

*Please note that the minutes were amended on June 12, 2024.

**Bureau of Household Goods and Services (Bureau or BHGS)
Advisory Council Meeting Minutes
In-Person and Teleconference Meeting
October 12, 2023**

Department of Consumer Affairs – HQ 2 Hearing Room
1747 North Market Blvd., Room 186
Sacramento, CA 95834

Attendees:

Advisory Council Members: Pascal Benyamini, Industry
Burt Grimes, Industry
Tom Keepers, Industry
Donald Lucas, Public
Dan Rhodes, Industry
Toby Taylor, Industry
Sara Oakley, Industry

Bureau Staff: Justin Paddock, Bureau
Chief Claire Goldstene,
Deputy Chief
Jacqueline Castro, Licensing Manager
Alda Aguirre, Supervising Special Investigator
Jacob Egger, Environmental Scientist

Others: Judie Bucciarelli, DCA Board and Bureau
Relations Michael Kanotz, DCA Division of Legal
Affairs Suzanne Balkas, DCA Budgets

1. Welcome, Introductions, and Roll Call:

Bureau Chief Justin Paddock began the meeting and took roll call. Council Member Steve Weitekamp had an excused absence.

2. Public Comment on Items Not on the Agenda

Troy Willis, a licensed public adjuster and California resident, raised a concern about insurance companies that hire movers who do not follow the requirements of the Household Movers Act. These movers charge unfair fees, hold items hostage, and are not licensed in California. Mr. Willis would like the Bureau to take action against those who violate California laws related to moving.

Chief Paddock responded that Enforcement Chief Alda Aguirre will reach out to discuss his concerns in more detail.

3. Update from Board and Bureau Relations, Department of Consumer Affairs

Judie Bucciarelli, DCA Board and Bureau Relations, provided an update on the Department of Consumer Affairs.

Ms. Bucciarelli announced that the Diversity Equity and Inclusion (DEI) committee plans to launch its webpage by the end of the year and that future DCA-issued press releases will be published in both English and Spanish.

Ms. Bucciarelli also provided an update on recent legislative changes related to the Bagley- Keene Open Meeting Act. Beginning on January 1, 2024, four meeting options will be available: traditional single location meetings; traditional teleconference options; a new teleconference option that allows a majority of members to gather at one publicly noticed and accessible location while the remaining members participate remotely from private, non-public sites; and a new advisory body teleconference option.

Ms. Bucciarelli reminded advisory council members about the required sexual harassment prevention training this year and said that 2024 dates for board member orientation training will be announced shortly. Lastly, she announced that Business, Consumer Services and Housing Agency Secretary Lourdes Castro Ramirez has been appointed to serve as the Chief of Housing and Homelessness in the Office of Los Angeles Mayor Karen Bass, effective November 2, 2023.

4. Fiscal Update

Suzanne Balkas from the DCA Budget Office presented the fiscal update. She reported that the Electronic Appliance Repair (EAR) fund has 4.5 months in reserve, the Home Furnishing and Thermal Insulation (HFTI) fund has 9.3 months in reserve, and the Household Movers (HHM) fund has 30.2 months in reserve for the current fiscal year.

Chief Paddock discussed projected financial changes over time and reiterated the importance of the months in reserve figures. He also reminded council members that, beginning July 1, 2024, all Bureau funds will consolidate into a single fund.

Councilmember Comment: Mr. Keepers expressed interest in seeing financial data that highlights changes between council meetings.

Chief Paddock stated that the Bureau will make these changes for future packets.

a. Discussion of Amount of Citation Fines Collected

Chief Paddock reviewed the statistics related to the collection of citation fines. He noted that while he was uncertain about the accuracy of these

numbers in the prior Council meeting packet, the numbers in this packet are derived from internal reports and he is confident they are correct.

Chief Paddock also mentioned that once the newly created Case Management unit is created, the Bureau will be better positioned to increase its collection rate for citation fines.

Councilmember Comment: Mr. Benyamini asked about the timing before cases are referred to the Franchise Tax Board.

Chief Paddock responded that the Bureau sends three letters to the business before sending the citation to collection with the Franchise Tax Board, but would confirm that information.

Councilmember Comment: Mr. Grimes asked for an explanation about the \$33,000 issued in citations as compared to the \$9,500 collected.

Chief Paddock answered that these two numbers reflect businesses that fail to pay what they owe. He added that there are several instances where citation amounts are reduced or withdrawn through citation review conferences.

5. Review June 14, 2023, Advisory Council Meeting Minutes

There were no edits to the June 14, 2023, Advisory Council meeting minutes.

6. Presentation from Advisory Council Members Dan Rhodes and Toby Taylor on Ignition Interlock Devices

Mr. Rhodes and Mr. Taylor made a presentation on ignition interlock devices providing background on how the technology works and how it is regulated throughout the United States.

Councilmember Comment: Mr. Benyamini asked about the Bureau's role with ignition interlock devices.

Chief Paddock responded that the Bureau and the Bureau of Automotive Repair (BAR) jointly regulate this industry. A consumer can have the device installed by an automobile mechanic, regulated BAR; however, a consumer can also have it installed by a business that works on car stereos, regulated by the Bureau. He also stated that the Bureau's role is to ensure that consumers get an appropriate cost estimate, that businesses keep the proper equipment for the installation, and that all guidelines are followed by contracted companies.

Councilmember Comment: Mr. Benyamini asked how many of the 32,000 businesses are related to the Bureau.

Chief Paddock stated that while it is hard to know, anecdotally he would say one in four. Mr. Rhodes added that their industry operates to its own standard, which encompasses both Bureau and BAR regulations, and that his clients can have their device installed or calibrated at either type of regulated shop. Mr. Taylor added that because businesses regularly enter and exit installing and servicing ignition interlock devices these numbers can be difficult to track.

Councilmember Comment: Mr. Benyamini asked if the Bureau makes money from this program or if it is a burden since the number of EAR licenses is less than the number of those convicted of drunk driving.

Chief Paddock stated that it's not currently a burden but if a mandatory program were introduced he would need to determine if additional staff would be required.

Councilmember Comment: Mr. Benyamini inquired about facial recognition and if someone else could drive their friend's car if it had an interlock device.

Mr. Taylor stated that it can be used to sort through data for purposes of reported violations. Mr. Rhodes stated that it can be used to prove the car owner didn't fail the test if someone else using the car did.

Councilmember Comment: Ms. Oakley asked where all the data collected is pulled from?

Mr. Taylor explained that the data is managed by the manufacturers. There has been some talk about exporting the data to DMV systems, but in California it is currently a paper process where those paper records are sent to the DMV. Mr. Rhodes added that in Arizona, where the records are electronic, businesses are required to hold the data for seven years after the client has been removed from the program. He added they send all the data to Arizona DMV daily where it is also stored.

Chief Paddock asked about desired changes related to document requirements in California.

Mr. Taylor responded that they hope shops can get some relief from storing the paper data because of the storage required and that in some instances it effects their willingness to participate in the program.

Chief Paddock asked how much time a client has to retest after getting an alert from the device. Mr. Taylor answered five minutes and that they ask drivers to pull over and do it in a safe way.

7. Business Modernization Update

Licensing Manager Jacqueline Castro provided an update on the Bureau's Business Modernization project. She began by announcing that the Bureau has issued 12 mover permits since the Connect systems launched on June 1, 2023.

Ms. Castro then provided an update on the work the Bureau has been doing under product increment II (PI2), which includes the household mover quarterly report and notifications for permit holders. She also noted that Bureau staff have been working on adding permit changes to Connect, such as changing an exam qualifier, updating insurance policies, requests for cancellation, requests for voluntary suspensions, and report of equipment. Staff are also working to have the HHM transfer application as part of product increment III, which begins in January 2024.

Ms. Castro also reported that the TMIS conversion will take place on November 30, 2023, and noted that notifications will be sent to permit holders announcing the transition to Connect along with instructions about how to register a user account.

In closing Ms. Castro thanked Bureau Deputy Chief Claire Goldstene and Licensing staff Avra Wallace-Schoell and Laveenia Peavy for their help with Connect.

Councilmember Comment: Ms. Oakley asked, since many permit holders prefer email to mail, what communication avenues will be explored.

Ms. Castro replied that the Bureau will notify permit holders using both email and US mail. She noted that because many records in TMIS do not include email addresses, staff have been diligently trying to collect email addresses from permit holders and said staff may call permit holders directly for this information, if needed.

8. Division Updates and Statistical Overviews

a. Licensing

Ms. Castro provided a statistical update on Licensing, noting slight increases and decreases in licenses and registrations for EAR and

HFTI. She also announced that Bureau staff have begun working with licensees that operate as a corporation or LLC to ensure license records are accurate so that information in the license-look up system is correct.

Ms. Castro also reviewed the statistical update on HHM and noted both a decrease in permit numbers and an increase in quarterly report revenue. She explained that the lower number of permits issued could be related to the transition to Connect and noted that Licensing staff have been proactive in calling applicants to explain the process.

i. Update on Strategic Plan Objectives 1.1 – 1.4

Ms. Castro provided updates on Licensing strategic plan objectives 1.1 – 1.4, which center on the continued work on Connect.

b. Administrative

Deputy Bureau Chief Claire Goldstene provided an update on the administrative unit. Ms. Goldstene began by thanking personnel analyst Marie Gouthier for her work assisting with hiring.

Ms. Goldstene announced the promotions of two Bureau staff members – Jacob Egger was promoted to lab manager and Alda Aguirre to enforcement chief. She then provided an update on the hiring status of multiple positions across the Bureau.

Ms. Goldstene announced that Bureau management has decided to reduce the number of investigator positions subject to the longer background review in order to help expedite the hiring process.

Ms. Goldstene also announced that all units are currently working on a hybrid work schedule that is closely monitored by management. She added that this has enhanced the number of applicants for open positions, as well as the quality of applicants.

i. Update on Strategic Plan Objectives 5.1 – 5.5

Ms. Goldstene provided an update on Strategic Plan Objectives 5.1 – 5.5. She noted that the increase in telework, along with expanding where jobs are advertised, have helped address the strategic plan objectives related to hiring.

Ms. Goldstene also noted that, with the inclusion of all recruitments in process, the Bureau's vacancy rate drops to 14 percent.

Lastly, Ms. Goldstene stated that the Bureau is planning a staff event later in November, that she and Chief Paddock will travel to Southern California in November to meet with staff, and that an annual enforcement training will

take place in January 2024.

c. Laboratory

Lab manager Jacob Egger provided an update on Laboratory statistics and staff vacancies.

Mr. Egger noted the four staff vacancies in the Lab: an environmental scientist, that will be advertised shortly; an analyst position that is being reclassified to attract a more appropriate candidate for the needed work; and two lab technician positions.

Mr. Egger also announced that the deadline to make changes to listings for the 2024 Thermal Insulation Directory is November 15, 2023, and that directory fee payments are due December 15, 2023.

He also announced that Bureau staff plan to attend the April 2024, International Association of Bedding and Furniture Labeling Officials conference in Portsmouth, Virginia, and reviewed statistics related to Technical Bulletin 117-2013, California's upholstered furniture smoldering test, and 16 CFR 1633 testing, the federal government open-flame test for mattresses.

Mr. Egger also reported that Lab staff have spoken with representatives from the federal Consumer Product Safety Commission to compare protocols and test results for open-flame. One significant difference is that the CPSC tests based off of complaints, while the Bureau tests random samples.

Councilmember Comment: Mr. Lucas asked about CPSC's mattress failure rate.

Mr. Egger answered that because CPSC tests based on complaints their failure rate is significantly higher than the Bureau's, but that he could not share their specific data.

Mr. Egger announced that the Bureau has finalized a contract to send samples of upholstered furniture to the California Department of Toxic Substances Control for chemical analysis and expects samples to go out by the end of the month. Lastly, Mr. Egger discussed statistics related to label reviews and provided examples about various types of violations.

Councilmember Comment: Mr. Lucas inquired about the 23 cases that have been sent to Enforcement and asked about actions taken and responses from manufacturers.

Chief Paddock responded that there is now a monthly meeting on Lab failures and that staff will provide this information for the next Advisory

Council meeting packet.

Councilmember Comment: Mr. Lucas suggested that publicizing major violations and enforcement actions might serve as a deterrent and promote compliance.

Chief Paddock responded that once an outreach manager is hired they will be able to help with those efforts.

Councilmember Comment: Mr. Benyamini stated the importance of having FAQs to share with the industry as a means to improve compliance.

Mr. Paddock responded that the Bureau has a number of separate FAQs on the website and the staff would like to consolidate them for greater clarity. He added that many existing guidelines will be incorporated into the rulemaking as part of the HFTI regulatory update.

Councilmember Comment: Mr. Grimes expressed hope that the new label regulations will lower the number of violations. He added that the Bureau should wait until the new regulations are finalized before posting the FAQs to the website and asked about the timing of the regulatory changes.

Chief Paddock responded that DCA legal has reviewed a first draft of the proposed changes and that once the Bureau fills the vacant policy position, which is in the final stages of recruitment, completing the process will be a top priority.

Councilmember Comment: Mr. Lucas inquired about the low failure rate with DTSC.

Mr. Egger noted that the low failure rate indicates that industry is following regulations and not including flame retardant chemicals in their products. He also said that in the coming months, Lab staff hope to send a greater number of samples to DTSC for testing.

d. Enforcement

Enforcement Chief Alda Aguirre provided the Enforcement update and statistical review.

Ms. Aguirre spoke about the Bureau's relationship with local district attorneys in regard to enforcement sweeps and noted Bureau enforcement staff attendance at various collaborative task force meetings.

i. Update on Strategic Plan Objectives 2.1 – 2.5

Ms. Aguirre noted that as part of leveraging the Bureau's memorandum of agreement with FMSCA (objective 2.5), Bureau staff helped two consumers recover their belongings: one in Texas and one in Montana.

On proactive enforcement efforts (objective 2.2), Ms. Aguirre reported that undercover stings are paused until 2024, when it's expected the supervising special investigators will be hired. She added that Bureau staff will continue to conduct monthly sweeps targeting unlicensed business. She also provided statistics on a September compliance sweep in San Diego where Enforcement staff visit 24 businesses and issued 14 citations – 11 EAR and three HFTI.

Ms. Aguirre noted that Bureau management has refined a number of processes and developed and updated procedures (objective 2.1), including the complaint intake triage process to determine what should be assigned as a desk or field investigation. Ms. Aguirre also discussed development of a procedure to send cease letters to unlicensed businesses that grants them an opportunity to apply for a license before they receive a visit from Enforcement staff. She provided statistics on cease letters, 44 of which were sent to household movers.

Ms. Aguirre highlighted consumer/business assistance provided by Bureau staff, including negotiating consumer refunds, reducing consumer fees, and releasing consumer property without having to pay additional fees. Between May 2023 and August 2023, these examples amounted to \$25,000, not including a restoration company where insurance did not pay the company \$34,000 for moving services that were not permitted by the Bureau.

She also noted Bureau staff regularly solicit input from partners on industry trends and business practices to ensure the Bureau uses up-to-date enforcement practices (objective 2.3). Lastly, Ms. Aguirre presented statistics on complaint intake, desk investigations, field investigations, enforcement citations assessed, and hold hostage cases.

9. Communications and Education Update

Ms. Goldstene provided the communications and education update.

She began by stating that the Bureau is in the process of recruiting the outreach and education manager and expects an increase in outreach activity once that person is hired. She stated that in the meantime, Bureau staff from Licensing and Enforcement have been assisting with outreach.

Ms. Goldstene also reported that Bureau staff have been updating existing publications, which includes creating new outreach material, and have been making changes to the website, including to the contact us page and the

complaint forms.

Ms. Goldstene highlighted four communication and education priorities for the new outreach and education manager – updating existing outreach material, virtual applicant workshops, an annual industry newsletter, and a plan to relaunch the Bureau’s website.

10. Legislative and Policy Updates

a. Update on Bureau’s Sunset Review & SB 814 (Roth 2023)

Chief Paddock announced that on October 8, 2023, the governor signed the Bureau’s Sunset bill. He added that the next review will be in 2027.

Chief Paddock reminded the Advisory Council about a number of important provisions in the Sunset bill: on July 1, 2023, the Bureau’s three funds will be consolidated into one fund; HFTI flame-retardant documentation requirements were removed from the law; and HHM applicants will not need to make financial disclosures when applying for a permit.

Councilmember Comment: Mr. Grimes asked if the statewide withhold from sale program was still in effect.

Chief Paddock replied that no changes were made to that program and that he hopes to make it more robust during the next Sunset Review.

Councilmember Comment: Mr. Grimes inquired about withholding a single defective product from sale when there are 100 on the floor.

Chief Paddock replied that when the Bureau hires the new content manager they will work to see how to publicly disclose a problem with one item since the law currently precludes the Bureau from requiring a statewide product recall.

b. Household Movers Enforcement Regulation Update

c. Upholstered Furniture and Bedding Law Label Regulatory Proposal

d. AB 1059 (Freidman, 2023) – Product Safety: Consumer Products: Fiberglass

Chief Paddock combined items 10b, c, and d.

Chief Paddock stated that updates to the HHM regulations are nearly complete and that the new policy manager will make refinements to the law label proposal.

He also shared the Bureau's plan for upcoming proposed regulatory changes: HHM enforcement, followed by law labels, and then HHM license regulations. Lastly, he stated after these regulatory packages are complete, staff will address disciplinary guideline refinements for all three acts.

Lastly Chief Paddock provided update on AB 1059, which takes effect January 1, 2024.

e. SB 244 (Eggman) – Right to Repair Act

Chief Paddock stated that there will be no additional workload for the Bureau associated with this legislation, but anticipates a possible increase in call volume.

f. SB 271 (Dodd) – Powered Wheelchairs: Right to Repair

Chief Paddock announced that Governor Newsom vetoed this bill, which would have ensured that materials are available to anyone who wants to repair a product and that there are no embargoes on parts. He noted that Bureau staff will monitor the bill if it is reintroduced in the next legislative session.

11. Confirm Future Meeting Dates for 2024

Chief Paddock asked Advisory Council members to share their preferences about meeting either two or three times a year. There will be two scheduled meetings in 2024 (May 16 and November 14), and a third meeting if necessary.

Chief Paddock announced that Mr. Lucas is retiring and will step down from his role on the Advisory Council. Mr. Paddock spoke about Mr. Lucas' excellent insight and expressed his appreciation for all he has done for the Bureau.

Councilmember Comment: Mr. Lucas thanked Chief Paddock, the Bureau, and his fellow councilmembers and said he believes the Bureau is doing a great job.

Councilmember Comment: Mr. Benyamini said it was wonderful working with Mr. Lucas and that he respects what he brought to the table.

Councilmember Comment: Mr. Keepers wished Mr. Lucas well in all his endeavors.

Councilmember Comment: Mr. Grimes expressed his appreciation for Mr. Lucas' insight and level headedness.

12. Future Agenda Items

There were none.

13. Adjournment

Chief Paddock adjourned the meeting.



BHGS

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