

Arbitration Certification Program Strategic & Action Plan

2018-2022



Adopted:

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MESSAGE FROM THE PROGRAM CHIEF

It is with great pleasure that the Arbitration Certification Program staff and I present the 2018-2022 Strategic Plan. A strategic plan is an organization's statement of its purpose, focus and values. It must present a usable plan that emphasizes a long-range view and realistic goals that allows us to fulfill our mission.

This plan identifies objectives that we should accomplish if we are to continue assisting consumers in the endeavor to offer a free and valuable resource in handling "Lemon Law" claims. The Arbitration Certification Program believes in accountability and setting expectations, and as a result, each of the objectives are measurable and has a stated timeline for completion.

This plan is our challenge over the next four years to reach goals and objectives that will result in a level and quality of service that our stakeholders deserve. We welcome input from our stakeholders and hope you will join in our success as we begin to work towards the objectives identified in this very ambitious, but achievable plan.

Sherrie Moffet-Bell
Program Chief

ABOUT THE PROGRAM

The Department of Consumer Affairs' Arbitration Certification Program (hereafter referred to as ACP or Program) certifies and monitors third-party arbitration programs of participating automobile manufacturers to ensure compliance with California laws and regulations governing resolution of warranty disputes involving new/used vehicles purchased with the manufacturer's new-car warranty. The ACP also ensures that certified programs conduct dispute resolution in a fair and expeditious manner. One of the program's goals is to promote the use of alternative dispute resolution, in lieu of court action, to reduce the strain and cost on consumers and the court system. The ACP is mandated by California Business and Professions Code Sections 472 - 472.5 to perform the following:

- Establish a program for certifying manufacturer's third-party dispute resolution processes for the arbitration of warranty disputes.
- Prescribe and provide forms for applicants to use when applying for certification.
- Establish minimum standards to determine whether a third-party dispute resolution process is in substantial compliance with certification requirements.
- Prescribe information that the third-party dispute resolution process must submit to the ACP so that the ACP can determine whether the process continues to substantially comply with California's laws and regulations.
- Conduct a survey of consumers who complete the arbitration process to measure customer satisfaction.
- Submit a biennial report to the Legislature on the effectiveness of certified arbitration programs.
- Adopt regulations as necessary and appropriate to implement applicable California laws.

Once a manufacturer's arbitration program is certified, the ACP monitors the program to determine whether it remains in substantial compliance with California's laws and regulations. The ACP's staff gathers and evaluates information about the program through:

- monitoring arbitration hearings, auditing dealerships, and monitoring arbitrator training;
- reviewing individual dispute files;
- investigating consumer complaints; and
- conducting on-site inspections of the program's operations.

The ACP investigates complaints alleging that a certified program has failed to follow its written operating procedures. ACP is required to notify the Department of Motor Vehicles of a manufacturer's failure to honor an arbitrator's decision within 30-days of notification that the consumer has accepted.

Additionally, the ACP tracks program violations or trends, informs consumers of other legal remedies, and evaluates consumers feedback and suggestions regarding the arbitration process.

STRATEGIC GOALS

1 ENFORCEMENT

2 LEGISLATION AND POLICY

3 COMMUNICATION AND EDUCATION

4 ADMINISTRATION

Mission, Vision, and Values

Mission

To protect consumers whose vehicles are covered by their manufacturer's original warranty by providing a fair and timely state-certified arbitration program.

Vision

California will have a model arbitration process that encourages manufacturer participation and ensures consumer confidence.

Values

*Accountability
Communication
Consumer Protection
Employees
Professionalism*

GOAL 1: ENFORCEMENT

- *Enhances oversight of certified arbitration programs by effectively investigating consumer complaints and violations.*

| 1.1 Review existing and explore new mechanisms to improve compliance. | | | |
|--|---|-----------------------|-----------------|
| End Date: Q1 2020 | | | |
| Success Measure: Improved compliance. | | | |
| Tasks | | Responsible Party | Completion Date |
| 1.1.1 | Review existing mechanisms to improve compliance. | Certification Analyst | Q3 2018 |
| 1.1.2 | Explore mechanisms in other states to improve compliance. | Certification Analyst | Q3 2018 |
| 1.1.3 | Organize a multistate task force to share information. | Certification Analyst | Q1 2019 |
| 1.1.4 | Draft recommendation(s) to improve compliance. | Certification Analyst | Q3 2019 |
| 1.1.5 | Review and approve the proposed recommendations. | Program Chief | Q4 2019 |
| 1.1.6 | Implement approved recommendations. | Program Chief | Q1 2020 |
| 1.1.7 | Notify all stakeholders. | Program Chief | Q1 2020 |

1.2 Review and streamline program monitoring processes to enhance enforcement and standardize reporting.

End Date: Q1 2020

Success Measure: Improved program monitoring processes.

| Tasks | | Responsible Party | Completion Date |
|-------|---|-----------------------|-----------------|
| 1.2.1 | Review existing program monitoring processes. | Certification Analyst | Q4 2018 |
| 1.2.2 | Explore program monitoring processes in other states. | Certification Analyst | Q4 2018 |
| 1.2.3 | Draft recommendation(s) for program monitoring processes. | Certification Analyst | Q2 2019 |
| 1.2.4 | Review and approve the proposed recommendation(s). | Program Chief | Q3 2019 |
| 1.2.5 | Implement approved recommendation(s). | Program Chief | Q1 2020 |
| 1.2.6 | Notify all stakeholders. | Program Chief | Q1 2020 |

1.3 Research and implement a tracking mechanism to enhance compliance.

End Date: Q1 2019

Success Measure: Timely reporting from programs.

| Tasks | | Responsible Party | Completion Date |
|-------|---|-----------------------|-----------------|
| 1.3.1 | Review the existing internal tracking mechanism. | Certification Analyst | Q1 2018 |
| 1.3.2 | Schedule a meeting with programs and manufacturers to discuss reporting timelines and compliance. | Program Chief | Q2 2018 |
| 1.3.3 | Draft recommendation(s) for reporting timelines. | Certification Analyst | Q3 2018 |
| 1.3.4 | Review and approve recommendation(s) by programs, manufacturers regarding reporting timelines. | Program Chief | Q4 2018 |
| 1.3.5 | Implement the approved recommendation(s) regarding reporting timelines. | Program Chief | Q1 2019 |

GOAL 2: LEGISLATION AND POLICY

- *Supports legislation and adopts regulations, policies, and procedures that reinforce ACP's mission, vision, and goals.*

| 2.1 Review, draft, and implement regulations to clarify intent and scope. | | | |
|--|--|-----------------------|-----------------|
| End Date: Q4 2019 | | | |
| Success Measure: Implemented amended regulations. | | | |
| Tasks | | Responsible Party | Completion Date |
| 2.1.1 | Review existing regulations to clarify language. | Certification Analyst | Q1 2018 |
| 2.1.2 | Draft and propose amended regulations. | Certification Analyst | Q1 2018 |
| 2.1.3 | Submit proposed regulations to the Division of Legal Affairs for review. | Certification Analyst | Q1 2018 |
| 2.1.4 | Initiate rulemaking process. | Program Chief | Q2 2019 |
| 2.1.5 | Implement approved regulations. | Program Chief | Q4 2019 |
| 2.1.6 | Notify stakeholders of amended regulations. | Program Chief | Q4 2019 |

| 2.2 Review, draft, and implement current legislation to clarify intent and scope. (e.g., motorcycles, recreational vehicles) | | | |
|---|--|-----------------------|-----------------|
| End Date: Q1 2021 | | | |
| Success Measure: Implemented amended legislation. | | | |
| Tasks | | Responsible Party | Completion Date |
| 2.2.1 | Review existing legislation to enhance authority. | Certification Analyst | Q4 2018 |
| 2.2.2 | Draft and propose amended legislation. | Certification Analyst | Q1 2019 |
| 2.2.3 | Submit proposed legislation to the Division of Legal Affairs for review. | Certification Analyst | Q4 2019 |
| 2.2.4 | Initiate legislation process with Division of Legislative and Regulatory Review. | Program Chief | Q4 2020 |
| 2.2.5 | Implement approved legislation. | Program Chief | Q1 2021 |
| 2.2.6 | Notify stakeholders of amended legislation. | Program Chief | Q1 2021 |

2.3 Draft and implement new legislation to align with ACP’s mission and vision and enhance consumer protection. (e.g., motorcycles).

End Date: Q1 2021

Success Measure: New legislation implemented.

| Tasks | | Responsible Party | Completion Date |
|-------|--|-----------------------|-----------------|
| 2.3.1 | Review existing legislation to enhance consumer protection. | Certification Analyst | Q4 2018 |
| 2.3.2 | Review existing legislation in other states. | Certification Analyst | Q4 2018 |
| 2.3.3 | Draft and propose legislation. | Certification Analyst | Q1 2019 |
| 2.3.4 | Submit proposed legislation to the Division of Legal Affairs for review. | Certification Analyst | Q4 2019 |
| 2.3.5 | Initiate the legislative process with Division of Legislative and Regulatory Review. | Program Chief | Q4 2020 |
| 2.3.6 | Implement approved legislation. | Program Chief | Q1 2021 |
| 2.3.7 | Notify stakeholders of legislation. | Program Chief | Q1 2021 |

2.4 Draft and implement new regulations to align with ACP’s mission and vision and enhance consumer protection.

End Date: Q4 2022

Success Measure: Implemented new regulations.

| Tasks | | Responsible Party | Completion Date |
|-------|--|-----------------------|-----------------|
| 2.4.1 | Draft and propose regulations. | Certification Analyst | Q1 2021 |
| 2.4.2 | Submit proposed regulations to the Division of Legal Affairs for review. | Certification Analyst | Q1 2021 |
| 2.4.3 | Initiate rulemaking process. | Program Chief | Q2 2022 |
| 2.4.4 | Implement approved regulations. | Program Chief | Q4 2022 |
| 2.4.5 | Notify stakeholders of regulations. | Program Chief | Q4 2022 |

GOAL 3: COMMUNICATION AND EDUCATION

- *Informs and educates consumers and stakeholders on the laws and regulations that govern the arbitration process by increasing awareness of ACP and state-certified arbitration programs.*

3.1 Create and distribute an Arbitration Certification brochure to include information about its mission, vision, and contact information to educate stakeholders and the public.

End Date: Q4 2018

Success Measure: Distribution of brochure.

| Tasks | | Responsible Party | Completion Date |
|-------|---|---------------------------------------|-----------------|
| 3.1.1 | Schedule an internal meeting to discuss content. | Certification Analyst | Q2 2018 |
| 3.1.2 | Compile content to reflect ACP's relevant information. | Certification Analyst | Q2 2018 |
| 3.1.3 | Review and approve content of brochure. | Program Chief | Q3 2018 |
| 3.1.4 | Collaborate with Office of Publication, Design, and Editing to design brochure. | Certification Analyst | Q3 2018 |
| 3.1.5 | Review and approve the design and content of brochure. | Program Chief | Q4 2018 |
| 3.1.6 | Produce and disseminate internally and externally. | Certification Analyst / Program Chief | Q4 2018 |

3.2 Increase partnership and outreach opportunities to strengthen consumer awareness and protection.

End Date: Q3 2018

Success Measure: Attended at least one outreach event per year of plan.

| Tasks | | Responsible Party | Completion Date |
|-------|---|-----------------------|-----------------|
| 3.2.1 | Collaborate with other DCA programs and state agencies to identify outreach events. | Program Chief | Q1 2018 |
| 3.2.2 | Collaborate with Communications Division to enhance ACP's social media presence. | Program Chief | Q2 2018 |
| 3.2.3 | Attend identified outreach events. | Certification Analyst | Q3 2018 |

3.3 Improve collaboration with administrators and manufacturers to enhance the arbitration process.

End Date: Q2 2018

Success Measure: At least two programs to participate in each conference call.

| Tasks | | Responsible Party | Completion Date |
|-------|--|-------------------|-----------------|
| 3.3.1 | Schedule quarterly conference calls with all programs. | Program Chief | Q2 2018 |

3.4 Establish communication with consumer advocacy groups to educate about the arbitration process.

End Date: Q2 2020

Success Measure: Identify at least one advocacy group.

| Tasks | | Responsible Party | Completion Date |
|-------|--|-----------------------|-----------------|
| 3.4.1 | Research and identify the consumer advocacy group(s). | Certification Analyst | Q2 2019 |
| 3.4.2 | Establish communication with identified advocacy group(s). | Certification Analyst | Q3 2019 |
| 3.4.3 | Identify opportunities to collaborate. | Certification Analyst | Q3 2019 |
| 3.4.4 | Participate in identified opportunities. | Certification Analyst | Q2 2020 |

GOAL 4: ADMINISTRATION

- Continues to build and maintain an excellent organization with effective governance, strong leadership, and through the development of staff and management.

| 4.1 Revise, develop, and implement internal policies (e.g., office guidelines) to standardize operational needs. | | | |
|---|---|-----------------------|-----------------|
| End Date: Q3 2021 | | | |
| Success Measure: New internal policies implemented. | | | |
| Tasks | | Responsible Party | Completion Date |
| 4.1.1 | Brainstorm internal policies for operational needs. | Certification Analyst | Q2 2019 |
| 4.1.2 | Identify the necessary policies. | Certification Analyst | Q3 2019 |
| 4.1.3 | Draft policies (travel, staff coverage, goals, etc.). | Certification Analyst | Q2 2020 |
| 4.1.4 | Submit recommended policies for review and approval. | Certification Analyst | Q2 2021 |
| 4.1.5 | Review and approve policies. | Program Chief | Q3 2021 |
| 4.1.6 | Implement approved policies. | Program Chief | Q3 2021 |
| 4.1.7 | Notify all staff of policies. | Program Chief | Q3 2021 |

| 4.2 Analyze and revise the Program’s staff procedural (desk) manual for clarity and consistency. | | | |
|---|--|-----------------------|-----------------|
| End Date: Q1 2019 | | | |
| Success Measure: Updated desk manuals. | | | |
| Tasks | | Responsible Party | Completion Date |
| 4.2.1 | Review desk manuals. | Certification Analyst | Q2 2018 |
| 4.2.2 | Draft and propose recommendations for Program Chief. | Certification Analyst | Q3 2018 |
| 4.2.3 | Review and approve proposed recommendations. | Program Chief | Q4 2018 |
| 4.2.4 | Review and assess completeness of procedures. | Office Technician | Q4 2018 |
| 4.2.5 | Implement approved recommendations. | Program Chief | Q1 2019 |

4.3 Restructure staff training for clarity, consistency, and opportunities.

End Date: Q4 2020

Success Measure: Staff completion of established training.

| Tasks | | Responsible Party | Completion Date |
|-------|--|-----------------------|-----------------|
| 4.3.1 | Identify training needs (hearing audits, dealership audits, case file review, cross-training, etc.). | Certification analyst | Q2 2019 |
| 4.3.2 | Collaborate with staff and SOLID to develop training guidelines. | Certification analyst | Q2 2019 |
| 4.3.3 | Draft training guidelines for review and approval. | Certification analyst | Q3 2019 |
| 4.3.4 | Submit for approval of recommended training guidelines. | Certification analyst | Q1 2020 |
| 4.3.5 | Approve recommended training guidelines. | Program Chief | Q2 2020 |
| 4.3.6 | Implement training guidelines with staff. | Program Chief | Q2 2020 |
| 4.3.7 | Develop staff training, as needed, with SOLID. | Program Chief | Q4 2020 |

Strategic Plan Methodology

To understand the environment in which the ACP operates and identify factors that could impact its success, the California Department of Consumer Affairs' SOLID unit conducted an environmental scan of the internal and external environments by collecting information through the following methods:

- ◆ Interviews conducted with the Program Chief and Deputy Chief during the months of September and October 2017 to assess the challenges and opportunities the ACP is currently facing or will face in the upcoming years.
- ◆ One focus group with ACP staff in September 2017 to identify the strengths and weaknesses of the Program from an internal perspective. Five Associate Governmental Program Analysts participated.
- ◆ An online survey sent to 32 external stakeholders in October 2017 to identify the strengths and weaknesses of the ACP from an external perspective. Ten stakeholders completed the survey.

The most significant themes and trends identified from the environmental scan were discussed by the ACP staff and management during a strategic planning session facilitated by SOLID on November 30, 2017. This information guided the Program in the development of its mission, vision, and values, while directing the strategic goals and objectives outlined in this 2018 – 2022 strategic plan.



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This Strategic Plan is based on stakeholder information and discussions facilitated by SOLID for the Arbitration Certification Program.