



to the California Constitution, to the State Auditor to establish and administer BSA's personnel policies and practices, and permits the participation of BSA officers and employees in benefits programs administered by DPA, as specified, at the election of the State Auditor. This bill specifically authorizes the State Auditor to audit accounts and records necessary for proper reporting under the federal Single Audit Act of 1984.

Existing law requires the State Auditor, in conjunction with an annual audit of state financial statements, to test compliance with internal state auditing requirements and to report to the legislature, the Governor, and respective governmental entities on the significant variances from the general and specific standards for the professional practice of internal auditing. This bill deletes this requirement. This bill was signed by the Governor on August 1 (Chapter 250, Statutes of 1995).

**SB 974 (Alquist, et al.)**. Under the State Government Strategic Planning and Performance Review Act, the Department of Finance (DOF)—in consultation with the Controller, BSA, and the Legislative Analyst—is required to develop a plan for conducting performance reviews of all state agencies. As amended May 15, this bill would create the Performance Audit Joint Task Force, consisting of the Governor and the Controller, that would be required to periodically identify state executive branch agencies, programs, or practices that are likely to benefit from performance audits. The bill would provide that agencies, programs, or practices that are so identified would be in addition to those otherwise identified under the Act. [A. Appr]

**AB 1390 (V. Brown)**. The State Government Strategic Planning and Performance Review Act requires DOF, by March 1, 1995, and each March 1 thereafter, in consultation with BSA and the Legislative Analyst, to conduct a survey of all state agencies, departments, offices, and commissions, with certain exceptions, containing specified information regarding strategic plans for performance reviews, and to report the results of the survey to the Governor, the legislature, and the Joint Legislative Budget Committee. As amended September 7, this bill would change the dates that DOF conducts the survey and reports its results from March 1, 1995, and each March 1 thereafter, to December 1, 1995, and each December 1 thereafter.

The Act requires each agency, department, office, or commission for which strategic planning efforts are recommended, to develop a strategic plan and to report to the Governor and to the Joint Legislative Budget Committee by April 1, 1995, and by each April 1 thereafter, on the steps being taken

to develop and adopt a strategic plan. This bill would change the dates that this report is due from April 1, 1995, and each April 1 thereafter, to February 1, 1996, and each February 1 thereafter.

The Act further requires DOF, by March 1, 1996, and by each March 1 thereafter, after consultation with the Controller, BSA, and the Legislative Analyst, to recommend to the Governor, and to the Joint Legislative Budget Committee, a plan for conducting performance reviews for agencies, departments, offices, and commissions that have completed strategic plans. This bill would repeal this requirement and instead require the Director of Finance, by March 1, 1996, and each March 1 thereafter, to convene a Joint Performance Audit Task Force, chaired by the Director and including the Controller, the State Auditor, the Legislative Analyst, the Chair of the Joint Legislative Budget Committee, and the Chair of the Joint Legislative Audit Committee, for the purpose of establishing a plan for conducting performance audits for agencies, departments, offices, and commissions that have completed strategic plans pursuant to the Act. It would also require the Task Force, on or after July 1, 1996, and each July 1 thereafter, to direct the commencement of performance audits, in accordance with specified guidelines. [S. Inactive File]

**AB 153 (Napolitano)**, as amended July 3, would require BSA to complete and submit a specified audit regarding accident reporting, insurance coverage of motorcycle drivers, and cost analysis of motorcycle accidents to the legislature and the Governor on or before June 30, 1996. The bill would also create a 10-member Motorcycle Helmet Advisory Committee, require the California Highway Patrol to pay the costs of the audit, and require CHP to request that the U.S. Department of Transportation conduct a report regarding motorcycle safety helmet manufacturers. [S. Trans]

### COMMISSION ON CALIFORNIA STATE GOVERNMENT ORGANIZATION AND ECONOMY (LITTLE HOOVER COMMISSION)

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The Little Hoover Commission (LHC) was created by the legislature in 1961 and became operational in the spring of

1962. (Government Code sections 8501 *et seq.*) Although considered to be within the executive branch of state government for budgetary purposes, the law states that "the Commission shall not be subject to the control or direction of any officer or employee of the executive branch except in connection with the appropriation of funds approved by the Legislature." (Government Code section 8502.)

Statute provides that no more than seven of the thirteen members of the Commission may be from the same political party. The Governor appoints five citizen members, and the legislature appoints four citizen members. The balance of the membership is comprised of two Senators and two Assemblymembers.

This unique formulation enables the Commission to be California's only truly independent watchdog agency. However, in spite of its statutory independence, the Commission remains a purely advisory entity only empowered to make recommendations.

The purpose and duties of the Commission are set forth in Government Code section 8521. The Code states: "It is the purpose of the Legislature in creating the Commission, to secure assistance for the Governor and itself in promoting economy, efficiency and improved service in the transaction of the public business in the various departments, agencies, and instrumentalities of the executive branch of the state government, and in making the operation of all state departments, agencies, and instrumentalities and all expenditures of public funds, more directly responsive to the wishes of the people as expressed by their elected representatives...."

The Commission seeks to achieve these ends by conducting studies and making recommendations as to the adoption of methods and procedures to reduce government expenditures, the elimination of functional and service duplication, the abolition of unnecessary services, programs and functions, the definition or redefinition of public officials' duties and responsibilities, and the reorganization and restructuring of state entities and programs. The Commission holds hearings about once a month on topics that come to its attention from citizens, legislators, and other sources.

### MAJOR PROJECTS

**Budget Reform: Putting Performance First** (October 1995) reviews California's performance-based budgeting pilot project and the implementation of performance-based budgeting formats in other government jurisdictions. Performance-



based budgeting is a method of allocating funding according to measured results—such as a program's ability to successfully reach its goals, rather than the traditional budgeting method of allocating funding according to line-item expenses like personnel and equipment. Performance-based budgeting involves a statement of a program's goals and a set of measurable objectives used to identify success or failure, greater flexibility for departments and programs to use the funds allocated to them as needed, and reliable data that can be analyzed to determine the level of a program's success. Successful programs may be rewarded by continued funding, while unsuccessful ones must improve or risk losing their funding to other programs. California's pilot project began in 1993. [14:1 CRLR 23; 13:4 CRLR 21] After examining the pilot project and the experience of other government jurisdictions, the Commission made three findings and nine recommendations regarding the implementation of performance-based budgeting in California.

In its first finding, the Commission concluded that the current process for allocating funds and setting program priorities is not a framework that encourages the best policy decisions because, under the traditional line-item budgeting process, policymakers simply add funds to existing programs each year to compensate for growing demand on the program. According to the Commission, policymakers should make decisions and set priorities that will get the most value out of limited funds by focusing on the accomplishments of competing programs, old and new, rather than funding existing programs based on prior budgets regardless of their actual performance. LHC found that California has proceeded cautiously in implementing performance-based budgeting, even though the departments in the pilot project—which include the Department of Parks and Recreation, the Department of Consumer Affairs, the California Conservation Corps, and the Department of General Services—generally favor the new process. LHC recommended that the legislature play a major role in bringing performance-based budgeting to California by providing support and oversight for the ongoing pilot project; the executive branch renew its commitment to the performance-based budgeting concept by providing the logistical support departments and programs need to make the system work; the Department of Finance take a leading role by gathering information from other governments using performance-based budgeting, providing guidance and standards for pilot project depart-

ments using performance-based budgeting, and providing guidance and standards for pilot project departments to use in reporting performance measures and information to the legislature; and the Governor and the legislature express their long-term commitment to budgetary reform by adopting legislation to extend the pilot project and encourage its expansion.

In examining the concept of performance-based budgeting, the Commission found that while reliable and relevant performance measures are difficult to identify and may be costly to track, they are nonetheless vital to a successful performance-based budgeting system. Identifying and measuring certain aspects of a program are necessary to performance-based budgeting because they provide the comparative information used to determine how effective and efficient a program is, which in turn helps policymakers determine the amount of funding that a program should receive. In identifying performance measures, the Commission recommended that the legislature establish general criteria for the types of performance measures it would find useful so that departments have at least general indications of what legislators look at in making budget decisions; and require departments to submit their proposed performance measures for approval before budget hearings so that departments have time to reshape measuring systems to meet legislative needs before the actual budget deliberations. The Commission also suggested the enactment of legislation directing the Department of Finance to ensure that departments have access to adequate training and outside expertise to develop effective measuring systems. According to LHC, although each department knows its programs and needs best, it would be helpful to take advantage of the extensive experience of other jurisdictions in developing measurements.

Finally, the Commission found that achieving accountability through bureaucratic controls increases the cost of government programs and decreases the flexibility needed to make them successful. The report explained that accountability is traditionally achieved through control systems set up when something goes wrong so the wrong will not be repeated. Additional constraints on departments take the form of line-item budgeting that describes how each dollar should be spent and requirements to use certain government-provided services rather than seeking better values in the private sector. However, dictating how things should be done simply reduces the flexibility needed to improve effectiveness and increases costs and delays.

According to the Commission, performance-based budgeting requires granting departments relief from such government control systems, because performance-based budgeting achieves accountability through performance measurements that can be improved by innovation and efficiency. For example, if a manager performs poorly, the program's performance results will be poor and the program could lose funding.

The Commission recommended the examination and revision of control systems for all agencies to eliminate unnecessary and costly processes so that departments have the flexibility to achieve their goals. LHC also recommended establishing a pay-for-performance system that rewards success and sanctions failure, rather than the current system that simply grants funds according to past budgets and increasing costs. LHC further suggested that the Governor and legislature allow departments that achieve budgetary savings through increased efficiency to retain and redirect part of the savings. Currently, efficient departments that do not use all of their funding by the end of the year lose those funds and may get less money in subsequent years because policymakers may think the extra funds are not necessary for operation. Finally, LHC recommended the adoption of a multi-year approach to budgeting, as performance-based budgeting is founded on long-range planning and the tracking of performance over time, both of which require projections beyond a single year.

**Making Land Use Work: Rules to Reach Our Goals** (November 1995) examines California's economic use of the landscape and its process for making development decisions in light of the need to accommodate ever-increasing population while also protecting its environmental interests. Land use development involves not only designating the land required for new housing, but also providing roads, schools, and energy while addressing the impact of those things on the environment and the existing community. According to the report, many planners believe that compact, mixed-use developments that combine housing, services, and workplaces that reduce travel are necessary to address the issues of population growth, pollution, and protection of the environment in the future. However, such innovative developments are discouraged by current land use procedures that impose great regulatory and financial burdens and invite conflict and delay. The report details four findings and four recommendations that would clarify procedures for making development decisions, encourage plan-



ning that would ease regulatory and financial burdens on individual development projects, and reform the California Environmental Quality Act (CEQA) to provide certainty and facilitate the resolution of conflicts.

In its first finding, the Commission concluded that competing state policies invite land use conflicts that complicate the project approval process and result in the squandering of fiscal resources, the short-changing of environmental protections, and the discouragement of compact development. CEQA's stated purpose is to ensure that long-term protection of the environment, consistent with the provision of a decent home and suitable living environment for every Californian, shall be the guiding criterion in public decisions. However, according to LHC's report, CEQA's requirements are usually only the first step in a long process of obtaining approvals from multiple independent agencies. Though efforts have been made to streamline the process for obtaining permits and reviewing proposals for new development projects under CEQA, complicated procedures and multiple approvals for proposals continue to create conflicts, increase costs, and cause delays that discourage innovative development needed in California. To reconcile the divergent policies surrounding environmental protection and development, LHC recommended that the state establish a single, timely process under CEQA for assessing the environmental consequences of proposals, compensating for the harm projects will cause, and resolving conflicts between public agencies. LHC suggested that this recommendation may be achieved by requiring state permitting agencies to fully participate in the CEQA process in order to raise all issues early in the process; requiring government agencies to mediate disputes amongst themselves that arise during the process so they may be quickly resolved; tightening decision deadlines, and requiring lead agencies to act on a project within 180 days of certifying an environmental impact report and within 45 days of completing a negative declaration; and creating and supporting objective-based pilot projects that explore new techniques for coordinating mitigation requirements.

The Commission next found that the failure of community planning has resulted in a project-by-project review of regional growth-related problems that is costly, time-consuming, ineffective, and discourages innovations that could provide more housing with fewer urban impacts. According to LHC, individual project proponents are currently faced with

solving the problems of transportation, air pollution, loss of wildlife habitat, and determining how and where communities should grow—issues which could be addressed more effectively by planning for the entire community. LHC recommended a reformation of planning laws, including CEQA, to encourage local agencies to establish regional strategies for protecting water quality, open space, wildlife habitat, and other natural assets. Such plans would reduce conflicts over individual projects and provide a coordinated comprehensive approach to dealing with the land use problems developers currently face alone. LHC suggested that projects complying with those plans should then be relieved of having to assess separately those problems. In addition, LHC advocated the creation of a revolving fund to help communities pay for the development of certain regional plans, and the amendment of CEQA to require lead agencies to establish thresholds that would more consistently determine when different levels of environmental review are required.

LHC also found that the state's failure to invest in infrastructure—such as roads and freeways, sewer plants, parks, schools, and airports—has increased housing prices, aggravated growth-related disputes, and diminished California's economic potential. New development projects are discouraged because they must often bear the cost of these improvements or are seen as the cause of reduced quality of life as certain needs go unmet. As a result, LHC recommended that the state begin investing in a better-planned, more efficient infrastructure. According to LHC, this goal can be implemented by establishing an infrastructure task force to review the state's existing programs, provide technical assistance to local and regional officials, and recommend policy changes to better manage the state's infrastructure; funding the State Infrastructure Bank, created in 1994 but never funded, to help communities better plan their development; and requiring local agencies to complete comprehensive infrastructure plans that show how the community will accommodate the development projected and that consider market mechanisms to encourage efficiency.

Finally, the Commission found that the state's long-held policies encouraging orderly growth are being undermined by the failure to address private sector concerns and reform obsolete local ordinances. Essentially, LHC concluded that the knowledge of how to encourage redevelopment of aging neighborhoods, efficient transportation patterns, and mixed-used development is emerging, but the state lacks the mechanisms for recasting this knowledge

as policy. LHC recommended that California accelerate the land use learning process by helping communities and regions learn from the experiences of others and by working with the private sector to encourage market-based solutions to innovation in development. LHC suggested that the state achieve this goal by directing the Business, Transportation and Housing Agency to resolve private sector concerns about investing in innovative projects, and directing the Office of Planning and Research to develop model zoning and parking ordinances.

**California's Real Property Management: A Cornerstone for Structural Reform** (December 1995) reexamines the way California manages its real property assets, which include 3,509 individual properties totalling 2.4 million acres, 19,000 buildings, and 19 million square feet of leased space. The Commission has addressed this issue several times in the past [11:1 CRLR 41-42; 6:2 CRLR 30; 5:4 CRLR 17], and has urged the state to take steps to address the problems that plague its management practices in order to stretch resources, generate revenue, and improve the productivity of government workplaces. According to the report, real property management involves—among other things—keeping an accurate inventory of state-owned property, deciding when to own and when to lease property, leasing space to various agencies, maintaining property, and determining when and where to construct new structures. Currently, the Department of General Services (DGS) handles many of these tasks for many agencies needing work space. However, 77 departments own their own facilities as well as other real estate, and DGS controls little of the state's extensive rural acreage. LHC suggested that this diffusion of property ownership hampers effective, coordinated property management. In its report, the Commission made three findings and three recommendations that address how California can improve its property management processes.

The Commission first concluded that, after years of constructive criticism, the state is still not proactively managing property, despite some efforts to identify surplus property, renegotiate leases, consolidate state agencies, and reconfigure workplace standards. LHC recommended that California aggressively pursue more efficient and market-based management, infuse competition whenever possible to encourage innovation and economy, and more aggressively tap private sector services to take advantage of unique opportunities. According to the report, DGS could immediately implement this recommend-



ation by renegotiating leases to take advantage of market conditions; expanding its pilot program using private brokerage firms to gain the necessary experience needed to implement a statewide program; redesigning the Building Rental Account to establish individual building rents that reflect the market rates of occupancy and negotiating adjustments to those rates for various purposes; and allowing private maintenance firms to compete against DGS-supplied maintenance for service contracts, to the extent allowed by law.

LHC also suggested that the Governor and legislature further implement this recommendation by granting all departments the option of contracting with DGS, other governmental agencies, or private sector firms to meet their space needs, and by allowing departments to redirect 20% of the revenue from property-related activities or savings from space-related decisions to enhance existing programs.

LHC also found that despite considerable political scrutiny, California's office consolidation efforts and construction projects are clouded by an unclear process for deciding where to build or whether to lease or own, an antiquated financing and approval process, and a lack of effective economic review. To address this problem, LHC recommended establishing a streamlined, yet vigorous, process for independently analyzing and winning legislative approval of large projects. According to LHC, the state could implement such a process in the short term by ensuring that consolidation plans are financially fashioned and physically sized after a review of leasing and purchase options, as well as of the needs of prospective tenants and non-building alternatives to meeting those needs; assisting departments in reassessing their long-term space needs and exploring alternatives for satisfying those needs; requiring DGS to have the agreement of all tenant agencies needed to fill a new building before construction begins, with tenant agencies agreeing to pay rent equal to the actual costs of occupying and maintaining the building; enacting legislation to clearly establish a state policy of how and where state buildings will be constructed, the procedures for setting qualifications and awarding bids, and designating the appropriate point for legislative approval of all large projects and under various financing scenarios; creating a standing joint legislative committee to review and approve large construction projects and long-term leases in order to provide greater expertise and more thoughtful review; and requiring DGS to adopt its own procedures for reviewing the rationales for a project prior to the start of construction to

ensure that assumptions used in the planning processes are still valid.

Finally, the Commission concluded that California's major property management problems will be difficult, if not impossible, to resolve without significant organizational restructuring, because the executive branch's five-year effort to do so without such restructuring has failed to show substantive improvements. The Commission recommended that the state unify its management of developed property into an entity that is independent yet accountable, free to use market mechanisms and business practices, and free from day-to-day political influences so that it may profitably manage the state's property. According to LHC, this goal could be implemented in the short term by creating a Department of Real Property Services, separate from DGS, that could unify planning, construction, leasing, and maintenance to facilitate coordinated decisions about how to meet space needs of customer agencies, how to manage existing structures, and how to blend technology, space design, and management techniques to reduce space needs. In the long term, LHC suggested that its recommendation could be achieved through the following actions:

- The state should create a public corporation to manage its property that is financially independent, fee-based, and governed by a board appointed by the Governor and legislature. The corporation's independence would allow it to make business-oriented decisions and respond to market and technological changes to better serve customers. Revenues could be reinvested in corporate programs, while profits would be turned over to the general fund.

- The corporation should be free to hire employees outside the civil service system and to enter into contracts with the private sector without approval from control agencies including the State Personnel Board and DGS.

- The corporation should purchase from the state all developed office space and would eventually compete for the services of all customer agencies. Departments would be free to satisfy their space needs from the private sector, other agencies, or the corporation—thus establishing the competition necessary to increase efficiency.

- The corporation should be granted the authority to decide building location, design, and financing, and should only enter into an agreement with a client agency if the agency can prove it has the funds to pay for any additional facility-related costs.

- The corporation should be directed to site buildings in compliance with the state's siting policy, but should be authorized to size and specify buildings to meet a client agency's needs and budget.

- The corporation should be authorized to float revenue bonds and to tap private financing sources in order to provide maximum flexibility.

**Governor's Reorganization Plan No. 3 of 1995.** On June 5, the Commission adopted a letter supporting the Governor's Reorganization Plan No. 3 of 1995, which proposes to merge the Office of the California State Fire Marshal (CSFM) with the California Department of Forestry and Fire Protection (CDF). Although none of the services provided by these agencies are considered redundant, many similar missions and activities are pursued by both entities in the areas of fire prevention engineering, education, enforcement, and training. Under the plan, CSFM will be consolidated into CDF, allowing for better consistency and coordination in the state's provision of fire-related services. CDF will then conduct a systematic review of the functions of both departments, to ensure that the mission of each agency is still being met under the realignment.

In its letter recommending that the legislature allow the plan to take effect as proposed, LHC suggested that the plan include an explicit commitment to work with all affected parties as the functions and personnel are combined in the future. The proposal was submitted to the legislature in June and was not rejected; the plan is expected to be completed by July 1, 1996.

**Reorganization Update.** The following is an update on two other reorganization plans submitted by the Governor to LHC and the legislature, which were discussed in detail in previous issues of the *Reporter*:

- **Governor's Reorganization Plan No. 1 of 1995.** On July 20, the Senate passed SR 30 (Alquist), which rejected the Governor's Reorganization Plan to—among other things—eliminate the California Energy Commission and shift most of its functions to a new Department of Energy and Conservation. [15:2&3 CRLR 17] Under Government Code section 8523, once the Governor submits a reorganization plan to the legislature, it has sixty days to act on the proposal. If neither the Senate nor the Assembly adopts, by majority vote, a resolution rejecting the plan, the plan automatically goes into force on the 61st day; however, if either house votes to reject the proposal, the plan is dead. Accordingly, SR 30 stated that the Senate "does not favor" the plan and effectively killed it by



sending it to the Senate Committee on Energy, Utilities, and Communications.

• *Governor's Reorganization Plan No. 2 of 1995*, which merges the State Police with the California Highway Patrol, was presented to the legislature in May and was not rejected; accordingly, the plan went into effect in July. [15:2&3 CRLR 17]

## DEPARTMENT OF CONSUMER AFFAIRS

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The Department of Consumer Affairs (DCA) oversees the activities of 37 administrative agencies which regulate 180 diverse professions, occupations, and industries. The primary function of DCA and its constituent agencies is to protect consumers from incompetent, dishonest, or impaired practitioners.

Most of the multi-member boards under DCA's jurisdiction are relatively autonomous of DCA control. However, the DCA Director is authorized to review and reject regulatory changes proposed by all DCA agencies; only a unanimous vote of the agency's board will override the Director's rejection. Additionally, the Department may intervene in matters regarding its boards if probable cause exists to believe that the conduct or activity of a board, its members, or its employees constitutes a violation of criminal law.

DCA maintains several divisions and units which provide support services to its constituent agencies, including a Legal Unit whose attorneys advise DCA boards at meetings and regulatory hearings; a Division of Investigation whose investigators gather evidence in complaint cases filed against the licensees of some DCA agencies; a Legislative Unit which assists agencies in drafting language for legislation and regulations affecting DCA agencies and their licensees; an Office of Examination Resources (formerly the Central Testing Unit) whose psychometricians analyze and assist in validating licensure examinations used by DCA agencies; and a Budget Office whose technicians assist DCA agencies in assessing their fiscal status and preparing budget change proposals for legislative review.

In addition to its functions relating to its various boards, bureaus, and examin-

ing committees, DCA is also charged with administering the Consumer Affairs Act of 1970. In this regard, the Department educates consumers, assists them in complaint mediation, and advocates their interests before the legislature, the courts, and its own constituent agencies.

The DCA Director also maintains direct oversight and control over the activities of several DCA bureaus and programs, including the following:

• **Bureau of Automotive Repair**—Chief: *K. Martin Keller*; (916) 255-4300; Toll-Free Complaint Number: (800) 952-5210. Established in 1971 by the Automotive Repair Act (Business and Professions Code section 9880 *et seq.*), DCA's Bureau of Automotive Repair (BAR) registers automotive repair facilities; official smog, brake and lamp stations; and official installers/inspectors at those stations. BAR's regulations are located in Division 33, Title 16 of the California Code of Regulations (CCR). BAR's other duties include complaint mediation, routine regulatory compliance monitoring, investigating suspected wrongdoing by auto repair dealers, oversight of ignition interlock devices, and the overall administration of the California Smog Check Program, Health and Safety Code section 44000 *et seq.*, which provides for mandatory biennial emissions testing of motor vehicles in federally designated urban nonattainment areas, and districts bordering a nonattainment area which request inclusion in the Program. BAR licenses approximately 16,000 smog check mechanics who will check the emissions systems of an estimated nine million vehicles this year. Testing and repair of emissions systems is conducted only by stations licensed by BAR.

• **Bureau of Security and Investigative Services**—Chief: *James C. Diaz*; (916) 445-7366. The Bureau of Security and Investigative Services (BSIS) regulates six industries: private security services (private patrol operators and armored contract carriers) (Business and Professions Code section 7580 *et seq.*), repossessors (Business and Professions Code section 7500 *et seq.*), private investigators (Business and Professions Code section 7512 *et seq.*), alarm company operators (Business and Professions Code section 7590 *et seq.*), firearms and baton training facilities (Business and Professions Code section 7585 *et seq.*), and locksmiths (Business and Professions Code section 6980 *et seq.*). BSIS' purpose is to protect the health, welfare, and safety of those affected by these industries. To accomplish this, the Bureau regulates and reviews these industries by its licensing procedures and by the adoption and enforcement of regulations. For example, BSIS reviews all complaints for possible

violations and takes disciplinary action when violations are found. The Bureau's primary method of regulating, however, is through the granting or denial of initial/renewal license or registration applications.

• **Bureau of Electronic and Appliance Repair**—Chief: *Curt Augustine*; (916) 445-4751. Created in 1963, the Bureau of Electronic and Appliance Repair (BEAR) registers service dealers who repair major home appliances, electronic equipment, cellular telephones, photocopiers, facsimile machines, and equipment used or sold for home office and private motor vehicle use. Under SB 798 (Rosenthal) (Chapter 1265, Statutes of 1993), BEAR also registers and regulates sellers and administrators of service contracts for the repair and maintenance of this equipment. BEAR is authorized under Business and Professions Code section 9800 *et seq.*; its regulations are located in Division 27, Title 16 of the CCR. The Electronic and Appliance Repair Dealer Registration Law requires service dealers to provide an accurate written estimate for parts and labor, provide a claim receipt when accepting equipment for repair, return replaced parts, and furnish an itemized invoice describing all labor performed and parts installed.

• **Bureau of Home Furnishings and Thermal Insulation**—Chief: *Karen Hatchel*; (916) 324-1448. The Bureau of Home Furnishings and Thermal Insulation (BHFTI) regulates the home furnishings and insulation industries in California. The Bureau's mandate is to ensure that these industries provide safe, properly labeled products which comply with state standards. Additionally, BHFTI is to protect consumers from fraudulent, misleading, and deceptive trade practices by members of the home furnishings and insulation industries; BHFTI is also responsible for toy safety testing for the state of California. The Bureau is established in Business and Professions Code section 19000 *et seq.*

BHFTI establishes rules regarding furniture and bedding labeling and sanitation. The Bureau enforces the law by conducting extensive laboratory testing of products randomly obtained by BHFTI inspectors from retail and wholesale establishments throughout the state. To enforce its regulations, which are codified in Division 3, Title 4 of the CCR, BHFTI has access to premises, equipment, materials, and articles of furniture. The Bureau may issue notices of violation, withhold products from sale, and refer cases to the Attorney General or local district attorney's offices for possible civil penalties. BHFTI may also revoke or suspend a licensee's registration for violation of its rules.