureau received an influx of over 3,000 service contract seller applications in FY 2021/22. The increase in service contract seller applications is partly a result of one company applying for 1,700 registrations. The remaining applications are likely due to the provisions implemented under AB 1221, which effective January 1, 2022, allows service contracts to be offered on a month-by-month basis or as continuous until canceled.

The Bureau attributes the increase to staff vacancies and the COVID-19 pandemic, which increased absences within the unit. The Bureau hired two key staff in June 2022 and is in the process of hiring one other key staff. After the new staff have been trained, the Bureau expects to see improvements to processing times within FY 2022/23.

The Bureau's performance target for HHM applications is 120 days from receipt of a complete application. The HHM applications are incomplete when received as the applicant is in the process of securing the required insurance and must pass an examination prior to being issued a permit. Although this process is lengthy and outside the Bureau's control, the Bureau's average days to issue a permit in FY 2021/22 was 125 days, which was an improvement of 51 days compared to the prior fiscal year, which was 176 days.

As stated, the average processing time for HFTI and EAR applications have increased when comparing FY 2020/21 and FY 2021/22. For the most part, processing times have remained within the Bureau's performance target for issuance of a license. The Bureau is unable to confirm whether the driver of the increase is due to complete or incomplete applications, however suspects that deficient applications take longer and add to the processing time. The Bureau's HFTI and EAR pending applications have not grown at a rate that exceeded completed applications. On occasions where a higher-than-normal number of applications was received, the Bureau adjusted workload distribution to ensure timely processing. The Bureau has filled the majority of its key licensing vacancies, which will provide improvements to the Bureau's processing times. In addition, the Bureau is providing cross training to AGPA-level staff who can fill in where needed in all four program areas to address any outliers and will continue to monitor processing times to ensure performance targets are met.

The application process for the HHM program is significantly different from HFTI and EAR. Applications submitted under the HHM program take longer to process since the applicant must pass an examination, and must obtain insurance that includes cargo liability, public liability, and property damage, and worker's compensation. HHM applications are not considered complete upon receipt and are unable to be processed until all these

requirements are met. Although this creates delays in processing times, the Bureau has been able to decrease processing times since the prior FY. The Bureau's HHM pending applications have not grown at a rate that exceeded completed applications.

Although complete HHM applications are not received, the Bureau continues to seek ways to make the process more streamlined. To assist with the application process, the Bureau has provided licensing workshops to discuss the specific permit requirements. The Bureau also prepares the applicant by discussing the requirements in the HHM application package. In 2020, the Bureau contracted with a third party to begin administering a computer-based examination. This improved accessibility to testing sites located within and outside of California, increased the availability of more testing dates, and provided the applicant the ability to schedule their own appointment. Prior to contracting with the third party, the applicant waited approximately two weeks before examination results were released. Since the examination is computer based, the applicant receives their results instantaneously. The efficacy of the Bureau's licensing processes is continually monitored to identify other areas that can be improved upon to reduce barriers to licensure.

License Application Denials Due to Conviction

The Bureau denied one service dealer application in the past four years due to the applicant being convicted of violating Penal Code (PC) section 422, willfully and unlawfully threaten to commit a crime which would result in death and great bodily injury to another, and for violating New Mexico Criminal Code sections 30-28-1 and 30-2-14, attempt to commit a felony, second degree murder, aggravated battery with a deadly weapon, section 30-3-5(A) and (C), aggravated battery with a deadly weapon, and section 30-3-2(A) aggravated assault-deadly weapon.

The Bureau denied two HHM permits in the past four years. In the first instance, the applicant was convicted of violating PC sections 484 (a) and 487 (a), theft of personal property/grand theft: money/labor/property. In the second instance, the applicant was convicted of violating PC section 245 (a)(4), assault with a deadly weapon with force, possible great bodily injury, and PC section 131.1(c)(1), prevent/dissuade witness with threat or force.

Table 6. Licensee Population – HFTI					
		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Bedding Retailer	Active	2,245	2,245	2,171	1,850
	Out of State	14	16	16	17
	Out of Country	0	1	1	1
	Delinquent/Expired	132	132	294	507
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other	N/A	N/A	N/A	N/A
Custom Upholsterer	Active	476	476	446	449
	Out of State	1	2	2	2
	Out of Country	0	0	0	0
	Delinquent/Expired	86	86	133	156
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A

	Other	N/A	N/A	N/A	N/A
Furniture and Bedding Manufacturer	Active	1,467	1,467	1,342	1,338
	Out of State	768	729	702	694
	Out of Country	8	1	1	1
	Delinquent/Expired	402	402	535	530
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other	N/A	N/A	N/A	N/A
Furniture and Bedding Retailer	Active	11,260	11,260	10,907	10,351
	Out of State	56	50	66	73
	Out of Country	2	0	1	1
	Delinquent/Expired	536	536	831	1,212
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other	N/A	N/A	N/A	N/A
Furniture and Bedding Wholesaler	Active	183	183	166	156
	Out of State	41	41	35	33
	Out of Country	2	2	2	2
	Delinquent/Expired	55	55	71	75
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other	N/A	N/A	N/A	N/A
Furniture Retailer	Active	2,079	2,079	2,039	1,930
	Out of State	18	17	17	12
	Out of Country	2	2	2	1
	Delinquent/Expired	135	135	222	255
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other	N/A	N/A	N/A	N/A
Importer	Active	5,559	5,559	5,670	5,947
	Out of State	652	632	651	664
	Out of Country	4,378	4,291	4,493	4,727
	Delinquent/Expired	2,494	2,494	3,812	4,229
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other	N/A	N/A	N/A	N/A
Sanitizer	Active	24	24	36	32
	Out of State	2	1	1	1
	Out of Country	0	0	0	0
	Delinquent/Expired	6	6	6	6
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other	N/A	N/A	N/A	N/A
Supply Dealer	Active	93	96	86	91
	Out of State	13	12	12	15
	Out of Country	7	6	5	4
	Delinquent/Expired	23	23	26	23
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other	N/A	N/A	N/A	N/A
Thermal Insulation Manufacturer	Active	114	114	98	99
	Out of State	70	71	65	62
	Out of Country	9	9	7	7

	Delinquent/Expired	14	14	32	31
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other	N/A	N/A	N/A	N/A

Note: 'Out of State' and 'Out of Country' are two mutually exclusive categories. A licensee should not be counted in both.

Table 6. Licensee Population – EAR					
		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Appliance Service Dealer	Active ¹	2,634	2,538	2,530	2,555
	Out of State	11	9	8	8
	Out of Country	0	1	1	0
	Delinquent/Expired	457	644	864	1,043
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other ²	N/A	N/A	N/A	N/A
Combination Service Dealer	Active	566	406	413	261
	Out of State	8	10	8	9
	Out of Country	0	0	0	0
	Delinquent/Expired	6	15	25	69
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other	N/A	N/A	N/A	N/A
Electronic Service Dealer	Active	4,564	4,089	3,767	3,357
	Out of State	26	16	12	11
	Out of Country	2	1	1	1
	Delinquent/Expired	786	1,141	1,434	1,631
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other	N/A	N/A	N/A	N/A
Service Contract Administrator	Active	57	57	61	69
	Out of State	52	52	52	58
	Out of Country	0	1	0	1
	Delinquent/Expired	1	2	4	3
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other	N/A	N/A	N/A	N/A
Service Contract Seller	Active	12,241	11,847	11,000	11,703
	Out of State	598	529	799	950
	Out of Country	232	258	350	382
	Delinquent/Expired	176	264	314	417
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other	N/A	N/A	N/A	N/A

Note: 'Out of State' and 'Out of Country' are two mutually exclusive categories. A licensee should not be counted in both.

¹ Active status is defined as able to practice. This includes licensees that are renewed, current, and active.

² Other is defined as a status type that does not allow practice in California, other than retired or inactive.

Table 6. Licensee Population – HHM

		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Household Movers Permit	Active	1,026	1,051	1,076	1,097
	Out of State	0	0	29	30
	Out of Country	0	0	0	0
	Delinquent/Expired	239	204	283	300
	Retired Status <i>if applicable</i>	N/A	N/A	N/A	N/A
	Inactive	N/A	N/A	N/A	N/A
	Other	N/A	N/A	N/A	N/A

Note: 'Out of State' and 'Out of Country' are two mutually exclusive categories. A licensee should not be counted in both.

Table 7a. Licensing Data by Type – HFTI³

Bedding Retailer		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	6	233	4	0	*	*	*	*	5
	(Renewal)	**	779	N/A	*	*	*	*	*	13
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	2	95	2	0	*	*	*	*	10
	(Renewal)	**	951	N/A	*	*	*	*	*	20
FY 2021/22	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	5	165	18	2	*	*	*	*	28
	(Renewal)	**	675	N/A	*	*	*	*	*	25
Custom Upholsterer		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	18	19	1	0	*	*	*	*	21
	(Renewal)	**	196	N/A	*	*	*	*	*	5
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	49	42	3	0	*	*	*	*	25
	(Renewal)	**	196	N/A	*	*	*	*	*	6
FY 2021/22	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	51	51	3	0	*	*	*	*	51
	(Renewal)	**	168	N/A	*	*	*	*	*	5
Furniture and Bedding Manufacturer		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		

³ Please note, the Bureau conducted a detailed analysis of its licensing and enforcement statistics as part of the sunset report writing process. Due to data entry issues, some statistics were updated from what was previously reported in the Department's Annual Report.

					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	82	80	13	0	*	*	*	*	13
	(Renewal)	**	579	N/A	*	*	*	*	*	9
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	137	83	18	0	*	*	*	*	29
	(Renewal)	**	587	N/A	*	*	*	*	*	8
FY 2021/22	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	94	88	17	3	*	*	*	*	29
	(Renewal)	**	580	N/A	*	*	*	*	*	17
Furniture and Bedding Retailer		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	284	356	20	0	*	*	*	*	10
	(Renewal)	**	5,783	N/A	*	*	*	*	*	12
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	260	397	18	0	*	*	*	*	16
	(Renewal)	**	3,605	N/A	*	*	*	*	*	26
FY 2021/22	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	308	506	67	7	*	*	*	*	47
	(Renewal)	**	6,076	N/A	*	*	*	*	*	21
Furniture and Bedding Wholesaler		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	21	17	1	0	*	*	*	*	14
	(Renewal)	**	59	N/A	*	*	*	*	*	8
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	19	18	2	0	*	*	*	*	19
	(Renewal)	**	80	N/A	*	*	*	*	*	5
FY 2021/22	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	11	8	11	0	*	*	*	*	27
	(Renewal)	**	58	N/A	*	*	*	*	*	6
Furniture Retailer		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	76	61	8	0	*	*	*	*	17
	(Renewal)	**	628	N/A	*	*	*	*	*	21
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	182	131	34	0	*	*	*	*	22
	(Renewal)	**	745	N/A	*	*	*	*	*	11
FY 2021/22	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	108	151	33	4	*	*	*	*	73
	(Renewal)	**	927	N/A	*	*	*	*	*	15

Importer		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	788	756	19	0	*	*	*	*	11
	(Renewal)	**	1,862	N/A	*	*	*	*	*	13
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	823	913	18	0	*	*	*	*	20
	(Renewal)	**	2,076	N/A	*	*	*	*	*	6
FY 2021/22	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	889	889	52	4	*	*	*	*	31
	(Renewal)	**	2,101	N/A	*	*	*	*	*	17
Sanitizer		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	0	0	0	0	*	*	*	*	0
	(Renewal)	**	10	N/A	*	*	*	*	*	8
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	0	0	0	0	*	*	*	*	0
	(Renewal)	**	7	N/A	*	*	*	*	*	6
FY 2021/22	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	8	9	1	0	*	*	*	*	34
	(Renewal)	**	15	N/A	*	*	*	*	*	33
Supply Dealer		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	2	2	1	0	*	*	*	*	5
	(Renewal)	**	41	N/A	*	*	*	*	*	6
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	3	0	0	0	*	*	*	*	0
	(Renewal)	**	40	N/A	*	*	*	*	*	5
FY 2021/22	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	5	8	0	0	*	*	*	*	120
	(Renewal)	**	43	N/A	*	*	*	*	*	5
Thermal Insulation Manufacturer		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	7	3	4	0	*	*	*	*	6
	(Renewal)	**	105	N/A	*	*	*	*	*	7
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	5	1	0	0	*	*	*	*	9
	(Renewal)	**	87	N/A	*	*	*	*	*	13
	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

FY 2021/22	(License)	7	9	8	1	*	*	*	*	34
	(Renewal)	**	72	N/A	*	*	*	*	*	6

* The ATS system does not provide a way for the Bureau to capture the pending applications by inside or outside of Bureau's control, or cycle times for complete or incomplete applications. Therefore, previously submitted cycle times for complete or incomplete applications were reported in error but will be corrected for future performance reports. The Total (Close of FY) was taken from the application statistical report in ATS.

** The Bureau does not have a mechanism to count the renewals received. A certificate or registration is issued once all outstanding fees are paid.

Table 7a. Licensing Data by Type – EAR

Appliance Service Dealer		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	300	328	18	0	*	*	*	*	14
	(Renewal)	**	2,244	N/A	*	*	*	*	*	9
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	392	372	13	0	*	*	*	*	21
	(Renewal)	**	1,861	N/A	*	*	*	*	*	8
FY 2021/22	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	353	363	31	4	*	*	*	*	23
	(Renewal)	**	1,823	N/A	*	*	*	*	*	5
Combination Service Dealer		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	24	23	2	0	*	*	*	*	14
	(Renewal)	**	402	N/A	*	*	*	*	*	9
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	16	29	16	0	*	*	*	*	11
	(Renewal)	**	100	N/A	*	*	*	*	*	3
FY 2021/22	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	15	16	1	0	*	*	*	*	17
	(Renewal)	**	94	N/A	*	*	*	*	*	8
Electronic Service Dealer		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	292	328	17	0	*	*	*	*	17
	(Renewal)	**	3,700	N/A	*	*	*	*	*	14
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	196	195	0	0	*	*	*	*	18
	(Renewal)	**	2,818	N/A	*	*	*	*	*	8
FY 2021/22	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	231	273	20	3	*	*	*	*	26
	(Renewal)	**	2,542	N/A	*	*	*	*	*	8

Service Contract Administrator		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	0	5	0	0	*	*	*	*	7
	(Renewal)	**	54	N/A	*	*	*	*	*	7
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	0	9	0	0	*	*	*	*	0
	(Renewal)	**	47	N/A	*	*	*	*	*	1
FY 2021/22	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	6	8	0	0	*	*	*	*	0
	(Renewal)	**	49	N/A	*	*	*	*	*	3
Service Contract Seller		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	147	953	32	0	*	*	*	*	2
	(Renewal)	**	10,190	N/A	*	*	*	*	*	24
FY 2020/21	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	272	1,387	29	0	*	*	*	*	6
	(Renewal)	**	7,070	N/A	*	*	*	*	*	21
FY 2021/22	(Exam)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	420	3,022	81	13	*	*	*	*	56
	(Renewal)	**	7,859	N/A	*	*	*	*	*	30

* The ATS system does not provide a way for the Bureau to capture the pending applications by inside or outside of Bureau's control, or cycle times for complete or incomplete applications. Therefore, previously submitted cycle times for complete or incomplete applications were reported in error but will be corrected for future performance reports. The Total (Close of FY) was taken from the application statistical report in ATS.

** The Bureau does not have a mechanism to count the renewals received. A certificate or registration is issued once all outstanding fees are paid.

Household Mover		Received	Approved /Issued	Closed	Pending Applications			Cycle Times		
					Total (Close of FY)	Complete (within Bureau control)*	Incomplete (outside Bureau control)*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2019/20	(Exam)	139	125	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	246	140	N/A	121	N/A	121	N/A	109	N/A
	(Renewal)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FY 2020/21	(Exam)	205	185	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	209	165	N/A	78	N/A	78	N/A	176	N/A
	(Renewal)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FY 2021/22	(Exam)	164	147	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(License)	193	157	N/A	59	N/A	59	N/A	125	N/A
	(Renewal)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Table 7b. License Denial			
	FY 2019/20	FY 2020/21	FY 2021/22
License Applications Denied (no hearing requested)	2	0	0
SOIs Filed	1	0	0
Average Days to File SOI (from request for hearing to SOI filed)	108	N/A	N/A
SOIs Declined	0	0	0
SOIs Withdrawn	0	0	0
SOIs Dismissed (license granted)	0	0	0
License Issued with Probation / Probationary License Issued	0	0	0
Average Days to Complete (from SOI filing to outcome)	81	N/A	N/A

Criminal or Disciplinary History

The Bureau does not have fingerprint authority for HFTI and EAR programs and must rely on the applicant being honest when self-disclosing whether criminal history exists. All HFTI and EAR applications for licensure include a section that inquires whether the applicant has a past criminal history. If criminal history is indicated, court records are obtained to validate the extent of their convictions and further documentation is obtained from the applicant such as evidence of mitigation or rehabilitation for Bureau consideration.

HHM applicants are required to submit fingerprints as part of the application process. The Bureau receives criminal records from the Department of Justice (DOJ), including subsequent arrest and conviction records. Prior to making any determination, Bureau staff contacts the applicant to afford them the opportunity to provide further documentation such as evidence of mitigation or rehabilitation for Bureau consideration.

All three programs' applications for licensure include a section that inquires whether the applicant held a license that had been subject to disciplinary action from the Bureau or any other state agency. The applicant must provide all information regarding another state agency's action, including the name of the agency, date and type of action taken against the license, etc. In addition, all applications for licensure are researched against the Bureau's internal records for prior criminal or administrative cases, citations, consumer complaints, or other actions related to the applicant.

The Bureau has not denied any licenses due to the applicant's failure to disclose information on the application in the last four years. In instances where applicants submit incomplete applications, the Bureau will contact the applicant and provide a period for the applicant to submit any missing or incomplete information for the Bureau to make a proper determination to approve or deny the application. No applications have been denied for the reason of failing to self-disclose criminal history.

Fingerprinting

The Bureau's statutory authority to require fingerprints only extends to HHM applicants. BPC section 19239(d) requires each applicant to submit fingerprint images to DOJ for each owner, partner, officer, and director as a prerequisite to the issuance of a permit. The Bureau does not have statutory authority to require HFTI or EAR applicants to submit fingerprints. This

causes the Bureau concern since, similar to the moving industry, EAR service dealers frequently enter consumers' homes to provide services. This is not a concern within the HFTI program since, rather than providing a service, the home furnishings industry mostly sells products from store fronts or online, therefore there typically is no need for this industry to enter the consumers' home.

Allowing the applicant to self-disclose their criminal history pursuant to BPC section 480 (f) creates a loophole for unscrupulous applicants to circumvent disclosure on their application. Although applicants certify under penalty of perjury that all statements made on the application are true and correct, the Bureau has found instances where registrations were erroneously granted to applicants who were untruthful on the application regarding their criminal history. Because the Bureau does not have statutory authority under EAR and HFTI to require fingerprints, applicants who do not self-disclose are granted a registration or license and may operate for years without the Bureau having knowledge of the criminal history.

For instance, a service dealer that was granted a registration in March 2006 was found, years later, to have falsely indicated that they did not have a criminal history. Later the service dealer was arrested on suspicion of using their customer's credit card information for their own personal use. In February 2011, the registrant was convicted after pleading guilty to violating Penal Code sections 459, (burglary); and 476, (forgery). The registrant was also convicted in November 2012 after pleading nolo contendere to four felony counts of violating Penal Code section 470, subdivision (d), (forgery) and one felony count of violating Penal Code section 487, subdivision (a), (grand theft). The Bureau became knowledgeable of these convictions only because the registrant applied for a secondary location and was partially truthful on the application for registration by disclosing one of four convictions.

It is only when (and if) the applicant is truthful and fully discloses their past convictions that the Bureau requests records from the appropriate court to determine if they are fit for registration. Otherwise, when the applicant marks that no criminal convictions exist, the Bureau must rely on the applicant's statements being true and correct and must grant a registration provided that no concerns arise from the Bureau's limited screenings. The Bureau has no other reliable tool to truly validate and ensure applicants are truthful when responding to the Bureau's criminal history inquiry. This puts consumers at risk, as they may be unknowingly allowing dangerous criminals into their homes rendering themselves, their families, and their personal information susceptible to egregious and potentially violent acts.

This change would allow the Bureau to receive immediate notification of a registrant's criminal activity and would allow the Bureau to take action in determining whether the registrant's criminal acts warrant disciplinary action pursuant to BPC sections 480 and 9841.

Legislation has been contemplated, but not pursued, to request the amendment of BPC section 144 to add the Bureau to those boards and bureaus who can require applicants to furnish a full set of fingerprints for purposes of conducting criminal history record checks. Such a change would provide consistency with the fingerprinting requirements for other professional licensing categories within the Department whose licensees also perform work in and around consumers' homes, such as household movers permitted by the Bureau and licensees of the Contractors State License Board and the Structural Pest Control Board.

The Bureau's HHM population have all been fingerprinted, including those that were transferred from the Commission. BPC section 19239, subdivision (d), requires applicants to submit fingerprints as a prerequisite to licensure. The Bureau is also authorized by BPC section 19239, subdivisions (d)(1) and (2) to receive criminal records and subsequent notifications from the DOJ. Unfortunately, the authority to receive subsequent arrest records for those permitted while under the Commission was not transferred to the Bureau and the DOJ does not have authority to submit subsequent arrest records to the Bureau since they were requested under the Commission. The Bureau is unable to receive subsequent arrest records without authority to fingerprint permit holders transferred from Commission. The Bureau identified this as Issue 8 in Section 12.

The Bureau does not have authority to require fingerprints from HFTI or EAR applicants, therefore, no existing licensee or registrant has been fingerprinted.

National Databank

There is no national databank that provides history of disciplinary actions related to the HFTI or EAR industries.

The Bureau entered into a memorandum of agreement (MOA) with the U.S. Department of Transportation in October 2020, which provides the Bureau access to the FMCSA portal. This database provides the Bureau with HHM complaint history that are filed with FMCSA and its other state partners. The portal allows the Bureau to validate the applicant's response to the inquiry regarding disciplinary actions and allows the Bureau to consult with other states to determine the extent of the disciplinary actions.

In order for the Bureau to make any determinations on an application for licensure under the HHM program, the Bureau is promulgating regulations defining the substantially related criteria for which the Bureau may deny, suspend, or revoke a license. The Bureau must also define acts that would be considered as professional misconduct to make consideration against any findings of prior disciplinary actions. Under limited circumstances, the Bureau can use existing BPC section 480 and BPC section 19239 to make licensing determinations. Once regulations are adopted, the Bureau intends to use the portal to consider whether any prior actions are substantially related to the qualifications, functions, or duties of the permittee for which the Bureau would consider denying, suspending, or revoking a HHM permit.

Primary Source Documentation

The only primary source document that is required for licensure is the application with an original signature. No other documents are required directly from the source.

Out-of-State/Out-of-Country Applicants

The Bureau processes HFTI and EAR applications for out-of-state and out-of-country applicants the same as for applicants within the state; no special requirements are required for out-of-state or out-of-country applicants. HFTI and EAR applicants are not subject to

education or experience requirements for licensure and the location of the applicant does not hinder their ability to obtain and maintain licensure.

Out-of-state applicants for HHM permits must meet the same application requirements as those operating within the state, such as meeting examination and insurance requirements including cargo liability, public liability, and property damage and worker's compensation. Similar to movers operating within California, out-of-state movers structured as individuals or partnerships are required to provide evidence of residing in California for not less than 90 days preceding the filing of their application. Out-of-state corporations are not required to meet this residence requirement, nor are they required to meet worker's compensation insurance requirements. The Bureau does not permit out-of-country movers.

Military Applicants

The Bureau tracks veteran applicants pursuant to BPC section 114.5 and reports this information as necessary. Regarding military experience as described in BPC section 35, no formal training or experience is required for licensure; therefore, no regulatory changes were required to conform with this section. In addition, the Bureau has not received any fee waiver requests from licensees called to active duty pursuant to BPC section 114.3, therefore no fees were waived. The Bureau also did not receive any requests for an expedited military spouse application pursuant to BPC section 115.5, therefore no applications were expedited.

No Longer Interested (NLI)

The Bureau has not sent NLI notifications to the DOJ but is establishing the process to submit notifications on a monthly basis. The Bureau has a backlog of 166 notifications based on applications withdrawn or businesses that are no longer in business. The Bureau intends to clear the existing backlog and ensure all NLI notifications are current before the end of this year.

Examinations

Table 8. Examination Data⁴		
California Examination (include multiple language) if any:		
	License Type	Household Movers Permit
	Exam Title	Household Movers Exam
FY 2018/19	Number of Candidates	134
	Overall Pass %	72%
	Overall Fail %	28%
FY 2019/20	Number of Candidates	130
	Overall Pass %	90%
	Overall Fail %	10%

⁴ This table includes all exams for all license types as well as the pass/fail rate. Include as many examination types as necessary to cover all exams for all license types.

FY 2020/21	Number of Candidates	195
	Overall Pass %	90%
	Overall Fail %	10%
FY 2021/22	Number of Candidates	147
	Overall Pass %	89%
	Overall Fail %	11%
Date of Last OA		N/A
Name of OA Developer		N/A
Target OA Date		N/A

Applicants within the HHM program are required to pass an examination prior to the issuance of a HHM permit. The examination is conducted to establish the applicant's knowledge and ability to abide by the rates and rules provided in the Maximum Rates and Rules for the Transportation of Used Property Maximum Rate Tariff 4 ([Tariff](#)). The examination is specific to California's HHM Tariff, and no national examination is used.

The Bureau contracts with a third party, PSI Services LLC (PSI), to conduct the examination. Currently, the examination is not provided in any other language other than English. Instead, the applicant is given the ability to be accompanied by an interpreter to assist with the translation of the examination, which is proctored by PSI staff to oversee the validity of the examination and ensure that the interpreter is merely reading the examination and not taking the examination for the applicant.

The Bureau worked with the Department's Office of Professional Examination Services (OPES) to make improvements to the HHM examination. OPES formed a working group with subject matter experts to review and develop the content of the examination. An occupational analysis has not been conducted, as the HHM permit requirements are established in statute, and the open-book test and content are clearly defined in statute; therefore, the occupational analysis would be unnecessary. The Bureau reviews and updates the examination content annually with each update made to the HHM tariff. The Bureau intends to work together with OPES to expand on different languages being available when taking the examination.

Currently, the examination is not offered in a language other than English and passing rates are not differentiated between those who use an interpreter and those who do not. The passing rates for the first or second attempts have increased since the first year of the Bureau overseeing the HHM program.

FY 2018/19	Number of 1st Attempts	105
	Pass Exam Count	77
	Pass %	73%
	Retakes	27
	Retake Pass Exam Count	19
	Pass %	70%
FY 2019/20	Number of 1st Attempts	132
	Pass Exam Count	120

	Pass %	91%
	Retakes	7
	Retake Pass Exam Count	6
	Pass %	86%
FY 2020/21	Number of 1st Attempts	193
	Pass Exam Count	172
	Pass %	89%
	Retakes	13
	Retake Pass Exam Count	12
	Pass %	92%
FY 2021/22	Number of 1st Attempts	152
	Pass Exam Count	137
	Pass %	90%
	Retakes	13
	Retake Pass Exam Count	10
	Pass %	77%

The HHM examination is a computer-based examination. The examination consists of open book and multiple-choice questions on the HHM Tariff. Applicants are allotted four hours to take the examination, and a passing score of 70 percent is required.

Once an applicant submits an application with fees, the applicant will be provided instructions on registering with PSI. Through PSI's website, the applicant can schedule an examination date and choose from any of the 20 testing sites located in California or any of the 22 other sites located nationwide. PSI offers the examination Monday through Saturday of every week.

There are no statutes that hinder the efficient and effective processing of applications and/or examinations.

School Approvals and Continuing Education

The School Approvals and Continuing Education/Competency Requirements sections are not applicable to the Bureau as there are no education prerequisites for licensure or any continuing education requirements after licensure.

Section 5 – Enforcement Program

Enforcement Performance Targets/Expectations

The Bureau's performance target for its investigation process is 180 days or less. These cases are prioritized based on the level of consumer harm and emerging business practices. Although the Bureau's average completion time ranges between 127 to 169 days and meets the performance target, the timelines are higher than reported during the previous sunset review. This is likely attributed to the increased complexity of investigating household movers and staff vacancies.

The Bureau's enforcement program has seen a high rate of turnover, especially in its northern California Investigations and Compliance Units. The Compliance Unit Manager was vacant for a significant amount of time, as was the SSA who processed HHM complaints. The Bureau adjusted by referring cases to the field for resolution that would normally be handled by the Compliance Unit. Additionally, four of the seven Special Investigators in northern California took promotions at other state agencies (all outside DCA). Thus, vacancies have contributed to a higher than ideal caseload for the remaining SIs and longer than expected closure time, especially on the more complex cases.

In addition to filling the vacant SI positions in September, the Bureau filled the Compliance Unit Manager position in July 2022 and is in the process of filling the vacant SSA in that unit. These positions will support HHM complaint processing and enable the AGPA in the unit to focus on conducting the less complex investigations. This will result in fewer cases being assigned to the staff in the field. Additionally, the Bureau submitted a BCP, which was approved, to create four SI positions (two in northern California and two in southern California) to address proactive HHM enforcement activity. These positions are currently being recruited. The Bureau believes filling these vacant and new positions will permit workload redistribution that will bring individuals' enforcement workload to manageable levels and a return to closures within expected timeframes.

Enforcement Program Update

Broadly, the Bureau is in the process of rebuilding the enforcement program. Reviewing recent data is misleading when trying to identify long term trends for the Bureau because of the impact on workload and the economy during the pandemic and the recency in the Bureau acquiring the HHM program. For example, FY 2020/21 appears to be an outlier for almost all datasets, meaning management and policy makers cannot identify trends.

Rather than extrapolate industry trends, the Bureau plans to focus on establishing fundamental elements of an enforcement program (i.e. filling vacancies with qualified staff, providing adequate training, and establishing procedures and expectations for the unit). This, in addition to the reliance on a new IT system (the Business Modernization project) to identify trends and timelines routinely for the enforcement program, is critical long term.

Table 9a. Enforcement Statistics			
	FY 2019/20	FY 2020/21	FY 2021/22
COMPLAINTS			
Intake			
Received	1,622	2,593	2,533
Closed without Referral for Investigation	754	1,117	1,147
Referred to INV	857	1,491	1,404
Pending (close of FY)	26	23	56
Conviction / Arrest			
CONV Received	97	82	49
CONV Closed Without Referral for Investigation	0	0	0
CONV Referred to INV	97	82	49
CONV Pending (close of FY)	13	8	2
Source of Complaint			
Public	1,039	2,012	1,823
Licensee/Professional Groups	40	32	87
Governmental Agencies	0	33	27
Internal	599	588	548
Other	7	22	1
Anonymous	34	17	4
Average Time to Refer for Investigation (from receipt of complaint / conviction to referral for investigation)	11	7	15
Average Time to Closure (from receipt of complaint / conviction to closure at intake)	8	7	5
Average Time at Intake (from receipt of complaint / conviction to closure or referral for investigation)	11	7	11
INVESTIGATION			
Desk Investigations			
Opened	487	735	466
Closed	377	703	381
Average days to close (from assignment to investigation closure)	171	160	228
Pending (close of FY)	279	298	292
Non-Sworn Investigation			
Opened	378	774	949
Closed	306	682	458
Average days to close (from assignment to investigation closure)*	170	92	81
Pending (close of FY)	196	230	630
Sworn Investigation			
Opened	0	0	0
Closed	0	0	0
Average days to close (from assignment to investigation closure)	0	0	0
Pending (close of FY)	0	0	0
All investigations			
Opened	865	1,498	1,361
Closed	683	1,385	839

Average days for all investigation outcomes (from start investigation to investigation closure or referral for prosecution)	162	120	140
Average days for investigation closures (from start investigation to investigation closure)	162	120	140
Average days for investigation when referring for prosecution (from start investigation to referral for prosecution)	75	136	N/A
Average days from receipt of complaint to investigation closure*	170	126	148
Pending (close of FY)	475	528	924
CITATION AND FINE			
Citations Issued	350	437	577
Average Days to Complete (from complaint receipt / inspection conducted to citation issued)	10	23	37
Amount of Fines Assessed	\$ 33,150	\$ 216,451	\$ 418,600
Amount of Fines Reduced, Withdrawn, Dismissed	\$ 3,885	\$ 8,100	\$ 125,850
Amount Collected	\$ 14,570	\$ 11,400	\$ 46,700
CRIMINAL ACTION			
Referred for Criminal Prosecution	1	8	0
ACCUSATION			
Accusations Filed	0	0	0
Accusations Declined	0	0	0
Accusations Withdrawn	0	0	0
Accusations Dismissed	0	0	0
Average Days from Referral to Accusations Filed (from AG referral to Accusation filed)	N/A	N/A	N/A
INTERIM ACTION			
ISO & TRO Issued	0	0	0
PC 23 Orders Issued	0	0	0
Other Suspension/Restriction Orders Issued	0	0	0
Referred for Diversion	N/A	N/A	N/A
Petition to Compel Examination Ordered	N/A	N/A	N/A
DISCIPLINE			
AG Cases Initiated (cases referred to the AG in that year)	0	0	0
AG Cases Pending Pre-Accusation (close of FY)	0	0	0
AG Cases Pending Post-Accusation (close of FY)	0	0	0
DISCIPLINARY OUTCOMES			
Revocation	0	0	0
Surrender	0	0	0
Suspension only	0	0	0
Probation with Suspension	0	0	0
Probation only	0	0	0
Public Reprimand / Public Reproval / Public Letter of Reprimand	0	0	0
Other	0	0	0
DISCIPLINARY ACTIONS			
Proposed Decision	0	0	0
Default Decision	0	0	0
Stipulations	0	0	0

Average Days to Complete After Accusation (from Accusation filed to imposing formal discipline)	N/A	N/A	N/A
Average Days from Closure of Investigation to Imposing Formal Discipline	N/A	N/A	N/A
Average Days to Impose Discipline (from complaint receipt to imposing formal discipline)	N/A	N/A	N/A
PROBATION			
Probations Completed	0	0	0
Probationers Pending (close of FY)	0	0	0
Probationers Tolloed	0	0	0
Petitions to Revoke Probation / Accusation and Petition to Revoke Probation Filed	0	0	0
SUBSEQUENT DISCIPLINE			
Probations Revoked	0	0	0
Probationers License Surrendered	0	0	0
Additional Probation Only	0	0	0
Suspension Only Added	0	0	0
Other Conditions Added Only	0	0	0
Other Probation Outcome	0	0	0
SUBSTANCE ABUSING LICENSEES			
Probationers Subject to Drug Testing	N/A	N/A	N/A
Drug Tests Ordered	N/A	N/A	N/A
Positive Drug Tests	N/A	N/A	N/A
PETITIONS			
Petition for Termination or Modification Granted	0	0	0
Petition for Termination or Modification Denied	0	0	0
Petition for Reinstatement Granted	0	0	0
Petition for Reinstatement Denied	0	0	0
DIVERSION			
New Participants	N/A	N/A	N/A
Successful Completions	N/A	N/A	N/A
Participants (close of FY)	N/A	N/A	N/A
Terminations	N/A	N/A	N/A
Terminations for Public Threat	N/A	N/A	N/A
Drug Tests Ordered	N/A	N/A	N/A
Positive Drug Tests	N/A	N/A	N/A

* Average days to close (from assignment to investigation closure) shows a sharp decrease in FY 2020/21 and FY 2021/22 after redirecting household mover complaint triage to the field while the Compliance Unit filled vacancies. The shorter times reflect closing out non-jurisdictional investigations that would have normally been handled by the Compliance Unit.

Table 10. Enforcement Aging						
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	Cases Closed	Average %
Investigations (Average %)						
Closed Within:						
90 Days	491	362	927	498	2,278	63%
91 - 180 Days	123	93	172	145	533	15%
181 - 1 Year	57	97	169	111	434	12%
1 - 2 Years	38	122	99	47	306	8%

2 - 3 Years	24	9	10	18	61	2%
Over 3 Years	0	0	8	20	28	1%
Total Investigation Cases Closed	733	683	1,385	839	3,640	100%
Attorney General Cases (Average %)						
Closed Within:						
0 - 1 Year	0	0	0	0	0	N/A
1 - 2 Years	0	0	0	0	0	N/A
2 - 3 Years	0	0	0	0	0	N/A
3 - 4 Years	0	0	0	0	0	N/A
Over 4 Years	0	0	0	0	0	N/A
Total Attorney General Cases Closed	0	0	0	0	0	N/A

Overall, statistics show a decrease in disciplinary actions. The Bureau is working to improve its disciplinary process. The absence of disciplinary actions taken can be attributed to several factors, including staff vacancies, a lack of enforcement expertise in management, and the need for training and procedures. In the last two years, the Bureau has made concerted efforts to provide training, however, incorporating the HHM program into the Bureau's jurisdiction has expended many Bureau resources. In the coming year as the Bureau fills more SI vacancies, fully trains newly hired Compliance Unit staff, and adopts the HHM enforcement regulations, it anticipates disciplinary actions will steadily increase.

The Bureau uses the applicable criteria in the Department's Complaint Prioritization Guidelines for Health Care Agencies for complaint prioritization. The Bureau's highest priority is complaints that jeopardize consumers' health or safety, those that pose a threat of severe fraud or financial harm, and unlicensed activity. The Bureau analyzes trends of complaints that show a pattern of illegal activity, which are acted upon immediately to mitigate losses.

Cases identified as a high priority are assigned to field staff to investigate, while routine complaints are handled in-house by the Compliance Unit. Among the Bureau's highest priorities are HHM hold hostage cases. These are cases in which a mover takes possession of the consumer's belongings, then uses those belongings to extort money from the consumer. In almost all hold hostage cases, the mover is unpermitted, the move is most likely inter-state, and the job is likely to have involved a broker so there are multiple elements that make these cases more complex than others. However, time is essential in these cases and priority is placed on recovering the consumer's belongings. The Bureau also prioritizes cases involving elder abuse, cases involving law enforcement interest, or when another state agency is participating in the investigation.

Mandatory Reporting

The Department of Industrial Relations is required to report when a stop order is issued to a household mover for failing to pay wages due to its employees and when a judgment has been entered against a household mover for failing to pay wages. The Bureau has not received any notices, but also is not aware of any issues relating to these reports indicating they have not been reported.

Stipulated Settlements

There have not been any accusations sought in the past four years. Consequently, there are no pre-accusation settlements nor post-accusation settlements.

Statute of Limitations

The Bureau does not operate under a statute of limitations. Therefore, the Bureau has not lost a case due to statute of limitations; however, records are essential to proving the facts of a complaint or proving a complaint is unfounded. It is increasingly difficult for the Bureau to resolve complaints as time passes, especially those that are aged beyond the record retention requirements for the applicable document type.

Consequently, the Bureau uses these requirements to inform how the Bureau resolves complaints, e.g., mediation, administrative citation, criminal referral, disciplinary action, or closing without action. Following are examples of record retention requirements for the Bureau's regulated industries:

Home Furnishings and Thermal Insulation

BPC section 19163 requires custom upholsterers to retain work orders for one year; BPC section 19165 requires thermal insulation manufacturers to maintain test records for five years; and 4 CCR, section 1255 (d) requires sanitization records to be kept for five years.

Electronic and Appliance Repair

For electronic and appliance repair service dealers, BPC section 9842 requires invoices to be kept for three years. BPC section 9847 requires each service dealer to maintain all records required by regulations for three years. 16 CCR section 2764 identifies records as invoices, customer claim checks, estimate records, and employee records. BPC section 9847.5 requires service contract sellers and administrators to maintain records, which are specified in 16 CCR section 2758, to be maintained for three years.

Household Movers

The Household Movers Act does not contain record retention requirements. However, all violations of the Household Movers Act qualify as misdemeanors (BPC section 19277) so when preparing a criminal referral, the Bureau also recognizes the statute of limitations for misdemeanor cases, which is generally one year from the date of discovery.

Unlicensed Activity/Underground Economy

Unlicensed activity and the underground economy continue to present challenges for the Bureau. The Bureau primarily struggles with making industry participants aware of the underlying laws that govern their businesses.

Electronic and Appliance Repair

The Bureau primarily relies on internet tools to find new businesses and educate them on licensure requirements. With electronic repair stores, business ownership changes hands frequently and new business owners do not typically realize that a registration on their wall is long expired nor are they aware that they need to apply for their own registration.

Bureau field staff often visit stores with a delinquent registration and the new owners are not aware the Bureau existed. These conversations usually lead to compliance because staff provides brochures to the owner and walks them through registration and business practice requirements, such as what is necessary in their estimates and invoices to consumers and their obligations to return parts.

Home Furnishings and Thermal Insulation

Many store-based retailers are aware they need to register with the Bureau. It is more typical they let their registration lapse because these registrants are on a two-year renewal cycle. Many licensees prefer the Bureau cut the fee in half and send annual renewal notices, so they know once a year this is something they need to keep up to date. This proposal is discussed in more detail in the new issues sections of the report.

Household Movers

Due to inadequate enforcement activity by the Commission, both industry and consumers are largely unaware of permitting requirements in California. The Bureau's education focus is on the consumer and not the unpermitted mover. The Bureau created brochures, authored consumer articles, and plans to release a video in spring 2023 to YouTube to teach consumers how to select a mover and what to expect throughout the moving process. The release date will coincide with National Moving Month and the beginning of peak moving season.

The Bureau also recently resumed sting operations on unpermitted movers using tips, Craigslist, and other online ads to set up appointments at sting houses to cite unpermitted movers and provide them with notices to appear in court. This effort will continue to ramp up in 2023. The Bureau's goal is to decrease unlicensed activity in California through sting operations and consumer outreach. The Bureau plans to evaluate this outcome by reviewing FY 2023/24 complaints and comparing the overall number of permitted mover complaints to unpermitted complaints, the goal being the ratio of unlicensed activity is significantly reduced.

Cite and Fine

Bureau staff has leveraged its cite and fine authority for all three programs. The Bureau abandoned its historical zero-dollar citation policy and only providing businesses with education about laws applicable to their industry. In FY 2021/22, the Bureau began issuing citations with fines significant enough to motivate compliance. When issuing citations, Bureau staff encourages the cited person to exercise their due process rights, particularly the process to request a Citation Review Conference (CRC). At a CRC, the cited business has an opportunity to demonstrate compliance in exchange for the potential of a reduced fine. Every cited business that demonstrated compliance at a CRC received a substantially reduced fine (see statistics below). In this respect, Bureau management believes the citation procedures and practices are sound and need little improvement.

Citation Violations

Since FY 2014/15, the Bureau followed a policy of issuing a zero-dollar citation with an order of abatement for unlicensed activity. This practice provided the Bureau with a

record of the violation and an opportunity to educate businesses. While well intended, the Bureau found that this policy did not compel unlicensed businesses to comply with licensing requirements. In April 2021, the Bureau began issuing citations with a fine that is higher than the license fees to be more effective at encouraging compliance. Additionally, the Household Movers Act authorizes the Bureau to include the cost of investigation in the fine amount issued for unpermitted activity (BPC section 19279.1). For other citations, such as test failures for HFTI and estimating and invoicing requirements under EAR, the Bureau issues fines within allowable ranges and based on citation factors set forth in regulations (4 CCR section 1383.3 and 16 CCR section 2771 (c), respectively).

The Bureau can write numerous other types of citations, including violations of EAR estimate and invoicing requirements, failure to respond to an investigation inquiry, or failure to adhere to the service contract requirements. Regarding HFTI, the Bureau can issue citations for improper sales practices, labeling requirements, flammability failures, content violations (down comforter has far fewer goose feathers and more duck feathers than advertised), or failure to disclose a product has flame retardant chemicals present. HHM citations, however, are limited to unlicensed activity at this time, which is why the Bureau's number one regulation priority is the HHM enforcement regulation.

Informal Office Conferences/Administrative Procedure Act Appeals

In the past four fiscal years, the Bureau has conducted 225 CRCs, with 223 having been conducted in FY 2021/22. Four formal appeals through the Office of Administrative Hearings (OAH) were heard in the past four fiscal years. All four citations were household movers who were cited for unpermitted activity.

Common Citation Violations

The Bureau primarily issues citations for the following most common violations:

- Unlicensed activity (BPC sections 9840, 19049, 19237).
- Failure to make deliveries within a reasonable time or provide a refund (HFTI, 4 CCR 1304.1(g)).
- Thermal insulation standards failure (HFTI, BPC 19165).

These are the only citations issued by the Bureau in a significant number. With new leadership at the Bureau and vacancies being filled, this priority has shifted to consumer complaints being prioritized before other enforcement activity.

Citation Appeals

Four formal appeals were affirmed by OAH out of four hearings held. Those four averaged \$2,125, pre-appeal, and were only modified by the OAH adding cost recovery in two cases, which increased the average to \$2,787.50.

Informal appeals have had a greater impact on fines issued. When issuing citations, Bureau personnel educate the cited person on appeal rights, including the opportunity to request a CRC, during which, the fine may be reduced if the cited person can show evidence of compliance. The potential for a reduced fine has resulted in 196 cited persons showing compliance through a CRC, and the fines being modified based on

information presented during the CRC. Before a CRC, the fines averaged \$684. After a CRC, the fines averaged \$105.

Franchise Tax Board Intercept Program

The Bureau has not recently participated in the Franchise Tax Board Intercept program because the Bureau's licensees are businesses, not individuals. The Intercept program cannot be pursued for corporations or limited liability companies, only sole proprietors so the Bureau is currently developing a process for cost recovery that can be applied to licensees for which the Franchise Tax Board Intercept is not allowed.

Cost Recovery and Restitution

The Bureau seeks cost recovery in most administrative cases for costs associated with conducting the underlying investigation. The Bureau's collection rate, however, is poor. The Bureau recently updated its procedures on collecting outstanding fees and fines and will be working with the Department on using the Franchise Tax Board's Intercept program, as well as leveraging a Department contract with a third-party collection agency. The Bureau is currently in the process of hiring two positions and this function will be among their duties.

Since the last reporting period, the Bureau has not taken action such as revocations, surrenders, or placed a licensee on probation. In addition, the Bureau does not seek costs when the matter relates to denying an applicant licensure. The Bureau has requested cost recovery in all cases for which it was authorized to do so since 2020.

The Bureau could use the Franchise Tax Board Intercept program for existing licenses with an unpaid citation if the business is a sole ownership or partnership, as part of the licensing criteria is for a Social Security Number to be on file. Franchise Tax Board Intercept is not a viable solution for unlicensed companies since ownership data is minimal or for corporations or limited liability companies for which the intercept is not an option.

The Bureau does not have the authority to order restitution for EAR and HFTI consumers, however, the Bureau can recommend settlements for refunds, reworks, and adjustments to the transaction. For HHM, the Tariff sets rates that may be charged to consumers and requires those charges to be set according to weight and distance of the move (see Tariff Items 310, 330, and 390). Any mover that bases its rate on a volumetric unit of measurement rather than weight is required to pay restitution to the consumer (BPC section 19253.1).

The Bureau has not kept data to show how much consumers have been refunded based on its intervention, but encourages making the consumer whole as, "the extent to which the cited person has mitigated or attempted to mitigate any loss caused by his/her violation," is a factor that may be used when assessing a fine. The Bureau now requires staff to document refunds, reworks, and adjustments as a result of Bureau intervention.

Table 11. Cost Recovery		(list dollars in thousands)		
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Total Enforcement Expenditures	0	0	0	0
Potential Cases for Recovery *	0	0	0	0
Cases Recovery Ordered	0	0	1	1

Amount of Cost Recovery Ordered	0	0	\$1,610	\$1,040
Amount Collected	0	0	0	0
* "Potential Cases for Recovery" are those cases in which disciplinary action has been taken based on violation of the license practice act.				

Table 12. Restitution				
(list dollars in thousands)				
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Amount Ordered	\$0	\$0	\$0	\$0
Amount Collected	\$0	\$0	\$0	\$0

Bureau Website

The Bureau continually updates its website with new information on Advisory Council meetings, changes in statutes and regulations, licensing and enforcement information, and any other information staff believe will help consumers, applicants, or licensees. Additionally, the Bureau also seeks input from users for items that may be included on the website to ensure that its website meets the needs of its constituents. The most recent effort was at the October 13, 2022, Advisory Council meeting when staff proposed an updated public outreach plan to the Council.

Advisory Council agendas are posted at a minimum 10 days prior to a meeting and meeting materials packets within seven days prior to the meeting. Draft meeting minutes are posted in the meeting materials packet for the following Advisory Council meeting (e.g., the January 20, 2022, meeting minutes were posted June 5, 2022, in the June 15, 2022, meeting materials packet). If no changes are proposed by Council members, then the draft meeting minutes become the final meeting minutes and are posted to the Bureau website as a standalone document. In the event the Advisory Council suggests a change to the minutes, Bureau staff would review the proposed change with counsel, and if appropriate, make the change and post the updated meeting minutes in the Advisory Council Meetings section of the Bureau's webpage. The Bureau plans to keep all meeting minutes posted on its website in perpetuity from 2013 onward.

Webcast

The Bureau webcasts its meetings and makes every effort to preserve those meetings through the Department's [YouTube](#) page. Links for most meetings are available on the [Advisory Council Meetings](#) section of the Bureau's website. The Bureau plans to continue to webcast all meetings.

Meeting Calendar

The Bureau plans to schedule three Advisory Council meetings a year. The meeting schedule for the next year is determined at the last meeting of each year. At the October 13, 2022, meeting, the Bureau scheduled three 2023 meeting dates, which are posted on the Advisory Council Meetings section of the Bureau's website.

Complaint Disclosure Policy

The Bureau's complaint disclosure policy is consistent with DCA's *Recommended Minimum Standards for Consumer Complaint Disclosure*. Accusations and disciplinary actions are posted on the Bureau's website consistent with DCA's *Web Site Posting of Accusations and Disciplinary Actions*.

The information available to the public includes:

Category	HHM	EAR	HFTI
Business Name	X	X	X
Fictitious Names	X	X	X
Contact Person	X		
Phone Number	X	X	X
Mailing Address	X	X	X
Physical Address	X		
Enforcement or Disciplinary Action Information	X	X	X
Motor Carrier Number	X		
Personal Liability and Property Damage Insurance Policy #	X		

Outreach and Education

The Bureau provides up-to-date information on its website, as well as maintains brochures designed to inform consumers of how to select licensed service providers or retailers within its jurisdiction, along with other useful tips, such as what to do if a dispute arises.

The Bureau comprehensively responds to this question in Section 11, Bureau Action and Response to Prior Sunset Issues, Issue 9.

Section 7 – Online Practice Issues

There is a significant online presence for certain license categories and activities, particularly retail furniture and bedding products, service contract sellers, and household movers.

The Bureau's regulatory authority over companies that offer to sell Bureau regulated products and services over the internet is equivalent to companies that sell products and services at a brick-and-mortar location within the state. Thus, online companies are subject to the same licensing requirements and enforcement action as if they had a physical presence in the state (see BPC sections 9830 (EAR service dealers), 9830.5 (EAR service contractors), and 19060.5 (HFTI)). Additionally, household movers must obtain a permit if they transport used household goods on a public California highway for compensation. Each practice act presents its own challenges in enforcing unlicensed activity.

Household Movers

For household movers, the online environment, specifically websites, apps, and referral sites are primary sources of customer acquisition that enable unpermitted activity. Consumers cannot easily differentiate a permitted mover from an unpermitted mover online because the Bureau does not have authority to require disclosures on advertisements (e.g. permit number, physical address, status as a broker, etc.). Consequently, movers and brokers can legally withhold key information from consumers, creating an environment in which unpermitted activity can thrive.

Consumers are placed in a position where they must pay additional charges for the move to proceed, reschedule the move, or find another mover. Following are examples from actual Bureau complaints about unpermitted household movers' and brokers' online practices:

- Brokers fail to identify themselves as such. During consumer contact, the broker provides an estimate, collects a "deposit," then is never to be heard from again. Because the agreements and transactions are executed online, it is easy for the broker to disappear without ever arranging the move.
- Brokers send an unpermitted mover who then gives the consumer a new price because the payment was not actually a deposit; payment was made to a broker for arranging the move and payment is not applied to the cost of the move.
- Movers do not have physical locations and operate exclusively online. Bureau investigations reveal many unpermitted movers list a "physical" address on their contract forms, cards, etc., but the address is a post office location, and the suite number is a post office box number. Bureau investigators have even found empty fields where the address should be located.
- Movers who have been located by Bureau investigators and/or are cited can change business names, change their phone number, and launch a new website with little effort. A business cited by the Bureau formally appealed, after which the citation was affirmed. Rather than pay the fine and obtain a permit, the business simply changed

its name and continued to take advantage of consumers, which the Bureau discovered through subsequent consumer complaints.

- Movers that use websites designed to help consumers find service providers can be particularly harmful because unpermitted movers and brokers leverage the goodwill these sites have cultivated with their users to acquire customers. Because there is no requirement to list a permit number in advertisements, these sites allow unlicensed movers to claim their business profile without verifying the permit status of the mover.
- Websites that provide estimating tools are risky because estimates cannot lawfully be given without a physical or visual inspection, but estimating tools are offered by many mover websites and referral sites. Unpermitted movers issue significantly low estimates to get a consumer's business. Then movers increase the price after taking possession of the consumer's belongings, often citing that they did not realize how much they would be moving, placing blame on the consumer.

These practices are designed to bait the consumer then create a scenario where the consumer is placed in a state of panic, which leads to consumers agreeing to costs they would not have otherwise. When consumers cannot visit an office, they are presented with a contract on moving day while the truck and labor are waiting, creating a feeling of duress for consumers who then agree to charges they may not have otherwise agreed to if given the opportunity to review and understand what they were signing. The practices also can result in the mover giving a new price after taking possession of the consumer's belongings and using the household goods as ransom. This practice is known as "hold hostage" and is the most nefarious scam executed by movers.

Furniture and Bedding Retailers

Online retailers have become more prevalent since the Bureau's last sunset review, an increase that was hastened by the pandemic. As more consumers choose to shop online, these retailers can reach a wider consumer base than with a brick-and-mortar that serve a limited geographic area. Because many online retailers are in other states and countries, they are probably unlicensed and likely ignore other Bureau laws, such as content labeling, flammability resistance, flame-retardant chemical content limits, and other health and safety provisions.

Service Contract Sellers

The Bureau's scope regarding service contracts was expanded to all consumer goods, with limited exceptions, by the Bureau's last sunset bill, AB 1483 (Hill, Chapter 578, Statutes of 2018). Since then, the Bureau has seen an uptick in unlicensed activity from online sellers that are not aware of registration requirements to sell service contracts to a consumer in California.

Electronic and Appliance Repair Service Dealers

For EAR, most registered and unregistered service dealers operate brick-and-mortar locations so an online presence is not a primary vehicle to carry out unlicensed activity, although that may increase. The Bureau has recently seen a business model in which the

consumer mails their item to be repaired (most likely an electronic item) to a service dealer.

Similar to consumers of household movers, service dealer consumers cannot easily differentiate between a registered or unregistered service dealer and the Bureau does not have authority to require disclosures on advertisements (e.g. registration number, physical address, etc.) The Bureau plans to monitor this business model and adjust its enforcement effort accordingly.

Section 8 – Workforce Development and Job Creation

Workforce Development

As the Bureau licenses businesses and not individuals, there are no formal education or experience requirements for licensure. The Bureau reaches out to existing licensees, other business licensing agencies, the Better Business Bureau, etc., to help notify current and future business owners of the licensing requirements.

In addition, the Bureau has not experienced any licensing delays or backlogs utilizing its current processes, but continually monitors processes to identify areas that can be improved upon to ensure a backlog does not occur. Therefore delays have not impacted the industry or been a barrier to licensure.

Due to limited resources, outreach was suspended, but remains a high priority for the Bureau. The Bureau is implementing a 2023 Outreach Plan (see Section 13, Attachment F).

Historically, the Bureau conducted presentations at community colleges and trade schools, including Los Medanos (Pittsburg, CA) and La Puente College (La Puente, CA), to educate potential licensees about the application requirements and process. These will commence again in 2023. The Bureau also publishes pamphlets on guidelines for licensing and invoice regulations. These pamphlets are available on the Bureau's website and are distributed to educational facilities and industry associations as a part of the Bureau's outreach efforts.

The Bureau does not believe there are barriers to licensure or employment in the industries it regulates. The Bureau does not have experience requirements for any of its license types and no examination requirements for EAR or HFTI licensees. The examination requirement for HHM focuses solely on the moving industry's governing law and Tariff, both of which businesses must adhere to when operating.

Workforce shortages

The Bureau does not have data available on workforce shortages, but anecdotally through site visits, many Bureau licensees have complained it is difficult to obtain and retain employees.

Training programs

Most electronic product and appliance manufacturers offer training to their authorized repair agents and certify the repair dealers and/or their technicians for their line of products. In addition, there is the A+ certification program for computer repair offered by a number of public and private educational institutions. As the businesses are licensed, and not their technicians, it is the business owner's responsibility to ensure their employees are adequately trained to repair the products they service.

Uniform Standards for Substance Abusing Licensees

The Uniform Standards do not apply since the Bureau is not a healing arts program.

Consumer Protection Enforcement Initiative (CPEI)

The Bureau strives to achieve consistency with the CPEI initiative and its performance measures. The Bureau has not identified a need to update its regulations at this time.

BreEZe and Business Modernization

The Bureau does not currently utilize BreEZe. The Bureau was originally scheduled for BreEZe Release 3 and has since transitioned to the Business Modernization project as part of Cohort 2 (BMC2), which is currently in development.

Since the Bureau's last review, the Department led the Bureau in completing the process to select an appropriate information technology solution. The process included: 1) documenting and updating business processes; 2) identifying and developing the Bureau's business requirements and specifications; and 3) completing the California Department of Technology's Project Approval Lifecycle process and the requisite cost-benefit analysis to evaluate the potential alternatives and the costs and benefits of those different possible solutions.

The Bureau is currently working with the Department and developers to implement a public release that will include online application submission (initial and renewal), online payments, back office functionality for application and enforcement, and data reporting.

The project also includes incorporating household mover applications and will replace a Public Utilities Commission supported platform that has been used under a Memorandum of Understanding (MOU) pursuant to BPC section 19288(e). To ensure historic licensing information is retained, the Department began a data conversion project with the Commission in January 2022. Due to the household mover program using a non-DCA supported system and the MOU having a 2023 expiration date, the Bureau identified household movers as its top priority to go live on the updated platform.

Until all license types are added to the new platform, they will remain on the Legacy Systems.

Section 10 – Bureau Actions and Responses to COVID-19

The Bureau continued to perform essential functions through licensing and enforcing the three practice acts despite the challenges of operating during the height of the pandemic. Protecting the health, safety, and wellbeing of Bureau employees while also performing the essential functions of the Bureau is the greatest concern. To manage workload and limit risk of exposure, the Bureau reduced its in-office staff by approximately 70 percent. Limiting the number of staff in the office space was accomplished through staff teleworking on a staggered schedule, some staff working from home full-time, and laboratory staff utilizing workstations in the laboratory as their primary workstations. These steps allowed staff to maintain social distance while avoiding significant backlogs.

To accommodate telework, the Bureau began purchasing laptops and docking stations to replace many of the Bureau's outdated computers, which were already on schedule to be replaced. The Bureau also purchased monitors to make working from home more efficient for staff. The Bureau also adjusted processes and workflows and found creative solutions to problems, such as being prohibited from taking applications and checks home to process or having staff available to answer phones. Since the initial shift to obtaining equipment necessary to allow telework, the Bureau has also begun migrating to Teams for its telephone service. This transition will allow employees to answer Bureau phones from home and return calls without using their personal phone and phone number, and it also works as a voicemail service.

In the initial stages of the pandemic (March – June of 2020), the Bureau's enforcement staff was unable to conduct field operations. During this time, staff used several internet search tools to identify unlicensed movers and issue cease and desist letters, which the Bureau maintains on file. In the event the mover continues to not obtain a permit, these letters are used as evidence the mover is aware of their violations. In FY 2019/20 the Bureau sent 151 cease and desist letters. Once field operations resumed in June 2020 as part of the Governor's COVID-19 Enforcement Task Force efforts, this activity ebbed. In FY 2020/21, the Bureau issued 72 cease and desist letters and in FY 2021/22, the Bureau issued just four letters.

The Bureau also implemented virtual Advisory Council meetings in response to COVID-19. Prior to 2020, all Advisory Council meetings were in person and by conference call. Since then, meetings have been held via WebEx. This format allows the public to participate in real time, which is an advantage over traditional webcasting. Additionally, Advisory Council members are volunteers who must pay for their own travel and attend on their own time, and conducting virtual meetings seems to have increased participation among Advisory Council Members.

The Bureau has not utilized any existing state or emergency statutes in response to COVID-19. To the Bureau's knowledge, there are not any emergency statutes that are applicable to the Bureau. Additionally, the Bureau did not work on waiver requests with the Department. The Bureau's field personnel were members of the Governor's COVID-19 Enforcement Task Force from July 2020 to June 2021. Task force members educated businesses in Bureau-regulated industries about best practices to avoid the spread of COVID-19. While providing

education as part of the Task Force, the Bureau also continued site visits to support investigations and enforcement actions of the Bureau.

In response to Executive Order N-33-20, which provided a stay-at-home order for California citizens except those needed to maintain critical infrastructure sectors, the Bureau released a notification to its interested parties email lists. This notification included a link to the U.S. Department of Homeland Security's *Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response* to advise stakeholders in determining whether Bureau licensees should remain open. One of the Bureau's industries, household movers, qualified as essential and was able to operate during the stay-at-home order. Making the memorandum available was essential to communicating that status to household movers.

Legally, the Bureau is not required to follow the Bagley-Keene Open Meeting Act but voluntarily adheres to its requirements to ensure transparency and consistency. For this reason, it requests updates to the Act are put in place to allow Council members to join a meeting remotely without noticing a location, such as their homes, so long as the Bureau ensures the public can access and participate in the meeting electronically.

Section 11 – Bureau Action and Response to Prior Sunset Issues

Issue 1 – What has the Bureau done to address its IT needs?

Background: DCA has been working since 2009 on replacing multiple antiquated standalone IT systems with one fully integrated system. In September 2011, DCA awarded Accenture LLC with a contract to develop and implement a commercial off-the-shelf IT system, commonly referred to as BreEZe. BreEZe was intended to provide applicant tracking, licensing, renewals, enforcement, monitoring, cashiering, and data management capabilities. In addition, BreEZe is web-enabled and designed to allow licensees to complete and submit applications, apply for renewals, and pay the necessary fees through the Internet. The public can also file complaints, access complaint status, and check licensee information.

The project plan called for BreEZe to be implemented in three releases. The first release was scheduled for July 2012. BEARHFTI was originally scheduled for inclusion in Release 3 of the project. Under Special Project Report 3.1, which outlined the changing scope and cost of the BreEZe project, Release 3 was removed from the project entirely in 2015.

DCA currently has no formal plan to expand BreEZe to the 19 boards originally included in Release 3. Instead, DCA first intends to conduct a cost-benefit analysis for Release 3 boards and then make a decision about whether programs previously slated for Release 3 of the project will come onto BreEZe and, if so, how that will be implemented. It is not clear whether the system has been evaluated to meet the needs of Release 3 entities like BEARHFTI, many of which are facing significant operational challenges due to their lack of dynamic IT capacity.

According to BEARHFTI, in August 2017, staff met with DCA's Chief Information Officer and Executive Office and agreed on a phased-in approach beginning with an inventory and documentation of existing licensing and enforcement business processes. Outputs from this analysis will serve as key inputs to the Project Approval Lifecycle process. BEARHFTI advises that it will work with DCA and the California Department of Technology to evaluate all alternatives prior to selecting the best technology response, a strategy the BEARHFTI states is consistent with DCA's Strategic Plan for all Release 3 boards and bureaus. Although no "bridge system" is being utilized, several workarounds are currently being used to satisfy program requirements or needs that cannot be met by current legacy systems.

BEARHFTI reports in the two tables below (Table 1 and Table 2) the amount that it has expended on the BreEZe program.

BreEZe Costs (Table 1)				
FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18*
\$147,434	\$75,378	\$72,778	\$179,692	\$147,000 (projected)

Note: This table was taken from page 19 of the Bureau of Electronic Appliance Repair, Home Furnishings and Thermal Insulation's 2017 Sunset Review Report

During the 2014 sunset review, Committee staff raised the issue of BreEZe. At that time, Committee Staff recommended BEARHFTI update the Committees about the current status of its implementation of BreEZe including expecting start dates, new functionalities, additional costs, and any existing or expected declines in serve levels and licensing and enforcement backlogs. AB 2740 required BEARHFTI to report back to the Committees on the status of its implementation of BreEZe, including whether the system will accommodate its current and future needs. In BEARHFTI's 2015 Report to the Legislature, it provided the following concerning BreEZe.

"At present, the Department continues to support the Bureau's legacy systems as the Bureau's transition to BreEZe in Release 3 is not currently scheduled. The Department will conduct a formal cost-benefit analysis of BreEZe, in conformance with the State Auditor's Report, prior to moving forward with Release 3. Unless the cost-benefit analysis indicates otherwise, the goal remains to have a single integrated licensing and enforcement system. The Department and Bureau are awaiting the outcome of that analysis prior to planning the Bureau's transition to BreEZe. The Bureau has paid a share of the initial hardware and software investment costs, and will continue to contribute to the remaining non-Accenture project costs, but will not pay Accenture project costs for Release 1 and 2. BreEZe project costs are allocated among the bureaus and bureaus based upon their respective share of the Department's overall annual initial licensing application and license renewal transactions."

BEARHFTI included Table 2 in its 2015 Report to the Legislature which specified the BreEZe cost breakdown for each of the programs (EAR) and (HFTI).

BreEZe Costs (Table 2)

	Total Costs	% of Total Budget	EAR Costs	% of Total Fund Budget	HFTI Costs	% of Total Fund Budget
FY 2013-14	\$147,434	2.15%	\$60,955	2.56%	\$86,479	1.93%
FY 2014-15	\$75,378	0.94%	\$29,305	1.02%	\$46,073	0.90%
FY 2015-16	\$208,307	2.69%	\$82,397	2.92%	\$125,910	2.55%
FY 2016-17	\$183,677	2.33%	\$72,560	2.54%	\$111,117	2.22%

Note: The information for this table was taken from page 25 of the Response to Issues and Recommendations Pursuant to the BEARHFTI's 2014 Sunset Review [Section 12, Attachment C.1]

With the exception of FYs 2013/14 and 2014/15, the reported BreEZe costs provided by BEARHFTI are inconsistent, making it difficult to determine the actual costs associated with the IT project and any continued support for the program.

Committee Recommendation: BEARHFTI should update the Committee about the current status of its IT program. How will the addition of the Household Movers Program impact BEARHFTI's current technology needs? Also, BEARHFTI should explain why its projected 2017/18 costs for BreEZe are expected to be higher than 2014/15 and 2015/16 and why BEARHFTI paid a higher cost in FY 2016/17 given that it will never utilize the system and to date, does not have a new IT plan in place? Also, BEARHFTI should try to provide the accurate costs for FYs 2015/16 and 2016/17.

Bureau's 2018 Response to Recommendation: The Department of Consumer Affairs (DCA) worked with BEARHFTI and developed a business modernization plan. The plan was finalized

and was submitted to the Legislature in December 2017. This plan will guide the work of BEARHFTI to effectively facilitate the analysis, approval, and potential transition to a new licensing and enforcement platform.

There is a four step process that will take place to determine the appropriate information technology solution: 1) document and update business processes; 2) identify and develop a program's business requirements and specifications; 3) go through the California Department of Technology's Project Approval Lifecycle process, which includes conducting a cost-benefit analysis to evaluate the potential alternatives and the costs and benefits of those different possible solutions; and 4) implement a new system based on the findings in step three.

The business modernization plan will also consider the Household Goods Movers business requirements in order to determine the most appropriate IT systems upgrade option for the Bureau. With the transition of the Household Goods Movers program to the BEARHFTI, we must include this regulatory function in our structured modernization effort. To accommodate the transition and stabilization of BEARHFTI's new function, we will commence the first phase of the effort, documenting business activities in March 2019. The bureau will obtain remote access to the California Public Utilities Commission's (CPUC) Legacy systems per an inter-agency agreement to provide these services to the Bureau until the IT systems upgrade is implemented.

The Bureau's BreZE costs include IT staffing. The Department received authority to hire 34 positions in support of BreZE maintenance and operations via a Spring Finance Letter in FY 2015/16. Fiscal Year 2016/17 was the first year in which a significant portion of the positions were filled, which resulted in the cost increase that year. These IT staff have developed processes, procedures, and skills that will benefit the Bureau as it moves forward in the business modernization process. The processes, procedures, and skills these staff bring provide will be foundational to the success of the bureau's deployment of a new system.

Reported costs for FY 2015/16 and FY 2016/17 are accurate. At the time of the 2014 sunset report, BEARHFTI reported budgeted amounts for FY 2015/16 and FY 2016/17, while the bureau's 2017 sunset report provides actual costs for BreZE. Beginning in FY 2018/19, BEARHFTI will no longer pay any BreZE-related cost.

Current Response 2022: *Household Movers* – After household movers were added to the Bureau's regulatory authority, the Bureau worked with the Department to document and modify its business requirements to include specific elements of administering the Household Movers Act. The additional requirements include the following:

- Executing an MOU with the Commission. In 2018, the Department and Bureau executed an MOU with the Commission to use, house, and maintain their licensing platform until December 2023.
- Data Conversion. Continuing to use the Commission's licensing platform required significant data conversion to be undertaken to ensure no historical data was lost. The Department began working with the Commission on data conversion in January 2022

to prepare for the household mover application to go live on the new platform in February 2023.

- Quarterly reporting capability. Household mover permits do not renew and are valid so long as the permitholder meets quarterly report and payment requirements, which required quarterly reports to be built into the new system. Quarterly report submission and online payment are planned to be released on the platform in April 2023.
- Insurance e-filing interfaces. Permitholders must meet insurance requirements (liability, cargo, and Workers' Compensation) to maintain a permit, which require interfaces to be developed for the new system.
- Live-scan interface. Household movers must be fingerprinted, which requires an interface with DOJ to receive live scan backgrounds and subsequent arrests.
- Testing interface. Household mover applicants must pass an exam on the Tariff. The Bureau contracted with PSI to conduct computer-based testing in 2020 and the new system will require an interface to retrieve test scores.
- Enforcement component. The Commission's system did not contain an enforcement data element, which required the Bureau to implement manual data accounting. The new system will require household movers to be integrated by converting Bureau enforcement data into a format that allows reporting functionality.

BreEZe Costs

In fiscal Year 2016/17, the Department filled several IT vacancies, which resulted in the cost increase that year. Although the Bureau would no longer be a part of the BreEZe project, these IT staff have been critical in developing foundational technologies for BHGS like the department's business intelligence and reporting platform and the expanded online license search capabilities.

Issue 2 – What services does the EAR program receive from the DCA that would lead to a 50% higher Pro Rata expenditure than the HFTI program?

Background: DCA's utilization of pro rata continues to be an ongoing issue for the Legislature and the Committees. BPC § 201 authorizes the Director of the DCA, with the approval of the Department of Finance, to charge bureaus and bureaus for estimated administrative expenses, commonly referred to as Pro Rata. Currently, all DCA entities are subject to pay "pro rata" in order for the DCA to provide centralized administrative services to all of its bureaus, committees, commission and bureaus, including BEARHFTI. Pro rata shares fund numerous DCA-wide services including call center services, complaint resolution, and correspondence units. Since all bureaus, bureaus, commissions and committees under the jurisdiction of the DCA are self-funded programs, meaning funds are paid solely by the fees collected from licensees, the issue of pro rata and the administrative charges to DCA programs has long been a subject of scrutiny to ensure that each entity is charged the fair and reasonable amount for services rendered by the DCA. As such, pro rata expenditures are often examined as a part of the sunset review process.

In 2014, BEARHFTI reported that the EAR program spent approximately 37% of its budget on pro rata and the HFTI program spent approximately 19% of its budget on pro rata expenses. The issue of pro rata was raised during BEARHFTI's 2014 sunset review. During the prior sunset review, the Committees recommended that BEARHFTI discuss whether "it could achieve cost savings by dealing with more of its consumer complaints in-house through its cite and fine authority". At that time, the Committee staff background paper recommended that BEARHFTI advise the Committees on how pro rata calculations were determined, including an analysis of services received from the DCA. This information request was ultimately included in AB 2740 (Bonilla, Chapter 428, Statutes of 2014) which required the BEARHFTI to report to the Legislature on a number of issues in 2015.

In response to the Committee's request, BEARHFTI noted that in July of 2016, an interagency agreement was entered into with the DCA, which transferred three Consumer Service Representative positions from the Department's Complaint Resolution Program (which is no longer operational) to BEARHFTI. In July 2017, BEARHFTI's authorized positions were increased through a budget change proposal, which added one Consumer Service Representative position to HFTI's budget and two Consumer Service Representative positions to EAR's budget. Those positions provided BEARHFTI with in-house complaint service capabilities and are reported to reduce the pro rata costs paid to the [DCA]. The Consumer Service Representative positions have since been reclassified to the Staff Services Analyst classification and redirected to BEARHFTI's Enforcement Unit to combine duties and maximize resources. The Bureau reported a cost savings of \$291,000 in FY 2016-17 resulting from the interagency agreement.

However, BEARHFTI reported in its 2017 Sunset Review Report that the HFTI program was charged 21% of its budget for pro rata and the EAR program was charged 41% (both increases from the previous year reported by BEARHFTI). BEARHFTI stated that it anticipated a reduction in pro rata of \$277,000 in FY 2017/18 and on-going.

The FY 2017/18 projected costs for both EAR and HFTI's pro rata costs were not included in BEARHFTI's 2017 Sunset Review Report, but in the DCA's annual pro rata report to the Legislature, it is projected that the EAR program will spend 22% (a decrease) of its budget on pro rata, while the HFTI program will spend 20% (an increase) of its budget on pro rata costs. The pro rata expenditures reported by BEARHFTI and in the DCA's annual pro rata report to the Legislature are inconsistent. As a result, it is difficult to identify the true expenditure figures for BEARHFTI's pro rata shares are. In addition, it is unclear how the addition of the household movers will impact pro rata expenses.

<u>DCA Reported Figures</u>		<u>BEARHFTI Reported Figures</u>	
2015/16	2016/17	2015/16	2016/17
EAR: 37%	EAR: 34%	EAR: 35%	EAR: 41%
HFTI: 20%	HFTI: 18%	HFTI: 19%	HFTI: 21%

Committee Recommendation: BEARHFTI should advise the Committees on the process for calculating pro rata expenditures for both the EAR and the HFTI programs. In addition, BEARHFTI should advise the Committees on the services it anticipates utilizing from the DCA for the home movers program and what the anticipated pro rata costs are expected to be

given that the transition will include assistance from the CPUC. Further, BEARHFTI should explain to the Committees whether or not the projected reductions for FY 2016/17 were ever realized and if the same expenditures are expected for 2018.

Bureau's 2018 Response to Recommendation: The Department utilizes four basic methodologies for distributing its costs to all programs under its purview:

- Allocation based on authorized position count: the ratio of board or bureau authorized staff vs. total staff of all boards and bureaus;
- Allocation based on the past year's workload: the ratio of each program's share of the prior year workload (call volume, investigative hours, etc.);
- Allocation by service center: costs distributed by specific OIS workload (mainframe processing, device count, IT transaction volume, etc.); and
- Direct charge: directly assessed costs based on specific workload or Intra-Agency Agreement

The above distribution of costs was assessed to both the EAR and HFTI parts of BEARHFTI based on their authorized position counts and uses in the other three categories. Because each of these parts of the Bureau have different staffing levels and service needs, the costs vary.

During the transition as the licensing and enforcement entity for the Household Goods Movers program, BEARHFTI will utilize all primary functions of the department, including Human Resources, Business Services, Legal, Accounting, Budgets, Legislative Affairs, IT, Publications, Communications, and training. Examples of these services include:

- Communications updated BEARHFTI's outreach plan to incorporate Household Goods Movers in February 2018. The plan includes redesigning outreach materials, translating materials into the languages spoken most often by licensees, and consulting services to expand the bureau's social media presence.
- Human Resources has been actively recruiting for 11 positions to staff the Division of Household Movers.
- The Budget Office has prepared a budget for the Household Goods Movers Fund, submitted a legislative Budget Change Proposal to provide resources necessary for the transition, and is preparing to manage a third fund for the bureau.
- Legislative Affairs has provided policy analysis and acts as a point of contact for members of the Legislature and other affected state entities that are pursuing amendments to the Household Movers Act.
- SOLID will provide training services to new hires as needed to implement Household Goods Movers program.

The Bureau will not be assessed pro rata charges for services received during the transition period. The Bureau is budgeted to incur DCA pro rata costs of approximately \$297,000 in FY 2018/19 from the Household Movers Fund.

The projected reductions in pro rata were realized in FY 2016/17 and FY 2017/18 as a result of the Complaint Resolution Program being eliminated. Pro rata expenditures are estimated to remain consistent but will see some variation based on workload allocation changes and increases to employee salary rates.

The budgeted pro rata expenditures for FY 2018/19 are as follows:

EAR: \$640,000
HFTI: \$833,000
HGM: \$297,000

Current Response 2022: The Bureau’s recent Pro Rata breakdown is as follows:

Figures in Thousands

	FY 18/19			FY19/20			FY 20/21			FY 21/22		
	Pro Rata	Total Expended	Percent	Pro Rata	Total Expended	Percent	Pro Rata	Total Expended	Percent	Pro Rata	Total Expended	Percent
EAR	642	2558	25.1%	584	2659	22.0%	648	2526	25.7%	782	2620	29.8%
HFTI	837	4380	19.1%	875	4297	20.4%	858	3898	22.0%	1028	4475	23.0%
HGM	295	1139	25.9%	304	1971	15.4%	296	1720	17.2%	350	1804	19.4%

Comparing the EAR and HFTI programs, the total expended percentage between the two programs ranges between 1.6 percent and 6.8 percent of total expenditures. Given that many elements of DCA’s pro rata calculation are based on allocations that fluctuate between the three programs and direct costs, the Bureau sees no aberration in these variances.

The real issue these numbers present is the likelihood the HHM program is being undercharged, as discussed in further detail below, therefore fund consolidation is appropriate.

Issue 3 – How does the Bureau effectively manage multiple funds and how did the Bureau prepare to incorporate the HHM fund?

Background: Similar to a multitude of other boards and bureaus within the DCA, the BEARHFTI is comprised of two, once separate, regulatory entities. As a result, when the EAR and the HFTI collapsed their separate structures into one, BEARHFTI was tasked with overseeing two separate funds and two regulatory programs (the EAR program and the HFTI program). Currently, BEARHFTI treats both programs separately with respect to funding and program administration. Clearly, there are areas where services may overlap including enforcement, licensing, and administration such as rent, supplies, and executive staff, among others. With this addition of household movers, BEARHFTI will be responsible for three separate regulatory programs and three separate funds.

Merging the funds and or practice acts of numerous DCA regulated entities has been trending during past sunset oversight. In 2011, SB 933 (Runner, Chapter 449, Statutes of 2011) combined the acts applicable to speech-language pathologists, audiologists, and hearing

aid dispensers and combined the funds from each of the previous regulatory entities to reflect regulation by one board. AB 180 (Bonilla, Chapter 395, Statutes of 2015), combined the acts applicable to the cemetery and funeral acts and merged the funds from each of the previous regulated entities under the Cemetery and Funeral Bureau's jurisdiction. AB 179 (Bonilla, Chapter 510, Statutes of 2015) combined the funds of the 19 vocational nurses and the psychiatric technicians under the Board of Vocational Nursing and Psychiatric Technicians. AB 177, (Bonilla Chapter 428, Statutes of 2015), consolidated the separate funds of the Board of Professional Land Surveyors, Engineers, and Geologists.

Given the BEARHFTI's licensee landscape, merging practice acts or funds may or may not be beneficial, however, BEARHFTI should advise the Committees and stakeholders on its administrative efforts to ensure appropriate accounting figures for so many different funds.

Committee Response: The BEARHFTI should advise the Committees on its processes and procedures to ensure administrative and other charges are correctly attributed to the correct fund. In addition, the BEARHFTI should advise the Committees on its accounting methods for separate administrative services between the two programs, including its plans to for the administration of the Household Movers Fund.

Bureau's 2018 Response to Recommendation: BEARHFTI is subject to statewide policies and procedures set forth in the State Administrative Manual (SAM), which are regulated and enforced by various state control agencies, such as the State Controller's Office, the State Treasurer's Office, and the Department of Finance.

In accordance with SAM section 7900, the department's Fiscal Operations Division facilitates the "year-end" process for all DCA boards and bureaus during which all costs and revenues are reconciled to its appropriate fund/program. Each fund has unique descriptors, which help track costs and revenues to a specific fund or program, so the division reports year-end figures annually to the State Controller's Office and the Department of Finance for final review and approval.

The EAR, HFTI, and the forthcoming Household Movers Fund are all subject to the year-end administrative process to ensure bureau costs are applied to the correct fund.

Current Response 2022: With the Bureau's now three separate funds, end-of-the-year reconciliation is exceedingly difficult and staff workload devoted to a specific practice area does not balance with the fees collected for that practice area.

Some examples of where fund reconciliation is not ideal for the Bureau's existing situation include employee compensation and vehicle use. The Bureau Chief and all other staff are compensated from one specific fund but often work in all three practice areas. It is difficult to annually allocate their time in the absence of a periodic workload analysis.

Vehicle use is another classic example, a Special Investigator may start their day interviewing a household mover, then visit three EAR establishments and finish their day with several inspections of furniture retailers and suppliers. While employee time can be allocated, without a workload analysis, it is difficult to divide up the cost of the vehicle's use into the three funds.

For these reasons the Bureau is seeking to consolidate the existing three funds into one fund and adjust the Bureau's fees to match overall allocations. These fee augmentations are described in detail in the Cooperative Personnel Services HR Consulting Services (CPS) fee study (to be submitted once finalized) and in Section 12, New Issues, Issue 1.

The Bureau also acknowledges after these adjustments are made; another workload analysis is necessary to assess these alterations during its next sunset review.

Issue 4 – How is BEARHFTI addressing staffing shortages, especially in the field representative classification?

Background: BEARHFTI reported in its 2017 Sunset Review Report, that the “overall vacancy rate has now risen to 15 percent compared to nine percent in FY 2013-14 primarily due to field staff transferring to other positions and the retirement of senior field staff”.

Further, BEARHFTI reports challenges with field staff recruitment because those positions are specialized and require candidates to meet minimal educational or experience requirements related to BEARHFTI's specific industries. Even with administering a continuous examination to broaden its candidate pool for the Field Representative and Inspector classifications, BEARHFTI reported that it has seen minimal interest from qualified applicants. Further exacerbating this issue is that candidates must come from specific regions or territory of which the inspector is needed. As of December 2017, BEARHFTI noted that it was actively recruiting for positions and is working with the DCA to help address the personnel shortage. Currently, BEARHFTI considered a 24-month pilot program to use an alternate classification to provide a wider range of eligible candidates, centralize core functions and allow for cross over between the EAR and HFTI programs, rather than limiting the duties to one program or the other.

Committee Recommendation: BEARHFTI should advise the Committees on any additional recruitment or staffing issues and, further should advise the Committees on any success it has had in increasing field inspector staff and what, if any, other changes are necessary.

Bureau's 2018 Response to Recommendation: The Bureau has historically had a difficult time recruiting for the field representative and inspector classifications. The field representative classification contains language in its duty statement specific to the electronic and appliance repair industry. This language limits the candidate pool for the classification especially since electronics and appliances are now generally made to be replaced instead of repaired. In addition, the compensation for this classification is insufficient to recruit and retain quality candidates.

The Bureau recently reclassified all vacant field positions (four field representatives, two inspectors) to special investigators (SI). The SI classification is a department-wide class with a higher salary and expanded responsibilities, allowing the SIs to not only enforce the bureau's existing law, but also enforce the new Household Goods Movers Act. All future vacancies in the field representative and inspector classifications will convert to SIs until all field staff are within the SI classification.

Reclassifying the field representative and inspector classifications to the SI classification has enabled the bureau to fill all field vacancies and the Bureau does not anticipate future staffing issues with respect to filling vacancies in this classification.

Current Response 2022: As reported in detail in Section 3, Staffing Issues, the Bureau has struggled to reduce its vacancy rate. With the combined efforts of reclassifying positions and creating an Administrative Unit, chiefly responsible for hiring and contracts, and continuing to work closely with the Department, the Bureau hopes to reduce its vacancy rate, but this will take time as many of the vacancies are SI positions, which take longer to hire than traditional positions due to a health evaluation and background check. The Bureau will periodically provide the Legislature updated vacancy numbers throughout the sunset review process in 2023.

Issue 5 – How is the public made aware of the Bureau’s consumer protection efforts? What improvements should be made to ensure consumers, the public and regulated entities know about BEARHFTI’s actions?

Background: BEARHFTI helps to maintain consumer protection by ensuring that consumers receive the appropriate repair services for which they are paying for, set industry standards for the safety of manufactured upholstered products, and ensures that the public is protected from unscrupulous sales, service contracts, and repair practices. According to BEARHFTI’s 2013-2017 Strategic Plan, BEARHFTI licenses and regulates almost 40,000 companies across the globe from small single-person 20 businesses to major corporations. The staff license/register companies, inspect businesses, ensure compliance with laws and regulations, conduct investigations, test products to ascertain if they meet the required standards, conduct research and development, educate applicants and registrants, and initiate disciplinary action against companies who commit egregious violations- and beginning July 1, 2018, BEARHFTI will expand to include the regulation of the household moving industry.

In the Market Condition Assessment Final Report, it was widely reported that BEARHFTI needed to provide stronger outreach to enhance visibility, communication, and information regarding its regulatory programs. Consumer feedback presented in that same report also noted that BEARHFTI had to cancel advisory committee meetings, thereby losing important industry stakeholder participation. Further, industry feedback noted that BEARHFTI needed to improve outreach and industry/consumer education. As the licensure program for household movers transitions to BEARHFTI, outreach and consumer awareness efforts will be critical.

To address concerns of low consumer awareness, BEARHFTI created a 2016 Outreach Plan in February of 2016, and stated that it was prepared to do things such as increase the number of advisory committee meetings to three annual meetings to ensure licensees and stakeholders are apprised of its activities; update its website to be more user-friendly and provide relevant information; create outreach materials, including content on a YouTube site; make materials available in additional languages; and, conduct outreach at community events. BEARHFTI has made updates to its website and has posted pertinent information about the EAR and the HFTI programs, as well as posting disciplinary actions.

BEARHFTI also reports that it has revised its inspection procedures to increase compliance. Although BEARHFTI updated its website in 2016 which made it more user-friendly and provided enhanced information and resources for consumers about both the HFTI and EAR programs, there is currently no information provided about the Household Movers Program. In addition, BEARHFTI does not currently webcast its Council meetings. Given the important issues that the Council advises on, and the extensive knowledge of industry and industry-related issues provided by Council members, providing better consumer access to these important meetings could benefit both consumers and industry.

Webcasting is a commonly used and helpful tool for licensees, consumers, and other stakeholders to monitor bureaus or bureaus in real-time and better participate when unable to physically attend meetings. Webcasting provides greater access for consumers and licensees alike and also improves transparency and provides a level of detail that cannot be captured in the meeting summaries or posted information on a website. Currently, BEARHFTI does not provide for the webcasting of Council meetings.

Committee Response: BEARHFTI should advise the Committees on its progress to enhance public outreach and consumer and industry awareness. BEARHFTI should advise the Committees on when it will add information to its website regarding household movers and if there are any plans to webcast future Council meetings. In addition, it should advise the Committees on its commitment to conducting three advisory committee meetings per year.

Bureau's 2018 Response to Recommendation: The Bureau has worked closely with the department's Communications Division to develop an updated outreach plan utilizing social media platforms and targeted internet advertising and banner placement based on web searches to expand its online presence. The Bureau currently administers pages on Facebook, Twitter, and LinkedIn to facilitate stakeholder information and sharing of ideas.

Examples of current outreach efforts include:

- Leveraging partnerships within DCA boards and bureaus to host BEARHFTI licensing workshops and to distribute educational materials;
- Working with the Bureau of Automotive Repair and the Department of Motor Vehicles to develop informational material for the ignition interlock device program;
- Partnering with the Contractors State License Board to present at Senior Scam Stopper events; and
- Collaborating with the Board of Equalization to host events focused on community outreach at colleges, city halls, and senior centers throughout the state.

Since September 2017, the Bureau has also prioritized outreach to the industry. Bureau staff has met with stakeholders, including professional associations, to improve public knowledge of BEARHFTI's programs. These recent industry outreach efforts have focused on identifying opportunities to improve enforcement in their respective industries.

Upon the Governor signing SB 19, the Bureau updated its website to highlight that Household Movers will be transitioning to BEARHFTI on July 1, 2018. In addition, the Bureau posted an Industry Advisory on its website to announce BEARHFTI will have regulatory authority over

household movers effective July 1, 2018. The Bureau is developing additional web content that will be posted as it is finalized for the transition of Household Movers to the bureau. Content will include:

- A license lookup function,
- Brochures for consumers,
- Forms for licensees,
- Information on licensing and complaint procedures, and
- Regulations and statutes.

The Bureau Chief and DCA Director are scheduled to speak at the Household Movers Association's 100th Annual Convention on April 20, 2018, to introduce DCA and Bureau leadership, provide information about licensing and the bureau's implementation plan, and respond to questions regarding the Bureau's transition to the licensing and enforcement entity for the Household Movers.

The Bureau also regularly convenes an Advisory Committee to both inform the work of BEARHFTI and to solicit public input. In 2017, the Committee held two meetings and its work focused on the transition of Household Goods Movers to the bureau, outreach, and staffing. Given the upcoming responsibility of licensing Household Goods Movers, the Bureau has expanded the body to add two industry representatives. As we recognize the importance of public access to these types of forums, the Bureau will begin webcasting its Committee meetings, beginning with its March 2018 meeting.

The Bureau has made great progress to leverage the limited resources we have and utilize technology in our outreach efforts. The Bureau looks forward to making more progress in the coming year to ensure Californians are aware of the role of the bureau and their rights as consumers.

Current Response 2022: *Outreach* – In early 2019, in close coordination with the Department's Communications Division, the Bureau's logo, website, and several outreach materials were updated to incorporate household mover activities.

Although the Bureau was unable to devote significant resources to education and outreach until recently, the Bureau:

- Published Industry Advisories, such as Industry Advisory 19-03, titled "Moving Household Goods – Who Is Required to Hold a Permit?" provides information for consumers and industry about who, and who is not, required to be permitted in California. Industry Advisory 19-02 notified stakeholders of the impacts of significant legislation, AB 2998 (Bloom, Chapter 924, Statutes of 2018), which prohibits the sale or distribution of upholstered furniture and juvenile products with flame retardant chemical content above 100 parts per million, and SB 1483 (Hill, Chapter 578, Statutes of 2018), which expanded the Bureau's scope to service contracts for all consumer goods and changed the Bureau's name.
- Published frequently asked questions and posted them to the Bureau's website. Examples include FAQs for AB 2998 and a revised FAQ for SB 1019 (Leno, Chapter 862,

Statutes of 2014), which established a flame retardant chemical label for use on upholstered furniture and a testing program to ensure accuracy of the label's statements about flame retardant chemical content.

- Conducted licensing workshops in northern and southern California to educate movers on the process to become permitted. These workshops were not held since 2020 due to travel restrictions related to COVID.
- Attended and served as guest speakers at each of the California Moving and Storage Association's annual conventions since assuming administration of the Household Movers Act. Attendance was in person in 2018, 2019, and 2022 (the 2020 convention was canceled and the 2021 convention was virtual).
- Conducted regulations workshops to facilitate stakeholder engagement. A labeling workshop was held on February 21, 2019, and a workshop for household movers enforcement regulations was held on February 23, 2019.
- In collaboration with the Department, produced a [video](#), which was posted to the Department's YouTube channel, regarding a hold hostage case involving an interstate mover. This video was shared by the Department, Bureau, and others on various social media platforms in addition to YouTube.
- KPIX in San Francisco interviewed Bureau staff regarding a hold hostage case that involved an interstate mover who was unlicensed. Watchers were advised to only do business with permitted movers. This [video](#) was shared by the Department, Bureau, and others on various social media platforms.
- Collaborated with the Department of Real Estate to provide information to its 450,000 licensees about household mover permit requirements in its [Summer 2021 newsletter](#). Bureau investigations showed a high number of consumers were referred to unpermitted movers by their realtors who were unaware of permit requirements.
- Provided information to the Department's Communications Division for an article titled, "[Change Is Hard. Moving Shouldn't Be](#)," which was published in the Department's magazine, Consumer Connection, Volume 18 (2022).
- Attended events, such as the 41st Assembly District 20th Annual Community Resource Fair in August 2019 in Pasadena and the CHP Summit in Anaheim in October 2021. These community events brought together members of the public and local government leaders.
- Participated in senior scam stopper events beginning in 2022.

In October 2022, the Bureau also released a 2023 outreach plan (see Section 13, Attachment F), which includes:

- Updating pamphlets and publications;

- Adding helpful videos on the Bureau's website for consumers, applicants, and licensees;
- Publishing frequently asked questions directed to consumers;
- Expanding the Bureau's social media presence; and
- Attending numerous consumer and local law enforcement events throughout the state.

Advisory Council Meetings

Since the Bureau's last sunset review, every Advisory Meeting has been webcast and the recordings of those meetings are posted to the Bureau's website. In 2018 and 2019, the Bureau held three Advisory Council meetings. In 2020, the Bureau's former Chief was out on leave, which resulted in canceling the meeting scheduled for the fall. In 2021, the fall meeting was also postponed to allow the Bureau to conduct an environmental scan to facilitate a strategic planning session, which the Bureau combined at its first meeting of 2022.

The Bureau is committed to continuing to hold three Advisory Council meetings a year, which participants will always be able to join virtually, and videos of those meetings will be posted on the Bureau's website. At the final meeting of each year, the Bureau and Council will set the meeting schedule for the following year and post that information on the Bureau's website.

Issue 6 – Is the Bureau prepared for its new oversight role of the household movers program?

Background: SB 19 (Hill, Chapter 421, Statutes of 2017), removed oversight of the Household Movers Program from the jurisdiction of the PUC and transferred it to the Division of Household Movers under the jurisdiction of BEARHFTI. Under BPC § 19225.5(h), a household mover is defined as including “every corporation or person, their lessees, trustee, receivers or trustees appointed by any court whatsoever, engaged in the transportation for compensation, or hire as a business by means of a motor vehicle or motor vehicles being used in the transportation of used household goods and personal effects over any public highway in this state”.

In order to obtain a license as a household goods carrier, an individual will be required to submit an application, pay a fee, pass an examination which will be established by BEARHFTI, provide a copy of workers compensation insurance (if employing persons), submit to a fingerprint background check through the Department of Justice and provide evidence of the appropriate insurance or bond coverage.

Application processing for household movers will be more comprehensive than the application processing of BEARHFTI's current licensing population. For example, in order to obtain a Thermal Insulation Manufacturer License, an applicant must fill out a two-page application (sign under penalty of perjury that the information on the application is correct) and pay a fee. Also, current licensees under BEARHFTI's jurisdiction are not required to comply with fingerprinting requirements as part of a background check.

BEARHFTI currently utilizes field inspectors and in-house inspectors for its current enforcement programs. BEARHFTI reported in its 2017 Sunset Review Report, that the “overall vacancy rate

has now risen to 15 percent compared to nine percent in FY 2013-14 primarily due to field staff transferring to other positions and the retirement of senior field staff". Under the new Household Movers Act, BPC § 19260.2 permits BEARHFTI to have access to records for investigative and inspection purposes; and, BPC § 19260.3 permits BEARHFTI employees to inspect and examine any lands, buildings, equipment, accounts, books, records and other documents for household movers.

An inspection program is important for consumer protection as it helps to ensure compliance with licensing laws. In the conclusion of BEARHFTI's July 1, 2015 report to the Legislature, BEARHFTI acknowledged it needed to "increase the number of Wholesaler, Importer, and Manufacturer Compliance inspections". In addition, the Market Condition Assessment Fine Report 2015 conducted by CPS HR Consulting at the request of BEARHFTI noted that "the Bureau's limited number of inspectors and lower visibility to consumers has resulted in less efficient consumer protection." With a current shortage of inspectors for its current licensing program, it is important for BEARHFTI to provide its administrative plans for the household movers program to ensure proper oversight.

As noted previously, BEARHFTI already oversees two funds, HFTI and EAR. With the addition of the Household Movers Program, BEARHFTI will have to administer three separate funds for multiple licensure categories, enforcement, pro rata, and other administrative expenses.

BPC § 19229.1 places new requirements on BEARHFTI related only to the Household Movers Program including: 1) holding application workshops for potential applicants around the state; 2) implementing electronic case tracking of complaints; 3) implementing a process for timely enforcement against illegally operating household movers; 4) maintaining relationships and implement outreach and education programs with local law enforcement, district attorneys and airports; and, 5) meeting with household trade associations annually, among other requirements. Although BEARHFTI has an advisory council with industry and public member composition, it is not required to meet a designated number of times per year, and in the past, BEARHFTI has acknowledged challenges with holding meetings. The addition of the Household Movers Program will require BEARHFTI to meet with industry trade associations at a minimum once a year, a requirement BEARHFTI does not have to meet for its other licensing groups.

Staff Recommendation: BEARHFTI should advise the Committees on its current preparation efforts for adding the household movers program under its jurisdiction and any anticipated challenges associated with meeting the requirements of BPC § 19229.1.

Bureau's 2018 Response to Recommendation: Immediately following the signing of SB 19, the Bureau began working closely with the CPUC to facilitate a smooth transition of duties. In preparation for integrating the division of Household Goods Movers to the Bureau's jurisdiction, we have created a plan that outlines key administrative details we will work on closely with DCA and the CPUC. Some of the first steps the Bureau has taken focus on learning the current regulatory system, obtaining resources, identifying data management needs, and the level of outreach required to communicate with the industry and public at large about this important change.

The Bureau executed an agreement to allow the CPUC Household Goods Mover program revenue to support the Bureau in onboarding new staff to facilitate the transfer of responsibility. Bureau staff will work with the CPUC to provide training on various elements of the household movers program as currently administered. Given the vast differences between the way the CPUC and DCA programs are governed, the Bureau will need to invest significant time and effort into drafting a new set of regulations. Although this may be one of the major challenges the Bureau is likely to encounter, an open and collaborative process will lead to the appropriate balance of protecting consumers and ensuring enforcement tools are in place to protect law-abiding businesses and consumers from unscrupulous or fraudulently operating household movers.

As a former Release 3 program, the Bureau has worked with DCA to adjust the timing of the business modernization process. We are fortunate that the timing of this major transition of authority falls within that process. The Bureau plans to focus on the regulatory structure needed to effectively carry out the Household Goods Movers program during the business mapping process. This process will ultimately guide the bureau in selecting the best IT solution for the expanded licensing and enforcement responsibilities. In the meantime, the Bureau will achieve cost savings by using the existing CPUC IT system, which meets statutory requirements for electronic case tracking and is not anticipated to pose any major challenges.

Current Response 2022: Since the Bureau's previous sunset review, it has taken great strides in implementing the Household Mover program. Actions taken by the Bureau to integrate household movers into Bureau business processes specifically to address requirements of BPC section 19229.1 include:

- Hiring 11 employees to staff the Division of Household Movers within the Bureau to prioritize timely application processing; answer phone calls, mail, and email inquiries from household movers; and process and resolve consumer complaints.
- Reclassifying vacant field positions to Special Investigator positions and cross-training existing field and compliance staff.
- Presenting annually at the California Moving & Storage Association Convention.
- Conducting licensing workshops.
- Developing a legislative proposal to allow Bureau Special Investigators to issue notices to appear for misdemeanor violations of the Household Movers Act (SB 391 (Monning, Chapter 210, Statutes of 2019)).
- Collaborating with local, state, and federal law enforcement to secure return of consumers' household goods.
- Participating in local consumer fraud task force meetings led by district attorneys in areas where available.

In addition, the Bureau has taken other steps to incorporate HHM and further strengthen the existing program, including:

- Changing its name through SB 1483 (Hill, Chapter 578, Statutes of 2018).
- Updating its website and phone tree to prioritize consumer and applicant access to information about the HHM program.
- Publishing a Household Movers Act law book and annual Tariff updates by January 1 of each year.
- Recruiting and appointing industry representatives to the Bureau's Advisory Council.

- Consolidating three household mover tests into one comprehensive examination and rewriting content for clarity.
- Contracting with PSI Exams to administer the examination through computer-based testing in 22 locations in California and 20 additional locations throughout the country.
- Updating the Bureau's application, complaint, and citation forms to include HHM.
- Issuing Industry Advisory 19-03 to educate consumers, unpermitted movers, and law enforcement about who is required to obtain a household movers permit.
- Executing a Memorandum of Agreement with the Federal Motor Carrier Safety Administration to allow information sharing and the ability to take enforcement actions against interstate movers violating federal law.⁵
- Contracting a fee study, as required by statute, to assess the new program's impact on Bureau operations.

The Bureau is also in the process of finalizing the following:

- Noticing household mover enforcement regulations in the first quarter of 2023.
- Transferring application processing and permit data from the Public Utilities Commission's legacy household movers licensing system to an off-the-shelf system known as "Connect." The new system includes an enforcement component, data reporting capability, and accepts online permit and quarterly fee payment.
- Incorporating sweeps and stings into the Bureau's proactive enforcement strategy.

Issue 7 – Should the Bureau consolidate or eliminate license types to improve efficiency?

Background: The regulatory landscape of BEARHFTI evolved in order to stay current with technological advances. Particularly within the appliance repair industry, where at one time, people would repair a broken toaster or a television, today's market allows consumers to easily purchase new, lower cost appliances, rather than have to seek repairs.

The issue of license types and consolidating licenses to avoid confusion for licensees and administrative efforts was raised during BEARHFTI's previous sunset review. At that time, Committee staff noted that the larger the number of licensure categories and overlap of license activity, the more confusing for licensees and the administration of regulatory programs. BEARHFTI currently issues a Retail Furniture Dealers License, (2,055 licensees), a Retail Bedding Dealers License (1,960 licensees) and a combination Retail Furniture and Bedding License (11,879 licensees). The fees for independent furniture and bedding retailer licenses are currently \$150 while the combined furniture/bedding retailer license is \$300. It is unclear why the combination retailer license is twice the amount of the independent retailer licenses. For example, are there additional inspections or other administrative costs associated with the combination license?

AB 2740 required BEARHFTI to conduct market condition assessments to study both the EAR and the HFTI markets to determine if the current statutes and regulations reflect the needs of the markets, where risk to consumers is the greatest, and whether continued regulation is clearly necessary against all segments of the market. With respect to the furniture/bedding, furniture, and bedding retailer license categories, the report noted that "according to

⁵ To complete this process, Bureau policy and enforcement staff completed the FMCSA Commercial Enforcement and Consumer Protection course and successfully passed an examination.

Bureau management, there are more advantages than disadvantages to instituting a single furniture and bedding license than keeping the current three licenses." Those advantages included: 1) the BEARHFTI would not have to make adjustments if a licensee decides to diversify their product line; 2) there would be fewer license types and a reduced workload for licensing and enforcement staff; and 3), consolidation would be consistent with other license types in the past. The single disadvantage was the cost differential between the combined and independent retailer license.

Under current law, EAR and thermal insulation manufacturer licensees are renewed annually and HFTI licenses are renewed biennially. The Market Condition Assessment Final Report 2015 raised the issue of the different renewal cycles for both programs. The report stated "the bureau licenses/registers approximately 39,500 licenses. About 45% of the licenses are renewed on an annual basis and 55% on a biennial basis. If all the licenses were renewed on an annual basis this would result in larger and more predictable annual revenue stream to pay for operations." The report further stated that the BEARHFTI reported an additional benefit as it would help to increase enforcement effectiveness by catching unlicensed businesses. In the conclusion of BEARHFTI's 2015 Report to the California State Legislature, it was stated that this is an issue that the Legislature may wish to examine during BEARHFTI's 2018 sunset review. While the discussions have focused on EAR and HFTI programs falling under an annual renewal cycle, the issue has not been raised for the household mover licenses, which are currently biannual renewals.

Committee Response: BEARHFTI should advise the Committees on any consideration for consolidating license types, including merging the Wholesaler, Importer, and Manufacturer License into two license types and combining the Furniture/Bedding Retailer, Furniture Retailer and the Bedding Retailer license into one license. Additionally, BEARHFTI should advise the Committees on any challenges associated with merging or consolidating licenses. BEARHFTI should advise the Committees on establishing an annual renewal cycle for all licensees, and if there is consideration for moving the household movers' licensees to an annual renewal cycle.

Bureau's 2018 Response to Recommendation: Following enactment of AB 2740 (Bonilla, Chapter 428, Statutes of 2014), the Bureau commissioned a Market Assessment Study, which was completed in 2015. The Assessment found that the Bureau's license types should be determined by the business' role in the supply chain, not the business' country of origin. However, California's furniture manufacturer, wholesaler, and importer licenses are determined by whether the applicant is located in the United States, rather than the activities the businesses perform, which is the standard used by many other states.

Amending the license types to follow the recommendation of the Assessment may simplify the licensing process and would allow the Bureau to implement a consistent regulatory scheme regardless of the licensee's location.

The Assessment also recommended the Bureau consider consolidating its separate furniture retailer, bedding retailer, and combination furniture and bedding retailer licenses. While consolidating the three licenses into one combined license would provide the Bureau with licensing efficiencies, the fees associated with the combined license would have a

disproportionately negative impact on small businesses that only offer furniture or bedding for sale.

There are potential challenges to implementing either of these consolidation recommendations, including intensive outreach in the United States and abroad, a transition period for licensees, information technology changes, and many other components necessary for a successful shift in licensing schemes. While the Bureau may consider license consolidation in the future, we are focusing our current efforts on successfully onboarding the Household Goods Movers regulatory program.

In addition, the Bureau would be interested in moving to an annual renewal for the existing license types to ensure a more predictable revenue stream and curtail enforcement costs. However, the transition would require intensive outreach to the effected licensees and introduce implementation challenges similar to license consolidation. With regard to Household Goods Movers, the Bureau is mandated to conduct a fee study to assess the best fee structure so it is premature to predict what that structure will look like or what would be the most appropriate license renewal cycle.

Current Response 2022: The Bureau does not recommend any alterations to the EAR registration types or renewal cycles at this time. The Bureau will review this issue again in conjunction with the service contract working group, discussed in further detail in Issue #12. Statute should allow both the furniture and bedding manufacturer and the importer licensee to hold a manufacturer number but should specify when an entity should affix their manufacturer number to a product. In addition, the Bureau believes all HFTI licenses should transition to an annual renewal cycle.⁶

Issue 8 – What is the status of the Bureau's updates to its Disciplinary Guidelines?

Background: The disciplinary guidelines for both the EAR and HFTI programs were last updated in 1997. BEARHFTI noted in its 2017 Sunset Report that it is working to update its guidelines. It would be helpful for the Committees to understand what efforts the BEARHFTI is undertaking to update these guidelines, particularly efforts to ensure that all license categories are reflected in these guidelines, given the many changes to BEARHFTI's regulatory landscape since 1997.

Committee Recommendation: BEARHFTI should advise the Committees on its efforts to update Disciplinary Guidelines.

Bureau's 2018 Response to Recommendation: The Bureau has one set of Disciplinary Guidelines for the Electronic and Appliance Repair program and a separate set of Disciplinary Guidelines for the Home Furnishings and Thermal Insulation program, which are incorporated by reference into the 16 CCR Section 2775 and 4 CCR Section 1372, respectively.

⁶ Please note, pursuant to BPC section 19290, household mover permits expire every two years. Previously, the Public Utilities Commission and now, the Bureau does not process permittee renewals. The Bureau plans to adopt a form and renewal process (e.g., denying a renewal when fines or outstanding fees are owed) through its licensing regulation process. The Bureau believes the two-year renewal cycle is appropriate for household movers and recommends no statutory changes at this time.

The Bureau's Disciplinary Guidelines include:

- Factors in Aggravation
- Factors in Mitigation
- Penalty Guidelines
- Standard Terms and Conditions of Probation
- Special Probation Term and Condition for False and Misleading Advertising

The Bureau has conducted preliminary research, including a review of Disciplinary Guidelines from agencies with similar regulatory schemes, and sought advice of department legal counsel. However, the bureau is still in the process of developing Disciplinary Guideline language for incorporation into its regulations. To advance this effort the Bureau's plan is to:

- Review recent legislative and regulatory changes to ensure incorporation, as necessary, into revised Disciplinary Guideline language;
- Review recent Disciplinary Guidelines from like agencies, for example, the Bureau of Automotive Repair;
- Work with the Office of the Attorney General to verify that proposed Disciplinary Guidelines are effective in preparing and implementing stipulated agreements;
- Work with department legal counsel to ensure consistency with current department protocol and draft final language; and
- Commence with the rulemaking process to incorporate the updated Disciplinary Guideline language into regulation for both programs.

This effort will take some additional time to fully implement, especially given the integration of the Household Movers program. The bureau would be happy to report back on the progress of this item at its next sunset hearing.

Current Response 2022: Due to the need to separately address the household movers program and to incorporate it, and updates in other programs, into the disciplinary guidelines, the Bureau has not yet completed the process to promulgate its disciplinary guidelines. The Bureau's current regulatory prioritization plan is as follows:

- Household Mover Enforcement Regulations
- Furniture Law Label Update
- Household Mover Licensing Regulations
- Disciplinary Guidelines (all three programs)

Due to staffing and resource issues, the Bureau has several regulatory proposals that need further development or finalization. The Bureau has established the triage above in order of importance.

Fortunately, the Bureau may still enforce the Household Movers Act to the same extent as the Commission, pursuant to BPC section 19228. However, the Household Mover Enforcement regulations are critical to that effort, so that the Bureau's Special Investigators have additional tools at their disposal when handling complaints and unlicensed activities.

The furniture law label regulations are next on the Bureau's priority list because they have not been significantly updated since the 1970s. The Bureau is currently seeking additional feedback from its International Association of Bedding and Furniture Labeling Officials partners and plumage experts, but the majority of initial work on the package is complete.

The Bureau must start the process to promulgate its household mover licensing regulations by the end of 2022 due to a legislative mandate (see BPC section 19288 (b)). The Bureau held a regulations workshop on December 8, 2022, to begin discussions with stakeholders and inform Bureau research. However, once this effort commences, Bureau policy staff will place a priority on disciplinary guideline updates and make the completion of the licensing regulations secondary as licensing regulations will largely be driven by changes made (or not made) during the sunset review process based on recommendations of the fee study discussed in Section 12, New Issues, Issue 1.

In light of the reprioritization of the household mover and furniture label regulations, and based on current Policy Unit staff workload, the Bureau anticipates promulgating the disciplinary guideline regulations within the next sunset review period.

Issue 9 – Is telephone disconnect a useful tool in addressing unlicensed activity?

Background: Unlicensed activity continues to be an issue for BEARHFTI and is one of the top reasons BEARHFTI issues citations. While BEARHFTI reports that it cannot definitively identify the 24 licensure category with the greatest amount of unlicensed activity, it reports the most complaints received and citations issued are for those engaged in unlicensed electronic and appliance repair. Under BPC §149, if a specified entity, including BEARHFTI, has probable cause to believe that a person is advertising and offering services that he or she is not licensed or registered to perform, the entity may issue a citation to the violator to stop the unlawful advertising and notify the telephone company to disconnect the number in that unlawful advertising. If he or she fails to comply with the order of correction, the entity is required to notify PUC of the violation, and the PUC is mandated to require the telephone provider for the violator to disconnect the telephone number listed in the unlawful advertisement. Once the business comes into compliance, e.g. citation is paid and license or registration is issued or renewed, staff will send a memorandum to the telephone service provider that the business is now compliant and needs to have the phone number turned back on.

Historically, BEARHFTI reports it successfully utilizes the telephone disconnect to address unlicensed activity, but with technology changes, advertising had expanded outside of telephone directories which was limited in law. As a result, SB 1243 (Lieu, Chapter 395, Statutes of 2014), among numerous other provisions, expanded the use of BPC § 149, by providing all DCA entities with the authority to request the disconnection of telephone services when the telephone service is associated with the advertising of unlicensed activity in any form of advertisement, not just in a telephone directory as was previously permitted. As BEARHFTI acknowledged, unlicensed activity continues to be an issue. BEARHFTI reports that it has an in-house investigative staff which inspects businesses' websites and advertisements to identify violations for unlicensed activity and others. While the BEARHFTI has reported success in the past with the telephone disconnect program, it is unclear what the current enforcement-related statistics are for this program.

Committee Recommendation: BEARHFTI should advise the Committees on its success for addressing unlicensed activity through the use of the telephone disconnect program and whether or not additional program changes are warranted? In addition, BEARHFTI should advise the Committees on the number of business that come-into compliance with licensing requirements as a result of the utilization of the program.

Bureau's 2018 Response to Recommendation: The telephone disconnect program has been an effective tool for BEARHFTI Enforcement and Compliance Units to gain compliance for unlicensed activity. Often, the mere notification to a business owner that BEARHFTI has the authority to disconnect a business telephone is enough to gain compliance for licensure.

In FY 2016/17, 112 telephone disconnect requests were made to the CPUC, of which, 63 orders to disconnect were sent to service providers. In those cases, 43 businesses became licensed with the Bureau and those that did not comply were further pursued with additional enforcement measures.

BEARHFTI does not have authority to compel the service provider to disconnect in some cases. For example, a service provider cannot complete the order to disconnect when the individual who is the owner of the telephone account is not the same as the business owner who is found to be engaging in unlicensed activity by BEARHFTI. To increase the efficacy of the telephone disconnect program, the CPUC would need authority to order a disconnect for the unlicensed business' advertised telephone number without requiring the name of the account holder to be the same as the unlicensed party.

In other cases where the service provider is internet-based, the CPUC does not have jurisdiction to order a disconnect. As more businesses utilize internet-based service providers, the telephone disconnect program will not be as successful as it could be if these providers were required to comply with an order to disconnect.

Current Response 2022: The Bureau previously reported that telephone disconnect was as an effective enforcement tool. However, with changes in technology, including businesses growing reliance on internet communication and advertisements, as well as the use of voice over internet protocol (VOIP) telecommunications, which are often unable to be disconnected, this enforcement measure is often ineffective. Similar to other boards and bureaus within the Department, including the Contractors State License Board, the Bureau now rarely utilizes this measure.

Issue 10 – Are there compliance issues or product testing challenges with implementing Technical Bulletin 117-2013?

Background: In 1972, the California Legislature passed AB 2165 (Burton, Chapter 1183, Statutes of 1972) which required establishing flammability standards for upholstered products in California. BEARHFTI was ultimately tasked with determining those standards along with enforcing for compliance.

Flammability standards in California were developed through regulations in the form of a technical bulletin—TB 117. TB 117 required that the concealed filling materials of upholstered furniture undergo individual and component testing to ensure they pass an open-flame and

cigarette smolder test. The cover fabric of upholstery was required to withstand a one-second small flame test and the interior filling material was required to withstand exposure to open-flame and smolder testing. While this performance-based standard did not prescribe how manufacturers should have met the standard, manufacturers typically complied with TB 117 by using foam treated with flame retardant chemicals. This applied to all upholstered furniture including juvenile products. Many other products were voluntarily designed to comply with the standards in an effort to meet fire safety standards. California was the only state to have flammability standards and as a result, industry widely adopted California's standards for all of their products, making those standards a national trend.

In response to mounting concerns that the chemicals used in flame retardants were carcinogenic and hazardous to human health and the environment in 2012, BEARHFTI was directed by Governor Brown to revise the flammability standards for upholstered furniture. In addition to the health concerns from the chemicals, BEARHFTI noted that the existing standard did not adequately address the flammability performance of upholstered furniture in an actual fire.

The revised regulations, TB 117-2013, became effective on January 1, 2014, and manufacturers had one year to comply with updated standards. The new testing standards are based, in part, on the American Society for Testing Material (ASTM standard) and received input from industry, stakeholders, and experts.

Current law (BPC § 19161) specifically requires all mattresses and mattress sets manufactured for sale in California to be fire retardant—meaning those items must meet the open-flame test adopted by the United States Consumer Product Safety Commission. Additionally, all other bedding products that BEARHFTI determines to contribute to mattress bedding fires must also be resistant to open-flame ignition. In order to ensure compliance with California law, BEARHFTI must conduct product testing. According to BEARHFTI, with the recent adoption of TB 117-2013, there has been a decrease in upholstered furniture failure rates. Since TB 117-2013 took effect, BEARHFTI reports that failure rates have decreased to approximately 2 percent.

Committee Recommendation: BEARHFTI should update the Committees on inspections and compliance testing. Are all manufactures currently in compliance with the new standards? Are there any outstanding issues that BEARHFTI has been made aware of?

Bureau's Response to 2018 Recommendation: Upholstered furniture manufactured after January 1, 2015, are required to meet the TB 117-2013 flammability standard. As a result, manufacturers began gearing up to meet the new standard as early as 2014. TB 117 compliant furniture was quickly phased out and is no longer offered for sale as new product. The Bureau began enforcing TB 117-2013 as of January 1, 2015. These actions include securing and testing upholstered furniture samples for laboratory enforcement testing. Since the adoption and implementation of TB 117-2013, manufacturer compliance has been approximately 94 percent. The majority of the violations are related to labelling and are typically minor and quickly resolved. The Bureau is not aware of any outstanding issues related to laboratory enforcement testing.

Current Response 2022: The Bureau continues to conduct inspections and compliance testing to ensure the industry is compliant with testing standards. The Bureau has tested an average of 70 samples per year since FY 2018/19. The majority of businesses meet TB 117-2013 as test results indicate a minimum passing rate of 92 percent over the last four years.

TB 117-2013 Test	Completed	Pass	Fail	Pass Rate
FY 2018/19	72	66	6	92%
FY 2019/20	64	61	3	95%
FY 2020/21	81	80	1	99%
FY 2021/22	62	59	3	95%

On December 27, 2020, H.R. 133 – “COVID–19 Regulatory Relief and Work From Home Safety Act” (Act) was signed into law. The Act adopted TB 117-2013 as a national flammability standard to be administered by the U.S. Consumer Product Safety Commission (CPSC). The Act also establishes a new label requirement, which manufacturers are required to use to certify that their product complies with the federal standard.

The new federal requirements do not preempt or otherwise affect how the Bureau currently administers TB 117-2013 in California, nor does it change the Bureau’s current labeling requirements. However, there are slight differences in product classification and test application that will bring confusion to the industry due to differences in definitions. One example is CPSC considers a floor cushion or a seat cushion, which is intended to be sat on, as an upholstered furniture item that would be subject to the flammability testing and labeling requirements. Although the Bureau would have the same opinion, the existing definition of “Upholstered furniture” as established under BPC section 19006 implies that this same product would not be considered an upholstered furniture product since the cushion is not “together with the structural unit.” In this case, the product that is intended to only be used as a seat cushion would no longer be required to meet the TB 117-2013 standard, but it would be considered a “Bedding” product as defined in BPC section 19007. The Bureau intends to review and update definitions as some have not been updated in statute since the 1970s. This will ensure products are properly classified and test application is consistent with the intended use of the product. This is also discussed in Section 12, New Issues, Issue 9.

Issue 11 – What is the status of SB 1019 implementation?

Background: In response to health and environmental concerns associated with the use of certain flame retardant chemicals in upholstered furniture, in 2014, SB 1019 (Leno, Chapter 862, Statutes of 2014), was signed into law. That bill required manufacturers of upholstered furniture to include a label on all of their products denoting whether or not that item has added flame retardant chemicals in the product.

As a result of BEARHFTI’s updated California’s flammability standards, TB 117-2013, manufacturers are able to meet flammability standards without using flame retardant chemicals which were commonly used prior to 2014 in order to meet California’s prior flammability standards. Although the TB117-2013 allows manufacturers to meet the new standards without the use of flame retardant chemicals, it does not prohibit their use in California products.

To achieve compliance with the labeling requirements, SB 1019 established a mandatory testing process administered by BEARHFTI and in conjunction with the Department of Toxics and Substance Control (DTSC). BPC § 19094(D) specifically requires BEARHFTI to provide the DTSC with a selection of samples from certain upholstered products that state that “NO” flame retardant chemicals on the label for compliance testing purposes. BEARHFTI must reimburse the DTSC for the cost of testing and no later than August 1 of each FY, BEARHFTI is required to assess its available resources to determine the number of tests to be completed in that FY. Enforcement for the labeling requirements is under the jurisdiction of BEARHFTI and fines are specified in statute (BPC § 19094(E)). Fines start at a minimum of \$1000 for the first violation and can reach \$10,000 for four or more violations. Furthermore BEARHFTI is required to provide enforcement information for violations of BPC § 19094 on its website. While BEARHFTI does have enforcement related data available on its website, no citations for violations of BPC § 19094 are easily identifiable.

Staff Recommendation: BEARHFTI should advise the Committees on any compliance or enforcement issues related to SB 1019 (BPC § 19094). Additionally, BEARHFTI should advise the Committees on how it determines the appropriate number of tests for DTSC to conduct annually and what, if any, factors cause the testing numbers to vary. BEARHFTI should advise the Committees on how it provides outreach and education to manufacturers and whether or not it provides easily identifiable information on its website regarding citations or enforcement outcomes.

Bureau's 2018 Response to Recommendation: Business and Professions Code § 19094 requires manufacturers to provide documentation establishing the accuracy of the flame retardant chemical statement on the label for the products they manufacture. The documentation is due to the Bureau within 30 days of the Bureau's request. The biggest challenge the Bureau faces is establishing contact with manufacturers that are overseas. While written requests through registered mail frequently result in no response, when an e-mail address is included in the manufacturer's file, contact is far more likely to occur.

The number of sample tests is determined by the Bureau each year after considering all aspects of the HFTI budget and program needs. Business and Professions Code § 19094 requires the Bureau to assess resources and determine the number of tests to be conducted during that fiscal year. Based on the number of samples that are to be tested, the Bureau executes an inter-agency agreement with the Department of Toxic Substances Control (DTSC) to contract for SB 1019 sample testing.

The DTSC is continually updating its testing protocols and list of contaminants for which it tests. These factors impact the cost of testing and are a determining factor in the number of samples that are sent for evaluation. For example, DTSC implemented a new screening technique to determine which samples are better candidates for testing. This screening process is less costly than testing all samples and allows BEARHFTI to send more samples for evaluation, while staying within existing budget constraints.

An Industry Advisory and SB 1019 Frequently Asked Questions were distributed and posted to the Bureau's website prior to the January 1, 2015, implementation. In addition, an information sheet to address frequently asked labeling questions, as well as labeling examples, are

available on the Bureau's website. Regarding the list of chemicals that will be included in the SB 1019 testing, the DTSC posts the updated list to its website and provides outreach to industry at public meetings, such as the bureau's Advisory Council meetings.

Business and Professions Code section 27 requires each program within the Department to post information regarding the status of every license issued by that entity on its website. This information must include suspensions, license revocations, and other related enforcement actions, including accusations filed against the licensee. Any test failure would result in an enforcement action; therefore, this information can be found on the Bureau's online license lookup under each licensee's profile.

Current Response 2022: The furniture industry, for the most part, is complying with SB 1019. This is understandable as there is no benefit to adding costs to foam or fabric production by adding flame retardant chemicals to them. Since the law is now more than seven years old and there are few compliance issues, widespread outreach on this matter is no longer necessary. As requirements are updated overtime, the Bureau will continue to maintain its frequently asked questions and reference materials on the issue.

BPC section 19094, subdivision (c), however, is difficult to enforce. It requires manufacturers to maintain documentation to show whether flame-retardant chemicals were added to their furniture materials. Licensees have little say in how suppliers provide documentation and frequently have shifting suppliers for cover fabrics, foams, and other materials that are often overseas. In addition, these purchases can be made through other companies so that a furniture manufacturer never has a direct relationship with the producer of a product. This, along with the fact that the Bureau has no jurisdiction over the makers of these materials, makes enforcement of this provision difficult and often needlessly punitive. The Bureau recommends removing this documentation requirement and instead allowing the Bureau to take heightened citation measures on a licensee after they have been placed on notice their products contain added chemicals and fail to remediate the issue.

Further, for larger manufactures with compliance issues, a statewide withhold from sale measure will minimize consumer harm while a manufacturer remediates an issue. This is discussed in further detail in the Section 12, New Issues, Issue 2.

Issue 12 – The Bureau established a Service Contract Working Group comprised of stakeholders and industry members to help determine which areas of law need updates, clarifications, or revisions, if any. What is the status of the workgroup's efforts?

Background: As part of the EAR program, BEARHFTI regulates registered service contractors who sell service contracts for the repair of a variety of consumer products in California. Retailers are required to hold a valid registration in order to act as a service contract seller and those retailers with multiple locations are required to have a separate registration for each location that sells service contracts. Further, companies offering a contract via the internet must also have a registration for contracts sold to California residents. Service contracts generally provide for the pre-paid repair or replacement of specified consumer products.

The regulation of service contracts under BEARHFTI's jurisdiction began in 1993 in response to service contract administrators selling service contracts without the appropriate financial backing. At the onset of regulation in California, service contracts were specific to consumer electronic equipment and home appliances. Since the early 1990's, the regulation of service contracts has evolved to keep pace with new technology. Today, there are a variety of consumer products for which service contracts are available, including furniture, electronics, appliances, home healthcare products, jewelry, fitness equipment, and most recently, eye wear, among many others. In California, the products that are included in the definition of service contracts have expanded overtime on a case-by-case basis. In order to authorize a service contract to be sold with a product, legislative approval is necessary. The most recent product authorized for a service contract was the result of AB 480 (Calderon, Chapter 421, Statutes of 2013) which included optical products in the current definition of a retail service contract.

Laws pertaining to service contracts and warranties also fall under the jurisdiction of the Song-Beverly Act (Civil Code § 1790 et seq.) which was originally established to regulate warranty products which are separate from service contracts. A warranty is typically included in the price of the item, whereas a service contract comes at an additional cost. Service contracts are separate and apart from a manufacturer's warranty in that it is an additional item purchased separately from the product. Additionally, warranty products are regulated through the insurance code, while service contracts are regulated in BPC § 9855 et seq.

Upon completion of the market condition assessment required by AB 2740, BEARHFTI determined that it needed to conduct an additional assessment of the service contract industry. In order to provide an appropriate review of the industry, BEARHFTI established a "Service Contract Working Group" (SCWG) comprised of stakeholders and industry members to help determine which areas of law need updates, clarifications, or revisions, if any. The SCWG was comprised of 8 members including representatives from: Macy's; Best Buy; Professional Servicers Association of California; Cozen O'Connor; Meenan Law Firm/Service Contract Industry Council; the California Department of Insurance; BEARHFTI's Advisory Council; and, the California Retailers Association.

The SCWG recently released a report titled Recommendations of the Service Contract Working Group. That report provided a number of recommendations for changes or revisions within the service contract regulatory program. Some of those recommendations include, but are not limited to, ensuring product cancellation of coverage consistency (making a 30-day cancellation period consistent across products); 2) reviewing the jurisdiction of products which service contracts can be offered, 3) creating a better definition between service contracts and insurance; and 4), updating insurer's notification requirements to BEARHFTI. There have not yet been changes or statutory updates stemming from the SCWG's recommendations. It would be helpful for the Committees to better understand the impacts of proposed changes and determine what updates, if any, should be made.

Committee Recommendation: BEARHFTI should advise the Committees on the SCWG's efforts, including any potential impacts to consumers, the public or licensees that BEARHFTI anticipates from implementing any of the recommendations of the SCWG's report.

Bureau's 2018 Response to Recommendation: The Service Contract Working Group made several recommendations in the report it produced in 2016, many of which would strengthen the Bureau's oversight of service contract administrators, grant the Bureau additional enforcement tools, and enhance the bureau's ability to provide consumer protection.

The Bureau agrees, in concept, with the recommendation to standardize the "free look" period for service contracts. A "free look" period is a length of time when a new service contract holder may terminate the contract without penalties. Current law is inconsistent as service contract for some products have a 30-day free look period and service contracts for other products have a 60-day free look period. The Working Group recommended standardizing the free look period to 30-days. While the Bureau agrees that standardization is necessary, in the interest of consumer protection, the Bureau believes that a standard 60-day free look period is the most appropriate solution.

The Working Group also recommended amending the definition of service contract to include "consumer products," in favor of the current inclusive list of products the Bureau regulates. The Bureau would be happy to provide any technical input regarding a possible change to this statute as it would mean that all service contracts would have Bureau oversight, and therefore provide a place for consumers to bring concerns.

The Bureau supports the Working Group's recommendation that would require a unique number and revision date on all service contracts. This change would benefit industry, create transparency for consumers, and help the Bureau recover significant staff hours that are currently dedicated to doing line by line comparisons of different versions of contracts.

Another issue the Working Group considered was to address when service contractors are unable to fulfill a repair on an item due to the lack of available parts from the manufacturer. In instances where the manufacturer goes out of business or otherwise fails to supply the parts or literature, the service contractor may be liable for replacement of the product in lieu of repair. The Bureau is aware of the challenges associated with the unavailability of parts; however, this falls outside of the Bureau's jurisdiction.

Current Response 2022: As discussed in the legislative process for SB 1483 (Hill, Chapter 578, Statutes of 2018) and AB 1221 (Flora, Chapter 452, Statutes of 2021), the service contract industry is evolving and the no longer clear lines between a "warranty" a "service agreement" and "insurance" often lead to confusion. For example, the Bureau reviewed an agreement to "protect" the electronic devices in a consumer's home that could include appliances, cellphones and tablets, and elements of an HVAC system. This could arguably be considered a home warranty, a service contract, or a form of limited homeowner's or renter's insurance. Further discussion on which entities regulate these agreements, including the licensees that oversee the work is appropriate. The Bureau has no recommendations at this time, but it would be beneficial as a first step to clarify what aspects of these industries should fall into the purview of the California Department of Insurance and which should be within the Bureau's jurisdiction.

Issue 13 – Are there amendments to the Acts the Bureau administers that are technical in nature but may improve Bureau operations and the enforcement of the various practice acts.

Background: There are instances in the various acts administered by BEARHFTI where technical clarifications may improve BEARHFTI operations and application of the statutes governing the BEARHFTI's work.

Committee Recommendation: The Committees may wish to amend the various practice acts to include technical clarifications.

Bureau's 2018 Response to Recommendation: Current law states service dealers and custom upholsterers must provide all repair invoices, estimates, and work orders to the consumer in writing, but does not define writing to include electronic form. The Bureau proposes to include electronic format as an acceptable means of meeting the written invoice, estimate, and work order criteria for these license types. This change would bring BEARHFTI into conformity with licensees of other programs within the department, such as the Bureau of Automotive Repair and Bureau of Security and Investigative Services, who are currently permitted to use electronic documents to meet written agreement requirements. To accomplish this change, language would be added to Business and Professions Code sections 9844 and 19162 to state the use of an electronic format is not prohibited for these documents and in Business and Professions Code sections 9843 and 19163 that the retention requirements for electronic documents are the same as the retention requirements for paper documents.

Current Response 2022: The Bureau welcomes the opportunity to discuss technical amendments to the Business and Professions Code, which are further discussed in Section 12, New Issues.

Issue 14 – Should the licensing and regulation of electronic and appliance repair, home furnishings and thermal insulation, and household goods carriers be continued and be regulated by the BEARHFTI?

Background: Although the BEARHFTI reports a decrease in enforcement-related actions, there are still a substantial number of complaints being received and investigated by BEARHFTI and a number of enforcement activities with respect to out-of-country, out-of-state, and unlicensed activity that warrants BEARHFTI's continued regulation. BEARHFTI's role in ensuring flammability labeling standards, ensuring safe furniture and other consumer products, administering and enforcing contract service providers, along with its new role overseeing the household movers industry helps to maintain the health, safety and welfare of consumers. As noted above, BEARHFTI needs to continue to monitor its licensee population to ensure that only products which necessitate continued regulation are regulated; BEARHFTI needs to focus on consumer outreach, maintaining product safety and updating regulations as necessary. The current regulation of electronic and appliance repair, thermal insulation, home furnishings, and household movers industries should be subject to a four-year sunset date as is consistent with other regulated professions under the jurisdiction of the DCA. A sunset date provides the legislature, the professions, and stakeholders with an opportunity to

determine whether or not continued regulation of the profession is necessary, along with the opportunity to review the effectiveness and efficiency of the agency in protecting consumers, and identify whether changes in the law or operations are necessary. To that end, BEARHFTI along with its licensing and registration programs should be subject to repeal and reviewed again in four years so that the Legislature may once again determine whether the issues and recommendations in this Background Paper have been addressed, and whether or not the licensed and registered entities within the BEARHFTI should be reduced, expanded or remain the same.

Committee Recommendation: Recommend that the licensing and regulation of the electronic and appliance repair industry, the home furnishings industry, service contract industry, thermal insulation industry and soon-to-be household movers industry, continue to be regulated by BEARHFTI in order to protect the interests of the public and the regulated professions and BEARHFTI be reviewed once again in four years.

Bureau's 2018 Response to Recommendation: The Bureau agrees with this recommendation and thanks the Committees for the opportunity to participate in the sunset review process.

Current Response 2022: The Bureau agrees with this recommendation and looks forward to working with the Committees on this current sunset review.

Issue #1: Fund Consolidation and Limited Fee Increases

Issue: The Bureau currently administers three separate funds, and the majority of Bureau staff time and equipment are devoted to multiple practice acts, making fund reconciliation challenging. It is not uncommon for staff to perform their duties throughout their day in all three acts although their positions are allocated to only one of the three funds. With the recent addition of the HHM fund, performing budget, accounting, and administrative Bureau functions is becoming increasingly onerous on staff time and resources.

Background: The Household Movers Act requires the Bureau to begin the process to adopt a fee structure for HHM permitholders by January 1, 2023 (BPC section 19288). That fee structure may change the fees or impose an alternate fee structure.⁷ To determine the fees necessary to administer the HHM Act, the Bureau considered a fee study. The Bureau also considered fund consolidation when determining the fee study scope.

Fund Consolidation

Each year, the Bureau must conduct a reconciliation between the three funds to ensure proper billing occurs. Reconciliation is exceedingly difficult because it is hard to determine workload and equipment devoted to a specific practice area.

One example of where fund reconciliation is not ideal for the Bureau's existing situation is employee compensation. The Bureau Chief and all other staff are compensated from one specific fund but often work in all three practice areas. It is difficult to annually allocate their time in the absence of a periodic workload analysis.

Vehicle use is another example. A Special Investigator may start their day interviewing a household mover, then visit three EAR establishments and finish their day with several inspections of furniture retailers and suppliers. Without a workload analysis, it is difficult to divide up the cost of the vehicle's use into the three funds.

EAR and HFTI Fees

While fund consolidation would enable Bureau staff and resources to be more easily allocated, it would be untenable to suggest a consolidation without determining if all fees are appropriate to support each program based on workload imposed on the Bureau.

The workload analysis revealed an interesting dynamic at the Bureau in which administering the HHM requires more resources than the Bureau was granted to implement SB 19 (11 PY), but the fund remains high. The workload study found HHM requires the workload equivalent of 8.1 more PYs than is budgeted to license and enforce while HFTI requires 3.4 fewer PY and EAR requires 4.3 fewer PY.

⁷ Please note, an alternate fee structure cannot exceed the reasonable costs of regulation.

Although the EAR and HFTI programs require less workload than budgeted, these funds do not support the activities required to administer the programs. Conversely, the HHM fund could support the program's needs. However, the Bureau is unsure if the higher workload is associated with implementing a new program and will decrease in time, whether the workload will remain at current levels, or if workload will increase as the Bureau's regulatory authority becomes more well known.

Recommended Solution: The Bureau is seeking to consolidate the existing three funds into one fund and adjust the Bureau's fees to match overall allocations. These fee augmentations are described in detail in the CPS HR fee study. Based on the study and the health of each fund, the Bureau is seeking to alter certain fees (see table on the next page for specific changes).

Service Contract Administrators

The most significant change is for service contract administrators. Review of these applications and accompanying contracts takes considerable staff, management, and legal review time, as opposed to the relatively straightforward application processing for service contract sellers. However, it is important to note that Service Contract Administrators are generally not small businesses, so the impact would not be as significant for this licensee population.

HHM Fee Structure

The Bureau seeks to have the HHM permit application costs to solely cover the Bureau's workload associated with the application. Moving forward, the applicant would pay separate fees to commercial entities that fingerprint applicants and a separate fee to the Bureau's test administrator vendor – at this time the vendor is PSI Exams. This is not a large departure from the current fee structure, but the Bureau believes more time administering the program and workload analysis is necessary to determine whether fee changes are warranted.

Please note that the Bureau is seeking different proposed fees in several other instances than what CPS HR recommended. Specifically, the Bureau is not seeking cost increases to numerous small licensee populations (i.e., custom upholsterers, sanitizers, and supply dealers) because they do not take up significant bureau workload and a fee increase would have a significant impact because these are primarily small businesses. In addition, the Bureau is suggesting a larger initial and renewal fee to service contract administrators. In the Bureau's opinion, review and legal discussions with service contract administrators take considerable time for the Bureau's management than was encapsulated in the workload analysis.

The Bureau also acknowledges that after these adjustments are made, another workload analysis is necessary to assess these alterations during its next sunset review in order to ensure fees are appropriately allocated. This is because a workload analysis is an easier way for the Bureau to periodically audit its overall workload to ensure no licensee is paying for another license type's associated costs at the Bureau. A future analysis will also allow the Bureau to better determine the needs of HHM and the impact of large Bureau expenditures, such as the business modernization project.

Program	License Type	Initial or Renewal Fee	Current Fee	Proposed Fee	Percent Increase
HFTI	Furniture or Bedding Retailer	Initial	\$140	\$300	114
	Furniture and Bedding Retailer	Initial	\$280	\$300	7
	Wholesaler	Initial	\$625	\$1,000	60
	Furniture or Bedding Retailer	Renewal	\$70*	\$150	114
	Furniture and Bedding Retailer	Renewal	\$140*	\$150 ⁸	7
	Wholesaler	Renewal	\$312.50*	\$500	60
	Costs associated with product noncompliance	N/A	\$0	Actual Cost	N/A
EAR	Appliance Service Dealer	Initial	\$190	\$220	16
	Electronic Service Dealer	Initial	\$190	\$220	16
	Combination Service Dealer	Initial	\$375	\$400	7
	Service Contract Seller	Initial	\$95	\$120	26
	Service Contract Administrator (See narrative on previous page)	Initial	\$95	\$500	426
	Appliance Service Dealer	Renewal	\$190	\$220	16
	Electronic Service Dealer	Renewal	\$190	\$220	16
	Combination Service Dealer	Renewal	\$375	\$400	7
	Service Contract Seller	Renewal	\$95	\$120	26
	Service Contract Administrator	Renewal	\$95	\$200	110
HHM	Permit (See narrative on previous page)	Initial	\$500	\$500	0
New Fees All Programs	Change Business Name	N/A	\$0	\$110	N/A
	Returned Check Fee	N/A	\$0	Actual Cost	N/A

* Existing fees are charged biennially but this shows the cost if they were charged annually.

HFTI Renewal Cycle

Finally, the Bureau is seeking to alter the HFTI biennial renewal cycle to an annual cycle at the request of many licensees. This change would conform HFTI to the EAR annual renewal cycle, which tends to foster more compliance (i.e., licensees have an easier time remembering the expiration date when it's an annual process).

⁸ Based on discussions with Bureau staff, there is no significant licensing or enforcement workload difference between a licensee with one retail classification (i.e., a furniture only or bedding only retailer) and a retailer that holds both a furniture and bedding license. For this reason, the Bureau is requesting these classifications be condensed to one classification type with one fee, a "furniture/bedding retailer."

Issue #2: HFTI Statewide Withhold from Sale

Issue: Many Department boards and bureaus focus on businesses or individuals that provide services, whereas the HFTI program focuses primarily on businesses that provide consumer products, most often manufactured outside the United States. The nature of this industry poses unique enforcement challenges for the Bureau.

Although the Bureau may issue citations and fines and take disciplinary action against those who commit violations of the HFTI Act, traditional enforcement action is not effective when the business is based in another country with products for sale throughout the state. Under current law, if the Bureau finds a product is in violation of the law, it can tag that specific item and prevent it from being sold until compliance is achieved. However, the tag is specific to only that individual product and the Bureau is not authorized under current law to withhold from sale all identical items unless each item is tested and found to be in violation. If the Bureau had authority to withhold all products with the same Global Trade Item Number, Universal Product Code number, item number, or other identifier, the Bureau would not need to visit every retail location, test every item, and place a tag on each item offered for sale. Instead, it would be able to create something similar to a product recall until compliance is met, and in the meantime, the Bureau would publicize the recall.

Background: BPC section 19202 authorizes the Bureau to “condemn, withhold from sale, seize, or destroy any upholstered furniture or bedding or any filling material or insulation which is found to be in violation of this chapter.” The Bureau previously used this authority to withhold products from sale but in July 2007, after discussions with legal counsel, the Bureau stopped withholding products statewide when compliance was established on an item at one location. The concern was the licensee’s due process rights, i.e. the Bureau has no process for licensees to question the Bureau’s determination (due process) since the withholds were carried out immediately upon finding a violation in an effort to protect consumers.

During the last sunset review, the issue above was discussed with legislative staff. Legislative staff, the Department, and the Bureau agreed that language needs to be developed to address the issue. However, it took time to develop the language and the sunset review process completed before it was finalized. For this reason, the Bureau is now proposing that the below solution should be added to the Bureau’s 2023 sunset bill and has language available upon request.

Recommended Solution: The proposed language reinstates a statewide withhold and addresses licensee due process issues by allowing licensees a choice to comply with the withhold order immediately or after the appeal period has been exhausted. In addition, this proposal recognizes that a withhold from sale is a severe penalty and is intended only to be used in response to the more egregious violations of the HFTI Act and unlicensed activity, unlike existing law, which allows a withhold for any violation.

The Bureau believes this solution is critical because a statewide withhold from sale capability is a stronger incentive than fines alone to gain compliance and would benefit consumers by removing potentially harmful products from the marketplace.

Issue #3: Path to Licensure for Out-of-State Household Movers

Issue: The Bureau has faced difficulty in enforcing permit requirements against interstate movers, especially those that are based in other states, perform infrequent moves to California, or are permitted by FMCSA. FMCSA is not a consumer protection entity, rather their focus is safety, yet household movers who have the FMCSA permit feel emboldened to not cooperate with Bureau Investigators and when cited, appeal on the grounds that they have a permit from FMCSA or ignore Bureau-issued citations altogether.

Although existing law requires inter-state movers to obtain permits to operate in California, there are several unnecessary barriers to an out-of-state-company obtaining a permit. For example, the Household Movers Act requires sole proprietor and partnership applicants to meet residency requirements (BPC section 19239, subd. (h)(1) and (2), respectively). Consequently, this requirement can deny affected businesses a path to licensure. The Household Movers Act also requires applicants to pass an examination to demonstrate possessing the requisite knowledge to operate as a household mover; however, the examination content is based wholly on the Tariff, which is not applicable to interstate moves. These permit requirements also do not allow the Bureau to recognize household movers that are permitted in their home state through reciprocity.

Background: When regulation of household movers (formerly “household goods carriers”) was transferred from the Commission to the Bureau, the practice act (formerly the “Household Goods Carriers Act”) was added, nearly verbatim, to the Business and Professions Code. While the entirety of the Household Goods Carriers Act was transferred, the express authority to require registration from interstate movers, which is in a different chapter of the Public Utilities Code, was inadvertently omitted. This has led to unpermitted household movers that are operating without a permit in California.

Compromised Consumer Protection

Lacking explicit authority and a clear path to licensure has a detrimental effect on consumers, especially in hold hostage moves, where the moving company contracts with a consumer for a specified price, takes control of the consumer's belongings, then withholds those belongings to extort more money from the consumer. Many consumers pay the extra money and still never recover their belongings. Bureau investigators report most hold hostage cases are interstate movers who are not permitted.

Authority to require interstate movers to register with the Bureau is currently found in the Foreign Motor Carriers of Household Goods and Passengers Act in the Public Utilities Code, section 3901, et seq. The Bureau is authorized by BPC section 19288 to exercise the authority under “all rules, regulations, general orders, forms, and Maximum Rate Tariff 4... adopted, administered, or enforced by the Public Utilities Commission for purposes of implementing and administering the former Chapter 7 (commencing with Section 5101) of Division 2 of the Public Utilities Code, that are in effect immediately preceding July 1, 2018...” Because the authority to require interstate movers to register was granted to the Commission for the purposes of implementing the Household Goods Carriers Act, that authority should have been granted to the Bureau. Lacking that explicit authority, however, has created outreach challenges and requires the Bureau to expend more

resources to educate movers, gain compliance, support appealed citations, and take action to collect on disregarded citations than would be required if the Bureau's authority was clear.

Lack of Reciprocity/Path to Licensure

Although the Bureau currently has authority to require a permit from interstate movers, prerequisites to obtain a permit include that the applicant establishes residency in California and passes an examination. These are reasonable for movers based in California that can establish residency and who must follow the Tariff when performing intra-state moves. However, it may not be reasonable when a mover is based in another state and rarely performs moves to or from California, especially because those moves are not subject to the Bureau's Tariff.

Recommended Solution: The Bureau proposes amending the Household Movers Act to clarify that interstate movers must register with the Bureau in a manner that is similar to the registration authorized to the Commission by the Public Utilities Code. Anything less than a statutory provision could lead to continued unlicensed activity by interstate movers, requiring the Bureau to expend resources for outreach and education, as well as enforcement actions, that are not impactful.

Adding this authority to the Household Movers Act would also allow the Bureau to establish a registration option for movers who are not based in California or allow reciprocity for those permitted in their home state. This proposal would allow a clear pathway to legal transport of household goods by movers based in other states, and reduce barriers to licensure, which would result in greater compliance and consumer protection.

Issue #4: Licensing Limited Liability Companies (LLCs)

Issue: The California Revised Uniform Limited Liability Company Act (Corporations Code section 17701.04, subdivision (b)) allows a business that is required to be licensed under the Business and Professions Code to form as an LLC so long as the practice act specifically authorizes its licensees to form as an LLC. None of the Bureau's practice acts authorize issuing a license, registration, or permit to an LLC.

Background: Historically, the Bureau has licensed sole proprietor, corporation, and LLC business entities under HFTI and EAR. The Bureau previously licensed LLCs because they do not provide "professional" services. SB 323 (Vargas, Ch. 419, 2012) updated California Corporations Code section 17701.04 (b), however, and effective in 2014, requires the Bureau's practice acts to specifically authorize its licensees to form as LLCs. But at that point, the Bureau had potentially thousands of licensees and registrants that were formed as LLCs.

Additionally, the Household Movers Act was not required to contain specific authority when it was housed in the Public Utilities Code. Now that the Household Movers Act transferred to the Business and Professions Code, the requirement of Corporations Code section 17701.04, subdivision (b), applies. However, the Bureau inherited permitholders who were allowed to form as LLCs without restriction.

The Bureau is concerned that if it stops honoring renewals and applications from LLCs, it may be subject to litigation. A review of Bureau records indicates there are no marked differences in compliance from LLC entities. Numerous Department boards and bureaus, through their individual practice acts, have enabled LLCs to obtain licenses without issue (See: Alarm Company Act, Cemetery Funeral Act, and the Contractors State Licensing Act).

Recommended Solution: Update EAR, HFTI, and HHM Acts to expressly permit LLCs to obtain and maintain licenses/registrations/permits.

Issue #5: Authority to Auto-Suspend Household Movers Whose Insurance Lapses

Issue: The Household Movers Act requires proof of insurance for several types of coverage: liability, cargo, and Workers' Compensation (BPC sections 19248 (a), 19248 (c), and 19239.1, respectively) as conditions of issuing a permit. The HHM Act also sets minimum coverage levels for liability and cargo insurance. Maintaining each form of insurance is also necessary for a permit to remain valid and failure to do so is cause for permit suspension. BPC section 19239.4, subdivision (a), explicitly provides for suspension of a household mover permit by operation of law for failing to obtain or maintain the required Workers' Compensation insurance. For cargo and liability insurance, however, the permitholder would be subject to discipline, but because the suspension is not by operation of law, the Bureau would need to file an accusation or take other appropriate action each time a permitholder is found to have an insurance lapse.

Background: The Commission has broad general powers and is not subject to many provisions of the Administrative Procedure Act (APA). Consequently, the Bureau inherited a licensing system designed to process and issue HHM permits that recognizes the Commission's authority and has auto-suspend for all types of insurance built into the system.

The Bureau is not exempt from the APA, and unless specifically authorized to automatically suspend by operation of law, must file an accusation to pursue disciplinary action, such as suspension or revocation, or pursue other appropriate action.

Recommended Solution: The Bureau proposes amending the Household Movers Act to authorize suspension by operation of law, akin to the Bureau's existing authority for Workers' Compensation insurance, for all forms of insurance required to legally operate as a household mover in California. Suspension would allow the Bureau to carry forward long-held practices of the Commission by taking quick disciplinary action against those who do not comply without incurring significant costs or delays associated with pursuing an accusation or other appropriate action. The license lookup would reflect that suspension, decreasing the likelihood of consumers using that mover, which in turn, would increase the likelihood that consumers, citizens, and workers who interact with a household mover are protected in the event of an accident or negligence.

Issue #6: Remove Household Mover Financial Requirements

Issue: BPC section 19239, subdivision (g), requires the Bureau to evaluate whether HHM applicants have the “financial resources and responsibility to perform the service within the scope of their application.”⁹ The Bureau is not currently equipped to adequately evaluate this requirement.

Background: The Bureau is equipped and has detailed procedures to evaluate whether applicants have sufficient liability insurance, workers’ compensation coverage, as well as knowledge of their obligations to consumers during household moves. The Bureau is not equipped to determine whether an applicant is financially responsible or has sufficient financial resources. To conduct an evaluation of this type, the Bureau would need to perform some form of credit check and/or financial audit of all applicants. To do so would increase Bureau costs and time to process applications. This is because positions would need to be added or reclassified to the Licensing Unit so that a financial expert could conduct these reviews of all applicants and this detailed level of review would likely require some level of “back-and-forth” with applicants to provide bank statements, tax documents, etc.

The Bureau currently collects financial information, but a review of its application processing to date and discussions with Commission staff indicate several problems: 1) There is no clear direction or understanding to applicants of what level of documentation is sufficient and 2) There is no instance that staff can find where the Commission or Bureau has denied an application on these grounds.

Further, a review of Commission General Orders implies that insurance coverage, at least in part, constitutes financial responsibility.¹⁰ Given the lack of financial accounting expertise within the Bureau, existing insurance requirements, and a lack of historical precedent for denying an applicant on financial grounds, the Bureau recommends removing financial review in the permit application process. The Bureau will continue to ensure that enforcement resources are devoted to goods recovery when it receives complaints that a company is no longer financially viable, and consumers must be reunited with the personal property.

Recommended Solution: The Bureau recommends striking BPC section 19239, subdivision (g).

Issue #7: Standardize EAR and HFTI License Expiration after an Elapsed Time

Issue: Existing EAR renewal requirements do not provide a time span for which a registration would remain expired and no longer accruing delinquency fees. By comparison, existing HFTI renewal requirements do provide a cap and allow a business to apply for a new license, however it also stipulates that the business must pay all renewal, delinquency and penalty fees that have accrued since the license was last renewed.

⁹ Subdivision (a) of the same section further states “Before a permit is issued, the bureau shall require the applicant to establish ability and reasonable financial responsibility to initiate the proposed operations.”

¹⁰ General Order 100-M (3) and General Order 136-C (4)(d).

Background: The EAR and HFTI license renewal provisions, BPC sections 9832, 9832.5 and 19170.5, are clear and consistent in specifying that the licensee is required to apply for renewal and pay required fees on or before the date of expiration. These sections also make it clear that an expired license can only be renewed by paying any accrued delinquency or penalty fees in addition to the renewal fee. Since EAR's provisions fail to provide a cap, businesses that unintentionally failed to cancel their registration, then attempt to reopen business after a period of time, must pay all accrued fees no matter the elapsed time. HFTI provisions provide a six-year cap of when a license may no longer be renewed, restored, reinstated, or reissued, but requires the business to apply for a new license and still pay for any accrued fees from the last six years.

Recommended Solution: The Bureau recommends updating EAR provisions to provide consistency with BPC section 19170.5, subdivision (c), to state that a registration not renewed within six years of expiration shall not be renewed, restored, reinstated, or reissued so that renewal and delinquency fees are not accrued indefinitely. The Bureau also recommends updating HFTI provisions, which require a business pay all renewal, delinquency, and penalty fees accrued for six years although the business is required to apply for a new license. This would remove a barrier to licensure especially to those that were legitimately out of business during the six-year period and would be unable to pay accumulating fees.

Issue #8: Authority to Fingerprint and Review Criminal History of Service Dealers and Re-fingerprint Household Movers Originally Permitted Under the Commission

Issue: Currently, only household movers must submit fingerprints to the state as part of their application process. This is in line with many Department boards and bureaus that require fingerprints of business owners that are allowed into consumers' homes during stressful times. In addition, licensees of the Contractors State License Board, Structural Pest Control Board, Bureau of Security and Investigative Services, and others must also submit their fingerprints during the application process (see BPC section 144, subdivisions (b)(23), (22), and (18), respectively). However, service dealers often enter consumers' homes to perform estimates and make repairs to major appliances or they hand them laptops and cell phones, which arguably contain the most intimate personal information about the consumer. The Bureau cannot verify the licensee's criminal history but relies on applicants to self-report this information.

Although the Bureau has authority to receive subsequent arrest records for household movers who became permitted by the Bureau, this authority does not expand to those permitted while under the jurisdiction of the Commission. Consequently, the DOJ does not have authority to submit subsequent arrest records to the Bureau. The Bureau is unable to receive subsequent arrest records unless those originally permitted under the Commission are re-fingerprinted under the Bureau.

Background: Until the addition of the household mover program, staff seldom dealt with criminal history issues since few people self-report convictions. However, with the addition of household movers and the Bureau's recent update to its substantial criteria and rehabilitation regulations, adding criminal background requirements to other license types will have limited implementation impacts on the Bureau.

Additionally, the Bureau does not believe all Bureau license types need this level of review. HFTI licensees have limited interactions with consumers in their homes and do not typically interact during stressful times in a consumer's life (like during a broken household appliance).

When the household movers program was established under the Bureau on July 1, 2018, the authority to fingerprint applicants applied only to those applying for permits under the jurisdiction of the Bureau. The HHM Act does not provide the Bureau the authority to receive subsequent arrest records for household movers who originally received their permit from the Commission.

Recommended Solution: The Bureau recommends adding a provision to require fingerprinting and criminal history background records to properly qualify an applicant for a service dealer registration. This provision would apply to all service dealer applicants, which is inclusive of each individual applicant, each partner of a partnership, designated officer of a corporation, member, officer, or manager of a limited liability company (if an LLC is allowed per above request).

The Bureau also recommends adding a provision to require household movers holding a permit prior to July 1, 2018, to be subject to re-fingerprinting to provide the Bureau the authority to receive subsequent arrest records from the DOJ.

Issue #9: EAR and HFTI Outdated Terminology

Issue: Definitions describing the products covered within the scope of the Bureau's jurisdiction are outdated. This causes stakeholders to question the Bureau's authority over certain products, encourages unlicensed activity, and requires the Bureau to repeatedly respond to inquiries to provide clarification over the Bureau's jurisdiction.

Background: The terminology applicable to electronics and appliances mentioned in BPC section 9801 has not been updated since mid-1990s. New technology has come into existence since then making it unclear as to whether certain products are within the Bureau's scope since definitions have not kept up with advancements over the years. The existing definitions within BPC section 9801 do not account for technology such as smart devices, including smart phones or smart watches, tablets, laptops, GPS devices, drones, or Bluetooth technology devices such as speakers or headphones. For example, instead of disk drives, more popular today are solid state drives.

Definitions within the HFTI program have not been updated since the 1970s. Increasing definitions with terms that are commonly used within the industry would likely increase industry's ability to meet flammability and labeling requirements as manufacturers are required to list filling material components for consumer review, e.g. many common components used as filling materials are not currently defined such as polyurethane foam.

Recommended Solution: The Bureau's recommendation is to amend existing definitions within BPC section 9801 of the EAR Law and definitions for HFTI beginning with BPC section 19001, which would improve compliance with Bureau licensing and labeling

requirements. Although the Bureau is currently updating HFTI regulations to address this issue, the Bureau would seek to move more expeditiously through legislative amendments and include similar updates to EAR.

Issue #10: Flame Retardant Chemical Document Requirements

Issue: BPC section 19094, subdivision (c), requires furniture manufacturers to maintain documentation to show whether flame-retardant chemicals were added to their furniture materials. Due to the realities of how manufacturers obtain their raw materials, this provision is exceedingly difficult to enforce. In addition, as discussed below, the provision may be unnecessary.

Background: When SB 1019 first went into effect, the furniture manufacturing industry often commented on the difficulty of meeting the disclosure requirements set forth in law for the industry; however, as time has passed, the Bureau has found industry is generally complying with the requirements. This makes sense as there is no benefit to adding costs to foam or fabric production by adding flame retardant chemicals to them. Since the law is now more than seven years old and there have been few compliance issues, widespread outreach on this matter is no longer necessary. Further, as requirements are updated over time, the Bureau will continue to maintain its frequently asked questions and reference materials on the issue.

The documentation requirements, however, are difficult to comply with for the industry. They require manufacturers to maintain documentation to show whether flame-retardant chemicals were added to their furniture materials. Licensees have little say in how suppliers provide documentation and frequently have shifting suppliers for cover fabrics, foams, and other materials that are often overseas. In addition, these purchases can be made through other companies so that a furniture manufacturer never has a direct relationship with the producer of a product. This, along with the fact that the Bureau has no jurisdiction over the makers of these materials, makes enforcement of this provision difficult and often needlessly punitive.

Recommended Solution: The Bureau recommends removing this documentation requirement and instead allowing the Bureau to take heightened citation measures on a licensee after they have been placed on notice that their products contain added chemicals, yet they fail to remediate the issue.

Further, for larger manufactures with compliance issues, a statewide withhold from sale measure will minimize consumer harm while a manufacturer remediates an issue. This is discussed in further detail above in Issue 2.

Section 13– Attachments

Attached documents:

- A. Bureau's administrative manual
- B. Current Bureau organizational chart showing relationship to the Advisory Committee
- C. Year-end Bureau organization charts for the last four fiscal years
- D. Strategic Plan
- E. Quarterly and annual performance measure reports
- F. 2023 Outreach Plan

ATTACHMENT A

BUREAU'S ADMINISTRATIVE MANUAL



DEPARTMENT OF CONSUMER AFFAIRS



MEMBER ORIENTATION AND REFERENCE MANUAL

FOR THE

BUREAU OF HOUSEHOLD GOODS AND SERVICES ADVISORY COUNCIL

Gavin Newsom, Governor
State of California

Lourdes M. Castro, Secretary
Business, Consumer Services and Housing Agency

Kimberly Kirchmeyer, Director
Department of Consumer Affairs

Justin Paddock, Chief
Bureau of Household Goods and Services

REVISED July 2022

MEMBER ORIENTATION AND REFERENCE MANUAL

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DEPARTMENT OF CONSUMER AFFAIRS

MISSION

Provide outstanding support services, oversight, and innovative solutions to entities that regulate California professionals and vocations, so that through this partnership all Californians are informed, empowered, and protected.

VISION

Together, protecting California consumers.

VALUES

- ACCOUNTABILITY
- COMMUNICATION
- CONSUMER PROTECTION
- DIVERSITY
- EQUITY
- INCLUSION
- INNOVATION
- INTEGRITY
- LEADERSHIP
- TEAMWORK
- TRANSPARENCY
- TRUST

BUREAU OF HOUSEHOLD GOODS AND SERVICES

MISSION

To protect and serve consumers while ensuring a fair and competitive market.

VISION

To be an efficient organization that effectively protects consumers and improves the marketplace through quality customer service, prompt licensing, and enforcement of the law.

VALUES

- **ACCOUNTABILITY**
- **CONSUMER PROTECTION**
- **EFFECTIVENESS**
- **INTEGRITY**
- **PROFESSIONALISM**
- **SERVICE**
- **EDUCATION**

GENERAL OVERVIEW

The Bureau of Household Goods and Services (Bureau) was initially created by the California Legislature as the Bureau of Home Furnishings and Thermal Insulation in 1911 in response to unscrupulous manufacturing in the mattress industry. There were no requirements at the time to disclose the materials used in the contents of the mattresses, which were widely recognized as contributors to fires following the 1906 San Francisco earthquake. The Bureau's regulatory authority has expanded over time and now includes administration of three acts within the Business and Professions Code (BPC): 1) Electronic and Appliance Repair Dealer Registration Law (BPC § 9800 et seq.); 2) Home Furnishings and Thermal Insulation Act (BPC § 19000 et seq.); and 3) Household Movers Act (BPC § 19225 et seq.), collectively referred to as "practice acts."

The Bureau adheres to the following principle, which is included in each of its practice acts (§ 9810.1, § 19004.1, and § 19234.1):

Protection of the public shall be the highest priority for the Bureau of Household Goods and Services in exercising its licensing, regulatory, and disciplinary functions under this chapter. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

The Bureau is one of the boards, bureaus, commissions, and committees within the Department of Consumer Affairs (Department or DCA), and part of the Business, Consumer Services and Housing Agency under the aegis of the Governor. The Department provides administrative oversight and centralized services to its Bureaus, including, but not limited to, budget, legal, training, legislative affairs, and communications.

PURPOSE

The Advisory Council is an informal, voluntary council dedicated to assisting the Bureau by providing perspective information and insight into the electronic and appliance repair, service contract, household mover, and the upholstered furniture, bedding and thermal insulation markets in California.

Members may represent industry by holding a current Bureau license, registration, or permit, or be a member of an industry association. An Advisory Council member may also be a public member, one who has a background in consumer protection or other knowledge of the regulated industries. The number of Advisory Council members can vary depending on Bureau needs and demonstrated interest of qualified participants.

MEMBERSHIP INFORMATION

The Bureau Chief shall preside at all Advisory Council meetings and supervise all business affairs of the Advisory Council.

TIME COMMITMENT

Participation as an Advisory Council member requires an annual commitment of six to 10 days to prepare for and attend meetings and training. Members are expected to attend meetings at various locations throughout the state. On average, the Bureau schedules two to three Advisory Council meetings per year. This number may change based on the Bureau's needs.

DUTIES

The Advisory Council provides professional and technical assistance to the Bureau on issues it regulates in California. Members serve in an advisory capacity on policy matters, making non-binding recommendations directly to the Bureau Chief. Advisory Council members provide:

- Perspective and advice on consumer and market issues, trends, and business practices of the Bureau's regulated industries;
- Creative solutions to consumer and industry problems; and
- Recommendations on a broad range of policy issues including consumer education, industry outreach, and regulatory compliance.

APPOINTMENT TERMS

The Director (Director) of the Department of Consumer Affairs appoints members who serve two-year terms. However, the Director may elect to re-appoint a member to consecutive terms. In making appointments, the Director shall strive to compose the Advisory Council of members of the public and consumer advocacy groups and members of industry – with equal representation of the electronic and appliance repair, service contract, household mover, home furnishings, and thermal insulation industries.

MEMBER COMPENSATION

As a volunteer appointee to the Advisory Council, members will not receive a salary or per diem for attending meetings or required training. Members will not be entitled to unemployment benefits upon termination of their service. Members understand that they are not replacing a regular departmental employee. Members do not have civil service status and are not eligible for promotional state examinations.

The Advisory Council is not mandated by statute, and no law or regulation requires the Bureau to hold meetings. Consequently, members may not be reimbursed for travel. Members understand they are responsible for any and all costs incurred to attend and participate in Advisory Council meetings.

MEMBER RULES OF CONDUCT

Advisory Council members should be familiar with these guidelines and conduct themselves accordingly.

1. If a member is unable to attend a meeting, they must notify the Bureau Chief or his/her designee with as much notice as possible before the meeting.
2. Arrive at least 15 minutes before each in person meeting is scheduled to start to allow time to take care of any possible pending issues. If the meeting is online, log in at least 15 minutes before the scheduled start time to work out any technical issues.
3. Speak audibly and clearly during the meeting to enable everyone in the room or online to hear and understand the member.
4. Respect the Bureau Chief's or his/her designee's right to control the process of the meeting.
5. Refrain from peripheral or sidebar discussions during the meeting.
6. Be respectful of the public, Bureau staff, and other Advisory Council members, including ensuring all members have an opportunity to participate in discussions.
7. Be respectful of differences in points of view whether between Advisory Council members, the public, or Bureau staff.
8. Members must refrain from calling or otherwise contacting other members on a one-to-one basis or conducting meetings to discuss or deliberate outside an Advisory Council meeting on a subject matter of the Bureau.
9. Do not use cell phones, laptops, tablets, or any other electronic device for personal use during a meeting that could give the impression that you are not giving your full attention to the meeting's proceedings.

MEMBER REMOVAL

All Advisory Council members serve at the pleasure of the Director. The Director may remove any member from the Advisory Council with or without cause. Consistent attendance by members is vital to the Bureau's success. Members who miss two consecutive meetings may be removed from the Advisory Council at the Director's discretion.

MEMBER RESIGNATION

If an Advisory Council member must resign, a letter shall be sent to the Director with the effective date of the resignation. A copy of this letter shall also be sent to the Deputy Director of Board and Bureau Relations and the Bureau Chief.

MEETINGS

Although the Advisory Council is voluntary and not considered an official “state body,” the Bureau follows Department policies regarding relationships with the public. This includes adhering to meeting notification requirements, allowing public participation in meetings, and posting its agenda and materials in compliance with the Bagley-Keene Open Meetings Act.

MEETING NOTICE AND MATERIALS

All Advisory Council meetings will be announced on the Bureau's website, www.bhgs.dca.ca.gov, ten days prior to the scheduled meeting. The Bureau will make every effort to post meeting materials on the same schedule.

MEETING RECORDS

The Bureau will also make every effort to keep meeting minutes and post them on the Bureau's website. Minutes are a summary, not a transcript, of each Advisory Council discussion held during the meeting. The minutes are prepared by Bureau staff and submitted for review by Advisory Council members before the next meeting. The purpose of review is to determine whether the minutes accurately reflect the Advisory Council's discussion at the previous meeting. The minutes shall serve as the official record of the meeting.

PUBLIC PARTICIPATION AND ACCESS

It is the intent of the Department of Consumer Affairs and the Bureau to hold open, public meetings of the Advisory Council. Meetings are open to the public and all attendees shall be afforded an opportunity to comment on the meeting's agenda items, as well as items that are not on the agenda. Meetings will be held in facilities that are accessible to persons with disabilities in accordance with the *Americans with Disabilities Act*.

Meetings will be recorded and transmitted publicly via webcast when resources permit. Those recordings are then posted to the Bureau's website.

MEETING FORMATS

Meetings may be held exclusively in person, exclusively online, or as a hybrid in-person/online format. Please note the format of each individual meeting as posted on the agenda. When a meeting is hybrid, a member must inform the Bureau Chief or his/her designee how they plan to attend. This will allow the Bureau to ensure room and other accommodations can be made to support those attending in person.

REQUIRED TRAINING

There are several trainings that new and continuing Advisory Council members are required to complete.

ETHICS TRAINING

Each Advisory Council member must complete a course on ethics offered through the Department. Upon appointment to the Advisory Council, the new member must complete the course within six months. All members must retake the course every two years during their term. Records concerning the attendance of this course must be kept on file for five years. Training information is available on <http://ag.ca.gov/ethics/>.

SEXUAL HARASSMENT PREVENTION TRAINING

Each Advisory Council member must complete a sexual harassment prevention course offered through the Department within six months of appointment. Continuing Advisory Council members must complete the sexual harassment prevention course every odd year during their term.

DCA's BOARD MEMBER ORIENTATION TRAINING

The Department provides an orientation session for new board members. The California Business and Professions Code requires that this course must be taken within one year of assuming office and within one year of any subsequent reappointment to the board. Although the Advisory Council is not a board, the Department has opened this training to the Bureau's Advisory Council members.

The training covers the functions, responsibilities, and obligations that come with being a member of a DCA board or bureau. The Department also has a website for board members:

http://www.dca.ca.gov/pubs/board_members/orientation.htm

COMMUNICATION WITH OTHER INDIVIDUALS/ ORGANIZATIONS/MEDIA

Interested parties may request to meet with an Advisory Council member on a matter under the Bureau's jurisdiction. Advisory Council members are advised to refrain from expressing their personal opinions as a Bureau policy. Any member who is contacted by any of the above should inform the Bureau Chief who will respond (if individuals or organizations) or work with the DCA Division of Communications to respond to media requests.

ATTACHMENT B

CURRENT BUREAU ORGANIZATIONAL CHART SHOWING RELATIONSHIP TO THE ADVISORY COMMITTEE

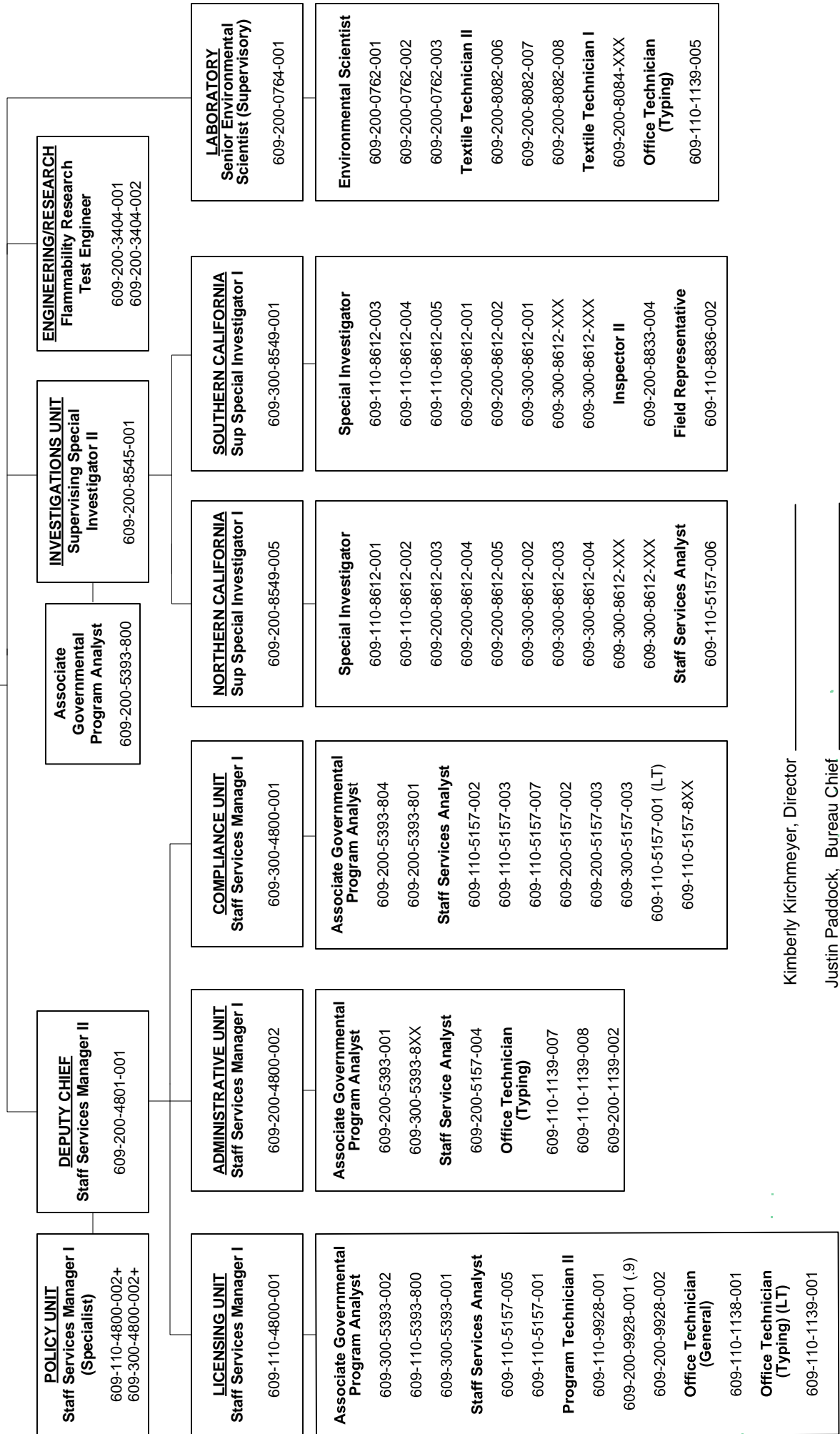


December 2022
 Department of Consumer Affairs
 Bureau of Household Goods and Services

FY 2022-2023
 Authorized Positions:
 EAR (110) - 23.0
 HFTI (200) - 30.9
 DHM (300) - 15.0
 +Exceptional Allocations

DCA Director

Bureau Chief
 (Exempt)
 609-200-8806-002



Kimberly Kirchmeyer, Director
 Justin Paddock, Bureau Chief
 Classification & Recruitment Analyst

ATTACHMENT C

YEAR-END BUREAU ORGANIZATION CHARTS FOR THE LAST FOUR FISCAL YEARS



July 2019
 Department of Consumer Affairs
 Bureau of Household Goods and Services

FY 2019-2020
 Authorized Positions:
 EAR (110) - 20.0
 HFTI (200) - 30.9
 DHM (300) - 11.0
 +Exceptional Allocations

DCA Director

Bureau Chief
 (Exempt)
 609-200-8806-002

ADMINISTRATIVE UNIT
 Associate Governmental
 Program Analyst
 609-200-5393-001
 609-300-5393-801

DEPUTY CHIEF
 Staff Services Manager II
 609-200-4801-001

ENGINEERING/RESEARCH
 Flammability Research
 Test Engineer
 609-200-3404-001
 609-200-3404-002

LABORATORY
 Supervising Chemist
 609-200-8070-001

NORTHERN CALIFORNIA
 Sup Special Investigator I
 609-200-8549-005

SOUTHERN CALIFORNIA
 Sup Special Investigator I
 609-300-8549-001

LICENSING UNIT
 Staff Services Manager I
 609-110-4800-001

COMPLIANCE UNIT
 Staff Services Manager I
 609-300-4800-001

POLICY UNIT
 Staff Services Manager I
 (Specialist)
 609-110-4800-002+
 609-300-4800-002+
 Research Data
 Specialist I
 609-200-5742-XXX

**Associate Governmental
 Program Analyst**
 609-110-5393-002
 609-300-5393-002
Staff Services Analyst
 609-110-5157-005
 609-110-5157-008
 609-300-5157-001
Program Technician II
 609-110-9928-001
 609-200-9928-001 (.9)
 609-200-9928-002
 609-200-9928-003

**Associate Governmental
 Program Analyst**
 609-200-5393-804
Staff Services Analyst
 609-110-5157-002
 609-110-5157-003
 609-110-5157-006
 609-110-5157-007
 609-200-5157-001
 609-200-5157-004
 609-200-5157-005
 609-300-5157-004

Special Investigator
 609-110-8612-001
 609-110-8612-002
 609-200-8612-003
 609-300-8612-002
 609-300-8612-003
 609-300-8612-004
Inspector II
 609-200-8833-003
**Associate Governmental
 Program Analyst**
 609-200-5393-800
Staff Services Analyst
 609-200-5157-003
**Office Technician
 (General)**
 609-110-1138-001

Special Investigator
 609-110-8612-003
 609-110-8612-004
 609-200-8612-001
 609-200-8612-002
 609-300-8612-001
Inspector II
 609-200-8833-004
 609-200-8833-006
Field Representative
 609-110-8836-002
 609-110-8836-003

SUPPORT SERVICES UNIT
 Office Technician (Typing)
 609-110-1139-007
 609-110-1139-008
 609-200-1139-002

VACANT, Director _____
 Nicholas Oliver, Bureau Chief _____
 Courtney Sharpe, Classification & Recruitment _____

July 2020
 Department of Consumer Affairs
 Bureau of Household Goods and Services

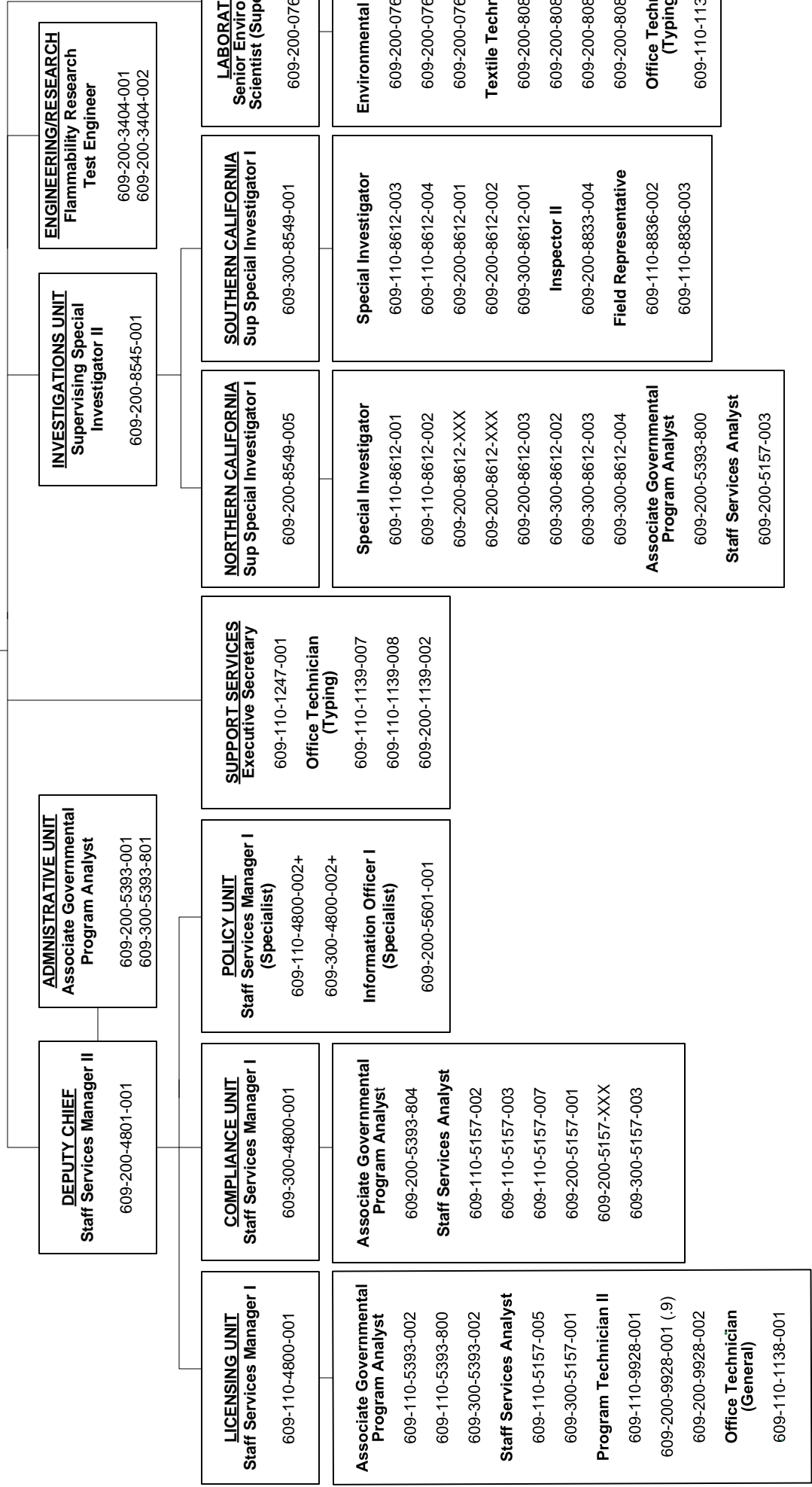
FY 2020-2021

Authorized Positions:
 EAR (110) - 21.0
 HFTI (200) - 29.9
 DHM (300) - 11.0

+Exceptional Allocations

DCA Director

Bureau Chief
 (Exempt)
 609-200-8806-002



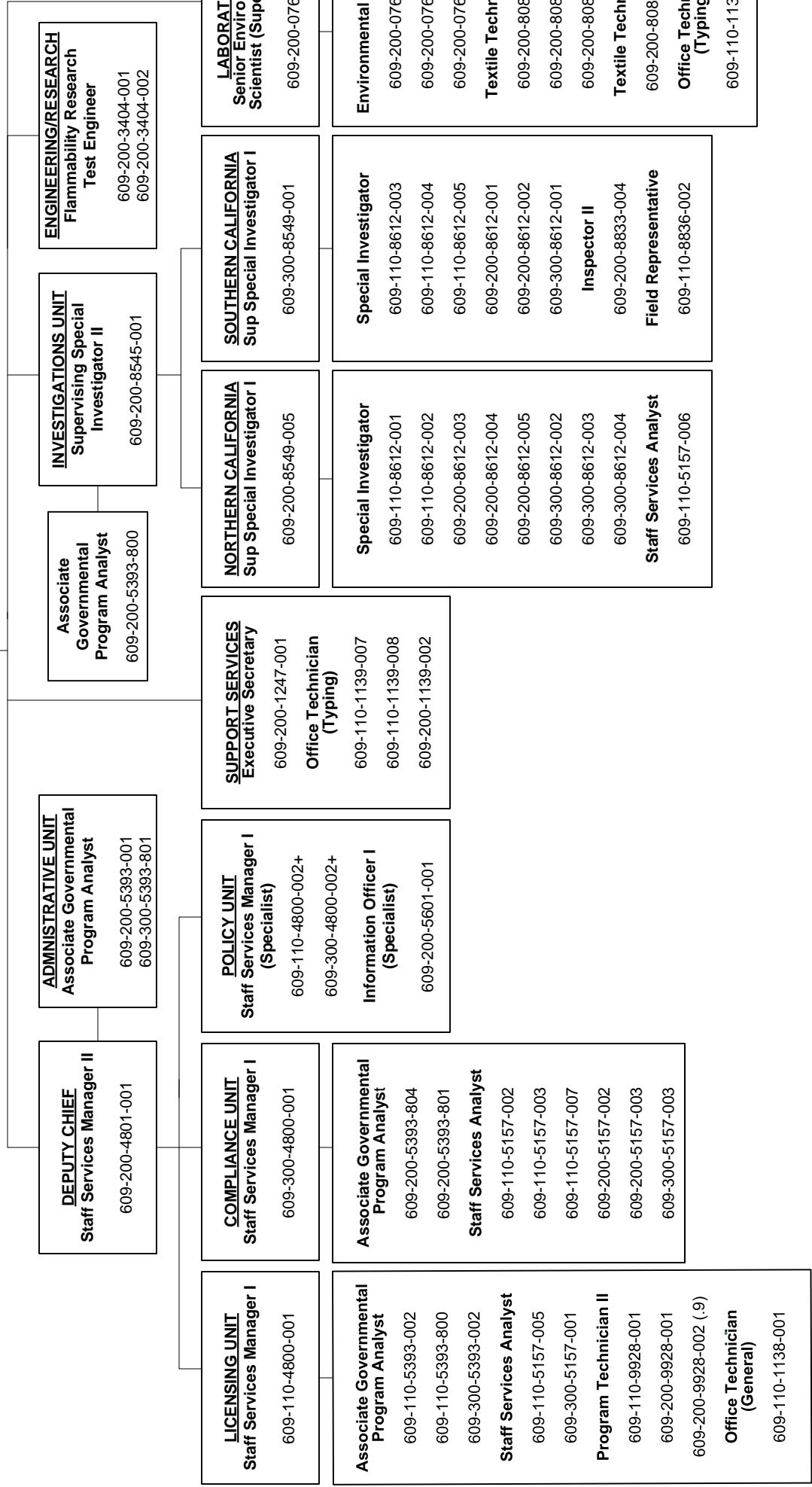
Kimberly Kirchmeyer, Director _____
 Nicholas Oliver, Bureau Chief _____
 Courtney Sharpe, Classification & Recruitment _____

July 2021
 Department of Consumer Affairs
 Bureau of Household Goods and Services

FY 2021-2022
 Authorized Positions:
 EAR (110) - 20.0
 HFTI (200) - 31.9
 DHM (300) - 11.0
 +Exceptional Allocations

DCA Director

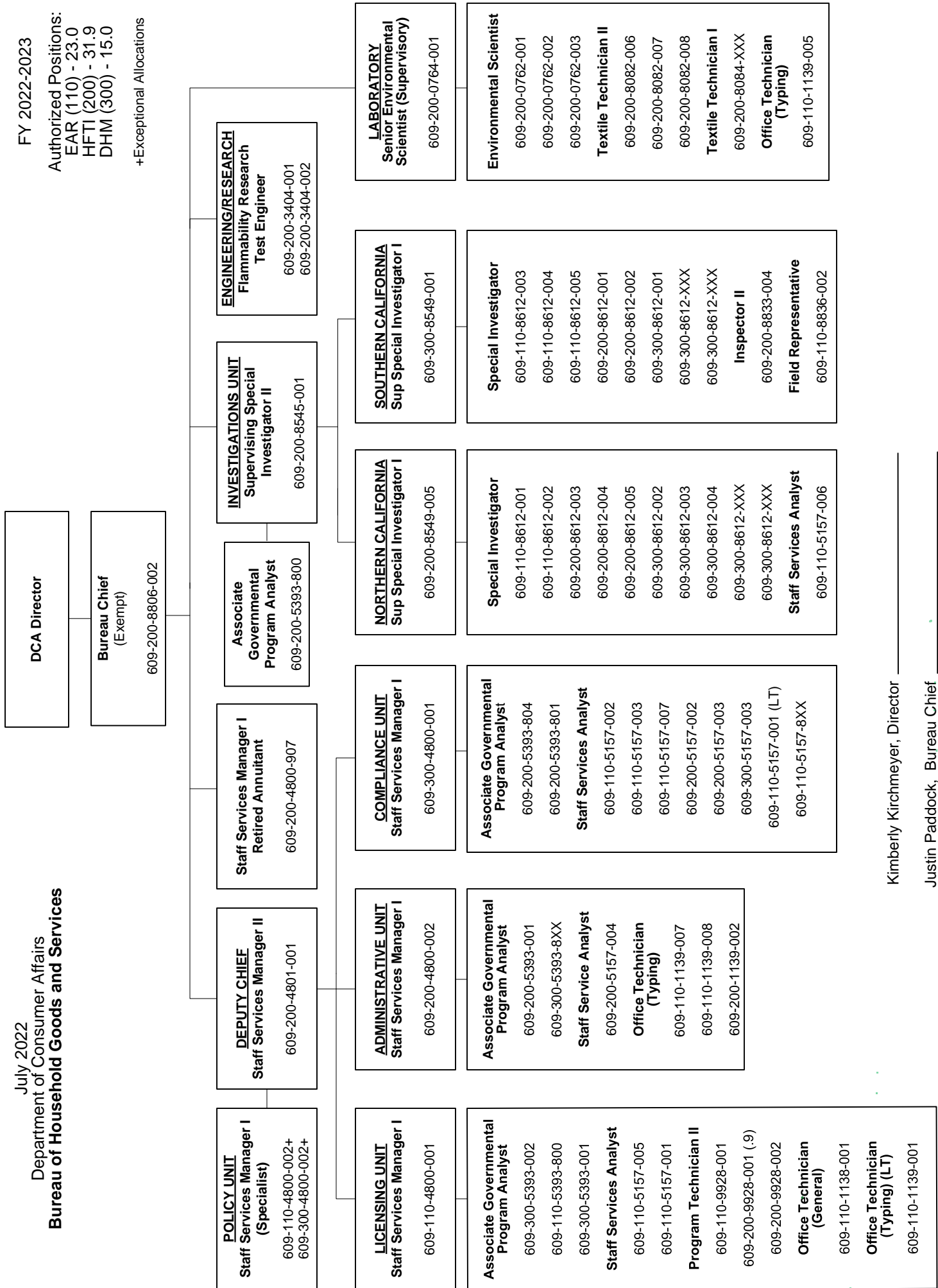
**Bureau Chief
 (Exempt)**
 609-200-8806-002



Kimberly Kirchmeyer, Director _____
 VACANT, Bureau Chief _____
 Jill Field, Classification & Recruitment _____

July 2022
 Department of Consumer Affairs
 Bureau of Household Goods and Services

FY 2022-2023
 Authorized Positions:
 EAR (110) - 23.0
 HFTI (200) - 31.9
 DHM (300) - 15.0
 +Exceptional Allocations



Kimberly Kirchmeyer, Director
 Justin Paddock, Bureau Chief
 Jill Field, Classification & Recruitment

ATTACHMENT D

STRATEGIC PLAN





Strategic Plan 2022-2026

Prepared by:
SOLID Planning Solutions
Department of Consumer Affairs

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Bureau of Household Goods and Services

Advisory Council Members as of January 20, 2022

Pascal Benyamini, Public Member
James Garelli, Industry Member (Household Movers)
Burt Grimes, Industry Member (Home Furnishings and Thermal Insulation)
Chris Higdon, Industry Member (Household Movers)
Donald Lucas, Public Member
Stephen McDaniel, Industry Member (Electronic and Appliance Repair)
Dan Rhodes, Industry Member (Electronic and Appliance Repair)
Toby Taylor, Industry Member (Electronic and Appliance Repair)
Steve Weitekamp, Industry Member (Movers and Storage)

Gavin Newsom, Governor
Lourdes M. Castro Ramírez, Secretary, Business, Consumer Services and Housing Agency
Kimberly Kirchmeyer, Director, Department of Consumer Affairs
Justin Paddock, Chief, Bureau of Household Goods and Services

Message from the Chief

I am pleased to present the Bureau of Household Goods and Services' (Bureau) 2022-2027 Strategic Plan. The Strategic Plan is the result of a long collaborative process between our executive and management teams, as well as both internal and external stakeholders. Our goal was to provide a fresh look at the next five years and build a relevant plan for continued improvement at the Bureau.

Keeping true to our mission to protect and serve consumers while ensuring a fair and competitive marketplace, we have outlined five goals – each with its own set of objectives – designed to ensure the continued success of our mission. Over the course of the next half a decade, Bureau staff will focus on enhancing our licensing and enforcement processes, increasing our communication and educational outreach activities, implementing legislative and regulatory updates, and improving the overall organizational effectiveness of the Bureau.

I invite you to join us as the Bureau implements the various elements of this plan and I hope that you will continue to work with us to achieve these ambitious goals.

Sincerely,

Justin Paddock
Chief, Bureau of Household Goods and Services

About the Bureau

History and Function of the Bureau

The Bureau is split into four distinct areas of regulation: 1) Home furnishings and thermal insulation, 2) electronic and appliance repair, 3) service contracts, and 4) household movers.

Home Furnishings and Thermal Insulation

The California Bureau of Home Furnishings and Thermal Insulation (BHFTI) was initially established in 1911 as part of the Bureau of Labor Statistics in response to unscrupulous manufacturing in the mattress industry. There were no requirements at the time to disclose the materials used in the contents of the mattresses, which were widely recognized as contributors to fires following the 1906 San Francisco earthquake. Later, BHFTI's jurisdiction was expanded to include retailers, wholesalers, and importers, to be able to trace the origin of a product to the source and when products were deemed dangerous to have a mechanism to remove the product from the market.

In addition to bedding and furniture manufacturers, importers, wholesalers, and retailers, the Bureau currently regulates supply dealers, custom upholsterers, bedding sanitizers, and manufacturers of thermal insulation.

Electronic and Appliance Repair

The California Bureau of Electronic and Appliance Repair (BEAR) was established in 1963 as the Bureau of Repair Services under the Department of Professional and Vocational Standards, which later became the Department of Consumer Affairs (Department), in response to fraud and negligence in the television repair industry.

In 1973, major home appliance repair was added to BEAR's regulatory authority. As technology evolves, the Bureau's regulation has been revised to add such items as microwave ovens, personal computers, satellite antennas, and home office products. In 2013, BEAR was also authorized to regulate the installation, service, and maintenance of ignition interlock devices.

Service Contracts

In 1994, service contracts for consumer electronic and home appliance products were added to BEAR's regulatory authority in response to companies selling or administering contracts without providing adequate financial backing or properly disclosing the terms and conditions as required by the Song-Beverly Consumer Warranty Act.

The products covered under service contracts were expanded in 2004 to include furniture, jewelry, lawn and garden products, and many other items used in homes for personal use. In 2014, service contract authority was expanded again to include optical products, such as eyeglasses. On January 1, 2020, the products covered under service contracts were expanded again to include all consumer goods.

Household Movers

As of July 1, 2018, the Bureau’s oversight includes household movers as a result of legislation that transferred administration of the Household Movers Act from the California Public Utilities Commission.

How the Bureau’s Composition and Functions Evolved

To effectively share resources and provide cost savings, BHFTI and BEAR were housed together and placed under the oversight of one Chief in the late 1990s. As time went on, units within the bureaus consolidated and staff cross-trained, sharing the workload. In 2009, legislation – ABX4 20 – officially merged the two bureaus as the Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation.

The Division of Household Movers augmented the Bureau’s existing workforce by providing additional licensing, enforcement, and administrative positions to effectively regulate the moving industry and protect consumers. The Bureau recruited additional staff, while providing cross-training and opportunities for existing staff to affect the implementation of the new program, while maintaining a high level of service for the existing programs.

The Bureau currently licenses and regulates over 42,000 companies across the globe from small single-person businesses to major corporations. The Bureau currently has a staff of over 60 employees who license, register, and permit companies, handle consumer complaints, inspect businesses, ensure compliance with laws and regulations, conduct investigations, test products to determine whether they meet Bureau and federal standards, and initiate disciplinary action against companies that commit violations.

Bureau Advisory Council Composition

The Advisory Council (Council) is an informal, voluntary council dedicated to assisting the Bureau by providing perspective and insight into the electronic and appliance service markets, service contract market, the upholstered furniture, bedding and thermal insulation markets, and the household mover market in California. Members serve in an advisory capacity on policy matters, making recommendations directly to the Bureau Chief. The Director of the Department of Consumer Affairs appoints members who serve two-year terms.

As of January 20, 2022, the Council included two public members: Pascal Benyamini and Donald Lucas. The Council’s seven industry members were from three distinct fields.

Household Movers	Electronic & Appliance Repair	Home Furnishings & Thermal Insulation	Service Contracts
James Garelli	Dan Rhodes	Burt Grimes	Stephen McDaniel
Chris Higdon	Toby Taylor		
Steve Weitekamp			

Mission, Vision, and Values

Mission

The Bureau of Household Goods and Services' mission is to protect and serve consumers while ensuring a fair and competitive market.

Vision

The Bureau of Household Goods and Services' vision is to be an efficient organization that effectively protects consumers and improves the marketplace through quality customer service, prompt licensing, and enforcing the law.

Values

- Accountability
- Consumer Protection
- Effectiveness
- Integrity
- Professionalism
- Service
- Education

Goal 1: Licensing

Administer a licensing program that enables applicants to timely enter the workforce while ensuring consumer protection.

- 1.1 Establish licensing processes and procedures to streamline workflow.
- 1.2 Review and enhance customer service standards to carry out the mission of the Bureau.
- 1.3 Continually improve online services to increase compliance and reduce barriers to licensure.
- 1.4 Streamline the electronic filing process for insurance companies to decrease reporting timeframes and increase compliance by household movers.

Goal 2: Consumer Protection and Enforcement

Ensure the Bureau's enforcement program maximizes resources to provide timely consumer protection through actively enforcing the laws and regulations governed.

- 2.1 Establish processes and procedures in enforcement operations to ensure accountability of all regulated populations.
- 2.2 Implement proactive enforcement and "sting operations" to enhance consumer protection and increase permitted household movers in the state.
- 2.3 Annually solicit input from partners on industry trends and business practices to ensure the Bureau uses up-to-date enforcement/investigative practices.
- 2.4 Coordinate outreach to local law enforcement and local prosecutors to increase cooperation amongst different agencies.
- 2.5 Leverage the Bureau's Memorandum of Agreement with the Federal Motor Carrier Safety Administration to protect California consumers from unpermitted inter-state movers.

Goal 3: Communication and Education

Inform and engage consumers, licensees, and other stakeholders about the Bureau's laws and regulations and the availability of the complaint process.

- 3.1 Educate consumers about what the Bureau is and how it protects consumers.
- 3.2 Educate the regulated industries about the functions of the Bureau and the resources available to them to enhance their business operations and increase compliance.
- 3.3 Publicize enforcement actions to inform consumers of industry violations.
- 3.4 Conduct outreach to related industries to educate them of the Bureau's laws and create partnerships to identify illegal activity.
- 3.5 Create and implement a comprehensive outreach plan.
- 3.6 Improve the user friendliness of the Bureau's website to make it an indispensable resource for licensees and consumers.
- 3.7 Explore new and alternative methods of communication to reach more stakeholders.

Goal 4: Legislation and Regulations

Implement legislative and regulatory changes to provide for the protection of consumers and to address current and emerging issues.

- 4.1 Adopt regulations to clarify law label requirements and remove outdated language to increase compliance.
- 4.2 Adopt regulations to enable comprehensive enforcement actions for violations of the Household Movers Act.
- 4.3 Analyze ignition interlock device legislation and regulations to evaluate the Bureau's role in regulating the industry.
- 4.4 Update Bureau regulations and statutes to reflect the evolving gig economy (freelance and independent contract workers), as well as explore and identify participants in the gig economy.
- 4.5 Update and simplify Electronic and Appliance Repair Dealer Registration Law to address current and emerging technologies, eliminate obsolete references, assist enforcement, align with current business practices, address privacy and information security issues, and enhance compliance.

Goal 5: Organizational Development

Provide effective leadership and improve the quality of services in all program areas.

- 5.1 Implement effective staff recruitment, including updating candidate evaluation criteria, to improve recruitment and retention of qualified staff.
- 5.2 Identify and implement creative ways to attract an increased number of qualified applicants.
- 5.3 Increase the speed in which staff vacancies are filled, reducing the Bureau's staff vacancy rate to less than 10 percent.
- 5.4 Create a comprehensive Bureau training plan to initiate long-term succession planning.
- 5.5 Facilitate staff team building to increase collaboration and improve morale among staff.

Strategic Planning Process

To understand the environment in which the Bureau operates, as well as identify factors that could impact the Bureau's success in carrying out its regulatory duties, the Department of Consumer Affairs' SOLID Planning unit conducted a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) of the Bureau's current situation, including assessing internal and external environments, by collecting information through the following methods:

- Interviews were conducted with almost all Advisory Council members, as well as with Bureau leadership, during the month of November 2021 to assess the challenges and opportunities the Bureau is currently facing or will face in the upcoming years.
- An online survey was sent to external stakeholders on November 11, 2021, closing on December 1, 2021. In the survey, external stakeholders provided anonymous input regarding the challenges and opportunities the Bureau is currently facing or will face in the upcoming years. A total of 33 external stakeholders participated in the survey.

Bureau executive staff were provided the results of the environmental scan over a week before the strategic planning session on Thursday, January 20, 2022. They were also given an objectives worksheet and a list of action words to consider when creating their objectives, and these were passed along to the Advisory Council members and Bureau leadership. During the planning session, suggestions were taken from Council Members, the new Bureau Chief, and members of Bureau management. These objectives were discussed and rephrased into the objectives included in this document.

Bureau of Household Goods and Services

4244 South Market Court, Suite D
Sacramento, California 95834-1243

Phone: (916) 999-2041

bhgs.dca.ca.gov

Strategic plan adopted on July 13, 2022.

This strategic plan is based on stakeholder information and discussions facilitated by SOLID for the Bureau of Household Goods and Services on January 20, 2022. Subsequent amendments may have been made after the adoption of this plan.

STATE OF CALIFORNIA



DEPARTMENT OF CONSUMER AFFAIRS

**SOLID TRAINING AND
PLANNING SOLUTIONS**

Prepared by:

SOLID Planning Solutions
1747 N. Market Blvd., Ste. 270
Sacramento, CA 95834

ATTACHMENT E

QUARTERLY AND ANNUAL PERFORMANCE MEASURE REPORTS



Bureau
Quarterly and Annual
Performance Measure Reports
2018-2022

**Annual Licensing Performance
Measure Reports
2018-2022**

Fiscal Year	DCA Entity	License Type	Application Type	Target Cycle Time Complete Applications	Volume Complete Applications	Cycle Time Complete Applications	Volume Incomplete Applications	Cycle Time Incomplete Applications
6/30/2021	BHGS	Appliance Service Dealer	Initial Registration Application	30	305	15	66	54
6/30/2021	BHGS	Combination Service Dealer	Initial Registration Application	30	14	12	0	0
6/30/2021	BHGS	Electronic Service Dealer	Initial Registration Application	30	157	14	21	54
6/30/2021	BHGS	Service Contract Seller	Initial Registration Application	45	1351	5	35	80
6/30/2021	BHGS	Service Contract Administrator	Initial Registration Application	45	17	4	7	108
6/30/2021	BHGS	Furniture Retailer	Initial License Application	30	110	18	21	49
6/30/2021	BHGS	Custom Upholsterer	Initial License Application	30	31	19	11	47
6/30/2021	BHGS	Supply Dealer	Initial License Application	30	0	0	0	0
6/30/2021	BHGS	Bedding Retailer	Initial License Application	30	90	3	3	253
6/30/2021	BHGS	Sanitizer	Initial License Application	30	0	0	0	0
6/30/2021	BHGS	Furniture & Bedding Importer	Initial License Application	30	742	17	165	37
6/30/2021	BHGS	Furniture & Bedding Retailer	Initial License Application	30	343	8	51	78
6/30/2021	BHGS	Furniture & Bedding Manufacturer	Initial License Application	30	63	19	19	50
6/30/2021	BHGS	Thermal Insulation Manufacturer	Initial License Application	30	3	22	1	53
6/30/2021	BHGS	Furniture & Bedding Wholesaler	Initial License Application	30	12	13	5	35
6/30/2021	BHGS	Household Mover	Initial Application Permit	120	0	0	165	178
6/30/2020	BHGS	Appliance Service Dealer	Initial Registration Application	30	328	13	18	67
6/30/2020	BHGS	Combination Service Dealer	Initial Registration Application	30	25	12	3	56
6/30/2020	BHGS	Electronic Service Dealer	Initial Registration Application	30	329	16	21	67
6/30/2020	BHGS	Service Contract Seller	Initial Registration Application	45	959	1	8	54
6/30/2020	BHGS	Service Contract Administrator	Initial Registration Application	45	5	6	0	0
6/30/2020	BHGS	Furniture Retailer	Initial License Application	30	61	16	4	103
6/30/2020	BHGS	Custom Upholsterer	Initial License Application	30	19	20	2	103
6/30/2020	BHGS	Supply Dealer	Initial License Application	30	2	4	0	0
6/30/2020	BHGS	Bedding Retailer	Initial License Application	30	234	4	3	133
6/30/2020	BHGS	Sanitizer	Initial License Application	30	0	0	0	0
6/30/2020	BHGS	Furniture & Bedding Importer	Initial License Application	30	759	10	15	53
6/30/2020	BHGS	Furniture & Bedding Retailer	Initial License Application	30	361	9	7	83
6/30/2020	BHGS	Furniture & Bedding Manufacturer	Initial License Application	30	77	12	2	62
6/30/2020	BHGS	Thermal Insulation	Initial License Application	30	3	9	0	0
6/30/2020	BHGS	Furniture & Bedding Wholesaler	Initial License Application	30	17	13	43	2
6/30/2020	BHGS	Household Mover	Initial Application Permit	120	0	0	249	110
6/30/2019	BHGS	Appliance Service Dealer	Initial Registration Application	30	334	10	4	70
6/30/2019	BHGS	Combination Service Dealer	Initial Registration Application	30	60	3	1	91
6/30/2019	BHGS	Electronic Service Dealer	Initial Registration Application	30	355	11	15	71
6/30/2019	BHGS	Service Contract Seller	Initial Registration Application	45	957	2	0	0
6/30/2019	BHGS	Service Contract Administrator	Initial Registration Application	45	5	18	3	118
6/30/2019	BHGS	Furniture Retailer	Initial License Application	30	167	7	0	0
6/30/2019	BHGS	Custom Upholsterer	Initial License Application	30	22	10	3	72
6/30/2019	BHGS	Supply Dealer	Initial License Application	30	0	0	0	0
6/30/2019	BHGS	Bedding Retailer	Initial License Application	30	227	1	0	0
6/30/2019	BHGS	Sanitizer	Initial License Application	30	11	2	0	0

6/30/2019	BHGS	Furniture & Bedding Importer	Initial License Application	30	901	8	22	51
6/30/2019	BHGS	Furniture & Bedding Retailer	Initial License Application	30	543	7	19	60
6/30/2019	BHGS	Furniture & Bedding Manufacturer	Initial License Application	30	113	11	6	77
6/30/2019	BHGS	Thermal Insulation	Initial License Application	30	13	6	0	0
6/30/2019	BHGS	Furniture & Bedding Wholesaler	Initial License Application	30	19	10	0	0
6/30/2019	BHGS	Household Mover	Initial Application Permit	0	0	0	169	111
6/30/2018	BHGS	Appliance Service Dealer	Initial Registration Application	30	349	11	16	53
6/30/2018	BHGS	Combination Service Dealer	Initial Registration Application	30	19	18	0	0
6/30/2018	BHGS	Electronic Service Dealer	Initial Registration Application	30	709	9	31	65
6/30/2018	BHGS	Service Contract Seller	Initial Registration Application	45	3195	1	1	127
6/30/2018	BHGS	Service Contract Administrator	Initial Registration Application	45	2	10	0	0
6/30/2018	BHGS	Furniture Retailer	Initial License Application	30	94	7	7	52
6/30/2018	BHGS	Custom Upholsterer	Initial License Application	30	30	11	1	107
6/30/2018	BHGS	Supply Dealer	Initial License Application	30	1	4	1	42
6/30/2018	BHGS	Bedding Retailer	Initial License Application	30	297	1	4	101
6/30/2018	BHGS	Sanitizer	Initial License Application	30	1	6	0	0
6/30/2018	BHGS	Furniture & Bedding Importer	Initial License Application	30	906	10	13	48
6/30/2018	BHGS	Furniture & Bedding Retailer	Initial License Application	30	447	11	9	68
6/30/2018	BHGS	Furniture & Bedding Manufacturer	Initial License Application	30	137	9	1	43
6/30/2018	BHGS	Thermal Insulation	Initial License Application	30	2	2	1	185
6/30/2018	BHGS	Furniture & Bedding Wholesaler	Initial License Application	30	22	6	0	0

**Quarterly Licensing
Performance Measure Reports
2018-2022**

Fiscal Year	Year	Quarter	Month	Date	DCA Entity Code	License Type Code	License Type	Transacti on Code	Application Type	Target Cycle Time Complete Applications	Volume Complete Applications	Cycle Time Complete Applications	Volume Incomplete Applications	Cycle Time Incomplete Applications	Volume Renewal Applications	Cycle Time Renewal Applications
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Appliance-Service-Dealer	N/A	Initial Registration Application	30	22	9	10	96	201	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Appliance-Service-Dealer	N/A	Renewal Application	0	0	0	0	0	0	10
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Appliance-Service-Dealer	N/A	Initial Registration Application	30	19	21	15	39	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Appliance-Service-Dealer	N/A	Renewal Application	0	0	0	0	0	210	8
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Appliance-Service-Dealer	N/A	Initial Registration Application	30	19	17	2	47	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Appliance-Service-Dealer	N/A	Renewal Application	30	8	19	2	45	0	5
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Bedding-Retailer	N/A	Initial License Application	0	0	0	0	0	64	11
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Bedding-Retailer	N/A	Renewal Application	30	8	19	2	45	0	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Bedding-Retailer	N/A	Initial License Application	30	0	0	0	0	19	108
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Bedding-Retailer	N/A	Renewal Application	30	7	1	0	0	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Bedding-Retailer	N/A	Initial License Application	30	0	0	0	0	131	12
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Bedding-Retailer	N/A	Renewal Application	30	0	0	0	0	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Combination-Service-Dealer	N/A	Initial Registration Application	30	0	0	0	0	0	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Combination-Service-Dealer	N/A	Renewal Application	0	0	0	0	0	11	5
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Combination-Service-Dealer	N/A	Initial Registration Application	30	1	11	0	0	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Combination-Service-Dealer	N/A	Renewal Application	0	0	0	0	0	4	3
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Combination-Service-Dealer	N/A	Initial Registration Application	30	2	21	0	0	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Combination-Service-Dealer	N/A	Renewal Application	0	0	0	0	0	25	10
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Combination-Service-Dealer	N/A	Initial License Application	30	4	9	1	378	0	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Custom-Upholsterer	N/A	Renewal Application	0	0	0	0	0	21	5
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Custom-Upholsterer	N/A	Initial License Application	30	1	27	3	38	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Custom-Upholsterer	N/A	Renewal Application	0	0	0	0	0	12	91
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Custom-Upholsterer	N/A	Initial License Application	30	5	24	9	46	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Custom-Upholsterer	N/A	Renewal Application	0	0	0	0	0	24	6
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Custom-Upholsterer	N/A	Initial Registration Application	30	31	8	7	109	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Electronic-Service-Dealer	N/A	Renewal Application	0	0	0	0	0	258	10
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Electronic-Service-Dealer	N/A	Initial Registration Application	30	9	17	5	100	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Electronic-Service-Dealer	N/A	Renewal Application	0	0	0	0	0	205	12
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Electronic-Service-Dealer	N/A	Initial License Application	30	26	17	4	41	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Electronic-Service-Dealer	N/A	Renewal Application	0	0	0	0	0	356	6
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Furniture and Bedding-Manufacturer	N/A	Initial License Application	30	7	13	1	100	0	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Furniture and Bedding-Manufacturer	N/A	Renewal Application	0	0	0	0	0	54	5
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Furniture and Bedding-Manufacturer	N/A	Initial License Application	30	7	22	2	36	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Furniture and Bedding-Manufacturer	N/A	Renewal Application	0	0	0	0	0	49	5
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Furniture and Bedding-Manufacturer	N/A	Initial License Application	30	2	20	7	39	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Furniture and Bedding-Manufacturer	N/A	Renewal Application	0	0	0	0	0	50	5
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Furniture and Bedding-Manufacturer	N/A	Initial License Application	30	44	12	7	157	0	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Furniture and Bedding-Retailer	N/A	Renewal Application	0	0	0	0	0	1061	47
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Furniture and Bedding-Retailer	N/A	Initial License Application	30	18	21	27	66	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Furniture and Bedding-Retailer	N/A	Renewal Application	0	0	0	0	0	394	13
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Furniture and Bedding-Retailer	N/A	Initial License Application	30	25	8	24	57	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Furniture and Bedding-Retailer	N/A	Renewal Application	0	0	0	0	0	767	24
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Furniture and Bedding-Retailer	N/A	Initial License Application	30	1	15	0	0	0	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Furniture and Bedding-Wholesaler	N/A	Renewal Application	0	0	0	0	0	8	10
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Furniture and Bedding-Wholesaler	N/A	Initial License Application	30	0	0	0	0	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Furniture and Bedding-Wholesaler	N/A	Renewal Application	0	0	0	1	42	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Furniture and Bedding-Wholesaler	N/A	Initial License Application	30	0	0	0	0	4	3
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Furniture and Bedding-Wholesaler	N/A	Renewal Application	0	0	0	0	0	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Furniture and Bedding-Wholesaler	N/A	Initial License Application	30	0	0	0	0	1	1
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Furniture Retailer	N/A	Renewal Application	30	9	20	2	167	0	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Furniture Retailer	N/A	Initial License Application	30	0	0	0	0	65	7
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Furniture Retailer	N/A	Renewal Application	0	2	26	9	58	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Furniture Retailer	N/A	Initial License Application	30	0	0	0	0	14	6
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Furniture Retailer	N/A	Renewal Application	0	5	22	7	58	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Furniture Retailer	N/A	Initial License Application	30	0	0	0	0	42	15
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Furniture Retailer	N/A	Renewal Application	120	0	0	13	63	0	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Household-Movers-Permit	N/A	Initial Application Permit	120	0	0	15	60	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Household-Movers-Permit	N/A	Renewal Application	120	0	0	19	71	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Household-Movers-Permit	N/A	Initial Application Permit	30	84	15	21	73	0	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Importer	N/A	Renewal Application	0	0	0	0	0	210	40
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Importer	N/A	Initial License Application	30	46	24	24	52	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Importer	N/A	Renewal Application	0	0	0	0	0	217	12

6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Importer	N/A	Initial License Application	30	43	20	82	45	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Importer	N/A	Renewal Application	0	0	0	0	0	156	6
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Sanitizer	N/A	Initial License Application	30	0	0	0	0	0	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Sanitizer	N/A	Renewal Application	0	0	0	0	0	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Sanitizer	N/A	Initial License Application	30	0	0	0	0	4	22
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Sanitizer	N/A	Renewal Application	0	0	0	0	0	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Sanitizer	N/A	Initial License Application	30	0	0	0	0	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Service Contract Administrator	N/A	Initial Registration Application	45	0	0	0	0	0	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Service Contract Administrator	N/A	Renewal Application	0	0	0	0	2	3	3
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Service Contract Administrator	N/A	Initial Registration Application	45	1	26	1	144	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Service Contract Administrator	N/A	Renewal Application	0	0	0	0	0	8	4
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Service Contract Administrator	N/A	Initial License Application	45	0	0	0	0	8	5
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Service Contract Administrator	N/A	Renewal Application	0	0	0	0	0	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Service Contract Seller	N/A	Initial Registration Application	45	112	7	18	67	0	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Service Contract Seller	N/A	Renewal Application	0	0	0	0	0	227	33
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Service Contract Seller	N/A	Initial Registration Application	45	19	22	643	70	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Service Contract Seller	N/A	Renewal Application	0	0	0	0	0	1055	95
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Service Contract Seller	N/A	Initial Registration Application	45	124	5	503	44	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Service Contract Seller	N/A	Renewal Application	0	0	0	0	0	829	15
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Service Contract Seller	N/A	Initial License Application	30	2	20	0	0	0	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Supply Dealer	N/A	Renewal Application	0	0	0	0	0	4	7
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Supply Dealer	N/A	Initial License Application	30	0	0	0	44	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Supply Dealer	N/A	Renewal Application	0	0	0	0	0	3	3
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Supply Dealer	N/A	Initial License Application	30	1	16	0	0	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Supply Dealer	N/A	Renewal Application	0	0	0	0	5	6	6
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Supply Dealer	N/A	Initial License Application	30	1	7	1	26	0	0
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Thermal Insulation Manufacturer	N/A	Renewal Application	0	0	0	0	0	5	1
6/30/2022	2022	Q2	December	12/31/2021	BHGS	N/A	Thermal Insulation Manufacturer	N/A	Initial License Application	30	0	0	0	0	0	0
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Thermal Insulation Manufacturer	N/A	Renewal Application	0	0	0	0	0	3	12
6/30/2022	2022	Q2	November	11/30/2021	BHGS	N/A	Thermal Insulation Manufacturer	N/A	Initial License Application	30	0	0	0	0	0	0
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Thermal Insulation Manufacturer	N/A	Renewal Application	0	0	0	0	0	5	6
6/30/2022	2022	Q2	October	10/31/2021	BHGS	N/A	Thermal Insulation Manufacturer	N/A	Initial Registration Application	30	40	15	3	65	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Appliance Service Dealer	N/A	Renewal Application	0	0	0	0	0	185	4
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Appliance Service Dealer	N/A	Initial Registration Application	30	18	18	1	51	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Appliance Service Dealer	N/A	Renewal Application	0	0	0	0	0	149	6
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Appliance Service Dealer	N/A	Initial License Application	30	21	21	15	39	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Appliance Service Dealer	N/A	Renewal Application	0	0	0	0	0	229	5
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Appliance Service Dealer	N/A	Initial Registration Application	30	6	2	1	63	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Bedding Retailer	N/A	Renewal Application	0	0	0	0	0	43	11
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Bedding Retailer	N/A	Initial License Application	30	6	2	1	45	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Bedding Retailer	N/A	Renewal Application	0	0	0	0	0	82	19
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Bedding Retailer	N/A	Initial License Application	30	9	2	2	39	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Bedding Retailer	N/A	Renewal Application	0	0	0	0	0	20	16
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Bedding Retailer	N/A	Initial Registration Application	30	2	12	0	0	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Combination Service Dealer	N/A	Renewal Application	0	0	0	0	0	5	4
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Combination Service Dealer	N/A	Initial License Application	30	1	16	0	0	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Combination Service Dealer	N/A	Renewal Application	0	0	0	0	0	18	17
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Combination Service Dealer	N/A	Initial Registration Application	30	3	22	0	0	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Combination Service Dealer	N/A	Renewal Application	0	0	0	0	0	124	14
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Combination Service Dealer	N/A	Initial License Application	30	4	21	2	56	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Custom Upholsterer	N/A	Renewal Application	0	0	0	0	0	12	4
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Custom Upholsterer	N/A	Initial License Application	30	5	20	1	58	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Custom Upholsterer	N/A	Renewal Application	0	0	0	0	0	15	11
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Custom Upholsterer	N/A	Initial License Application	30	0	0	0	0	13	4
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Custom Upholsterer	N/A	Renewal Application	0	0	0	0	0	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Custom Upholsterer	N/A	Initial Registration Application	30	31	15	7	37	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Electronic Service Dealer	N/A	Renewal Application	0	0	0	0	0	346	15
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Electronic Service Dealer	N/A	Initial License Application	30	12	20	0	0	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Electronic Service Dealer	N/A	Renewal Application	0	0	0	0	0	357	13
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Electronic Service Dealer	N/A	Initial Registration Application	30	10	17	4	46	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Electronic Service Dealer	N/A	Renewal Application	0	0	0	0	0	313	8
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Electronic Service Dealer	N/A	Initial License Application	30	15	16	73	61	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Furniture & Bedding Importer	N/A	Renewal Application	0	0	0	0	0	170	6
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Furniture & Bedding Importer	N/A	Initial License Application	30	0	0	0	0	0	0

6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Furniture & Bedding-Importer	N/A	Initial License Application	30	30	18	55	52	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Furniture & Bedding-Importer	N/A	Renewal Application	0	0	0	0	0	159	10
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Furniture & Bedding-Importer	N/A	Initial License Application	30	32	23	47	41	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Furniture & Bedding-Importer	N/A	Renewal Application	0	0	0	7	56	209	7
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Furniture & Bedding-Manufacturer	N/A	Initial License Application	30	0	0	0	0	86	72
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Furniture & Bedding-Manufacturer	N/A	Renewal Application	0	0	18	5	56	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Furniture & Bedding-Manufacturer	N/A	Initial License Application	30	0	0	0	0	47	7
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Furniture & Bedding-Manufacturer	N/A	Renewal Application	0	0	21	2	37	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Furniture & Bedding-Manufacturer	N/A	Initial License Application	30	4	0	0	0	51	8
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Furniture & Bedding-Retailer	N/A	Initial License Application	30	29	9	17	67	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Furniture & Bedding-Retailer	N/A	Renewal Application	0	0	0	0	0	468	19
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Furniture & Bedding-Retailer	N/A	Initial License Application	30	9	17	20	50	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Furniture & Bedding-Retailer	N/A	Renewal Application	0	0	0	0	0	88	12
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Furniture & Bedding-Retailer	N/A	Initial License Application	30	10	9	13	91	0	16
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Furniture & Bedding-Retailer	N/A	Renewal Application	0	0	0	0	0	312	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Furniture & Bedding-Wholesaler	N/A	Initial License Application	30	0	0	1	80	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Furniture & Bedding-Wholesaler	N/A	Renewal Application	0	0	0	0	0	7	13
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Furniture & Bedding-Wholesaler	N/A	Initial License Application	30	1	23	0	0	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Furniture & Bedding-Wholesaler	N/A	Renewal Application	0	0	0	0	0	5	8
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Furniture & Bedding-Wholesaler	N/A	Initial License Application	30	0	0	0	0	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Furniture & Bedding-Wholesaler	N/A	Renewal Application	0	0	0	0	0	8	4
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Furniture Retailer	N/A	Initial License Application	30	3	7	12	56	0	19
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Furniture Retailer	N/A	Renewal Application	0	0	0	0	0	126	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Furniture Retailer	N/A	Initial License Application	30	3	18	10	54	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Furniture Retailer	N/A	Renewal Application	0	0	0	0	0	20	3
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Furniture Retailer	N/A	Initial License Application	30	4	24	2	49	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Furniture Retailer	N/A	Renewal Application	0	0	0	0	0	31	11
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Furniture Retailer	N/A	Initial Application Permit	120	0	0	15	71	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Household Mover	N/A	Renewal Application	0	0	0	0	0	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Household Mover	N/A	Initial Application Permit	120	0	0	15	84	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Household Mover	N/A	Renewal Application	0	0	0	0	0	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Household Mover	N/A	Initial Application Permit	120	0	0	14	90	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Household Mover	N/A	Renewal Application	0	0	0	0	0	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Household Mover	N/A	Initial License Application	30	0	0	0	0	4	8
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Sanitizer	N/A	Renewal Application	0	0	0	0	0	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Sanitizer	N/A	Initial License Application	30	0	0	0	0	7	53
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Sanitizer	N/A	Renewal Application	0	0	0	0	0	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Sanitizer	N/A	Initial Registration Application	45	1	42	0	0	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Service Contract Administrator	N/A	Renewal Application	0	0	0	0	0	5	4
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Service Contract Administrator	N/A	Initial Registration Application	45	0	0	1	230	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Service Contract Administrator	N/A	Renewal Application	0	0	0	2	202	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Service Contract Administrator	N/A	Initial Registration Application	45	0	0	0	0	4	1
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Service Contract Administrator	N/A	Renewal Application	0	0	0	0	0	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Service Contract Administrator	N/A	Initial Registration Application	45	10	1	22	59	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Service Contract Seller	N/A	Renewal Application	0	0	0	0	0	715	28
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Service Contract Seller	N/A	Initial Registration Application	45	25	10	9	32	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Service Contract Seller	N/A	Renewal Application	0	0	0	0	0	1626	28
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Service Contract Seller	N/A	Initial Registration Application	45	23	15	19	53	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Service Contract Seller	N/A	Renewal Application	0	0	0	0	0	1000	21
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Supply Dealer	N/A	Initial License Application	30	0	0	0	0	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Supply Dealer	N/A	Renewal Application	0	0	0	0	0	5	3
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Supply Dealer	N/A	Initial License Application	30	0	0	1	89	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Supply Dealer	N/A	Renewal Application	0	0	0	0	0	2	4
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Supply Dealer	N/A	Initial License Application	30	0	0	0	0	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Supply Dealer	N/A	Renewal Application	0	0	0	0	0	5	10
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Supply Dealer	N/A	Initial License Application	30	0	0	0	0	0	0
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Thermal Insulation	N/A	Renewal Application	0	0	0	0	0	8	9
6/30/2022	2022	Q1	September	9/30/2021	BHGS	N/A	Thermal Insulation	N/A	Initial License Application	30	0	0	0	0	0	0
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Thermal Insulation	N/A	Renewal Application	0	0	0	0	0	3	3
6/30/2022	2022	Q1	August	8/31/2021	BHGS	N/A	Thermal Insulation	N/A	Initial License Application	30	0	0	1	53	0	0
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Thermal Insulation	N/A	Renewal Application	0	0	0	0	0	11	7
6/30/2022	2022	Q1	July	7/31/2021	BHGS	N/A	Thermal Insulation	N/A	Initial License Application	0	0	0	0	0	0	0

**Annual Enforcement
Performance Measure Reports
2018-2022**

DCA Entity	BHGS	BHGS	BHGS	BHGS
Fiscal Year	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Complaints Received	2573	1585	1800	2356
Complaints Closed without Referral	1111	915	947	1201
Referred for Investigation	1508	907	845	1164
Complaints Pending	11	93	36	7
Conviction/Arrest Received	3	0	0	0
Conviction/Arrest Closed or Referred	4	0	0	0
Conviction-Arrest Closed Without Referral for Investigation	0	0	0	0
Conviction-Arrest Referred for Investigation	4	0	0	0
Conviction/Arrest Pending	0	0	0	0
Inspection	874	2016	3863	3940
Citations Issued	438	0	0	0
Investigation Opened	1512	907	846	1164
Investigation Closed	1153	553	681	1179
Investigation Pending	677	620	318	167
Case Completion Time 0 to 90 Days	624	388	503	895
Case Completion Time 91 to 180 Days	194	72	109	164
Case Completion Time 181 to 365 Days	207	50	64	36
Case Completion Time 1 to 2 Years	103	42	9	80
Case Completion Time 2 to 3 Years	17	1	0	2
Case Completion Time More than 3 Years	8	0	0	2
Cycle Time to complete intake and investigation	141	159	67	105
Citations and fines issued	438	350	626	904
Citations issued with a Fine	74	78	250	422
Citations withdrawn	1	3	21	56
Citations dismissed	0	0	0	0
Citation & Fine Average Cycle Time	169	5	2	8
Fines Assessed	219951	32150	115185	169300
Fines Reduced	420	2485	20785	50363
Fines Collected	11150	11650	73510	41188
Referred for Criminal/Civil Action	21	3	0	0
Criminal Actions Filed	7	1	0	0
Civil Actions Filed	6	0	0	0
AG Cases Opened	0	2	2	1
AG Cases Closed	0	2	0	5
AG Cases Pending	0	1	2	1
AG Case Closure less than 1 Year	0	2	1	1
AG Case Closure 1 to 2 Years	0	0	0	1
AG Case Closure 2 to 3 Years	0	0	0	1
AG Case Closure over 3 Years	0	0	0	0
AG Case Average Cycle Time	0	0	256	503
AG Statements of Issues Filed	0	1	1	1

AG Accusations Filed	0	0	0	1
AG Restraining/Restriction/Suspension Orders Granted	0	0	0	0
AG Statements of Issues Withdrawn/Dismissed	0	0	0	1
AG Cases Accusations Withdrawn/Dismissed	0	0	0	0
License Applications Denied	0	3	0	2
License Revoked	0	0	0	1
License Surrendered	0	0	0	0
License Probation with Suspension	0	0	0	0
License Suspension Only	0	0	0	0
License Probation Only	0	0	1	1
License Public Reprimand	0	0	0	0
Other Decisions	0	0	0	0
Probation modification or termination Granted	0	0	0	0
Probation modification or termination Denied	0	0	0	0
Petition for reinstatement granted	0	0	0	0
Petition for reinstatement denied	0	0	0	0
Total	0	0	0	0
Cost Recovery ordered	0	0	0	0
Cost recovery collected	0	0	0	0
Restitution Ordered	13000	0	0	0
Amount Refunded	0	0	53679	92136
Rework at No Charge	0	0	315	3155
Adjustments>Returns/Exchanges	0	0	20557	45666
Total Savings Achieved for Consumers	13000	0	74551	140956
Case Received to Investigator Assigned	7	11	7	18
Investigation Start to Case Closure	134	159	69	104
Formal Discipline Cycle Time	0	0	47	503
Total New Case Intake	2576	1585	1800	2356
Total Pending	11	93	36	7

**Quarterly Enforcement
Performance Measure Reports
2018-2022**

Board Name	Performance Measure	Year	Quarter	Month	Date	Target	Complaints Volume	Conviction/Arrest Volume	Total Volume	Intake Time	Investigation Time	Post Investigation	Pre AG Transmittal	Post AG Transmittal	Cycle Time
BHGS	PM1	6/30/2022	Q3	March	3/31/2022	0	210	0	210	0	0	0	0	0	0
BHGS	PM2	6/30/2022	Q3	March	3/31/2022	10	0	0	188	0	0	0	0	0	3
BHGS	PM3	6/30/2022	Q3	March	3/31/2022	180	0	0	93	0	0	0	0	0	41
BHGS	PM4	6/30/2022	Q3	March	3/31/2022	540	0	0	0	0	0	0	0	0	0
BHGS	PM7	6/30/2022	Q3	March	3/31/2022	15	0	0	0	0	0	0	0	0	0
BHGS	PM8	6/30/2022	Q3	March	3/31/2022	30	0	0	0	0	0	0	0	0	0
BHGS	PM11	6/30/2022	Q3	February	2/28/2022	0	195	0	195	0	0	0	0	0	0
BHGS	PM2	6/30/2022	Q3	February	2/28/2022	10	0	0	181	0	0	0	0	0	3
BHGS	PM3	6/30/2022	Q3	February	2/28/2022	180	0	0	45	0	0	0	0	0	60
BHGS	PM4	6/30/2022	Q3	February	2/28/2022	540	0	0	0	0	0	0	0	0	0
BHGS	PM7	6/30/2022	Q3	February	2/28/2022	15	0	0	0	0	0	0	0	0	0
BHGS	PM8	6/30/2022	Q3	February	2/28/2022	30	0	0	0	0	0	0	0	0	0
BHGS	PM1	6/30/2022	Q3	January	1/31/2022	0	188	0	188	0	0	0	0	0	0
BHGS	PM2	6/30/2022	Q3	January	1/31/2022	10	0	0	187	0	0	0	0	0	9
BHGS	PM3	6/30/2022	Q3	January	1/31/2022	180	0	0	51	0	0	0	0	0	43
BHGS	PM4	6/30/2022	Q3	January	1/31/2022	540	0	0	0	0	0	0	0	0	0
BHGS	PM7	6/30/2022	Q3	January	1/31/2022	15	0	0	0	0	0	0	0	0	0
BHGS	PM8	6/30/2022	Q3	January	1/31/2022	30	0	0	0	0	0	0	0	0	0
BHGS	PM1	6/30/2022	Q2	December	12/30/2021	0	146	0	146	0	0	0	0	0	0
BHGS	PM2	6/30/2022	Q2	December	12/30/2021	10	0	0	146	0	0	0	0	0	13
BHGS	PM3	6/30/2022	Q2	December	12/30/2021	180	0	0	52	0	0	0	0	0	199
BHGS	PM4	6/30/2022	Q2	December	12/30/2021	540	0	0	0	0	0	0	0	0	0
BHGS	PM7	6/30/2022	Q2	December	12/30/2021	15	0	0	0	0	0	0	0	0	0
BHGS	PM8	6/30/2022	Q2	December	12/30/2021	30	0	0	0	0	0	0	0	0	0
BHGS	PM1	6/30/2022	Q2	November	11/30/2021	0	195	0	195	0	0	0	0	0	0
BHGS	PM2	6/30/2022	Q2	November	11/30/2021	10	0	0	195	0	0	0	0	0	12
BHGS	PM3	6/30/2022	Q2	November	11/30/2021	180	0	0	57	0	0	0	0	0	149
BHGS	PM4	6/30/2022	Q2	November	11/30/2021	540	0	0	0	0	0	0	0	0	0
BHGS	PM7	6/30/2022	Q2	November	11/30/2021	15	0	0	0	0	0	0	0	0	0
BHGS	PM8	6/30/2022	Q2	November	11/30/2021	30	0	0	0	0	0	0	0	0	0
BHGS	PM1	6/30/2022	Q2	November	11/30/2021	30	0	0	0	0	0	0	0	0	0
BHGS	PM2	6/30/2022	Q2	October	10/31/2021	0	227	0	227	0	0	0	0	0	0
BHGS	PM3	6/30/2022	Q2	October	10/31/2021	10	0	0	225	0	0	0	0	0	5
BHGS	PM4	6/30/2022	Q2	October	10/31/2021	180	0	0	88	0	0	0	0	0	302
BHGS	PM7	6/30/2022	Q2	October	10/31/2021	540	0	0	0	0	0	0	0	0	0
BHGS	PM8	6/30/2022	Q2	October	10/31/2021	15	0	0	0	0	0	0	0	0	0
BHGS	PM1	6/30/2022	Q2	October	10/31/2021	30	0	0	0	0	0	0	0	0	0
BHGS	PM1	6/30/2022	Q1	September	9/30/2021	0	183	0	183	0	0	0	0	0	0
BHGS	PM2	6/30/2022	Q1	September	9/30/2021	10	0	0	176	0	0	0	0	0	3
BHGS	PM3	6/30/2022	Q1	September	9/30/2021	180	0	0	88	0	0	0	0	0	204
BHGS	PM4	6/30/2022	Q1	September	9/30/2021	540	0	0	0	0	0	0	0	0	0
BHGS	PM7	6/30/2022	Q1	September	9/30/2021	15	0	0	0	0	0	0	0	0	0
BHGS	PM8	6/30/2022	Q1	September	9/30/2021	30	0	0	0	0	0	0	0	0	0
BHGS	PM1	6/30/2022	Q1	August	8/31/2021	0	207	0	207	0	0	0	0	0	0
BHGS	PM2	6/30/2022	Q1	August	8/31/2021	10	0	0	209	0	0	0	0	0	4

ATTACHMENT F

2023 OUTREACH PLAN



Bureau of Household Goods and Services 2023 Outreach Plan

PURPOSE

During the Bureau of Household Goods and Services' (Bureau) 2022 strategic planning process, numerous internal and external stakeholders identified the need for consumers and licensees to become more aware of the Bureau's functions and how to navigate the industries it regulates. As a result of the strategic planning process, the Bureau established the following strategic goals regarding communication and education:

- 3.1 Educate consumers about what the Bureau is and how it protects consumers.
- 3.2 Educate the regulated industries about the functions of the Bureau and the resources available to them to enhance their business operations and increase compliance.
- 3.3 Publicize enforcement actions to inform consumers of industry violations.
- 3.4 Conduct outreach to related industries to educate them of the Bureau's laws and create partnerships to identify illegal activity.
- 3.5 Create and implement a comprehensive outreach plan.
- 3.6 Improve the user friendliness of the Bureau's website to make it an indispensable resource for licensees and consumers.
- 3.7 Explore new and alternative methods of communication to reach more stakeholders.

The following plan is designed to meet these strategic objectives. The plan is presented in the following sections:

- Generalized Outreach
- Industry Focused Outreach
- Education Focused Outreach
- State Agency Outreach
- Licensing Outreach
- Enforcement Outreach
- Social Media Outreach

GENERALIZED OUTREACH

- Attend multiple county fair events.
Staff Responsible: Special Investigators and their supervisors.
Special Investigator Chase will provide logistical support to the team for County Fair activities.
- Join the Contractors State License Board at Senior Scam Stopper Events throughout California.
Staff Responsible: Special Investigators and their supervisors.

2022 Staff Training: In preparation for these events, the Special Investigators will receive cross training from the Licensing Unit on common application questions and concerns in each program. They will also walk through preparing an application for each program area so they understand what information must be collected and gain a sense of the process from the applicant's perspective.

INDUSTRY FOCUSED OUTREACH

- Electronic repair, appliance repair, and service contracts
 - Contact and discuss meeting and outreach opportunities with the United Appliance Servicers Association.
Staff Responsible: Chief
- Home furnishings and thermal insulation
 - Attend and speak at the International Association of Bedding and Furniture Law Officials annual meeting (April 2023).
Staff Responsible: Laboratory Unit
 - Contact and discuss meeting and outreach opportunities with the Home Furnishings Association.
Staff Responsible: Chief
 - Contact and discuss meeting and outreach opportunities with American Home Furnishing Alliance.
Staff Responsible: Chief
 - Attend and speak at the quarterly Green Science Policy Institute TB-117- 2013 Information Exchanges.
Staff responsible: Chief
- Household movers
 - Release a consumer-focused moving advice video (~ 8-minute video on selecting a company and what to do in certain situations) (April 2023)
Staff Responsible: Policy Unit in coordination with the Department's Public Affairs staff.



- May 2023 National Moving Month Event (Early May)
Staff Responsible: Chief in coordination with the Department's Public Affairs staff.
- Attend and speak at the California Moving and Storage Association's 105th Annual Convention May 16-21, 2023.
Staff Responsible: Chief
- Contact and discuss meeting and outreach opportunities with Moving and Storage Conference of the American Trucking Association.
Staff Responsible: Chief

EDUCATION FOCUSED OUTREACH

- Visit and speak with faculty and discuss opportunities to speak with students and recent graduates from:
 - Los Medanos College – Department of Electrical & Instrumentation Technology
Staff Responsible: Chief
 - Palomar College – Case Furniture Construction/Manufacturing
Staff Responsible: Chief
- Attend the California Community College Association for Occupational Education Fall 2023 Conference
Staff Responsible: Chief

STATE AGENCY OUTREACH

- Meet with California Highway Patrol staff on:
 - Updates to the California Vehicle Code to minimize stops of movers with valid Bureau permits.
Staff Responsible: Policy Unit
 - Exploring potential to examine movers at weigh stations to inspect for valid permits and/or cite for unlicensed activity.
Staff Responsible: Chief and Policy Unit
- Meet with Division of Apprenticeship Standards staff to explore funding opportunities for employers to bring on new hires.
Staff Responsible: Chief and Policy Unit
- Continue coordination with the Department of Motor Vehicles and the Bureau of Automotive Repair to assess implementation of an ignition interlock device program.
Staff Responsible: Chief and Policy Unit

LICENSING OUTREACH

- Create videos on application processes, for each practice act. This will coincide with business modernization releases of each web-based application.
Staff Responsible: Licensing Unit Manager in coordination with the Bureau's business modernization team and the Department's Public Affairs staff.

ENFORCEMENT FOCUSED OUTREACH

- Create videos on how to select a business and, if the worst happens, how and when to file a consumer complaint (one set for each practice act).
Staff Responsible: Chief
- Develop FAQ consumer documents for each practice act
Staff Responsible: Chief and Policy Unit
- Continue to attend San Diego County's quarterly consumer fraud task force meetings.
Staff Responsible: Special Investigators
- Explore additional local meetings statewide.
Staff Responsible: Enforcement Managers
- Attend and speak at the California District Attorneys Association Fraud Symposium February 2023
Staff Responsible: Chief and Supervising Special Investigators

SOCIAL MEDIA OUTREACH

- Create and routinely post on Bureau Facebook and Twitter accounts
 - Content will include:
 - Application processing times
 - Delinquency status of large retail chains
 - Enforcement actions, including quarterly citation data and other disciplinary actions.
 - Questions and answers for consumers, licensees and applicants through posting and private messages.
Staff Responsible: Licensing Unit

BUREAU OF
**HOUSEHOLD GOODS
AND SERVICES**



BUREAU OF HOUSEHOLD GOODS AND SERVICES
SUNSET REVIEW REPORT 2022

PRESENTED TO THE SENATE COMMITTEE ON BUSINESS, PROFESSIONS AND ECONOMIC
DEVELOPMENT AND THE ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS



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SECRETARY, BUSINESS, CONSUMER
SERVICES AND HOUSING AGENCY

KIMBERLY KIRCHMEYER
DIRECTOR, DEPARTMENT OF CONSUMER AFFAIRS

JUSTIN PADDOCK
CHIEF, BUREAU OF HOUSEHOLD GOODS AND SERVICES