



CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS

1998-1999 BIENNIAL REPORT







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Established to improve working conditions for  
California's wage earners and to advance opportunities  
for profitable employment in California,  
DIR has these major areas of responsibility:

LABOR LAW

WORKPLACE SAFETY AND HEALTH

APPRENTICESHIP TRAINING

WORKERS' COMPENSATION

STATISTICS AND RESEARCH

MEDIATION AND CONCILIATION

On the Internet—<http://www.dir.ca.gov>

## Director's Report

**A**s California enters a new century under a new administration, the Department of Industrial Relations has renewed its commitment to the working people and employers of the state. Our purpose remains as singular as it was when the Legislature incorporated it into the state's labor code during the 1930s: to improve working conditions for California's wage earners and to advance opportunities for profitable employment in California.



Stephen J. Smith — Director, Department of Industrial Relations

There is no better time to underline the new administration's commitment to expanding economic opportunity and enforcing labor and workplace health and safety laws in California. The state's economic recovery, which began in the late 1990s, heralded the new century. Over the past two years total employment in the civilian labor force increased more than 2 percent to an unprecedented 16 million. The construction industry led in growth with an 11.1 percent increase in the number of employed, outstripping even California's service sector with its 3.6 percent employment expansion.

Prosperity has driven a demand for workplace equity under the administration of Gov. Gray Davis. In the first year of his administration, the governor expanded resources of the department, allowing it to increase services and expand worker protections for the first time in almost a decade. Legislation signed by Governor Davis strengthened current labor laws and instituted provisions that offered increased workplace flexibility in the face of new demands on workers and their employers as the technology and service sector flourished.

### WORKPLACE RIGHTS

The Eight-Hour-Day Restoration and Workplace Flexibility Act or Assembly Bill 60, authored by Assemblymember Wally Knox and signed by the governor in 1999, signaled the administration's support of the eight-hour workday as a basic right of California's working people. After a series of public hearings and deliberations, the Industrial Welfare Commission, revived under the Davis administration, issued new wage orders implementing AB 60. The wage orders extend the state's overtime protection to its 680,000 construction workers, provide flexibility to individual workers and increase flexibility to industry and labor by permitting alternative work schedules of 10- and sometimes 12-hour days when both workers and management agree.

The Division of Labor Standards Enforcement, responsible for protecting the California work force, is the primary enforcer of the state's labor laws. Increased resources allowed the division to expand the number of labor law enforcement agents by 20 percent. Meanwhile, new legislation expanded and strengthened the state's labor laws, increasing the division's enforcement responsibilities. Assembly Bill 613 added building maintenance as a targeted industry along with the garment, agriculture and restaurant industries. Assembly Bill 633 expanded enforcement in the garment industry and improved procedures for handling wage claims of garment workers. Assembly Bill 109 mandates that employers who provide sick leave allow employees to use that sick leave for the care of an ailing child, parent or spouse and bars employers from retaliating against employees who use sick leave for this reason.

With changes in public works laws—primarily the ability to prohibit contractors and subcontractors found in willful violation of public works laws from bidding on new public works projects—the division increased its staff dedicated to the enforcement of prevailing wage provisions from 16 to 40 during 1999.

## WORKPLACE SAFETY AND HEALTH

Funding for Cal/OSHA's Targeted Consultation and Targeted Inspection Programs was stabilized in 1999. Targeting employers in the highest-hazard industries—such as construction, agriculture, manufacturing and nursing care services—has proved what Cal/OSHA officials have long recognized: employers with workplaces containing the highest proportion of fatalities, injuries, illness and workers' compensation losses often benefit the most from Cal/OSHA's assistance.

Cal/OSHA's studies show workplaces subjected to targeted inspections and consultations experienced a drop in illness and injury rates of more than 40 percent. The reductions in lost workdays were 75 percent greater than that experienced by other California employers. Targeted employers saved money on medical and disability costs. Most important, their employees worked in a safer environment.

In the end, 97 percent of the 393 employers using the Cal/OSHA Consultation Service reported they would recommend targeted Cal/OSHA consultations to other employers.

For the first time in many years Gov. Davis hiked Cal/OSHA's general fund budget, allowing it to hire an additional 52 health and safety inspectors and consultants.


Because of this support, Cal/OSHA last year launched its Agricultural Safety and Health Inspection Project during the peak harvesting seasons. As a result Cal/OSHA almost tripled its field inspections to more than 800 this past year, focusing on hazardous conditions for workers—such as being maimed by heavy equipment, not having access to toilet and drinking water facilities and suffering back injuries from the use of short-handled agricultural tools.

Cal/OSHA's penalty deterrents now are stronger than ever because of Assembly Bill 1127, legislation authored by Assemblymember Darrell Steinberg and signed last year by Gov. Davis. The ability to enforce in public jurisdictions, increased fines assessed on health and safety violators and beefed up enforcement staff are all results of AB 1127. Add to that the fact that California also is the first jurisdiction in the country to enact and enforce both a bloodborne pathogen and an ergonomics standard, and the conclusion is inescapable. Using the carrot of increasing consultation with willing employers and the stick of stronger enforcement against law violators, Cal/OSHA again is emerging as a national pioneer in workplace safety and health.

## APPRENTICESHIP TRAINING

The Division of Apprenticeship Standards celebrated the 60th anniversary of the landmark Shelley-Maloney Apprentice Labor Standards Act as it positioned itself to offer an expanded apprenticeship training program to California's employers and youth. New legislation raised the bar for apprenticeship training in the state and allowed the division new tools to ensure quality in apprenticeship programs.

The division's participation in the statewide



School-to-Career program and its involvement with the governor's appointed Workforce Investment Board provides it further opportunities to promote apprenticeship training as a tried and true method for acquiring skills through a combination of classroom instruction and on-the-job training.

### WORKERS' COMPENSATION

The Division of Workers' Compensation continues to work at improving the system to better serve California's injured workers.

In addition to its regional call center in San Bernardino, the division has increased access to the public by opening a new regional center in Walnut Creek and is preparing another center in Van Nuys. The regional centers were inaugurated to provide more timely and accurate information to injured workers. The division recently distributed more than 100,000 copies of its newly-published *An Employer's Guide to Workers' Compensation in California*, a 56-page manual aimed at increasing employer understanding of the requirements, responsibilities and functions of the state's workers' compensation system. The Workers' Compensation Information System or WCIS became operational for the first time early this year, permitting insurers to submit electronic rather than paper reports and offering more coherent information about the system to policy makers.

### OUR COMMITMENT TO OUR CONSTITUENTS

The Department of Industrial Relations' constituency encompasses working Californians, their employers, contractors, medical providers, insurers, bargaining agents, researchers and the press as well as other branches and departments of the local, state and federal governments.

We intend to improve services to our constituency in the upcoming years.

The department, for example, will increase opportunities for those businesses which adhere to California's labor and health and safety laws by expanding our consultation and outreach services. Cal/OSHA already offers incentives to those employers who earn its Voluntary Protection Program status by adhering to stringent workplace safety and health guidelines. Cal/OSHA removes VPP employers from scheduled inspection lists and promotes these employers through the department's Web site.

The department is working with other offices in state government to implement the governor's e-government initiatives to further ease service to Californians. We are exploring ways to develop a more interactive Web site by posting our licensing, registration and complaint functions online. We intend to standardize and centralize our data analysis functions to offer ease and one-stop service for users. In addition we are expanding our external communications program to increase the information flow to employers and workers about the department's consultation services and California workplace safety and health and labor laws.

California workers and employers have benefited from stronger labor and health and safety laws after one year of the Davis administration. Our commitment is to ensure that progress continues throughout the Davis administration.





# DIR 1998-1999 Biennial Report

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## Division of Labor Standards Enforcement

California labor commissioner's office

### DLSE

**T**he Division of Labor Standards Enforcement, headed by the state labor commissioner, investigates and works to resolve wage claim disputes and discrimination complaints, and enforces California's labor laws, prevailing wage laws and Industrial Welfare Commission (IWC) orders. The IWC orders regulate the state minimum wage, overtime, meals and lodging, rest periods, change rooms, uniforms and equipment, and other standards for working conditions in California's industries and occupation groups.

DLSE also registers garment manufacturers and contractors, licenses farm labor contractors, industrial homeworkers and talent agents, certifies studio teachers, and issues entertainment work permits to minors as well as permits to employ to their employers. To serve California's culturally diverse population, bilingual staff work in nearly every DLSE office statewide.

The division's goals are twofold: to vigorously enforce labor standards with special emphasis on payment of minimum and overtime wages in low-paying industries; and to work with employer groups, expanding their knowledge of labor law requirements, with the aim of creating an environment in which law-abiding employers no longer suffer unfair competition from employers who follow unlawful practices. To realize its goals, DLSE continues to partner with federal and local agencies to heighten enforcement in businesses that operate in the underground economy,

have a history of violating labor laws, and pay less than the minimum wage.

During calendar years 1999-2000 the division received a \$5 million augmentation by the state Legislature, resulting in a 20 percent staffing increase that helps DLSE meet the challenges of a robust economy and growing work force in California, carry out its statutory mandates and improve service to the public.

The chief deputy labor commissioner oversees the public works program along with day-to-day DLSE operations. Four assistant chiefs are in charge of the Bureau of Field Enforcement activities, wage claim adjudication offices, a statewide collections unit designed to improve the rate of collections on penalties, a public information unit providing information on California labor law and IWC orders, and headquarters administrative services that support the field operations.

### NEW LEGISLATION STRENGTHENS LABOR LAW ENFORCEMENT

During 1998 and 1999 a substantial number of laws were enacted that positively affect the wages, working conditions and rights of California workers.

On July 20, 1999, California's commitment to uphold the eight-hour workday as a fundamental protection for working people was confirmed when the governor signed into law **Assembly Bill 60** (Knox), the Eight-Hour-Day Restoration and Workplace Flexibility Act. This law's principal provi-



sion is the restoration of overtime payment after eight hours in one workday.

**Assembly Bill 744** (Washington) added Section 1308.8 to the Labor Code. This law prohibits a minor under the age of one month from being employed in the entertainment industry unless a licensed physician or surgeon, who is board-certified in pediatrics, certifies in writing that the infant was carried to full term and is of normal birth weight, at least 15 days old and physically developed enough to withstand the potential stress of filmmaking.

**Assembly Bill 1570** (Bustamante) amended Labor Code Section 450 to specifically prohibit an employer from requiring of an applicant for employment any payment of a fee or other compensation for applying, receiving, submitting or processing an application for employment.

**Assembly Bill 279** (Wayne) amended Labor Code Section 3700.5 to increase the penalties for an employer who fails to provide workers' compensation coverage—from a fine of \$1,000 and/or six months in jail to a fine of up to \$10,000 and/or one year in jail.

**Assembly Bill 633** (Steinberg) substantially revised state regulation of garment manufacturing.

## PUBLIC WORKS ENFORCEMENT EXPANDED

DLSE is charged with enforcement of prevailing wage provisions of the public works statutes. The division investigates construction contracts, with some exceptions, that are paid for in whole or in part by public funds. The statutes require payment of prevailing wages and regulate the hiring, payment and training of apprentices on these jobs.

Labor Code Section 1777.1 had been added in

## Assembly Bill 60: Eight-Hour-Day Restoration and Workplace Flexibility Act

AB 60 offers more options for work schedule flexibility—including a mechanism for an employee to take time off for personal needs and then make up that time within the same workweek without payment of overtime compensation, except for hours worked in excess of 11 in one workday or 40 in one workweek.

AB 60 also requires employers to provide employees with a minimum half-hour meal period after five hours of work, establishes a civil penalty citation system for enforcing California's overtime provisions, and requires the Industrial Welfare Commission to study the qualifying duties for executive, administrative and professional staff exemptions from overtime.

1989 to exclude, through formal debarment procedures, contractors or subcontractors from bidding on public works projects if they were found in willful violation of public works laws. Effective January 1999, this section was amended to deny the bidding of debarred contractors or subcontractors on public works projects for one to three years.

Significant legislative changes in calendar year 2000 that affect public works enforcement are: inclusion of refuse hauling from public works project sites in the definition of public works; guarantees that the identity of employees who report prevailing wage violations will be kept confidential; definition of the term "responsible bidder" in the Labor Code as "...a bidder who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the public works contract."

DLSE's public works enforcement unit grew toward the end of 1999 from a staff of 16 to more than 35 deputy labor commissioners, payroll auditors

## Assembly Bill 633 substantially revised state regulation of garment manufacturing. This new law:

- Amends the definition of the term "contractor"—now any person who performs any activities of garment manufacturing for another person with the assistance of employees is considered a contractor.
- Creates new procedures for handling the wage claims of garment industry workers, including time lines for completing specified steps that lead to claim resolution and issuance of an order, decision or award.
- Makes liable for payment of minimum and overtime wages any person (guarantor) who contracts with another to make garments if the other person fails to pay the employees who performed those operations. The wage liability is limited to the guarantor's proportionate share of the wages owed.
- Authorizes the labor commissioner to set new garment registration fees at a level sufficient to recover costs of administering the law. Based on an applicant's annual volume, fees are not less than \$250 nor more than \$1,000 for a contractor or more than \$2,500 for other registrants.
- Increases from \$25 to \$75 the portion of the license fee allocated to the Garment Manufacturer's Special Account fund, which is used to help pay wages owed to garment workers.
- Grants the labor commissioner authority to confiscate the equipment and property of a contractor found in violation of the garment manufacturing laws when the contractor had garments confiscated in the preceding five years.
- Establishes liability of a successor employer for the unpaid wages of garment workers.

and clerical support staff. The unit implemented a centralized case tracking system and automated payroll audit program, and is making good progress toward reducing the public works case backlog. Division staff expect to see an increase in the year 2000 collections for wages and penalties, resulting from the increased enforcement activity beginning in late 1999.

Public Works	1998	1999
Public works cases opened:	1,172	1,559
Wages collected:	\$ 4,003,754	\$ 3,210,944
Penalties collected:	\$ 1,048,262	\$ 894,335
Number of contractors debarred:	3	4

### DLSE BUREAU OF FIELD ENFORCEMENT

DLSE investigates complaints and takes enforcement action to ensure that employees are not required or permitted to work under unlawful conditions. Enforcement covers child labor laws, worksite inspections, audits of payroll records, collecting unpaid minimum and overtime wages, issuing civil and criminal citations, confiscating illegally manufactured garments, and injunctive relief to preclude further violations of the law.

For the past seven years the division has participated in two major joint enforcement programs, the Targeted Industries Partnership Program (TIPP) and the Joint Enforcement Strike Force (JESF). Both programs are designed to maximize enforcement efforts in industries identified as having a history of labor law violations and employing significant numbers of lower paid workers. TIPP focuses on the garment, agriculture and restaurant industries while JESF targets auto body repair shops, bars, and to some extent construction.

Beginning January 2000 with passage of **Assembly Bill 613** (Wildman), investigations of the janitorial and building maintenance industry are now included in TIPP and JESF.

Bureau of Field Enforcement	1998	1999
Inspections conducted:	4,876	5,229
Penalties collected:	\$ 2,822,060	\$ 3,859,556
Wages collected:	\$ 3,418,422	\$ 3,905,868

### WAGE CLAIM ADJUDICATION

DLSE investigates wage claims on behalf of workers who file complaints for nonpayment of wages, unreimbursed business expenses, overtime and vacation pay. Division deputies hold informal conferences between

employers and employees to settle wage disputes.

If a matter cannot be resolved at the informal conference, an administrative hearing is held. By statute, these claims must be processed within a 120-day time limit, from the date a claim is filed to the date a hearing is held. DLSE has authority to enter judgments in superior court against employers failing to comply with the labor commissioner's final order.

Division staff also provide information to the public on wages, hours, working conditions and other labor law matters.

Wage Claim Adjudication	1998	1999
Wage claim cases opened:	42,933	42,898
Administrative hearings held:	10,452	10,273
Hearing wages collected:	\$ 5,818,076	\$ 7,708,547

### LICENSING AND REGISTRATION

DLSE's licensing and registration unit registers garment manufacturers and contractors in California, and licenses farm labor contractors, talent agents, supervisors and managers of minors in door-to-door sales, and industrial homework firms throughout the state. The unit also issues sheltered workshop and subminimum wage permits, and certifies studio teachers.

The division has a memorandum of understanding with the federal Internal Revenue Service (IRS) in which applicants for a garment manufacturer registration and farm labor contractor license are checked by the IRS for outstanding employment tax liabilities before a license or registration can be issued. DLSE also requires applicants for a farm labor contractor license to be fingerprinted and cleared through the state Department of Justice.

Licensing and Registration	1998	1999
Garment registrations issued:	5,906	6,565
Farm labor contractor licenses issued:	1,429	1,239
Talent agent licenses issued:	628	585
Studio teacher certificates issued:	135	90
Special minimum wage permits issued:	1,047	1,237

### DISCRIMINATION COMPLAINTS

Employee activities that are covered by the anti-discrimination statutes enforced by the labor commissioner are numerous. These statutes protect employees who report unsafe or unhealthy working conditions as well as those who disclose information to government or law enforcement agencies concerning a violation or noncompliance with a state or federal law or regulation.

Also protected from discrimination and retaliation are: employees who serve on a jury or appear as a witness in a trial; parents, guardians and custodial grandparents who take time off from work to participate in activities of a child attending school or a licensed day care facility; and employees who seek literacy education assistance.

A number of anti-discrimination bills were signed into law during 1998-99. **Assembly Bill 1127** (Steinberg) extended the period for filing a discrimination and retaliation complaint from 30 days to six months.

**Assembly Bill 109** (Knox) added Section 233 to the Labor Code, requiring employers who provide sick leave to allow employees to use that leave for taking care of an ill child, parent or spouse. The law also bars employers from taking retaliatory action against employees who use sick leave for this purpose.

Labor Code Section 96 was amended to authorize the labor commissioner to accept claims from employees who lose wages due to demotion, suspension or discharge from employment for engaging in lawful conduct away from the employer's premises during nonworking hours.

Labor Code Section 230 was amended to extend prohibition of discrimination and retaliation against an employee for taking time off work to appear in court as a witness, including an employee who is a victim of a crime. Section 230 was also amended to provide protections to victims of domestic violence, allowing them to take time off from work to obtain relief such as temporary restraining orders to help ensure their welfare or that of a child.

Labor Code Section 1102.1, which prohibited discrimination in employment based upon sexual orientation, was repealed when an equivalent prohibition was incorporated into the California Fair Employment and Housing Act.

During 1999 the division investigated 795 discrimination complaints and closed 607. Of the 232 written decisions rendered in these cases, 88 were appealed and only one was overturned.

Discrimination Complaints	1998	1999
Discrimination complaints filed:	653	795
Discrimination complaints closed:	565	607

## DLSE LEGAL UNIT

Division attorneys present civil cases at both the trial and appellate levels. The majority of the cases involve issues of unpaid wages that arise as a result of an appeal taken from an order, decision or award of the state labor commissioner.

## Public Information

DLSE's four public information hubs serving the state are located in:

<b>Sacramento</b>	<b>916-323-4920</b>
<b>San Francisco</b>	<b>415-557-7878</b>
<b>Los Angeles</b>	<b>213-620-6330</b>
<b>San Diego</b>	<b>858-467-3002</b>

The system offers pre-recorded information on labor statutes and Industrial Welfare Commission wage orders in three languages: English, Spanish and Chinese. The recorded messages are accessible 24 hours a day, seven days a week, and the system includes a voice mail box in which callers can leave their name and address for a claim form or information to be mailed to them.

The legal unit also pursues cases involving violations of the prevailing wage laws, and through court proceedings enforces the discrimination complaint decisions of the labor commissioner. Other services provided by the legal unit include writing opinion letters that interpret California labor law for the general public, and providing day-to-day legal counsel to division deputies.

Legal Unit	1998	1999
Legal cases opened:	2,325	2,451
Legal cases closed:	1,811	1,691
Wages and penalties collected:	\$ 7,445,074	\$ 6,790,814

## ON THE INTERNET FROM DLSE:

<http://www.dir.ca.gov>—select Labor Law—select Division of Labor Standards Enforcement

- Child Labor Law Manual 2000
- information on recent legislation
- wage claim processing procedures
- Public Records Act policy
- reports: Targeted Industries Partnership Program (TIPP), Bureau of Field Enforcement (BOFE), discrimination complaints
- databases: garment manufacturers, farm labor contractors, talent agents, studio teachers
- Title 8 regulations
- links to Industrial Welfare Commission for viewing and downloading its wage orders, and to Department of Industrial Relations resources
- office locations statewide

Email questions and comments to DLSE:  
dlseinfo@dir.ca.gov on the Web site.





## Industrial Welfare Commission

Minimum wages, maximum hours, standards for working conditions

### IWC

**R**eitalization of the Industrial Welfare Commission in 1999 coincided with changes in labor law for working Californians. The IWC is a five-member commission appointed by the governor with senate consent and supported by staff within the Department of Industrial Relations. Under authority vested in it by the California Constitution and by statute, the IWC incorporates minimum wages, maximum hours and standards for working conditions into occupation and industry wage orders impacting upon millions of employees statewide.

The Eight-Hour-Day Restoration and Workplace Flexibility Act of 1999, **Assembly Bill 60**, reinstated the 8-hour workday and introduced more protections for California workers (see Division of Labor Standards Enforcement report). In effect since January 1, 2000, this legislation also required the IWC to review the working standards of specified industries and occupations in addition to those covered by the longstanding 15 wage orders.

The IWC initiated public hearings and meetings in October 1999 and after gathering public comment from around the state, adopted Interim Wage Order 2000, which carries out AB 60 provisions. The commission then adopted further changes to all the

wage orders in accordance with AB 60.

In addition, the IWC held public hearings and then convened wage boards to consider the adequacy of California's minimum wage, and to consider instituting a new wage order for on-site occupations in the construction, drilling, mining and logging industries, following which the commission has set forth proposed regulations for public comment.

#### ON THE INTERNET FROM THE IWC:

<http://www.dir.ca.gov>—select Labor Law—select Industrial Welfare Commission

- commission and member information
- notices, transcripts and minutes of public hearings and meetings
- wage board information
- full text of all industry and occupation wage orders
- Interim Wage Order 2000
- Minimum Wage Order MW-98 and any update
- links to Department of Industrial Relations resources

Email questions and comments to IWC:  
[iwc@dir.ca.gov](mailto:iwc@dir.ca.gov) on the Web site.

# Division of Occupational Safety & Health

## Safe and healthful working conditions

**T**he Division of Occupational Safety and Health works to improve safety and health in the workplace through standards enforcement, consultation assistance and training programs.

In addition to its scheduled inspections of high-risk workplaces, DOSH investigates worksite fatalities, serious injuries or illnesses and complaints about hazards on the job.

DOSH aims to have the safest workplaces in the world here in California, and seeks to achieve this goal by creating a safe and healthful work environment and an informed work force. Effective enforcement of standards with emphasis on rapid abatement of hazards is foremost in the accomplishment of this goal. Recent budget augmentations increased enforcement and consultation staff, and **Assembly Bill 1127** signed into law in 1999 greatly increases the effectiveness of DOSH enforcement efforts—and in doing so, will increase safety and health protections for California workers. DOSH enforcement is supported by voluntary protection programs, employer and employee training and consultation services.

Since 1973 California has operated its own federally monitored safety and health program, known as Cal/OSHA. Formed before passage of the national Occupational Safety and Health Act of 1970, the DOSH safety inspections unit dates back to 1945. Cal/OSHA now receives approximately \$20 million in federal funding from the U.S. Department of Labor through its annual Section 23(g) operations grant. An additional contract with federal OSHA, approved under Section 21(d) of the act, provides funding of nearly \$4 million for consultations to private industry.

According to the national OSH Act, a state plan with job safety and health standards that employers are required to meet must be “at least as effective” as the federal OSHA standards. Benefits of the state plan include coverage for public sector employees, and developing standards or innovative programs addressing hazards unique to California workplaces.

Major department units in the program are the:

- Cal/OSHA Enforcement Unit—enforces workplace safety and health regulations.
- Cal/OSHA Consultation Service—offers free training and consultation to help employers and their employees comply with workplace safety and health regulations.
- Occupational Safety and Health Standards Board—adopts, amends and repeals the standards and regulations.
- Occupational Safety and Health Appeals Board—hears appeals regarding Cal/OSHA enforcement actions.

DOSH







In addition, the Hazard Evaluation System and Information Service (HESIS) is administered by the departments of Industrial Relations and Health Services as an information resource and worker hazard warning system.

DOSH has some other responsibilities mandated by state law. The division has permit and certification programs as well as responsibility for inspecting elevators, amusement rides, pressure vessels, and underground and surface mines. DOSH units include high hazard enforcement, health and engineering services. Within the health and engineering services unit are the elevator, pressure vessel and loss control certification staff.

### INSPECTING PRESSURE VESSELS

Division safety engineers conduct field and shop inspections of pressure vessels. Their other activities include permit issuing, consultations and education, plan and code reviews, accident investigations, boiler and fired/unfired pressure vessel safety orders. Fees charged for inspection work go into the Pressure Vessel Inspection Account, which is used to help fund the program.

A computerized pressure vessel tracking system went online in July 1998 for inspections and record invoicing of the 250,000 vessels for which the unit is responsible. Not only is this data system accurate and reliable, collection of invoice payments increased from about 84 percent to the current 97.5 percent because of automatic invoice and reminder mailings.

DOSH's pressure vessel unit helped Cal/OSHA investigate the February 1999 Tosco Avon refinery flash fire that killed four workers. Pressure vessel engineers reviewed the new design information before the vessel at the center of the accident, along with 11 others, was allowed to return to use in July. A thorough engineering analysis was required to confirm that the refinery vessels were safe to operate at the pressure and temperature under which they were used, and which were found to exceed their design and rating conditions. An inspection during the refinery shutdown revealed that the butadiene reactor was not the same vessel described in the company's documentation. This vessel was subsequently rebuilt and inspected for reuse.

Pressure Vessel Unit	1998–1999
Boilers inspected	2,428
LPG tanks inspected	9,035
Air tanks inspected	28,085
Shop inspections to check adherence to ASME manufacturing standards	Time: 11,265 hours

### ELEVATORS, AMUSEMENT RIDES, AERIAL PASSENGER TRAMWAYS

Division safety engineers specializing in the work of DOSH's elevator unit conduct inspections of elevators, aerial tramway equipment such as ski lifts, amusement rides and construction personnel hoists. This program also calls for related consultation and education, safety code and equipment approval plan reviews, accident and complaint investigation. Fees charged for inspection work are deposited in the Elevator Safety Inspection Account, which is used to fund the program.

**Assembly Bill 850** (Torlakson) establishes a DOSH safety inspection and permit program for permanent amusement rides. To carry out the new legislative mandates, the division is proposing regulations for the administration of the program and for safe installation and operation, maintenance and repair, and inspection of permanent amusement rides.

Elevator, Ride and Tramway Unit	1998–1999
Elevators inspected	105,760
Tramways inspected	1,159
Amusement rides:	
Inspections	1,385
Annual permits issued	1,318
Temporary permits issued	460

## INSPECTING MINES AND TUNNELS

Underground mines are inspected four times per year, surface mines once per year. Pre-job conferences, answering complaints and requests, investigating accidents, licensing blasters, certifying safety representatives and gas testers, classifying underground operations, environmental surveys and developing proposed safety orders are also done by DOSH's mining and tunneling unit staff.

Their work includes providing ongoing training and engineering and accident prevention for the mine safety engineers. Tunnel inspections are part of the Cal/OSHA program.

Staff monitored the Seven Oaks Dam and Tunnel and the Eastside Reservoir Project, which employed a combined total of 2,075 workers at the peak of construction, in addition to monitoring the North Hollywood extension of subway tunnels and stations in the Los Angeles Metro Rail system. Of the more than a dozen major storm drains and sewer tunnels under construction for the City and County of Los Angeles, the Inland Feeder Project was charged with building 44 miles of water tunnels. The mining and tunneling unit provided safety and health oversight for these projects, as well as more than 1,000 smaller tunnels under construction statewide.

Unit staff continued to provide the state's mineral industry with safety and health training, assisted through a Federal Mine Safety and Health Administration grant. This training was expanded under the grant to the sand and gravel industries, crushed stone and limestone.

Mining and Tunneling Unit	1998–1999
Mine and tunnel inspections	1,053
Employees affected	14,998
Pre-job safety conferences	776
Blasters licensed	714
Gas testers certified	192
Safety representatives certified	142
Mine and tunnel evaluation/classifications	1,078

## CERTIFYING LOSS CONTROL SERVICES OF WORKERS' COMPENSATION CARRIERS

Under the 1993 legislative reforms, workers' compensation carriers must provide loss control services without charge to employers, and submit to DOSH an annual loss control plan that identifies policyholders with the greatest losses and most preventable safety and health hazards.

DOSH's loss control certification unit staff meet regularly with representatives of insurers, employers and organized labor to promote understanding of this process.

A study by the unit, *A Sample Summary of Insured Employers' Experience* completed in 1999, assessed the certification program experience of a sampling of 1994-1997 insurer plans. The study indicated that most of the California workers' compensation carriers provided loss control services to a majority of the insureds they selected for their certified annual plans. Several insurers stated that the process of certification and evaluation helped them focus on the insureds who need loss control

## New law gives Cal/OSHA more enforcement authority

**Assembly Bill 1127** (Steinberg), signed into law October 6, 1999, makes statutory changes that are among the most significant since Cal/OSHA's inception. Bills of comparable importance are the California Occupational Safety and Health Act of 1973, which created Cal/OSHA, and legislation which expanded the requirement that all employers establish, implement and maintain a written injury and illness prevention program.

AB 1127 increases the effectiveness of Cal/OSHA's enforcement efforts, which in turn increase safety and health protections afforded California workers. Major changes:

- Increase the maximum statutory civil penalty for a serious violation from \$7,000 to \$25,000. A serious violation exists if there is substantial probability that death or serious physical harm could result from a workplace condition, including toxic exposures

exceeding the permissible exposure limit or conditions that exist from worksite practices, methods, operations or processes.

- Increase the maximum penalty for a failure-to-abate violation from \$7,500 to \$15,000 per day. Failure to abate exists when evidence obtained by DOSH demonstrates that the employer failed to correct a previously cited workplace hazard by a specified date.
- Delete the longstanding statutory exemption for government entities from imposition of Cal/OSHA civil penalties, including failure-to-abate penalties.
- Increase the criminal penalties of fines and prison terms that a court may impose for certain Cal/OSHA violations.

Information on the AB 1127 implementation plan is on the department's Web site at <http://www.dir.ca.gov>.

## Agricultural Safety and Health Inspection Project (ASHIP)

In 1999 the division inaugurated ASHIP, the Agricultural Safety and Health Inspection Project. This emphasis program is designed to compensate for the fact that agricultural production is one of the most hazardous industrial activities in California, yet DOSH receives few complaints from agricultural workers.

During the summer and fall seasons, agricultural production activities are at their peak and a large number of employees are exposed to serious hazards, which include: machinery-related accidents such as tractors, field sanitation hazards such as absence of toilet and drinking water facilities, heat stress, back injuries from using short-handled agricultural tools, and skin conditions such as lacerations from exposure to pruning knives and dermatitis from exposure to soil contaminants.

ASHIP Activity	1999
Total inspections	505
Total violations	749
Serious/willful/repeat violations	136
Total penalties	\$ 349,410

consultative services and may have been overlooked.

However, loss control consultants working either for the insurer or under contract from outside sources were found in need of more training on provisions of insurers' certified plans and the purpose of loss control regulations—and insurers did not always intervene in a timely manner to see that the planned services were actually provided. The study found that when loss control services were provided as mandated, a significant percentage of selected employers achieved reductions in accident frequency.

DOSH found that insurer selection methods for targeting their insureds often failed to identify those who have the most significant workers' compensation losses or preventable safety and health problems. Numerous insurers used either selection criteria too broad to be effective, or data too old to show the current loss experience of their insureds. Methods using policy premium or experience modification as a single criterion were proved the most unreliable. These DOSH findings prompted the division to propose changes in loss control regulations on selection methodologies.

As of December 1999, 120 insurer group plans were recertified. Ten became uncertified because they either failed to achieve certification prior to the plan's expiration, their application for recertification was denied, or their certification was rescinded for failure to perform. These insurers were eventually able to achieve recertification. Loss control staff conducted 94 evaluations of insurers' annual loss control plans.

## CAL/OSHA ENFORCEMENT

DOSH is authorized to conduct workplace inspections to enforce occupational safety and health standards. Every workplace covered by Cal/OSHA may be subject to these inspections, which are conducted by DOSH safety engineers and industrial hygienists from district offices throughout California. Mining and tunneling enforcement is handled by a separate unit, and a high hazard unit makes targeted inspections in high-hazard industries such as construction and agriculture.

Complaint, referral and accident inspections, as well as scheduled compliance inspections, are conducted by the district offices.

Cal/OSHA Compliance Inspections	1998–1999
Total workplace inspections	18,813
Workplace safety inspections	13,559
Workplace health inspections	5,254
Total violations cited	40,632
Serious violations	9,336
Violations other than serious	31,296
Proposed penalties	\$ 18,904,537
Workers covered	4,488,632

## LEAD-IN-CONSTRUCTION SPECIAL EMPHASIS PROGRAM

During fiscal year 1999 DOSH opened 132 inspections for which the lead in construction standard was evaluated in construction-related trades. Of the total, 59 inspections resulted in one or more violations and 73 resulted in no violations.

During this time, DOSH changed its programmed inspection emphasis from reliance on sites identified by Dodge Reports to local, more successful sweep activities.

The Dodge Report is a bidding service that lists large construction projects—typically over \$500,000—and identifies major components of the bid package, including lead abatement and removal. In spite of substantial efforts to identify start dates for lead paint removal, DOSH found it very difficult to coordinate inspections with times when lead paint removal was actually taking place. The division also found that when inspections were conducted during actual lead paint work, the large contractors involved in such work were often seemingly in compliance with the Cal/OSHA lead standard.

In July-August 1999, DOSH conducted sweep operations in municipal and suburban areas with known older housing and commercial building stock in three compliance regions of the state. This two-



month activity resulted in 42 sweep inspections, a better investment in time compared to the year and a half of 45 Dodge Report inspections.

By the end of September 1999, cumulative results produced by the special emphasis program since its inception in July 1996 showed 252 total inspections, 36 serious and 357 other-than-serious violations of the lead in construction standard, and about \$64,000 in proposed penalties for those violations.

**HIGH HAZARD ENFORCEMENT UNIT**

Building on its success with special emphasis programs in lead exposure, the DOSH unit conducted new programs for marine cargo handling in water transportation service companies that showed high injury rates. The unit also inspected companies manufacturing automotive trimmings, sporting and athletic apparel, and sports equipment such as golf clubs and baseball bats.

Lack of an injury and illness prevention program was the most frequently cited violation.

High Hazard Unit	1998–1999
Total workplace inspections	582
Total violations cited	2,769
Proposed penalties	\$ 1,782,133

**BUREAU OF INVESTIGATIONS (BOI)**

The DOSH Bureau of Investigations, which determines criminal violations, is required to investigate accidents involving violations of standards, orders or special orders where there is a fatality, serious injury or illness to five or more employees, or a request for prosecution from the division’s civil compliance staff. BOI also reviews the inspection reports regarding violations where serious injury or exposure occurred.

In cases involving serious injury or death BOI is required to refer the results of its investigation to the appropriate prosecuting authority, unless the bureau determines that there is legally insufficient evidence of a violation of the law. Cases referred for prosecution during 1998-99 totaled 108, and cases filed by prosecutors numbered 28. The AB 1127 legislation, which increases criminal penalties, provides a statutory vehicle for seeking more substantial sanctions where applicable.

With the San Diego district attorney’s office, BOI sponsored a statewide prosecutors conference in November 1998 on the subject of occupational safety and health prosecutions. Bureau staff also participated in law enforcement task forces and a seminar sponsored by the California District Attorneys Association.

**Targeted Inspection and Consultation Fund**

**Assembly Bill 1655** (Hertzberg) deleted the January 2000 sunset date to levy and collect assessments from employers for the Cal/OSHA Targeted Inspection and Consultation Fund, which collected \$7,862,223 in 1999. Reform legislation requires DOSH to annually identify insured employers who have a workers’ compensation experience modification rating of 125 percent or greater in the previous policy year, and to levy an assessment on those employers to support the targeted inspection and consultation program.

**WORKPLACE SECURITY**

DOSH has been conducting inspections of violent worksite events since 1993. In 1998-99 DOSH conducted 23 inspections and found 40 violations, of which two were classified as serious. Proposed penalties totaled \$10,680.

In response to the growing recognition of violence in the workplace, government agencies that oversee workplace safety are incorporating security issues into safety plans.

Fatalities resulting from assaults and violent acts were 18.8 percent of the 1999 California workplace fatality total, down from 23.4 percent in 1998. These workplace fatalities have been decreasing steadily:

	1995	1996	1997	1998	1999
Assaults and violent acts	194	185	174	146	111



## Technology and training for field operations

DOSH enforcement officers, whose main focus is workplace safety and health, generate documentation from the field on laptop computers and portable printers—from such sources as statements by witnesses, experts, police and fire personnel, and observations in the field. Information on subjects associated with a particular industry or the applicability of a safety/health standard is accessed in the field by modem through the laptop computer.

DOSH is using digital photography in evidence gathering, a system both time-saving and resource efficient. Digital cameras are being used in educational efforts by the consultation staff, who also use presentation software as a powerful teaching tool to educate employers and their employees on safety and health issues.

In response to its need to increase staffing, DOSH mounted an extensive information campaign focused on working professionals and new college graduates. Part of this effort is the Cal/OSHA Junior Program, a one-year training program intended to transform college graduates into field personnel ready to support the division's work.

Based in Los Angeles, the Junior Program combines classroom and on-the-job training. DOSH staff from the regional offices currently teach the nine junior industrial hygienists and three junior safety engineers, who also report to DOSH district offices throughout California for gaining experience on the job as part of their curriculum.

## CAL/OSHA CONSULTATION SERVICE

The Consultation Service offers employers and employees:

- Free on-site assistance.
- Participation at seminars.
- Educational outreach on workplace safety and health.
- Positive incentives for employers who improve safety and health at their worksites.

The Consultation Service works cooperatively with industry and labor to improve safety and health conditions in workplaces throughout the state. It is not connected in any way with DOSH enforcement

operations—consultants do not take part in enforcement activities, communications between the employer and consultation staff are held in confidence and not shared with enforcement staff, and on-site consultation visits do not result in citations or penalties from the Consultation Service. Only in those rare instances where an employer refuses to correct identified hazards are referrals made for enforcement actions.

## INFORMATION AND EDUCATION

Consultation Service staff participated in seminars statewide on subjects related to high incidences of workplace injuries and illnesses such as fall injury prevention, ergonomic and agricultural hazards. Nearly 11,500 employers and employees attended outreach sessions during 1998-99—the employers represented an estimated 590,000 employees.

Materials available from the Consultation Service range from model programs and booklet guides to training videos. Recent additions are the *Easy Ergonomics* guide for general industry that won national acclaim, *Managing Stress Arising from Work* booklet, *Confined Space* guide, *California Hazard Communication* guide and *Agricultural Safety and Health Inspection Project* booklet. Forthcoming are guides on bloodborne pathogen exposure control and easy ergonomics for small businesses.

To help California employers understand the benefits that they and their employees can derive from the Consultation Service, the unit recently released a new video featuring employers from many of the state's diverse industries who explain how the service has helped them attain their safety and health objectives, heightened employee morale and helped their bottom line.





## CAL/VPP

The California Voluntary Protection Program (Cal/VPP) recognizes worksites with exemplary safety and health programs that get tangible results from reducing industrial hazards and occupational disease, evidenced in an injury/illness rate below the average within their industry. Initiated in California, the concept was adopted by the federal government and is now successful nationwide.

The final phase of the Cal/VPP pilot project, certifying non-fixed worksites of construction contractors, is underway. The contractors enrolled in this program who demonstrate exemplary workplace safety and health performance will be given state and national recognition.

Cal/VPP candidates who achieve Cal/Star status are removed from DOSH scheduled inspection lists. Cal/Star members must have injury and illness rates well below the industry average and demonstrate extraordinary commitment to workplace safety and health.

### Cal/VPP Star sites:

- Bestfoods Baking Company, Placentia—Thomas' English muffin production—Bakers, Confectioners & Tobacco Workers Local 31
- Eastern Municipal Water District, Perris—provides water, sewage collection and treatment, recycled water distribution—EMWD Association
- GE Flight Test Operation, Kern County Airport—flight test operation
- Gencorp Aerojet, Azusa—design, development, testing and manufacture of spaceborne electro-optical, microwave and millimeter-wave sensors—International Association of Machinists & Aerospace Workers
- Gillette, Santa Monica—writing instruments manufacturer
- Huntsman Packaging, Merced—plastic food wrapping (films) manufacturer
- IBM, San Jose—computer disc drive manufacture
- Lockheed Martin Skunk Works, Palmdale—design, development, manufacture and maintenance of air platforms—IBEW Local 2295; Engineers and Scientists Guild; IUOE Local 501 (Stationary Engineers and Welders); Aeronautical Industrial District Lodge 725, IAM & W
- Pactiv Corp, Bakersfield—plastic fabrications
- 3M Dental, Irvine—dental products manufacture
- Tropicana, City of Industry—orange juice manufacture and distribution—Teamsters Union Local 848

## Cal/OSHA Process Safety Management Standard

In the aftermath of two major accidents at refineries in Contra Costa County, DOSH received a budget augmentation for fiscal year 1999-2000 to conduct more inspections of high-hazard industries and programmed inspections of petroleum refineries and chemical processing plants.

The division previously had established investigatory task forces in northern and southern California. The additional resources fund two new process safety management offices focused on inspecting high-hazard industries, including refineries and chemical plants.

### Process hazard analysis

The Cal/OSHA process safety management standard provides requirements for managing the danger associated with use of highly hazardous substances in chemical plants, refineries and other facilities. The key is process analysis: careful review of what could go wrong and what safeguards must be in place to prevent releases of dangerous substances and the fires that could result from such releases.

The standard requires employers to consult with employees and their representatives on the process hazard analyses and other elements of process management, to which employees and representatives must have access.

## ON THE INTERNET FROM DOSH:

<http://www.dir.ca.gov/dosh>

- information on recent legislation
- safety and health alerts, information on bloodborne pathogens standard, asbestos regulations and resources
- reports: Agricultural Safety and Health Inspection Project, Loss Control Certification Program, High Hazard Targeted Inspection and Consultation Program
- databases: asbestos contractor registrants, certified asbestos consultants and site surveillance technicians
- health and safety publications
- Title 8 workplace safety and health regulations
- links to Cal/OSHA Consultation Service, Cal/OSHA Special Emphasis Program, Hazard Evaluation System and Information Service (HESIS), occupational safety and health resources on the Internet
- office locations statewide



## TOSCO REFINERY ACCIDENT INVESTIGATION

**D**OSH spent six months on an exhaustive investigation of the February 23, 1999, Tosco accident, which killed four workers and seriously injured a fifth. Staff interviewed management and employees, emergency responders and others. Several weeks were spent examining the burnt scaffolding. Materials were stored in locked storage units during this phase of the investigation.

DOSH conducted an in-depth process safety management investigation into the underlying cause of the Tosco accident—for example, examining safeguards either in place or missing, inspecting and testing for mechanical integrity, studying the operating procedures to determine what had caused the pipe to corrode and leak.

The division's investigations found that Tosco failed to shut down the naphtha piping operations prior to maintenance work that involved cutting into and removing a portion of the line—so that naphtha flowed through the line onto hot surfaces of the adjoining fractionator tower and ignited, causing a fire that spread up and down the tower and engulfed the four workers.

The Cal/OSHA team coordinated its on-site investigations with federal OSHA and the U.S. Chemical Safety and Hazard Investigation Board, Bay Area Air Quality Management District and Contra Costa County Department of Health Services.

### HIGHEST CAL/OSHA PENALTY

DOSH cited Tosco Refining Company for 33 alleged violations of state workplace safety and health regulations. The total amount of the proposed penalties was \$810,750—the highest penalty amount ever issued against a single employer by Cal/OSHA. DOSH also conducted a concurrent criminal investigation through its Bureau of Investigations. As a result of the criminal investigation, the case was referred to the district attorney's office for prosecution.

Three contractors hired by Tosco were also alleged to be in violation of regulations, which contributed to creating an unsafe work environment for their employees. All three contractors failed to instruct their employees on how to recognize and avoid possible hazards associated with the work they were doing. DOSH issued citations for \$28,025.

The Contra Costa County District Attorney filed five criminal charges against Tosco, which pleaded no contest and agreed to pay the maximum fine of \$945,000. In addition, Tosco reimbursed Contra Costa County up to \$100,000 for its investigative and legal costs. Tosco offered to contribute \$1 million to the county to aid in development of the Los Medanos Health



Clinic, which the county identified as a needed facility because of the recent closure of Los Medanos Community Hospital.

Tosco shut down the Avon refinery in March 1999 at the request of the Contra Costa County Board of Supervisors while county, state and federal agencies conducted their investigations. A safety consultant hired by the county found serious shortcomings in the refinery's safety emphasis and labor-management communications, and Tosco agreed to implement 72 recommendations aimed at improving its operations. The plant reopened in July 1999.

Six additional inspections of Tosco's refineries have been conducted since the February 1999 Avon plant accident. On March 22, 2000, two workers were injured at the Rodeo refinery when fuel was inadvertently mixed in the firewater used to douse welding sparks—which brought about another accident investigation. Southern California inspections of Tosco Wilmington and Tosco Arroyo Grande were also conducted in 1999.

Information on the Tosco investigation is on the department Web site at [www.dir.ca.gov](http://www.dir.ca.gov)—select News Releases. The August 4, 1999, news release links to information on the time line leading to the accident, citations and investigation summary—clicking on the word “fractionator” accesses a diagram of the fractionator overhead accumulator.



## CAL/OSHA BLOODBORNE PATHOGENS STANDARD

In July 1987 a young nurse was finishing the 11th hour of a 12-hour shift in the AIDS unit at San Francisco General Hospital. As she withdrew an unsheathed needle from an intravenous line connected to a patient, the needle went through the bag and into her finger. Six weeks later she tested positive for the AIDS virus and became the first documented case of a medical worker at the hospital to be infected with HIV through a needle injury. By 1999 the national Centers for Disease Control and Prevention confirmed 55 similar cases of HIV transmission through occupational exposure. Cases of Hepatitis B and C are still occupational risks to health care workers.

In July 1999 DOSH adopted major revisions to its bloodborne pathogens standard to strengthen worker protection from transmission of bloodborne pathogens,

least 100,000 California health care workers are injured by accidental needlesticks. Many workers do not report these injuries, so the actual number may be even greater.

Although the risk of disease transmission is low for most types of needlesticks, all needlestick injuries have the potential for transmitting bloodborne pathogens such as the HIV, Hepatitis B and C viruses—and health care workers are most at risk for occupationally-acquired infection.

Health care workers view the revised California requirements and new federal compliance directive as an important milestone in their effort to obtain protection from life-threatening exposures to bloodborne pathogens. Issues remaining to be resolved are employee training, including frontline workers in decisionmaking, and ensuring that employers select the best and safest devices available.

Revisions to the bloodborne pathogens standard focus on needlesticks and other sharps injuries, which in health care delivery settings typically occur when a health care worker inadvertently punctures his/her skin with a hypodermic syringe or other sharp device—hence the term “sharps”—that was used on a patient and became contaminated with the patient’s blood or other body fluids. Sharps injuries are the primary mode of transmission of bloodborne pathogens in the workplace.

Needle devices designed to minimize the risk of needlestick injuries recently were introduced into the market. Some of these needle devices are of a self-sheathing design, others employ different strategies to protect against needlesticks. The specific medical procedure for which a device is used affects the device’s effectiveness in preventing needlesticks, as well as its medical efficacy. Systems without needles—called needleless systems—are also now available for some medical procedures.

Health care providers are the primary focus of the revised standard. The new requirements govern the medical procedures of withdrawing body fluids, accessing a vein or artery, administering medications or fluids, and any procedure with potential for a sharps injury exposure.

The revised standard covers employers whose employees may be reasonably anticipated to have contact with blood or other potentially infectious material. This includes emergency and public safety services, correctional and custodial care facilities, and providers of services to these covered employers—such as plumbers and launderers—whose employees could be exposed to bloodborne pathogens. A comprehensive response to 110 questions on the bloodborne pathogens standard is available on the DOSH Web site at [www.dir.ca.gov/dosh](http://www.dir.ca.gov/dosh).



particularly HIV, Hepatitis B and C. California is first in the nation to place stronger requirements on employers to use needles and other “sharps” devices engineered to reduce the chances of needlestick injuries.

Many factors prompted the revised standard, including a bill passed by the California Legislature requiring amendments to the standard, a Cal/OSHA advisory committee, demands by unions representing health care workers for protective action, intensive media coverage and industry input. In amending its bloodborne pathogens standard, the division followed an advisory committee process whereby the health care industry, labor representatives and government agencies worked together to develop a consensus standard considered reasonable and protective.

Approximately 700,000 health care workers in California are at risk of workplace exposure to life-threatening bloodborne pathogens. The vast majority of these exposures are caused by needlestick injuries. Annually at

# Occupational Safety & Health Standards Board

## Cal/OSHA workplace standards

**T**he Occupational Safety and Health Standards Board, a seven-member board appointed by the governor and required to adopt workplace standards as effective as those adopted by federal OSHA, also protects the safety and health of workers on the job by adopting additional orders when no comparable federal standards apply. When workers are exposed to serious hazards or life-threatening danger, emergency regulations are adopted to take immediate effect while a permanent standard is under development.

The following new standards carry far-reaching significance:

- Bloodborne pathogen standard to prevent sharps injuries—this first-of-its-kind regulation was permanently adopted June 17, 1999, and became effective July 30 that year. The board's process had included an emergency adoption on January 20, 1999.
- In 1998 California became the first state in the nation to have regulations for special access lifts serving people with disabilities.
- In 1999 the board strengthened regulations for escalators and moving walks, to protect against accidental entrapment of body parts, clothing or shoes.
- In 1998 the board adopted a comprehensive update of California's elevator regulations.
- The board revised its standards to be as protective as new federal OSHA standards for methylene chloride, permit-required confined spaces, respiratory protection and powered industrial truck operator training.

OSHSB may grant a permanent variance from a workplace safety or health regulation, only when the employer requesting the variance can demonstrate by a preponderance of evidence that the alternative measures provide equal or superior protection for workers. During 1998-99 the board docketed 147 variance applications and granted 82 permanent variances.

Those who seek regulatory changes may petition OSHSB verbally or in writing, and the board has six months following receipt of a petition to report its decision. During 1998-99 the board received 28 petitions, of which 16 were granted.

The public may ask to take part in standards development as members of advisory committees, and may comment on proposed, new or revised standards at the OSHSB monthly public meetings held on a rotating basis in Sacramento, Oakland, Los Angeles and San Diego.

### REGULATORY CHANGES

OSHSB lists more than 50 proposed regulations on its projected rulemaking calendar for 2000.

The board is updating Title 8 building standard requirements to coordinate with Title 24 building standards for purposes of consistency and clarity. OSHSB is also considering a comprehensive update of the Title 8 standards for explosives.

The board is considering a Division of Occupational Safety and Health proposal to implement **Assembly Bill 850** (Torlakson) by adopting regulations that govern permanent amusement rides. OSHSB will set another precedent for California when it considers proposed standards for use of mountain climbing equipment and rope access techniques as a method of protecting workers from falls.

OSHSB

### ON THE INTERNET FROM OSHSB:

<http://www.dir.ca.gov>—select Occupational Safety & Health—select Occupational Safety and Health Standards Board

- proposed regulations with supporting documentation
- proposed permanent variance decisions
- notice of monthly public hearings, roster of board members
- agenda and summary of actions taken at monthly meetings
- monthly calendar of activities with schedule of advisory committees
- approved regulations
- publications: guidelines for petition process, variance process, advisory committee process, OSHSB role and responsibilities
- Title 8 workplace safety and health regulations

Email questions and comments to OSHSB:  
[oshsb@dir.ca.gov](mailto:oshsb@dir.ca.gov) on the Web site.



# Occupational Safety & Health Appeals Board

## Appeals from DOSH enforcement actions

### OSHAB

**T**he Occupational Safety and Health Appeals Board, a three-member board appointed by the governor from management, labor and the general public, functions independently of the Division of Occupational Safety and Health (DOSH). OSHAB resolves appeals from DOSH enforcement actions. The board's mission is to handle appeals fairly and in a timely manner as well as provide the public with clear and consistent guidance.

Any employer may appeal a DOSH-issued citation, proposed penalty, special order or abatement requirements, including the reasonableness of changes required by DOSH as well as notices of failure to abate original citations. The employer must initiate an appeal to OSHAB by mail, telephone or fax within 15 working days of receipt of the issued citation.

The board achieved an average six-month turnaround time from appeal docketing to calendared hearing for first level appeals, except for appeals sent to DOSH's Bureau of Investigations, appeals venued in remote areas of the state, complex appeals that necessitate a lengthy discovery process, and appeals for which good cause continuances were granted. Compared to the average 14-month turnaround in 1996, this is a dramatic shortening of the time to get appeals heard.

In 1998 OSHAB docketed 4,338 appeals and disposed of 4,839 appeals. In 1999 it docketed 3,490 appeals and disposed of 4,655 appeals. More than 50 percent of the appeals during 1998-99 were resolved at telephone prehearing conferences before administrative law judges (ALJs), which eliminated the need for formal hearings. The board continued its one-month turnaround time for reviewing settlements of docketed appeals between DOSH and employers outside the prehearing and hearings processes.

Within 30 days of serving an order or decision issued by an ALJ, an aggrieved party may file a petition for reconsideration directly with the three members of OSHAB for their review. Within 30

days of serving a board-issued Decision After Reconsideration, which follows the petition seeking reconsideration process, an aggrieved party may file a petition for writ of mandamus in superior court.

### HIGHEST PERFORMANCE YEAR

In 1999 OSHAB issued 55 Decisions After Reconsideration, its highest performance year since the program's inception.

**Assembly Bill 1127** (Steinberg), legislation that became effective January 2000, may significantly increase appeals received by OSHAB because the maximum civil penalty for serious violations increased from \$7,000 to \$25,000. In 1998-99 more than 60 percent of all serious citations were appealed to the board. With enactment of this law that percentage may climb.

Another change will affect employers as a result of AB 1127, a revised definition of the term "serious violation." The employer now has the burden of proving that they did not know and could not have known with the exercise of reasonable diligence of a serious violation.

### ON THE INTERNET FROM OSHAB:

<http://www.dir.ca.gov>—select Occupational Safety & Health—select Occupational Safety and Health Appeals Board

- information on the board, its members and the appeal process
- OSHAB Appeals Information Booklet
- employer video: Handling Your Appeal before the California OSHA Appeals Board
- schedule of public hearings and meetings
- decisions after reconsideration
- Title 8 Appeals Board regulations

Email questions and comments to OSHAB:  
[oshab@dir.ca.gov](mailto:oshab@dir.ca.gov) on the Web site.



# Division of Apprenticeship Standards California Apprenticeship Council

## California apprenticeship system

The Division of Apprenticeship Standards administers California law governing standards for wages, hours, working conditions and the specific skills required for state certification at the journey level of apprenticeable occupations. Within the industry-driven system of apprenticeship training, DAS works with program sponsors and monitors their programs of on-the-job training coupled with supplemental classroom instruction to ensure established high standards.

The California Apprenticeship Council is a 14-member council appointed by the governor, plus one representative each of the director of industrial relations, chancellor of the California community colleges, and superintendent of public instruction. The chief of DAS serves as secretary to the council and the division provides staff services.

The CAC holds quarterly meetings to: conduct the business of apprenticeship in California; issue

regulations to carry out the intent of apprenticeship legislation; conduct appeals hearings on apprenticeship agreement disputes, standards and program administration; and advise the director of industrial relations, who is the state administrator of apprenticeship.

The more than 60,000 apprentices in California registered in some 1,400 programs are maintaining a time-honored system that has proved extremely adaptable to changes in the world of work. As traditional manufacturing jobs disappear, new high-tech and service jobs take their place. California's workers need to achieve a higher level of skills than ever before to earn a living in the global marketplace.

What every employer needs is a motivated worker with the skills necessary to do the job. What every worker needs are the skills to get and keep a decent paying job. It is the DAS goal to match the needs of workers with those of employers, and to strengthen the apprenticeship alliance among

DAS  
 CAC

Apprentices	1995	1996	1997	1998	1999
Total	41,360	46,172	49,468	52,453	60,403
Non-minority	21,612-52.3%	23,762-51.5%	24,960-50.5%	25,927-49.4%	28,882-47.8%
Minority	19,748-47.7%	22,410-48.5%	24,508-49.5%	26,526-50.6%	31,521-52.2%
Women	4,466-10.8%	5,222-11.3%	5,266-10.6%	5,006-9.5%	5,422-9.0%

## 60th anniversary of California's apprenticeship system

Celebration of the 60th anniversary of the landmark Shelley-Maloney Apprentice Labor Standards Act began with the governor's proclamation declaring October 1999 "Apprenticeship Month" in California. Authored by state Senator Jack Shelley and Assemblymember Thomas Maloney, the 1939 legislation established the administrative structure and uniform training standards of California's apprenticeship system.

DAS observed the anniversary by sponsoring a reception the following month in the San Francisco headquarters of the Department of Industrial Relations. Assemblymember Kevin Shelley, son of state Senator Jack Shelley, delivered a legislative resolution commemorating the occasion, which his sister Joan, a retired teacher and leader of the local teacher's union, also attended. Culinary apprentices from City College of San Francisco developed the reception menu, prepared and served the food to the 150 guests, who included former division chiefs, labor representatives, employers and educators.

industry, labor, education and government for recruiting workers and teaching the skills they and their employers need. A governor-approved budget increase for the 1999-2000 fiscal year, the first in a decade, allowed the division to hire new staff including five apprenticeship consultants.

### NEW LEGISLATION BRINGS NEW ENFORCEMENT TOOLS

In 1999 the Legislature passed **Assembly Bill 921** (Keeley), which strengthens DAS authority to raise the standards for apprenticeship training in California. The law also gives the division new enforcement tools that should increase compliance and simplify the process for imposing penalties on contractors who willfully violate the law.



The bill increases penalties for violation of the law while providing that a general contractor is not liable for the actions of a subcontractor if the general contractor monitors the actions of the subcontractor. This provision should encourage the general contractor to see that subcontractors are following the law and providing apprentice opportunities on public works projects.

DAS will work to ensure compliance with state standards and increase the quality of apprenticeship programs through new provisions providing for program audits every five years. The bill also adds a provision for training grants to apprenticeship programs from monies collected by the California Apprenticeship Council.

In the construction industry AB 921 slows formation of new apprenticeship programs where an existing program is already approved. Another provision of the bill should increase the quality of programs by requiring meaningful representation of apprentices in program management. AB 921 prevents exploitation of apprentices by requiring that an employer who is a party to an apprentice agreement employ an apprentice only as an apprentice.

**Assembly Bill 931** (Calderon) concerns apprenticeship standards for electricians. The bill requires DAS to appoint an advisory committee for establishing and validating minimum standards for the competency and training of electricians through a system of testing and certification, and to set fees for the program.

### PUBLIC WORKS APPRENTICES

DAS monitors public works projects by investigating complaints. From July 1, 1998 through June 30, 1999 the division received 426 complaints from compliance program organizations and committees concerning contractors not following regulations for public works projects. Of the total, 261 complaints were closed and 165 remain open.

DAS also investigates complaints filed by apprentices. From July 1, 1998, through June 30, 1999, the division received 11 complaints from apprentices who charged that actions by their program sponsors were unfair or unreasonable, ranging from selection procedures to dismissal from a program. Of these complaints, six cases were closed and five are still under investigation.

### SCHOOL-TO-CAREER/APPRENTICESHIP

The California Apprenticeship Council is represented on the employer/labor committee of School-to-Career, a network of local partnerships involving parents, educators, business, labor and communities in a method of teaching that prepares students for



college and the job market by integrating academic studies with real-world applications and work-based learning experiences. Work-based learning includes job shadowing, interning with local employers and organizations, and participating in school-based business enterprises.

California's apprenticeship training system is a natural fit with school-to-career, easing the transition from education to employment and increasing graduation rates while giving students expanded career options.

The DAS mailing of the award-winning video *Apprenticeship, California's Best Kept Secret* with bulletin board materials went to 1,500 high school principals throughout the state. In addition to the high school pilot programs underway, a pre-apprenticeship guide and curriculum models for earlier grade levels are under review as a means to increase awareness of the apprenticeship concept.

## JOB TRAINING FOR VETERANS

DAS approves and monitors job training programs for veterans, under a federal contract with the U.S. Department of Veterans Affairs, to make sure veterans receive their educational benefits. The federal/state partnership dates back to the GI Bill of Rights signed into law in 1944. In its advocacy role the division is responsible for:

- Program approval, reviewing and evaluating the quality of education and training according to state and federal criteria, revising when needed to remain current with rapid technology changes and school-to-work programs.
- Facility oversight, annual on-site classroom and training center visits to determine compliance with state and federal regulations and evaluate new programs.
- Technical assistance, conducting approval workshops and assisting with applications for approval, assisting the Department of Veterans Affairs with certification workshops, informing schools of their approval status and changes in the laws.
- Outreach, working with transition assistance offices on military bases to provide information about approved training opportunities for veterans.
- Liaison, acting as the state liaison between military installations and schools, employers, labor groups and state veterans organizations to provide information and promote GI Bill use.
- Contract management, establishing a plan of operation, performance standards and employee qualification standards to ensure effectiveness and efficiency, and providing required reports.

## Child care provider apprenticeships

DAS is expanding the child care provider apprenticeship standard with the advice and assistance of members of the child care industry, labor organizations, child care advocacy organizations and regulatory bodies. The current apprenticeship in child care requires 2,000 hours on the job and 120 hours of related and supplemental coursework.

To help meet the growing demand for quality child care in California, DAS established the Child Care Apprenticeship Advisory Committee in December 1999. It is studying and recommending how to develop a new child care provider apprenticeship program that meets the needs of child care centers and family day care providers. DAS expects the new standard to parallel or exceed the federal child care apprenticeship standard—4,000 hours of on-the-job training and 144 hours/year of related and supplemental instruction in early childhood education and child development—and to track the child care provider permit requirements in California.

In March 2000 DAS hosted workshop discussions and an information table about child care apprenticeships for the 5,000 attendees at the annual conference of the California Association for Education of Young Children in Sacramento. A large number of child care and family day care center operators were very enthusiastic about expanding the number of child care apprentices in California. The division's goal is to implement a new child care apprenticeship standard during 2000 and to double the number of registered child care apprenticeships in California by the summer of 2001.

## INMATE APPRENTICESHIP TRAINING

The Correctional Institutions Apprenticeship Committee of the California Apprenticeship Council was revived as a CAC standing committee after several years of inactivity. Some of the state's correctional facilities have an active relationship with outside apprenticeship programs for providing transition to life on the outside, and some have internal inmate apprenticeship programs.

Immediate committee goals are to conduct surveys of program sponsors and inmate facilities with trade affiliation, reestablish inter-agency relationships between DAS and the California Department of Corrections (CDC), and review the CDC *Inmate Apprenticeship Handbook*.

## ON THE INTERNET FROM DAS AND CAC:

<http://www.dir.ca.gov—select Apprenticeship>

- activity reports
- apprentice testimonials
- Title 8 regulations
- office locations statewide

## APPRENTICESHIP SUCCESS STORIES



### IRONWORKER

The ironworker apprenticeship is a three-year apprenticeship. It's like adding another tool to your belt. We have semesters. Now we're going three weeks in a row and then we're off a week or two and then we're back. There's a lot of things you need to know in the field. But combine that with your books and you're a professional. The guys respect you more because you've gone to school for your trade.

**Sam Apodaca, ironworker apprentice, Fresno**

### CHEF

A person really has to be serious about a culinary apprenticeship because it takes three years. It goes quick, but it's not a small chunk of your life. We have a class once a week at City College of San Francisco. We go about four hours. The hotel I work at will accommodate us for this class. In class we get more technical information, mostly lecture, mostly book stuff. I was always interested in food, but never took it seriously. I went to UC Davis for four years and majored in textiles and interior design. I thought I wanted to do interior design but at the end of school I didn't want to. I went into the garment industry for three different companies. At the time I quit it was a rough time for the fashion industry in the early '90s. When the last place I was at closed it got me thinking that design was not where I wanted to stay and not what I wanted to do.

**Sandy Lowe, culinary apprentice, San Francisco**



### CARPENTER

I went through a free apprenticeship program. It helps to have that pre-apprenticeship. As a beginner you need to get out there and hustle your own work, get out there and knock on doors three times per week. I worked the whole year, all but two months at the beginning of the summer. I personally haven't found it being a problem finding work. I worked on bridges and school buildings. I don't think I'd really like to be anywhere else. This is something I enjoy. I'm learning so much. You need to keep an open mind about what it is you really want to do in your life. Right now I'm living my dream. I've always had my eye on construction sites.

**Candy Lane, carpenter apprentice, Fresno**







## Division of Workers' Compensation

### Workers' compensation system

**T**he Division of Workers' Compensation monitors administration of workers' compensation claims and assists in resolving disputes over claims for workers' compensation benefits.

DWC's goals are to ensure that the state's workers' compensation system functions as one in which injured workers receive the benefits to which they are entitled with minimum delay from disputes and with minimum expense to employers. To this end, the division's plans for the immediate future are: to focus on improving the judicial system that helps resolve disputed workers' compensation claims, including a major study on this subject using the expertise of nationally recognized authorities; and to further refine its audit regulations to identify the worst offenders and encourage proper claims handling at claims adjusting locations throughout the state.

During 1998-99 DWC continued implementing 1993 legislative reforms that had added new programs and redirected the emphasis of the state's workers' compensation system to better serve the California public. Highlights of this two-year period include:

- Developing the Workers' Compensation Information System (WCIS), the first phase of which became operational in early 2000. This system provides information to policy makers, and will replace paper submissions of mandated reports with electronic submissions using stan-

dards set by the International Association of Industrial Accidents Boards and Commissions.

- Reorganization of the district and regional office network, creating three regional call centers to receive incoming calls to DWC, provide information and assistance to the callers, and perform disability ratings for unrepresented injured workers.
- Providing more information services to the public: publishing *An Employer's Guide to Workers' Compensation in California*, producing fact sheets and guide materials for injured workers, updating the DWC Web site, and hosting the division's annual educational conference—one of the premier state-run conferences in the country.
- Continuing improvements and support for the audit program, which was established to ensure that claims administrators are managing workers' compensation claims in accordance with state laws and regulations.
- Adopting new medical fee schedules to reflect current practice in treating industrial injuries and illnesses.
- Establishing a task force of workers' compensation community members to suggest ways to achieve uniformity of forms and procedures at the division's district offices statewide.

DWC

## Workers' compensation community task force on uniformity

During 1999 DWC's administrative director began a new initiative to achieve greater uniformity in some forms and procedures used at district offices.

This effort led to forming a team of workers' compensation administrative law judges who took on the project of developing uniform settlement guidelines as well as new continuance and minutes forms for use by the judge and parties in a case.

Their work was reviewed by a task force representing applicants' attorneys, defense attorneys, the insurance industry, self insured employers and medical provider organizations—who made further recommendations. This joint effort proved successful, and the new documents were adopted and put into use at the beginning of 2000.

DWC efforts to achieve further consistency will continue, making it easier for members of the workers' compensation community who practice before workers' compensation judges at the district offices.

## CLAIMS ADJUDICATION

At DWC district offices the number of new filings, which had been declining steadily after they peaked in 1995, leveled off and began rising again during 1998-99. A large part of the reduction in the prior three years was due to fewer cases involving medical liens only, brought about by new lien procedures and special lien calendars during that time. The number of requests for hearings through the Declaration of Readiness to Proceed remained relatively stable during these years.

In 1998 there were 174,549 conferences set for hearing and 64,117 cases set for trial, a total of 238,666 formal hearings before workers' compensation judges in California. This is 6 percent less than the prior year. In 1999, 170,880 conferences were set for hearing, 58,402 cases set for trial, and 7,247 expedited hearings held, for a total of 236,529 formal hearings. It appears that most of this decrease is from a reduction in the number of continuances and second conferences and trials.

The length of time between request and hearing dropped steadily. In 1997 it took an average 71 days from request to scheduled hearing, and 159 days to scheduled trial. By 1999 these times were cut to an

average 67 days to hearing and 115 days to trial. At the end of 1996 only 14 percent of the hearings were held within 30 days of request, and only 15 percent of the trials within 75 days. During calendar year 1999, these times had improved to 19 percent of hearings and 32 percent of trials held within their respective time goals.

In 1998, 153,886 closing decisions were made, a 6.4 percent reduction from the prior year, and in 1999, 147,331 closing decisions were made. In both years about 90 percent of the cases were closed with a settlement approval. Fewer than one in 10 cases were closed with a judge's decision following a hearing.

## INFORMATION AND ASSISTANCE

DWC's information and assistance unit provides information on the rights, benefits and obligations under California's workers' compensation laws to workers, their employers, labor unions, insurance carriers, physicians, attorneys and other interested parties.

This unit plays a major role in reducing WCAB litigation, and district offices are often the first contact between injured workers and the division.

During 1998 information and assistance officers at DWC district offices and headquarters responded to more than 392,000 phone calls, handled more than 42,000 letters from the public, and assisted another 53,000 injured workers in person.

The unit's activities are supplemented by a centralized toll-free number, which has the capacity to handle multiple calls simultaneously and gives information to as many as 1,000 callers daily.

During 1998 the toll-free information and assistance line handled approximately 240,000 calls. About two-thirds of the callers were seeking information on injured worker benefits and claims processes. Eleven percent requested information on workers' compensation insurers, 9 percent on employer rights and responsibilities, 5 percent on medical care fees and information for providers, 5 percent on how to report fraud or complain about claims handling, and 3 percent on locations of WCAB offices.

Calendar Year	Total New Filings	Declarations of Readiness	Hearings Held
1997	197,599	232,742	254,012
1998	187,959	230,653	238,666
1999	189,917	232,705	236,529

Sources: DWC/WCAB Online Data System: New Filings Report 10; Declarations of Readiness Report 13 - Quarterly; Hearings Report 20.

## REHABILITATION

DWC's rehabilitation unit determines services needed to help injured workers return to gainful employment when unable to work in their former jobs, and resolves disputes regarding rehabilitation benefits and services. As part of DWC's reorganization, those district offices that previously had no full-time rehabilitation consultant on site received such staffing to provide better service to the public.

In 1998 the unit opened 23,804 new cases involving plans filed by unrepresented workers or where there was a dispute to be resolved. The unit approved 9,697 plans and disapproved 1,828. During the year 5,735 workers returned to work after completing an approved plan, while rehabilitation services were terminated in 852 cases. Another 9,813 plans were filed that did not require approval by the unit because the injured worker was represented by an attorney and the parties had agreed upon the plan. In addition, 3,646 injured workers were offered modified or alternative work with their same employer.

In 1999 the unit opened 24,244 new cases, approved 8,866 plans and disapproved 1,980. Of workers in approved plans, 4,959 returned to work after completing their plan, while rehabilitation services were terminated in 670 cases. Another 12,840 plans were filed that did not require approval by the rehabilitation unit. In addition, 4,100 injured workers were offered modified or alternative work with their same employers.

Rehabilitation program regulations were revised during 1998. Commonly used rehabilitation terms, such as "modified work" and "alternate work," were defined. Entitlement of employees to living expenses, English language training, vocational rehabilitation temporary disability, and vocational rehabilitation maintenance allowance were clarified.

DWC procedures for determining the cost effectiveness of rehabilitation plans outside of California were addressed. New timeframes for parties to file position statements and for the unit to issue determinations are also covered in these regulations.

For employees injured on or after January 1, 1994, who initiate rehabilitation benefits or services on or after January 1, 1998, the period of job placement in a rehabilitation plan may be up to 90 days where the plan exclusively uses the employee's transferable skills and experience for direct placement—under prior law the limit was a 60-day job placement. The change in the law is intended to reduce unnecessary efforts and expenses associated with providing extra services to injured workers who are job ready.

## Regional centers bring immediate help to callers

The first DWC regional center opened in San Bernardino in November 1997 and by the end of 1999 handled nearly 250,000 calls from the public. In July 1999 the Walnut Creek regional center opened and is currently handling approximately 15,000 calls per month. The third center is scheduled to open in Van Nuys. Regional centers are staffed to expeditiously handle the large volume of calls DWC receives daily. They are open during extended office hours of 7:00 a.m. to 6:00 p.m.

Previously, each district office staffed usually one or two information and assistance officers whose responsibilities involved speaking on the phone in addition to dealing with persons directly at the counter, answering correspondence and assisting workers' compensation judges. Callers were often automatically redirected to a menu-driven general information service, to voice mail, got busy signals, or were put on long holds. The regional centers are staffed so that callers, many of them newly injured workers with many questions, now reach a person who can help immediately.

## DISABILITY EVALUATION

DWC's disability evaluation unit recommends permanent disability ratings by assessing physical and mental impairments. The evaluations are used by judges, injured workers and workers' compensation insurance administrators to provide permanent disability benefits.

Reform legislation established a new method for determining permanent disability through reliance on reports issued by qualified medical evaluators, who are selected by the Industrial Medical Council. DWC is expected to prepare summary evaluations of permanent disability within 20 days of receiving the employer-employee forms and qualified medical evaluator's report. Most of the summary ratings are done

## Worker education materials and workers' compensation training conferences

In response to legislative mandates, the information and assistance staff developed and distributed to employees new pamphlets and packets including information on other state and federal rights for disabled persons. Division staff are also working closely with the Commission on Health and Safety and Workers' Compensation to produce other worker education materials and useful guides to the California system.

Due to the changes brought about by legislative reform, DWC considered ways to instruct all segments of the workers' compensation community on regulatory and statutory changes that affect claims handling. The first educational conference given in 1993 was so successful it became an annual event. The two-day programs now take place at two locations and feature courses on updated case law, audit procedures, new regulations, medical report writing, use of fee schedules, rehabilitation, and other changes that occurred over the prior year. Partnered with the International Workers' Compensation Foundation, these educational events generally attract an enrollment of more than 1,000 participants.



## DWC Audit Unit Annual Summary 1995-1999

	1995	1996	1997	1998	1999
Total audits completed	64	55	39	34	30
Number of cases audited in completed audits	16,261	12,436	8,504	6,493	5,743
Compensation due cases as % of indemnity cases reviewed	12 %	13 %	16 %	16 %	19 %
Average amount unpaid per case with unpaid compensation	\$ 886	\$ 819	\$ 896	\$ 843	\$ 1,009
Total unpaid compensation	\$ 644,943	\$ 473,961	\$ 455,401	\$ 356,787	\$ 499,291
Number of penalty assessments	8,481	9,030	9,324	7,774	10,232
Amount of penalty assessments after mitigation	\$ 1,099,610	\$ 1,164,120	\$ 1,269,370	\$ 1,069,285	\$ 1,532,540
Average total assessed per audit	\$ 17,181	\$ 21,166	\$ 32,548	\$ 31,454	\$ 51,085
Percentage of randomly selected files with TD payments in which first payment was late	16 %	22 %	21 %	29 %	30 %

for workers who are not represented by an attorney. Written consults are also requested by parties to workers' compensation cases who seek a formal rating of physician-submitted medical evaluations.

During 1998 unit staff received 39,548 requests for written consultations on medical reports, 33,518 unrepresented summary requests and 5,554 requests for represented summary ratings and other reports—a total of 78,620 incoming files. During 1999 they received 44,824 requests for written consultations, 33,392 unrepresented summary requests and 3,038 requests for represented summary ratings and other reports—totaling 81,254 incoming files.

The unit issued a total of 110,472 ratings during 1998 and 106,866 during 1999. About 60 percent of these were consultative ratings prepared at the request of the parties in litigated cases, and 35 percent were unrepresented summary ratings based on panel QME or treating physician reports. The rest were formal ratings done at the request of a judge. The unit also assisted parties to workers' compensation proceedings by providing 29,021 verbal consultations in 1998 and 18,178 in 1999.

## AUDIT AND ENFORCEMENT

DWC's audit and enforcement unit—promoting prompt payment of workers' compensation benefits to injured workers—audits the compliance of insurance companies, self insured employers and third party administrators with the Labor Code and DWC regulations.

The unit assesses penalties and orders that unpaid compensation be paid. Penalties range from \$100 to a maximum of \$5,000 per violation. Audit regulations clarify claims administrator responsibilities and specify in detail how factors are applied to determine penalty amounts. In addition to these penalties, a civil penalty of up to \$100,000 may be assessed if improper claims handling is found to constitute a business practice.

In late 1999 the unit established a civil penalty investigation section of six additional workers' compensation compliance officers and one investigator. They intend to thoroughly investigate credible complaints and information received indicating claims practices for which the assessment of a civil penalty may be warranted.

## CLAIMS UNIT

DWC's claims unit authorizes payment of workers' compensation benefits to injured workers under two special programs.

### Uninsured Employers Fund (UEF)

Claims are paid from the UEF when illegally uninsured employers fail to pay workers' compensation benefits awarded to their injured employees by the Workers' Compensation Appeals Board. In 1998, 1,012 UEF cases were opened, and in 1999 the number of new cases rose to 1,208. Total benefits paid out during 1998 by the UEF were \$19.3 million, while in 1999 this amount increased to \$26.1 million.



The UEF receives revenue from: uninsured employer recoveries and penalties; benefits returned to the UEF because they were unpayable; and benefits that were being received by injured workers who subsequently became incarcerated and had no dependents. In 1998 collections by the unit came to \$5.3 million, and in 1999 the amount was \$5.9 million.

### Subsequent Injuries Fund (SIF)

The SIF is a source of additional compensation to injured workers who already had a disability or impairment at the time of injury. For benefits to be paid from the SIF, the combined effect of the injury and the previous disability or impairment must result in a permanent disability of at least 70 percent. The fund enables employers to hire disabled workers without fear of being held liable for the effects of previous disabilities or impairments. SIF benefit checks are issued by State Compensation Insurance Fund after issuance of an award by the Workers' Compensation Appeals Board and upon DWC authorization.

There were 482 new SIF cases in 1998 and 536 cases in 1999. Benefit payments for 1998 totaled \$7.6 million, and \$7.8 million for 1999. The SIF receives revenue from cases in which there are occupational fatalities without any payments to dependents. In 1998 the unit collected \$2.9 million from such sources, and in 1999 the amount came to \$3.3 million.

### LEGAL UNIT

For DWC's legal unit the high pace of regulatory activity continued during 1998-99 to interpret and clarify the statutory intent of reform legislation.

This activity encompassed: start-up of the Workers' Compensation Information System, updating medical fee schedules, revisions to regulations for treating physicians, two new physician reporting forms, improving the effectiveness of the audit program, clarifying rehabilitation regulations for modified and alternate work and providing a new fee schedule, and revisions to the DWC utilization review standards.

The legal unit also reviews petitions for orders requiring an employee to select an employer-designated treating physician. The majority of the petitions allege inadequate or untimely reporting by the treating physician. Many petitions also allege that the treatment provided is inappropriate, or that the treating physician is not within a reasonable distance of the employee's residence.

A total of 948 petitions were filed with the division in 1998, an increase of nearly 50 percent from the 637 petitions filed in 1997. In 1999, 915 petitions were filed.

### DWC initiative: construction carve-out projects

The division monitors and approves participation in the construction carve-out program, which allows unions and contractors to create alternatives to the traditional, state-supervised process. The law allows collective bargaining agreements to establish alternative dispute resolution and exclusive lists of medical providers and examiners for injured workers within a specified construction work force.

The DWC administrative director reviews collective bargaining agreements negotiated under the provisions, and by the end of 1999, the division had issued letters of eligibility to the parties of 16 collective bargaining agreements.

Six of the agreements are project labor agreements covering all the construction employees who work at any time on the covered project. The first two project agreements covered massive reservoir construction projects lasting several years. Other large project labor agreements cover construction workers on the National Ignition Facility at Lawrence Livermore National Labs, the Inland Feeder Project of the Metropolitan Water District of Southern California, and the Emergency Storage Project of the San Diego County Water Authority.

The other agreements between unions and contractors are of two types: the first is a single employer and a union engaged in construction; the second involves a construction trade union and multiple employers all participating in a collective bargaining agreement. Building trades involved in these projects include electricians, painters, laborers, pipe trades and carpenters unions.

In 1998 there were 12 agreements in effect, covering approximately 9,500 employees. In 1999 the number of agreements increased to 14. Although it is still too early to come to any definitive conclusions, to date the construction carve-out projects seem to be meeting the main objectives of the program, such as reduced litigation and expedited dispute resolution.

The legal unit reviews and rules upon requests for reconsideration of permanent disability ratings issued to workers not represented by an attorney (summary ratings). A request can be made if either party disputes the medical evaluation report upon which the rating is based or feels the rating was inaccurately calculated.

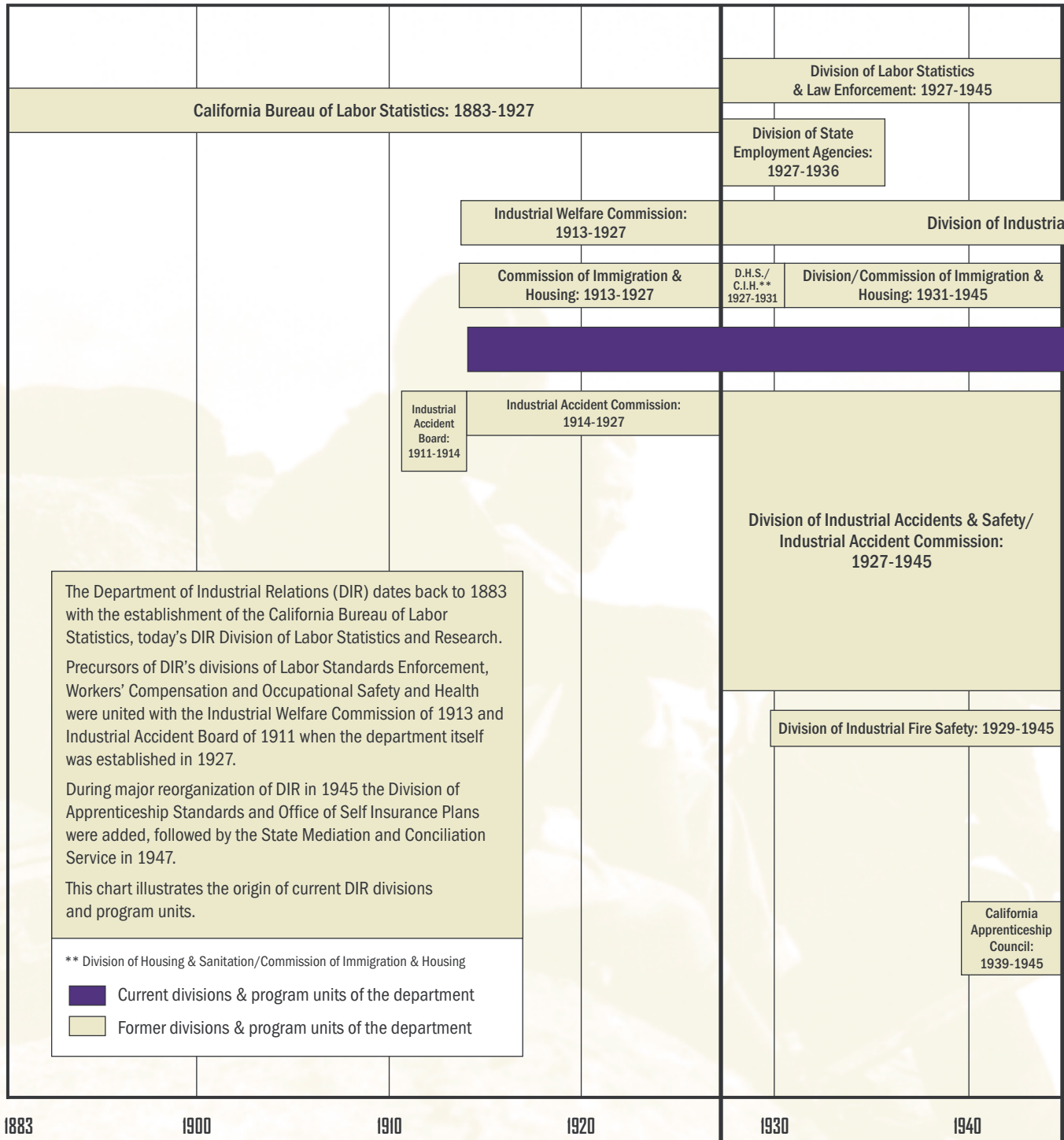
The unit received and processed 1,737 requests in 1998 and 1,315 in 1999, a significant decrease since the high point of more than 4,000 petitions received in 1995. In 1998, 1,353 requests were denied, 520 were granted, and 402 were closed when cases went before the WCAB. In 1999, 721 requests were denied, 311 granted and 645 closed.

### Ethics Advisory Committee

The nine-member DWC Ethics Advisory Committee, appointed by the administrative director, reviews and monitors complaints of misconduct filed against workers' compensation administrative law judges. The committee meets periodically to review the complaints and make recommendations regarding formal investigation by the DWC administrative director's staff.

During 1998 the committee received a total of

# OVER A CENTURY OF SERVICE TO

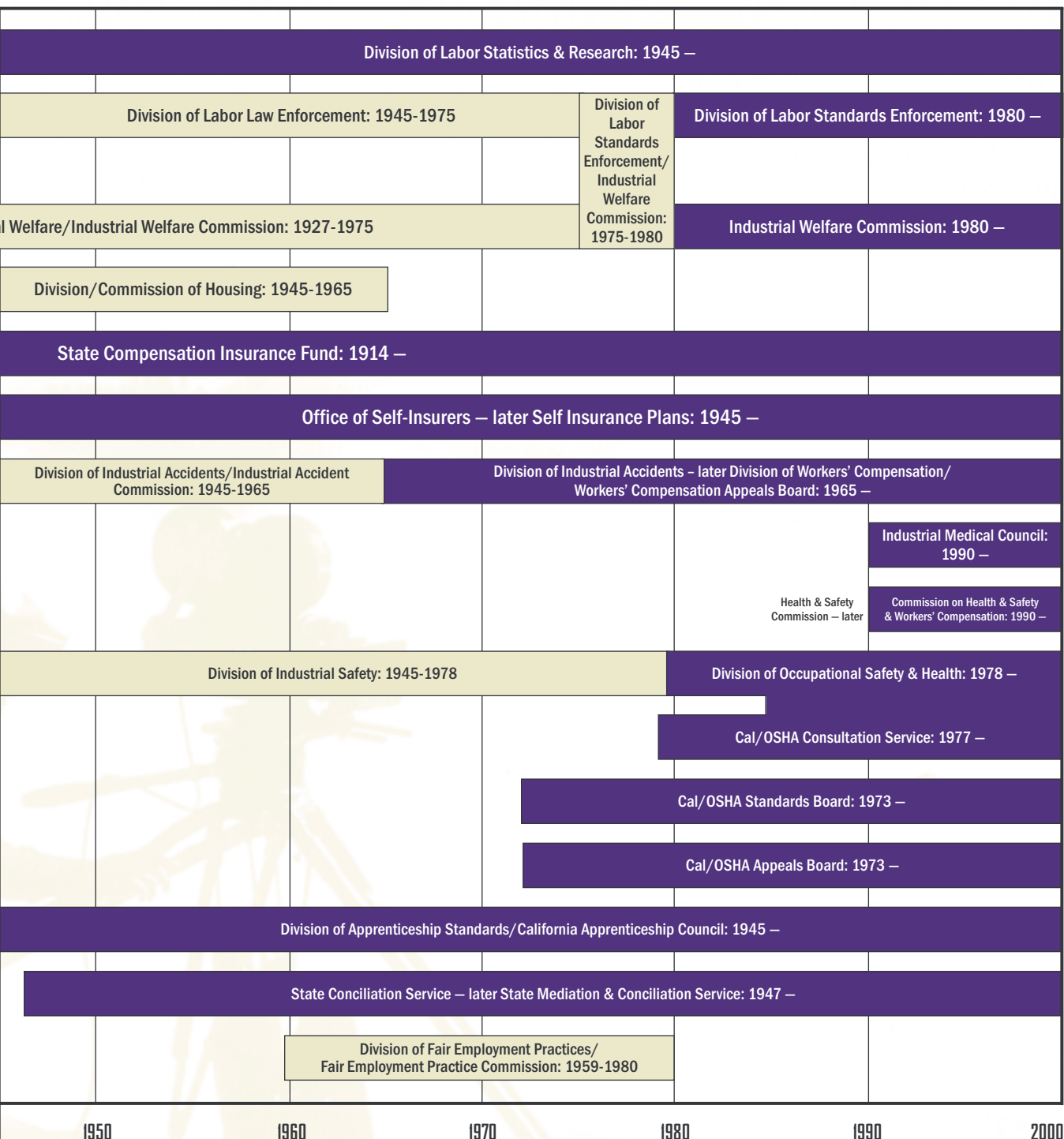


July 29, 1927  
DIR Established

September  
Major Reorganization



# TO THE PEOPLE OF CALIFORNIA



## Workers' Compensation Information System

### Background

The Legislature in 1993 directed the DWC to put together comprehensive information about workers' compensation in California. The result is the WCIS—the Workers' Compensation Information System. Developed in 1995, its design was shaped by a broad-based advisory committee. The WCIS objectives are: to help DWC manage the workers' compensation system efficiently and effectively, to facilitate evaluation of the benefit delivery system, to assist in measuring benefit adequacy, and to provide statistical data for further research.

### WCIS components

The core of the WCIS is standard electronic data on every California workers' compensation claim, such as employers' and physicians' first reports of injury and benefit notices. DWC has extensive computerized files on adjudicated cases and on claims submitted for disability evaluation or review of vocational rehabilitation plans. This information linked with other electronic data can show the differences between adjudicated and non-adjudicated cases.

The WCIS is used to conduct periodic surveys of injured workers, their employers and medical providers to supplement the standard data, and address questions of policy.

18 complaints concerning DWC employees, a decline from the 33 complaints filed during 1997. In eight of the 16 complaints reviewed, the committee found insufficient showing of ethical misconduct to warrant further investigation. The committee recommended formal investigation in 10 cases, including two carried over from 1997.

The committee received 30 complaints during 1999 and found insufficient showing of ethical misconduct to warrant further investigation in 15 of the complaints. It recommended formal investigation in the other 15 cases.

### MANAGED CARE

DWC's managed care unit reviews applications from health care organizations and certifies them for delivery of managed care services under California workers' compensation law.

The Workers' Compensation Health Care Organization (HCO) program is designed to help lower employers' workers' compensation costs and assure quality of care for injured workers by bringing managed care techniques into the workers' compensation arena.

Self insured employers and insurers may contract with a certified HCO to provide medical and disability management services to injured workers. Employees must be provided a choice of at least two HCOs, and an open enrollment process is required—employees offered a choice of HCOs must also be given the option to pre-designate their own personal physician. Once enrolled in an HCO, those services and providers must be used for 90 to 365 days after an on-the-job injury or illness occurs.

At the beginning of 1998 nine HCOs were certified, eight of them workers' compensation health care provider organizations and one an HMO. During the year three more were certified and four withdrew from the program for business reasons. During 1999 four new HCOs were approved for operation, and in early 2000, several additional applications for certification were under review.

In December 1999 HCOs began reporting a surge in enrollment, and it was estimated that the number of employees enrolled grew from less than 40,000 to about 100,000 over the next few months.

During 1998 the division released a report on the development of a survey to gauge patient satisfaction for injured workers receiving medical care in the workers' compensation system. The survey methodology, one of the first for this specific audience to be developed nationwide, will be used by HCOs and is available for use by employers, claims administrators and medical care providers.

### ON THE INTERNET FROM DWC:

<http://www.dir.ca.gov>—select Workers' Compensation—select Division of Workers' Compensation

- information on recent legislation
- guides for injured workers
- Q & A for questions frequently asked by injured workers, employers, claims administrators and service providers
- overview of California workers' compensation system
- information on DWC programs, office locations statewide
- forms, reports and publications
- links to Labor Code and Title 8 regulations, Department of Industrial Relations resources and other agencies

Email questions and comments to DWC:  
[dwc@dir.ca.gov](mailto:dwc@dir.ca.gov) on the Web site.



## Workers' Compensation Appeals Board

Petitions for reconsideration of workers' compensation judge decisions

**T**he Workers' Compensation Appeals Board is a seven-member board appointed by the governor with senate consent and supported by staff within the Department of Industrial Relations. The WCAB reviews petitions for reconsideration of decisions issued by state workers' compensation administrative law judges. The WCAB also participates in appellate proceedings before the district courts of appeal and state supreme court, and regulates the adjudication process by adopting rules of practice and procedure.

During 1998 and 1999 the primary challenge for the WCAB concerned issues arising from the legislative reforms to California's workers' compensation system. The WCAB's written decisions serve as guidelines for the compensation community, along with its updated regulations in response to the changing needs of the system.

### MEETING THE DEMAND

The WCAB received approximately 9,500 petitions—such as petitions for reconsideration, petitions for removal, petitions for disqualification—during 1998-99. Written decisions are issued in response to all petitions, and more than 84 percent of the petitions were decided within 60 days.

During 1998-99 the WCAB continued its role of providing guidance to the compensation community through legal decisions and participation in educational conferences. Legal opinions dealt with:

- Psychiatric claims under Labor Code Section

3208.3, which covers issues such as establishing whether actual events in the workplace contributed to the psychiatric claim—and potential denial of the claim if it is attributed instead to lawful, non-discriminatory, good faith personnel actions.

- Proper procedures for obtaining and submitting medical reports as described under Labor Code Sections 4060, 4061 and 4062.
- Implementing and interpreting the proper scope of the anti-fraud provisions as described under Insurance Code Sections 1871.4 and 1871.5.
- Properly applying the presumption of compensability of an injury as provided under Labor Code Section 5402, including the conditions under which the presumption arises.
- The proper scope of Labor Code Section 3600(a)(10) concerning post-termination claims.

WCAB

### ON THE INTERNET FROM THE WCAB:

<http://www.dir.ca.gov>—

select Workers' Compensation—

select Workers' Compensation Appeals Board

- information on WCAB organization, function, procedure
- case decisions and petitions for reconsideration
- links to Labor Code and Title 8 regulations, Division of Workers' Compensation
- office locations statewide





## Industrial Medical Council

Improving the quality of industrial medicine

### IMC

**T**he Industrial Medical Council is a 20-member council of health care professionals appointed by the governor and Legislature and supported by staff within the Department of Industrial Relations. The IMC regulates physicians—called qualified medical evaluators (QMEs)—who examine injured workers, evaluate disability and write reports used to determine eligibility for workers' compensation benefits.

The council administers the QME competency exam, certifies QMEs and conducts disciplinary proceedings. The IMC also provides unrepresented injured workers with a QME panel, regulates QME advertising as well as continuing education courses, advises DWC on medical fee schedules and investigates complaints about QME misconduct. Since its formation in 1990, the IMC certified 6,447 QMEs, and at the end of 1999 about 4,100 of them were in active practice.

The IMC adopts and revises treatment guidelines for industrial injuries and occupational diseases. Current guidelines cover treatment of low back problems, occupational asthma, contact dermatitis, post traumatic stress disorder, and injury to the neck, shoulder, elbow, hand, wrist and knee. The advisory guidelines assist health care providers in the California workers' compensation community. Guideline text is on the IMC Web site and available upon request to the IMC office.

### 2000-2001 FOCUS

To raise the quality of workers' compensation medical evaluations and improve services to injured workers, the IMC is expanding its education program to include treating physicians and producing a guide for improved reporting. Work is also underway to revise the well-received second edition of *The Physician's Guide to Medical Practice in the California Workers' Compensation System*. The number of medical-legal reports evaluated by the IMC quality review process is increasing, and the council continues to produce and revise disability evaluation and treatment guidelines.

Communication and education are key to the quality of medical treatment and disability evaluation in the workers' compensation system. Following its first educational conference for treating physicians, a second IMC conference was held in October 1998. The conferences were fully attended and enthusiastically received. The council met its goal to establish a benchmark for other continuing education course providers in the field of workers' compensation.

The IMC makes its forms available to the public through its fax-on-demand system, and IMC publications and forms have been added to its Web site.

## 1998-99 PROGRAM DEVELOPMENT

The Legislature directed the IMC to develop protocols reflecting accepted health care practices for evaluating common industrial injuries. During 1998 the council was advised by the workers' compensation community on updating its guideline for evaluating cardiac disabilities.

Protocols were previously published on evaluating immunologic, psychiatric, neuromusculoskeletal and pulmonary disabilities, and the IMC issued policy statements on return to work and thermography.

### QME review

The IMC quality review of a QME medical-legal report checks 25 essential elements, evaluates the physician's discussion of complex subjects such as the subjective factors of disability, and checks for adherence to the council's disability evaluation guideline for that type of report. The IMC then sends a letter to the physician who wrote the report, either to acknowledge passing its review or summarizing the report's deficiencies and directing the physician to use reporting resources.

Reports containing ethical breaches or egregious mistakes are referred to the IMC discipline section. The council reviewed 1,000 reports in 1998 and 1,003 in 1999. Review results are reported annually to DWC and posted on the IMC Web site.

The IMC investigations unit uses the cross-disciplinary expertise of a supervising attorney, staff physician, investigator and support staff to investigate and resolve complaints. A toll-free complaint phone number is also in use.

In 1998-99, 951 complaints were received and 752 resolved—175 cases remain open. Seven IMC investigations cases were referred to licensing boards or other agencies with jurisdiction over the QME, five QMEs were terminated, five placed on probation and seven suspended with probation. The council meets with other medical licensing agencies in the state to improve agency coordination in efforts to take action against physicians engaged in illegal or harmful conduct.

### Fee schedule and rulemaking

During 1999 the IMC continued focusing on revision of the Official Medical Fee Schedule. A council-commissioned study is reviewing methodology adopted by other states and the federal government to ensure fairness in reimbursing medical providers for their services.

In 1999 the IMC undertook major rulemaking to clarify the obligations of QME appointments, guidelines for QME reporting, ethical conduct and advertising, and to modify QME forms.

The IMC sanction guidelines are the first of their kind for physicians in the workers' compensation system and provide a framework for IMC disciplinary actions. The rules became effective in April 2000.

### ON THE INTERNET FROM THE IMC:

<http://www.dir.ca.gov>—select Workers' Compensation—select Industrial Medical Council

- council meeting calendar, committees, member information
- Q & A for questions frequently asked by injured workers and physicians
- forms used by injured workers, QMEs, treating physicians
- checklist of required elements for a QME report
- regulations governing QME appointments, reporting, conduct, advertising, discipline
- list of QMEs disciplined by the IMC
- approved course providers of continuing medical education for QMEs
- The Physician's Guide to Medical Practice in the California Workers' Compensation System: what physicians need to know as medical-legal evaluators in workers' compensation
- Medical Examiner: IMC newsletter for QMEs
- protocols: full text of IMC guidelines for disability evaluation and treatment









# Self Insurance Plans

## Self insurance for workers' compensation

**T**he Office of Self Insurance Plans, within DIR's Office of the Director, certifies employers who qualify to provide their own workers' compensation coverage. The director of industrial relations is responsible for certifying self insurers in the private and public sectors, individual claims adjusters and third party claims adjusting agencies that oversee self insurance programs.

At the close of 1999, self insured employers totaled 342 in the private sector and 307 in the public sector. An additional 1,274 public agencies were self insured as affiliated members of 60 joint powers authorities that function as group self insurers. No similar group self insurers formed in the private sector, though private groups have been authorized since 1993. SIP also licensed 212 third party claims administration agencies to handle the claims of self insured employers.

At the end of 1999, about 3.2 million members of California's work force were covered by self insured workers' compensation. Of this total, some 1.8 million worked in private sector companies and about 1.3 million were employed by public agencies.

Private sector self insurers are required to post a security deposit, which is adjusted annually to cover their workers' compensation liabilities—and to submit to SIP audits, which are conducted on a three-year cycle to ensure that the liabilities were accurately reported for security deposit purposes. During 1998, 128 routine and 26 special audits were conducted, finding a total of \$106 million in understated liabilities. In 1999, 180 routine and 43 special audits were conducted, which found a total of \$124 million in understated liabilities.

Twice a year SIP conducts examinations that are required for certifying individual claims adjusters to administer the claims of a self insured employer. Of the 744 who took this examination in 1998-99, 465 passed and were certified.

### NEW LEGISLATION

One major piece of legislation affected self insurance programs: the 1999 passage of **Assembly Bill 1309** (Scott), which changes Labor Code Section 3702.8 to permit both private and public sector self insurers to sell off any or all of their workers' compensation claims liabilities to a workers' compensation insur-

ance carrier through the carrier's issuance of a special excess workers' compensation insurance policy. The legislation also permits the self insurer to remain self insured if desired.

Prior statutory language had limited the use of special excess policies to private sector self insurers, who were required to leave the self insurance

SIP



program before purchasing the special excess policy, and the policy had to cover all claims for the entire self insured period. The new legislation is expected to result in a much broader use of special excess policies by self insurers.

### REGULATORY CHANGES

SIP is working on a number of regulatory changes in the following subject areas:

#### Special excess policies

As required by the new legislation, regulations will be proposed to address the selling off of claims by self insurers to carriers via a special excess workers' compensation insurance policy.

### Annual reports

The regulatory requirement in Title 8, Section 15402.1 of the California Code of Regulations for an interim self insurer's annual report when a self insurer returns to fully insured status will be repealed. In addition, partial reports will be permitted for the first time to address changes in claims administrators or changes in locations where claims are handled. This will simplify reporting requirements.

### Assessments

To be consistent with actual practice, SIP is amending its regulations under Title 8, Section 15230 on the timing of assessments billed annually to self insurers.

### Letters of credit

A new code of uniform practices for handling standby letters of credit was adopted, and SIP is updating its regulatory requirements in Title 8, Section 15215 to accept letters of credit issued under the new bank practices.

### Electronic filing and applications

SIP will propose new regulations for permitting electronic claim filing, rather than the current process of requiring only hard copy paper files. SIP intends to begin testing of electronic filing for the self insurers' annual reports, maintaining its own files as imaged records, and processing over the Internet the different application forms to become self insured.

#### ON THE INTERNET FROM SIP:

<http://www.dir.ca.gov>—select Workers' Compensation—select Self Insurance Plans

- general information on California self insurance program
- rosters: private and public self insurers, third party claims administrators
- information bulletins on posting the security deposit
- annual report forms
- application forms to: become self insured, administer workers' compensation self insurance claims, take the self insurance administrator's exam
- Title 8 SIP regulations, Labor Code statutes

Email questions and comments to SIP:  
[sip@dir.ca.gov](mailto:sip@dir.ca.gov) on the Web site.







## Commission on Health & Safety & Workers' Compensation

### Workers' compensation and job injury/illness prevention studies

**T**he Commission on Health and Safety and Workers' Compensation is an eight-member commission appointed by the governor and Legislature and supported by staff within the Department of Industrial Relations. The commission examines the state's workers' compensation system and activities to prevent industrial injuries and occupational diseases, recommends administrative or legislative modifications to improve their operation, and studies such programs in other states.

From its inception, CHSWC began assessing the impact of California's workers' compensation reform legislation, several bills that made widespread changes to the state workers' compensation system.

Commission projects and studies are key to this ongoing evaluation.

#### PERMANENT DISABILITY STUDY

The manner in which California rates and compensates injured workers for total or partial permanent disability affects the adequacy of their benefits, their return to gainful employment, the operation of the Division of Workers' Compensation (DWC) adjudication system and costs to employers.

The commission engaged in a study which found that permanently disabled workers of insured employers experience significant uncompensated wage loss.

#### RETURN TO WORK PROJECT

The commission concurs with the Industrial Medical Council that an injured worker should return to work as soon as medically feasible, which also reduces uncompensated wage losses.

Looking at strategies for injured workers' prompt return to work, a CHSWC project is analyzing legal and policy issues, assessing needs in the workers' compensation community and the practical implications of research conducted to date.

The commission is studying the effectiveness of the primary treating physician in facilitating return to work after a compensated low back injury, looking for correlations between physician backgrounds/perspectives and patient outcomes. CHSWC also convened a task force including workers and employers to recommend alternate or modified work in the construction industry.

CHSWC



### WORKER INFORMATION PROJECTS

To help injured workers understand their rights and responsibilities under the changing workers' compensation system, CHSWC engaged in a project to develop public outreach materials for copying and distribution by employers, insurers, labor unions, injured worker groups and other organizations. These materials are available from the commission and on its Web site.

To improve benefit notices to injured workers, a CHSWC project is reviewing and making recommendations on streamlining the benefit notice process, clarifying requirements, and ensuring that notices accurately and effectively communicate with injured workers. The commission is also proposing legislative language that specifies the information to be provided to workers.

### VOCATIONAL REHABILITATION STUDY

The CHSWC-contracted study evaluating the impact of reform legislation on the vocational rehabilitation system is establishing baseline data for monitoring rehabilitation services and will estimate the impact of reform on DWC rehabilitation consultant workloads and caseloads in their dispute resolution process, as well as Workers' Compensation Appeals Board caseloads.

### MEDICAL-LEGAL STUDIES

To reduce the cost and frequency of litigation, legislative reforms restricted the number and lowered the cost of medical-legal evaluations needed to settle disputed compensation issues, created the qualified medical evaluator (QME) designation, and increased the importance of the treating physician's reports in the dispute resolution process.

The commission's medical-legal study to evaluate the reform's effect finds that the costs and frequency of medical-legal evaluations have both declined dramatically.

Many of DWC's disability evaluators have stated that their biggest problem with the current system is the inadequate information in medical reports from which they derive permanent disability ratings. A CHSWC study of the physician report problem will give recommendations for improving the medical reports for disability evaluation purposes.

### DISPUTE RESOLUTION STUDIES

The reform legislation enables authorized parties to agree, through collective bargaining, to alternative methods for resolving workers' compensation claim disputes. The commission engaged in a study of such "carve-out" programs in California as a first step in evaluating their effectiveness—including interviews with unions, employers, program administrators, workers who incurred claims, and service providers in carve-out programs.

The Division of Workers' Compensation/Workers' Compensation Appeals Board (DWC/WCAB) judicial function has been a focus of concern—lack of uniform policies and an inadequate infrastructure led to serious system problems in the resolution of disputed claims. The Department of Industrial Relations entered into discussions with the California workers' compensation community, and there was consensus that significant change was necessary.

The department and CHSWC agreed that an independent study of the DWC judicial process would help address problems. The commission's study will identify statutory changes to make the



system more efficient, and look at rules and practices of other jurisdictions that have addressed problems such as calendaring, casefile movement, staffing ratios and other issues of concern. The goal is to meet the constitutional mandate to “accomplish substantial justice in all cases expeditiously, inexpensively, and without incumbrance of any character...”

Disputes regarding workers’ compensation claims are resolved through the services of DWC judges and staff in district offices statewide. To address the concern that forms and procedures vary from office to office, cause confusion to the parties and delays in case resolution, CHSWC organized a task force to review local forms and procedures.

New forms went into effect at DWC/WCAB district offices as the result of an initiative by the DWC administrative director to achieve uniformity in practices and procedures at the district office level.

### WORKERS’ COMPENSATION FRAUD PROJECT

Employers without coverage impose a burden on injured workers, on employers who comply with the workers’ compensation insurance requirements, and on the state’s taxpayers.

The commission conducted a very successful pilot project with the Workers’ Compensation Insurance Rating Bureau and Employment Development Department to identify and bring into compliance employers who do not have workers’ compensation coverage for their employees. The department is adopting those procedures.

The commission is recommending legislation to require that workers’ compensation fraud notices or warnings similar to those given to workers be also given to employers and insurers. Such notices could be either specifically targeted or combined with current notices and sent to all parties and the public.

### WORKERS’ COMPENSATION COSTS AND BENEFITS STUDY

Proposals to increase workers’ compensation benefits have been submitted to the Legislature. CHSWC studied the impact of increased benefits and projected a negligible effect on the state’s economy. CHSWC found that the state’s economy is strong and economic growth in California is expected to continue to exceed that of the nation as a whole.

Workers’ compensation costs as a percentage of key economic indicators—such as total payroll, gross state product and total personal income—decreased significantly during the 1990s.

### YOUNG WORKER HEALTH AND SAFETY PROJECT

The commission funds the California Study Group on Young Worker Health and Safety, which focuses on youth employment and education issues. The study group coordinates strategies to protect young people from work-related injury and illness.

CHSWC also contracted to develop a classroom video and discussion guide to teach students how to identify hazards at their jobs, and to understand their rights and responsibilities under Cal/OSHA and California’s child labor laws.

### WORKPLACE SAFETY AND HEALTH STUDY

California is a leader in developing models for cooperative safety and health programs involving management and labor, and targeting regulatory efforts and resources at industries where workplace safety and health improvement is critical.

The Legislature also enacted requirements for insurers’ loss control efforts aimed at improving their insured employers’ safety experience, assessing fees on employers to fund the program.

CHSWC initiated a study to evaluate the effectiveness of these statutorily-required workplace safety and health programs.

### CALIFORNIA OCCUPATIONAL RESEARCH AGENDA (CORA)

The commission entered into a project to develop CORA to guide the state’s research on preventing workplace injuries and illnesses and reducing their impact on workers and the California economy.

The project involves a diverse group of organizations in developing a framework for occupational safety and health research in California during the next decade.

#### ON THE INTERNET FROM CHSWC:

<http://www.dir.ca.gov—select Workers’ Compensation—select Commission on Health and Safety and Workers’ Compensation>

- commission reports, activities and member information
- notices of public meetings
- information bulletins, injured worker fact sheets, workers’ compensation video

Email questions and comments to CHSWC:  
[chswc@dir.ca.gov](mailto:chswc@dir.ca.gov) on the Web site.



## Division of Labor Statistics & Research

### Labor information

#### DLSR

**T**he Division of Labor Statistics and Research—the department's oldest division, which began in 1883 as the California Bureau of Labor Statistics—conducts research and publishes information on economic, employment and workplace safety and health statistics.

DLSR conducts an annual survey of occupational injuries and illnesses in cooperation with the U.S. Bureau of Labor Statistics, and participates in federal research on work-related fatalities nationwide. The division also computes and publishes the California

Consumer Price Index, which is statistically measured from regional reports of the U.S. Bureau of Labor Statistics.

The division's major aims are to provide information and statistics on economic and employment conditions in California. To this end, DLSR: collects, compiles and disseminates information pertaining to work-related injuries, illnesses and fatalities in the state; determines and publishes prevailing wage rates for the construction industry in all public works projects, while promoting efficient use of public funds; and conducts research on conditions of employment throughout the state.

DLSR plans to expand its information offered on the department's Web site and to streamline the process for responding to public inquiries. The increased Internet access to resources can effectively reduce the response time on many kinds of inquiries, and this will directly benefit the general public.

#### PREVAILING WAGES

DLSR is responsible for determining the rate of prevailing wages on public works projects, which are funded by public money. The California Labor Code requires that the prevailing rate of per diem wages be paid to workers on public works projects costing more than \$1,000. The only exceptions are construction projects costing \$25,000 or less and projects costing no more than \$15,000 for alteration, demoli-

#### Weekly wages

Average weekly earnings in communications and public utilities registered the rate of \$925 in 1999, a \$7 increase over 1998 and \$16 increase over 1997.

In the construction industry, average weekly earnings continued major gains, averaging \$832 in 1999. This was a \$20 weekly increase over the 1998 average of \$812 and a \$29 weekly increase over \$803 in 1997. General building contractors posted the highest weekly wage of \$885, an increase of \$59 in 1998 and \$48 in 1999.

Average weekly earnings in 1999 also include \$583 in manufacturing and \$639 in wholesale trade. Mining showed an average weekly wage of \$836 in 1999, an increase of \$32 over the 1998 weekly earning of \$804 and a \$30 increase over the 1997 weekly earning of \$806.

The lowest recorded increase in all industries is for retail trade, posting an average weekly earning of \$327 in 1999, a \$13 increase over 1998 and \$23 increase over 1997.



tion, repair or maintenance—in both cases, the awarding body must have an approved labor compliance program in place.

DLSR maintains files on collective bargaining agreements and conducts wage investigations. Staff routinely report construction industry wages to the director of industrial relations, who makes about 8,500 prevailing wage determinations per year.

Determinations are mailed to more than 8,000 unions, contractors, public agencies and other interested parties. Copies of the Director's General Prevailing Wage Determinations are available to the public free of charge and posted on the division's Web site.

DLSR also advises the director on legislative bills relating to public works, and with the director's office legal unit prepares determinations of coverage and craft/classification jurisdiction that are issued project-by-project. The division adopts prevailing wage regulations for wage determinations, petitions to review, volunteer labor and labor compliance programs.

## NEW LEGISLATION

**Assembly Bill 60** (Knox), the Eight-Hour-Day Restoration and Workplace Flexibility Act, changes general overtime rules and provides for reporting alternate work schedules to DLSR.

**Assembly Bill 302** (Floyd) amends the definition of the term "public works" to include the hauling of refuse from a public works site to an outside disposal location—thereby requiring payment of prevailing wages in connection with these projects.

**Senate Bill 16** (Burton) for prevailing wages on public works projects codifies the modal rate, requires payment of benefits on all classifications, codifies predetermined increases, changes filing requirements, and limits the credit for training payment to the costs related to training.

**Assembly Bill 574** (Hertzberg) authorizes a public entity to require each prospective bidder for a contract to complete and submit a standardized questionnaire and financial statement. With a specified exception, it also requires the public entity to adopt and apply a uniform system of rating bidders on the basis of the questionnaires and financial statements.

AB 574 requires DLSR, in collaboration with other affected agencies and interested parties, to develop a standardized questionnaire that public entities may use, as well as develop guidelines for rating bidders. It also requires the public entity to establish a process for prospective bidders to dispute their prequalification rating. This bill provides for substitution when the awarding authority determines that a listed subcontractor is not a responsible one.

## Labor market statistics

California's economic expansion continued in 1999. For that year 366,100 new jobs were created, a 2.4 percent increase over 1998. Six industries—construction, transportation and public utilities, trade, finance and insurance and real estate, services, government—posted gains that added 405,800 jobs. Mining and manufacturing were the only industries reporting a decline, with a decrease of 43,200 jobs.

The services sector maintained its lead in job creation, producing 153,600 jobs that accounted for 42 percent of all the new jobs in 1999. On the percentage of growth basis, employment in construction continued to show the strongest job growth, up 11.1 percent or an increase of 68,000 jobs over 1998. The Employment Development Department reported 70,100 new trade jobs and 23,000 new jobs in transportation and public utilities.

## INFORMATION SERVICES

DLSR provides increasingly efficient delivery of services within the department as well as to the public. It continues to develop more organized databases to streamline tracking and monitoring of information requests submitted to the division. This has improved the timeliness of response to requests, and resulted in higher productivity and better service to the public. Added staff handle the increased front office workload and prevailing wage telephone hotline.





DLSR posts and updates its published information on the department's Web site, has expanded its California Consumer Price Index information to promote clearer understanding of the subject, and is also posting more detailed prevailing wage information.

The division receives more than 60,000 prevailing wage inquiries annually—by written, telephone or electronic request. DLSR assigned staff to respond to questions received via the Internet to ensure that the inquiries are handled within 24 hours of receipt.

#### ON THE INTERNET FROM DLSR:

<http://www.dir.ca.gov>—select Statistics & Research

- general prevailing wage determinations and information
- general prevailing wage apprentice schedules
- occupational injury and illness statistics
- California Consumer Price Index information
- Title 8 regulations

### Prices

The California Consumer Price Index showed an increase above the U.S. city average, reversing its declining trend of previous years. It showed an increase of 2.9 percent for all urban consumers in 1999 and a 2 percent increase in 1998. The U.S. city average was 2.2 percent in 1999 and 1.6 percent in 1998.

According to the U.S. Department of Labor's Bureau of Labor Statistics and Research, the lowest increase in the California Consumer Price Index was reported from the Los Angeles-Anaheim-Riverside Consolidated Statistical Metropolitan Area (CSMA), posting a 2.3 percent increase in 1999. This low percentage was offset by the higher increase of 4.2 percent in 1999 for the San Francisco-Oakland-San Jose CSMA, raising the statewide average to 2.9 percent in 1999.

Within the expenditure categories, the U.S. city average for medical care recorded the highest increase, 3.5 percent in 1999. Housing increases of 6.4 percent in the

San Francisco-Oakland-San Jose area were the highest in California, higher than the national increase of 2.2 percent in 1999.

The U.S. city average for food and beverages showed an increase of 2.2 percent in 1999. For California the food and beverages category in the San Francisco-Oakland-San Jose area showed a 2.7 percent increase, followed by the Los Angeles-Riverside-Orange Counties with a 1.6 percent increase in 1999.

The U.S. city average for transportation posted a 2 percent increase, a modest increase from a decline of 1.9 percent in 1998. Apparel showed a decline in expenditure well below the all-items average in 1999. Though apparel prices in the Los Angeles-Riverside-Orange Counties and San Francisco-Oakland-San Jose areas reflect the national trend, the San Diego metropolitan area increase in apparel expenditure rose to 5.2 percent, compared to a 0.8 percent increase in 1998.

Consumer Price Index for All Urban Consumers by Expenditure Category					Annual Percent Changes (APC) 1997-1999			
	Los Angeles, Riverside, Orange Counties		San Francisco, Oakland, San Jose		San Diego		U.S. City Average	
	1997-1998	1998-1999	1997-1998	1998-1999	1997-1998	1998-1999	1997-1998	1998-1999
All Items	1.4%	2.3%	3.2%	4.2%	2.0%	3.5%	1.6%	2.2%
Food and Beverages	2.5%	1.6%	3.9%	2.7%	2.2%	0.9%	2.2%	2.2%
Housing	2.2%	2.7%	5.3%	6.4%	4.0%	4.8%	2.3%	2.2%
Apparel	1.7%	-4.0%	-0.2%	-1.5%	0.8%	5.2%	0.1%	-1.3%
Transportation	-1.8%	2.9%	-1.2%	2.9%	1.8%	1.8%	-1.9%	2.0%
Medical Care	2.0%	3.3%	2.8%	2.0%	1.7%	2.6%	3.2%	3.5%
Recreation	a	0.9%	a	-1.6%	a	5.0%	1.5%	0.9%
Education and Communication	a	-0.3%	a	2.9%	a	a	1.9%	0.9%
Other Goods and Services	3.2%	10.7%	5.1%	10.1%	3.6%	11.4%	5.7%	8.7%

a - No comparison available  
Source: U.S. Department of Labor, Bureau of Labor Statistics

California Labor Market Data				1998-1999
	Annual Average 1998	Annual Average 1999	Percent Change 1998-1999	
Civilian Labor Force	16,323,900	16,585,900	1.6%	
Total Employment	15,355,600	15,721,700	2.4%	
Total Unemployment	968,200	864,200	-10.7%	
<b>Nonagricultural Wage/Salary Workers</b>	<b>13,596,100</b>	<b>13,972,200</b>	<b>2.8%</b>	
Mining	25,200	23,700	-6.0%	
Construction	611,200	679,200	11.1%	
Manufacturing	1,951,000	1,922,800	-1.4%	
Transportation and Public Utilities	695,400	718,900	3.4%	
Trade	3,123,600	3,193,700	2.2%	
Finance, Insurance, Real Estate	799,400	821,500	2.8%	
Services	4,224,300	4,377,900	3.6%	
Government	2,166,100	2,234,600	3.2%	
<b>Agricultural Wage/Salary Workers</b>	<b>406,200</b>	<b>418,000</b>	<b>2.9%</b>	

Source: Employment Development Department

Consumer Price Index			All Urban Consumers	
Year	California Annual Average	Annual Percent Change	United States Annual Average	Annual Percent Change
1989	128.0	5.0%	124.0	4.8%
1990	135.0	5.5%	130.7	5.4%
1991	140.6	4.1%	136.2	4.2%
1992	145.6	3.6%	140.3	3.0%
1993	149.4	2.6%	144.5	3.0%
1994	151.5	1.4%	148.2	2.6%
1995	154.0	1.7%	152.4	2.8%
1996	157.1	2.0%	156.9	3.0%
1997	160.5	2.2%	160.5	2.3%
1998	163.7	2.0%	163.0	1.6%
1999	168.5	2.9%	166.6	2.2%

Source: Division of Labor Statistics & Research and U.S. Bureau of Labor Statistics

Annual Unemployment Rates			
Year	United States	California	Differential
1989	5.3	5.1	-0.2
1990	5.6	5.8	0.2
1991	6.8	7.7	0.9
1992	7.5	9.3	1.8
1993	6.9	9.4	2.5
1994	6.1	8.6	2.5
1995	5.6	7.8	2.2
1996	5.4	7.2	1.8
1997	4.9	6.3	1.4
1998	4.5	5.9	1.4
1999	4.2	5.2	1.0

Source: U.S. Bureau of Labor Statistics and Employment Development Department



Number & Percent Distribution of Fatal Occupational Injuries				California 1998-1999	
	1998		1999*		
	Number	Percent	Number	Percent	
Total	625		591		
By Event or Exposure					
Assaults and violent acts	146	23.4	111	18.8	
Homicides	108	17.3	72	12.2	
Self-inflicted injury	38	6.1	35	5.9	
Transportation accidents	252	40.3	260	44.0	
Contact with objects and equipment	69	11.0	85	14.4	
Falls	83	13.3	71	12.0	
Exposure to harmful substances or environments	59	9.4	41	6.9	
Fires and explosions	9	1.4	17	2.9	
By Selected Worker Characteristics					
Employment status					
Wage and salary workers	508	81.3	500	84.6	
Self employed**	117	18.7	91	15.4	
Gender					
Men	577	92.3	549	92.9	
Women	48	7.7	42	7.1	
Age					
Under 25 years	57	9.1	76	12.9	
25 to 54 years	444	71.0	387	65.5	
55 years and older	124	19.8	127	21.5	
Ethnicity					
White	473	75.7	481	81.4	
Black	28	4.5	26	4.4	
Asian or Pacific Islander	54	8.6	56	9.5	
Other or unknown	69	11.0	28	4.7	
By Occupation***					
Managerial and professional specialty	79	12.6	62	10.5	
Technical, sales and administrative support	83	13.3	65	11.0	
Service occupations	66	10.6	60	10.2	
Farming, forestry, fishing	80	12.8	86	14.6	
Precision production, craft, repair	104	16.6	94	15.9	
Operators, fabricators, laborers	169	27.0	193	32.7	
Military occupations	29	4.6	26	4.4	
By Industry****					
Agriculture, forestry, fishing	75	12.0	92	15.6	
Mining	7	1.1	2	0.3	
Construction	94	15.0	93	15.7	
Manufacturing	50	8.0	61	10.3	
Transportation and public utilities	82	13.1	92	15.6	
Wholesale trade	20	3.2	17	2.9	
Retail trade	78	12.5	52	8.8	
Finance, insurance, real estate	13	2.1	11	1.9	
Services	107	17.1	90	15.2	
Government	86	13.8	79	13.4	
* Figures for 1999 are preliminary and will be updated as new cases are determined to be work related.					
**Includes paid and unpaid family workers—may include owners of incorporated businesses or members of partnerships.					
***Based on 1990 Occupational Classification System developed by U.S. Bureau of the Census.					
****Based on Standard Industrial Classification Manual, 1987 edition.					
Note: Totals may include data for subcategories not shown separately. Percentages may not add to totals due to rounding.					
Source: Division of Labor Statistics and Research with U.S. Bureau of Labor Statistics, Census of Fatal Occupational Injuries, 1998-99					

Occupational Injury and Illness Incidence Rates Per 100 Full-time Employees			By Industry in California: 1997-1998			
	Total Cases		Lost Workday Cases		Cases Without Lost Workdays	
Industry	1997	1998	1997	1998	1997	1998
All Industries	7.1	6.7	3.6	3.3	3.5	3.3
Agriculture, Forestry, Fishing	7.8	7.6	4.5	4.4	3.2	3.2
Mining	3.7	5.2	2.4	3.1	1.2	2.1
Construction	9.7	9.7	5.3	5.2	4.4	4.5
Manufacturing	7.0	6.9	3.7	3.7	3.3	3.2
Transportation and Public Utilities	9.9	8.7	6.3	5.6	3.6	3.1
Wholesale Trade	6.0	5.2	3.0	2.8	3.0	2.5
Retail Trade	7.6	6.4	4.3	3.1	3.3	3.3
Finance, Insurance, Real Estate	3.7	2.7	1.4	1.1	2.3	1.7
Services	5.7	5.7	2.6	2.6	3.1	3.1
State and Local Governments	9.8	9.5	4.2	4.1	5.6	5.5
Source: Division of Labor Statistics and Research						









# State Mediation & Conciliation Service

## Labor-management disputes

**T**he State Mediation and Conciliation Service mediates labor-management disputes throughout California, primarily in the public sector. Skilled mediators assist labor and management in settling contract disputes in public schools, higher education, cities, counties, special districts, agriculture, public transit and state service.

Assistance of a state mediator at the appropriate juncture in difficult negotiations can often shorten or even avert a strike. During fiscal years 1997-98 and 1998-99 state mediators helped settle 1,058 contract disputes statewide, including several strikes.

In public schools and higher education, impasses in contract negotiations are referred to SMCS for mediation by the Public Employment Relations Board. If mediation fails, the dispute is released to factfinding, which is an advisory process.

During fiscal years 1997-98 and 1998-99 SMCS mediated nearly 400 school impasses. Approximately 85 percent of these impasses were settled during the initial mediation process, without the need to continue on to factfinding.

Another major arena for SMCS is grievance mediation services in the public and private sectors. Grievance mediation allows disputants to resolve their grievances quickly and inexpensively in mediation, thereby avoiding the uncertain outcomes associated with arbitration or litigation. In fiscal years 1997-98 and 1998-99 SMCS handled 1,362 grievance disputes, the vast majority of which were settled during the mediation process.

Unit disputes in cities, counties and special districts are specifically referred to SMCS under the Meyers Milias Brown Act, the applicable collective bargaining statute. As there is currently no administrative agency designated to hold union representation and agency shop elections under the statute, SMCS also performs these elections when all involved parties agree. SMCS conducted more than 250 such elections during fiscal years 1997-98 and 1998-99.

SMCS maintains a panel of labor relations neutrals for referral to labor and management practitioners proceeding to arbitration. In fiscal years 1997-98 and 1998-99 SMCS referred arbitrators for 1,764 disputes.

SMCS also provided assistance in labor-management relations in other ways:

- Collective bargaining consultation and advice for labor relations practitioners.
- Problem-solving workshops to deal with conflicts on the job.
- Mediation training for divisions of the Department of Industrial Relations (DIR).
- Facilitation of disputes using the principles of interest-based bargaining.

Achievements of the State Mediation and Conciliation Service during fiscal years 1997-98 and 1998-99 also include:

- Settling a three-week Marin County strike involving approximately 800 workers.
- Mediation training for the staff of DIR's Division of Workers' Compensation rehabilitation unit.
- Preventing a San Joaquin County strike involving 3,000 workers—just hours before the strike deadline.
- Settling the contract for 400 Monterey County social workers after they had given a 10-day notice of their intent to strike.
- Conducting the largest union representation election in modern U.S. history, which involved 75,000 home health workers in Los Angeles County.

SMCS

### ON THE INTERNET FROM SMCS:

<http://www.dir.ca.gov>—select Mediation & Conciliation

- office locations and mediators
- link to arbitration resume form



## Office of the Director

### PUBLIC INFORMATION

The public information office operates as DIR's press office and an information center for the public. It provides editorial services to DIR's divisions and units for producing public information materials, responds to written and telephone requests from the public, issues news releases and responds to media inquiries.

Under the new administration the public information office established a goal of generating an increased volume of written and electronic materials aimed at educating the public about labor laws and workplace safety and health regulations. The office is expanding distribution lists, developing an e-mail newsletter and coordinating reconstruction of the department's Web site to better reflect concerns of California workers and employers.

### LEGISLATIVE

In the director's Sacramento office, DIR's legislative affairs unit serves as liaison between the department, the Legislature and the public. Staff review more than 3,000 bills introduced annually in

the Legislature to identify those that affect DIR programs. They also sponsor legislation to improve the effectiveness of DIR programs, represent the department at legislative hearings, and respond to members of the Legislature regarding constituent requests.

The annual legislative summary is posted on the DIR Web site at <http://www.dir.ca.gov>.

### LEGAL COUNSEL

DIR's legal unit advises and litigates for the director and divisions on labor law enforcement matters. DIR lawyers defend department decisions and policies in court or before state administrative tribunals.

### ILLEGALLY UNINSURED EMPLOYERS

DIR's Division of Workers' Compensation (DWC) administers the Uninsured Employers Fund (UEF), which pays injured workers whose employers were illegally uninsured for workers' compensation (see DWC section of this report). Injured workers negotiate claims with DWC staff, and DIR attorneys appear daily before the Workers' Compensation

Appeals Board (WCAB). Since 1998 the UEF has focused on employer compliance with the legal requirement to provide workers' compensation through more collection efforts, more challenges to employers using federal bankruptcy law as an escape hatch, new targeting of these employers' licenses and coordination with the Division of Labor Standards Enforcement (DLSE) to shut down uninsured workplaces.

Employers who are not deliberately uninsured, or who find themselves uninsured when their insurer denies coverage, respond by handling the medical and wage replacement needs of their injured employees. It is the employers who force injured employees to file claims before the WCAB who come to DIR's attention. DIR discourages irresponsible passivity in the face of on-the-job injury claims by pointing out that employers may avoid large penalties and property attachments by paying the injured worker directly. This has caused more employers to address the employee's claim directly, or contest their insurance company's coverage denials, and finally to pay the injured worker what the WCAB would award.

In fiscal years 1998-99 and 1999-2000 the legal unit made about 5,900 appearances for the UEF, compared to about 6,700 in fiscal year 1997-98. Completed cases resulted in employers or their insurance carriers paying workers an estimated \$4,143,047 in 1998-99 and \$7,312,611 in 1999-2000 in wage replacements and medical benefits, more than 6.5 times what the UEF paid in place of defaulting uninsured employers. Before this improvement, the ratio was about 3-to-1 and both the injured workers and WCAB endured a higher number of appearances. UEF is driving a trend to get employers to participate and pay, as well as to reverse insurance companies' unjustified denials of coverage. The injured worker is paid directly, fairly and quickly, which also means a savings to the taxpayer.

Employers sometimes try to use the federal bankruptcy courts as a refuge from their UEF debts. Relying on a 1996 court of appeals decision that characterizes the debt to UEF as a tax, the legal unit began challenging the right of employers to shield themselves in bankruptcy. Efforts from 1999 to 2000 kept employers from having federal courts erase more than \$8 million in debts to the UEF, and resulted in the collection of over a half million dollars.

With time saved from these measures and fuller staffing, DIR lawyers revived their cooperative efforts with DLSE field staff targeting employers who operate without insurance. The legal unit checks

whether the employer is in business without workers' compensation insurance. Employers who continue to operate illegally are cited by DLSE. Almost every referral has resulted in citations and stop orders that close the business until there is insurance, and DLSE inspectors often find other labor law violations such as failure to pay wages or provide employees with pay stubs.

The legal unit gives training to workers' compensation judges and attorneys who represent both injured workers and employers to smooth their way through the WCAB procedures for law-abiding employers who have insurance. Shorter training programs are given to local county bar associations and applicant attorney groups on how to navigate their cases of uninsurance to a prompt conclusion. DIR attorneys also wrote a guide published in the summer 1999 *Workers' Compensation Quarterly*: "How to Properly Obtain Jurisdiction over an Uninsured Employer in Workers' Compensation Cases."

## PREVAILING WAGE

In addition to the prevailing wage investigations of the Division of Labor Statistics and Research (DLSR—see statistics and research section of this report) and the director's determinations, the director further determines whether particular projects are public works, given the nature of the work and the source of funding. The director delegates drafting of these coverage determinations to the legal unit because of the complicated issues that arise. Administrative appeals of these determinations are also referred to the legal unit for response.

One of the commitments the current administration made to organized labor was reform of the prevailing wage system, clarification as to the scope of coverage and assuring that prevailing wage rates are set by following the traditional modal calculation method. In fiscal year 1999-2000 the director issued 67 determinations and decisions on appeal, and designated 50 precedential decisions with accompanying indexes. The director can annually designate new precedential determinations and decertify old ones. For example, activities previously seen as installation not at the level of construction are now viewed as either construction work or work performed in the execution of a larger public works contract for which prevailing wages must be paid—such as installation of relocatable classrooms and playground equipment, fencing, signage, lockers and shelving.



# Division of Administration

## ACCOUNTING

The accounting office staff perform the standard functions of contract control, general ledger, claim schedule processing, plans of financial adjustment, revolving fund, property accounting, disbursement/expenditure accounting, receipt and fund accounting. They also perform the fiscally sensitive activities of collections, cost and grant accounting, cash management, reimbursement control, systems design, trust accounting, federal grant management, and fiscal control reconciliation and reporting. While most state agencies have the general fund and one or two special funds, DIR's accounting office is responsible for revenue accounts of the general fund and 19 special funds.

The accounting office processes more than \$225 million in payments and receipts annually. Typically, DIR operating programs generate \$53 million, which accounting staff collect and remit annually into 40 revenue accounts. For fiscal year 1998-99, cash collections for all funds providing support for DIR operations totaled \$66 million. This office also processes and reports collections of more than \$28.5 million each year in fraud assessments on behalf of the California Department of Insurance.

Accounting reports from DIR offices statewide and for specific programs must be verified by the department's central accounting office, which is responsible for the accuracy of the reports. Subsidiary systems unique to DIR accommodate operational requirements of the divisions and programs as well as the accounting processes to track all accounts receivable.

Accounting staff prepare statements on DIR financial activities. For fiscal year 1997-98 the office received six "Awards for Achieving Excellence in Financial Reporting" from the State Controller.

## BUDGET

The budget office monitors expenditures of all the DIR programs to ensure their conformity with funding priorities of the governor and Legislature. The office also prepares DIR's section of the annual governor's budget and assists in determining the funding requirements for carrying out administration initiatives and new legislation.

## BUSINESS MANAGEMENT

The business management office provides the department's business support services statewide—covering contracts and procurement, inhouse printing and reproduction, telecommunications, property and recycling, fleet administration, facilities, warehousing and mail services.

Major relocations of DIR staff took place during 1998-99, as the new San Francisco, Los Angeles and Oakland state buildings opened. Staff are also moving into the new San Diego state building. Other relocations: DIR director's office, Cal/OSHA Standards Board and Appeals Board in Sacramento; Division of Workers' Compensation office moves in Pomona and from Santa Barbara to Goleta; Division of Occupational Safety and Health office moves in West Covina, from San Francisco to San Mateo and from Oakland to San Leandro.

## PERSONNEL

The personnel office provides advisory and support services to department staff statewide, facilitating personnel actions and employee relations matters according to state regulations. Ongoing activities include administering the state's classification plan and decentralized civil service exam program, preparing notices of formal disciplinary actions and other actions affecting employee status, and processing personnel employment and benefit transactions.

The personnel office was instrumental in helping DIR gain approval for geographic pay differentials for some of the most difficult to recruit staff classifications in San Francisco. To meet the department's objective of filling its vacant positions, the examination and certification unit developed an exam schedule providing active eligibility lists for interviewing and hiring staff. Personnel also revised some specifications to provide for early competition of candidates in college who have not yet completed their degrees, and is developing a supplemental application process to screen and hire attorneys for the department.

## INFORMATION SYSTEMS

The information systems office develops and maintains DIR's automated information systems and networks, and procures hardware and software for information management systems. It operates online and batch computing systems, provides training and technical support for DIR offices statewide, and manages the department's Internet and intranet services. It also provides, manages and coordinates telecommunications services, and protects the security and integrity of the department's information systems and data. Staff also completed and initiated a number of new information technology projects to benefit the department:

- Increasing the security of DIR's statewide computer network, adding technology that prevents parties outside the network from entering without proper authorization.
- Supporting staff relocations at DIR offices throughout the state. Over 75 percent of the department's 2,600 employees were relocated during 1998-99 to new state buildings, and this required reconfiguring DIR's computer network infrastructure for the new office locations as well as for full access by offices located in remote regions of the state.

- Implementing the first phase of the legislatively-mandated Workers' Compensation Information System, which allows workers' compensation insurers in the state to electronically transmit benefit notices and first reports of injury to DIR for statistical analysis.
- Improving DIR's Web site by providing online publications and order forms, posting searchable databases for certified asbestos consultants and asbestos site surveillance technicians in California, and posting a searchable database for current prevailing wages in California's 58 counties.

The department's information systems direction is toward e-government, with the ultimate goal of transacting all business with DIR over the Internet. Electronic media will provide information exchange between DIR offices and outside parties such as workers' compensation insurance companies or hazardous materials manufacturers. Internet technology and electronic data interchange will be used increasingly for sending/receiving the required information. Already in operation is the Workers' Compensation Information System, which uses electronic data interchange to receive the mandatory workers' compensation documentation from California workers' compensation insurers and third party administrators.



# DIR Publications

Except where a fee per copy is stated, publications are free of charge.

Make check or money order payable to:  
Department of Industrial Relations

Phone 415-703-5070 or mail your request to:  
Department of Industrial Relations  
Public Information Office  
P.O. Box 420603 • San Francisco, CA 94142-0603

## DIR POSTERS REQUIRED OF CALIFORNIA EMPLOYERS

Phone 415-703-5070 for:

- **Safety and Health Protection on the Job**—Cal/OSHA poster—English, Spanish
- **Industrial Welfare Commission Orders**—request applicable industry/occupation poster
- **Pay Day Notice**—poster DLSE-8

## OFFICE OF THE DIRECTOR

- *California Department of Industrial Relations (DIR) 1998-1999 Biennial Report*

## DIVISION OF LABOR STANDARDS ENFORCEMENT

- *Child Labor*
- *Laws Relating to the Payment of Wages*
- *Policy and Procedures for Wage Claim Processing*
- *Discrimination Complaints: A Summary of Procedures*
- *Summary of Basic California and Federal Employment Requirements for Garment Industry Employers*
- *Enforcement Policies and Interpretations Manual* (\$110.00 per copy)

## DIVISION OF OCCUPATIONAL SAFETY & HEALTH

- *User's Guide to Cal/OSHA*
- *On-site Cal/OSHA Consultation*
- *Guide to Developing Your Workplace Injury & Illness Prevention Program*
- *Workplace Injury & Illness Prevention Model Programs:*
  - *For High Hazard Employers*
  - *For Non-high Hazard Employers*

- *For Employers with Intermittent Workers*—English, Spanish
- *For Intermittent Workers in Agriculture*—English, Spanish
- *Cal/OSHA Permit, Registration, Certification, and Notification Requirements*
- *Guide to the California Hazard Communication Regulation*
- *High Hazard Employer Program*
- *Cal/Voluntary Protection Program*
- *Cal/OSHA Guide for the Construction Industry*
- *Fall Protection—Construction Summary Packet*
- *Farm Labor Contractor Safety and Health Guide*—English, Spanish
- *Field Sanitation Guide to Compliance*
- *Agricultural Safety & Health Inspection Project*—English, Spanish
- *Job Safety: What You Should Know*—English, Spanish, Tagalog, Chinese, Korean, Vietnamese
- *Don't Risk Your Health!*—bloodborne pathogens—English, Spanish, Tagalog, Chinese, Korean, Vietnamese
- *Bloodborne Pathogens Resource Package*
- *Lockout/Blockout Methods and Sample Procedures*—English, Spanish
- *Is it Safe to Enter a Confined Space?* *Confined Space Guide*
- *Easy Ergonomics: A Practical Approach for Improving the Workplace*
- *Four Step Ergonomics Program for Employers with Video Display Terminal Operators*
- *A Back Injury Prevention Guide for Health Care Providers*
- *Managing Stress Arising from Work*
- *Cal/OSHA Guidelines for Workplace Security*
- *Model Injury & Illness Prevention Program for Workplace Security*
- *Guidelines for Security and Safety of Health Care and Community Service Workers*



- Fact sheets:
  - *Revised Respirator Regulation*
  - *Lead in Construction*
  - *Safety Needles & Needleless Systems*
  - *Field Sanitation*
- Tailgate/Toolbox Topics:
  - *Setting Up a Tailgate/Toolbox Safety Meeting*
  - *Roofing Safety: General Requirements*
  - *Roofing Safety: Slips and Falls*
  - *Power Press Safety*
  - *High Voltage Overhead Lines*
  - *Lockout/Blockout*
  - *Trenching Safety*
  - *Servicing Single, Split Rim & Multi-piece Rims or Wheels*
- *Agricultural-Industrial Tractors* poster—English, Spanish
- *Access to Medical and Exposure Records* poster—English, Spanish
- Emergency telephone numbers poster

#### **OCCUPATIONAL SAFETY & HEALTH STANDARDS BOARD**

- Notice of public hearings that include proposed regulations and supporting documentation (interested parties can request to be automatically mailed these monthly notices)
- Monthly calendar of activities that includes a schedule of advisory committees
- Annual rulemaking calendar
- Advisory committee guidelines
- Variance application form
- Description of the variance process
- Petition process fact sheet
- *Occupational Safety and Health Standards Board's Role and Responsibilities*

#### **OCCUPATIONAL SAFETY & HEALTH APPEALS BOARD**

- *Appeal Information for the Occupational Safety and Health Appeals Board*

#### **DIVISION OF APPRENTICESHIP STANDARDS**

- *Characteristics of Registered Apprentices in California*

- *List of Apprenticeable Occupations and Number of Apprentices Registered by the State of California*
- *The Apprenticeship Law in California*
- Excerpts: California Code of Regulations, California Apprenticeship Council
- *Apprenticeship, California's Best Kept Secret*—video with bulletin board materials

#### **DIVISION OF WORKERS' COMPENSATION**

- *An Employer's Guide to Workers' Compensation in California*
- *The Injured Worker*
- *Trabajadores con Lesiones*
- *Information and Assistance Unit's Injured Worker Guides*—English, Spanish
- *Help in Returning to Work-'94*
- *DWC 1998 Annual Report*
- *2000 Compilation of Changes in Workers' Compensation Laws*
- *Annual Report of Audit Findings*
- *The Construction Industry Carve-out Program Annual Report of Activities*
- *California EDI Implementation Guide*
- *Benefit Notice Manual, Forms and Fact Sheets*
- *Managed Care in California's Workers' Compensation System*
- *California Standards Governing Timeliness and Quality of Vocational Rehabilitation Services*
- *Rehabilitation Unit Administrative Guidelines*
- *Rehabilitation Unit Directory and Venue List*
- *Waiver of Qualified Rehabilitation Representative Services*—information sheet

The following publications are available for purchase from the Department of General Services-Procurement, Publications Unit, P.O. Box 1015, North Highlands, CA 95660, phone 916-928-4630. All prices include sales tax and shipping, make checks payable to "Procurement Publications."

- *1998 Official Medical Fee Schedule* (\$38.15 per copy)
- *Permanent Disability Rating Schedule*—pre-1997 edition (\$11.40 per copy)
- *Permanent Disability Rating Schedule*—1997 edition (\$24.85 per copy)

## INDUSTRIAL MEDICAL COUNCIL

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- *For Injured Workers: Your Medical Evaluation*—English, Spanish
- *State of California Official Qualified Medical Evaluators list* (\$25 per copy)
- *Medically Speaking* QME newsletter
- *The Physician's Guide to Medical Practice in the California Workers' Compensation System*, 2nd edition (\$15 per copy)
- *Treating Physician's Alert*
- Guidelines adopted by Industrial Medical Council:
  - *Methods for Disability Evaluation*—cardiac disability, pulmonary disability, immunologic disease, psychiatric disability, neuromusculoskeletal disability
  - *Guidelines for Treatment*—low back problems, neck, shoulder, elbow, hand & wrist, knee, contact dermatitis, post traumatic stress disorder, occupational asthma

## SELF INSURANCE PLANS

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- *Private Sector Self Insurers list* (\$5 per copy)
- *Public Sector Self Insurers list* (\$5 per copy)
- *Third Party Claims Administrators list* (\$3 per copy)

## COMMISSION ON HEALTH & SAFETY & WORKERS' COMPENSATION

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- CHSWC annual reports 1994-95 through 1999-2000
- *"Carve-outs" in Workers' Compensation: An Analysis of Experience in the California Construction Industry* (1999)
- *CHSWC Report on the Division of Workers' Compensation Audit Function* (1998)
- *Employers Illegally Uninsured for Workers' Compensation: CHSWC Recommendations to Identify Them and Bring Them Into Compliance* (1998)
- *Navigating the California Workers' Compensation System: The Injured Worker's Experience* (1996)
- *Evaluating the Reforms of the Medical-Legal Process* (report updated 1997)
- *Permanent Disability Study Report and Executive Summary* (RAND, 1997)
- *Does Modified Work Facilitate Return to Work for Temporarily or Permanently Disabled Workers?* (1997)
- *Report on CHSWC Fact-Finding Hearing on Workers' Compensation Anti-Fraud Activities* (1997)

- *Preliminary Evidence on the Implementation of "Baseball Arbitration" in Workers' Compensation* (1999)
- *Protecting and Educating California's Young Workers—Report of the California Study Group on Young Worker Health and Safety* (1999)
- *Report on Quality of Treating Physician Reports and the Cost-Benefit of Presumption in Favor of the Treating Physician* (1999)
- *Vocational Rehabilitation Benefit: An Analysis of Costs, Characteristics and the Impact of the 1993 Reforms* (1997 interim report)
- *Workers' Compensation Costs and Benefits after the Implementation of Reform Legislation* (1999)
- *Report on Campaign against Workers' Compensation Fraud* (2000)
- *Issue Paper on Labor Code Section 5814* (2000)
- *Vocational Rehabilitation Reform Legislation* (2000)
- *Study of the Cost of Pharmaceuticals in Workers' Compensation* (2000)
- *Workers' Compensation and the California Economy* (2000)
- *Workers' compensation fact sheets* (1998)
- *Introduction to Workers' Compensation*—video (1998)

## DIVISION OF LABOR STATISTICS & RESEARCH

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- *Director's General Prevailing Wage Determinations*
- *General Prevailing Wage Apprentice Schedules*
- *Director's Coverage Determinations*
- *Index of Current Precedential Public Works Decisions* (alpha and date index)
- *California Consumer Price Index*
- *Occupational Injuries and Illnesses Survey: California 1991* (statistical tables for 1992, 1993, 1994, 1995, 1996, 1997, 1998)
- *Census of Fatal Occupational Injuries 1992 & 1993* (statistical tables for 1994, 1995, 1996, 1997, 1998)

## STATE MEDIATION & CONCILIATION SERVICE

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- *The California State Mediation and Conciliation Service*
- *Grievance Mediation: It Just Makes Sense*

# DIR Office Locations

## DEPARTMENT OF INDUSTRIAL RELATIONS

**Office of the Director** ..... 415-703-5050  
455 Golden Gate Ave, 10th Floor  
San Francisco, CA 94102

## DIVISION OF LABOR STANDARDS ENFORCEMENT (DLSE)

For labor law information and assistance  
24 hours a day, 7 days a week, call:

**Santa Rosa, Eureka areas** ..... 707-445-9067

**Sacramento, Redding,  
Marysville areas** ..... 916-323-4920

**San Francisco, Oakland,  
San Jose, Salinas areas** ..... 415-557-7878

**Los Angeles, Van Nuys, Long Beach,  
Santa Ana areas** ..... 213-620-6330

**San Diego area** ..... 858-467-3002

**Prevailing Wage Hotline** ..... 415-703-4774

**Garment Hotline—toll-free** ..... 1-800-803-6650

**Headquarters—San Francisco** ..... 415-703-4810  
455 Golden Gate Ave, 9th Floor • CA 94102

**Bakersfield** ..... 661-395-2710  
5555 California Ave, Suite 200 • CA 93309

**El Centro** ..... 760-353-0607  
1550 W. Main St • CA 92243

**Eureka** ..... 707-445-6613  
619 Second St, Room 109 • CA 95501

**Fresno** ..... 559-248-8400  
770 E. Shaw Ave, Suite 315 • CA 93710

**Long Beach** ..... 562-590-5048  
300 Oceangate, Room 302 • CA 90802

**Los Angeles** ..... 213-897-5960  
320 W. 4th St, Suite 450 • CA 90013

**Marysville** ..... 530-741-4062  
1204 “E” St • CA 95901

**Oakland** ..... 510-622-3273  
1515 Clay St, Suite 801 • CA 94612

**Redding** ..... 530-225-2655  
2115 Akard Ave, Room 17 • CA 96001

**Sacramento** ..... 916-263-2841  
2424 Arden Way, Suite 360 • CA 95825

**Salinas** ..... 831-443-3041  
1870 N. Main St, Suite 150 • CA 93906

**San Bernardino** ..... 909-383-4334  
464 W. 4th St, Room 348 • CA 92401

**San Diego** ..... 858-467-3002  
8765 Aero Dr, Suite 120 • CA 92123

**San Francisco** ..... 415-703-5300  
455 Golden Gate Ave, 8th Floor • CA 94102

**San Jose** ..... 408-277-1266  
100 Paseo de San Antonio, Room 120 • CA 95113

**Santa Ana** ..... 714-558-4910  
28 Civic Center Plaza, Room 625 • CA 92701

**Santa Barbara** ..... 805-568-1222  
411 E. Canon Perdido St, Room 3 • CA 93101

**Santa Rosa** ..... 707-576-2362  
50 “D” St, Suite 360 • CA 95404

**Stockton** ..... 209-948-7771  
31 E. Channel St, Room 317 • CA 95203

**Van Nuys** ..... 818-901-5315  
6150 Van Nuys Blvd, Room 100 • CA 91401

## INDUSTRIAL WELFARE COMMISSION (IWC)

770 “L” St, Suite 1170 ..... 916-322-0167  
Sacramento, CA 95814 Fax: 916-324-1705

## DIVISION OF OCCUPATIONAL SAFETY & HEALTH (DOSH)

**Headquarters—San Francisco** ..... 415-703-5100  
455 Golden Gate Ave, 10th Floor • CA 94102

**Anaheim** ..... 714-939-0145  
2100 E. Katella Ave, Suite 140 • CA 92806

**Concord** ..... 925-602-6517  
1465 Enea Circle, Bldg E, Suite 900 • CA 94520

**Foster City** ..... 650-573-3812  
1065 E. Hillsdale Blvd, Suite 110 • CA 94404

**Fresno** ..... 559-445-5302  
2550 Mariposa St, Room 4000 • CA 93721

**Los Angeles** ..... 213-576-7451  
320 W. 4th St, Room 850 • CA 90013

**Oakland** ..... 510-622-2916  
1515 Clay St, Suite 1301 • CA 94612

**Pico Rivera** ..... 562-949-7827  
9459 E. Slauson Ave • CA 90660

**Sacramento** ..... 916-263-2800  
2424 Arden Way, Suite 165 • CA 95825

**San Bernardino** ..... 909-383-4321  
464 W. 4th St, Suite 332 • CA 92401



**San Diego** ..... 858-637-5534  
7807 Convoy Court, Suite 140 • CA 92111

**San Francisco** ..... 415-703-5210  
455 Golden Gate Ave, Room 1524 • CA 94102

**San Jose** ..... 408-452-7288  
2010 N. First St, Suite 401 • CA 95131

**Santa Rosa** ..... 707-576-2388  
1221 Farmers Lane, Suite 300 • CA 95405

**Torrance** ..... 310-516-3734  
680 Knox St, Suite 100 • CA 90502

**Van Nuys** ..... 818-901-5403  
6150 Van Nuys Blvd, Suite 405 • CA 91401

**Ventura** ..... 805-654-4581  
1655 Mesa Verde Ave, Room 150 • CA 93003

**West Covina** ..... 626-472-0046  
1906 W. Garvey Ave South, Suite 200 • CA 91790

**Elevator, Ride & Tramway Unit**  
**Headquarters** ..... 916-263-7995  
2424 Arden Way, Suite 485 • Sacramento, CA 95825

**High Hazard Unit**  
**Headquarters** ..... 714-935-2726  
2100 E. Katella Ave, Suite 205 • Anaheim, CA 92806

**Mining & Tunneling Unit**  
**Headquarters** ..... 530-895-6938  
1367 E. Lassen Ave, Suite B-4 • Chico, CA 95973

**Pressure Vessel Unit**  
**Headquarters** ..... 510-622-3052  
1515 Clay St, Suite 1302 • Oakland, CA 94612

#### **CAL/OSHA CONSULTATION SERVICE**

**On-site Assistance—toll-free** ..... 1-800-963-9424

**Headquarters—Sacramento** ..... 916-574-2555  
2211 Park Towne Circle, Suite 4 • CA 95825

**Fresno—Central Valley** ..... 559-454-1295  
1901 N. Gateway Blvd, Suite 102 • Fresno, CA 93727

**Oakland—San Francisco Bay Area** ..... 510-622-2891  
1515 Clay St, Suite 1103 • Oakland, CA 94612

**Sacramento—Northern California** ..... 916-263-0704  
2424 Arden Way, Suite 410 • Sacramento, CA 95825

**San Bernardino—Inland Empire** ..... 909-383-4567  
464 W. 4th St, Suite 339 • San Bernardino, CA 92401

**San Diego—Imperial Valley** ..... 858-467-4071  
7827 Convoy Court, Suite 406 • San Diego, CA 92111

**San Fernando Valley—Santa Barbara &  
NW Los Angeles County** ..... 818-901-5754  
6150 Van Nuys Blvd, Suite 307 • Van Nuys, CA 91401

**Santa Fe Springs—Orange &  
SE Los Angeles Counties** ..... 562-944-9366  
10350 Heritage Park Dr, Suite 201  
Santa Fe Springs, CA 90670

**Education Unit** ..... 916-574-2528

**Voluntary Protection Program** ..... 415-703-5272

#### **OCCUPATIONAL SAFETY & HEALTH STANDARDS BOARD (OSHSB)**

2520 Venture Oaks Way, Suite 350 ..... 916-274-5721  
Sacramento, CA 95833 Fax: 916-274-5743

#### **OCCUPATIONAL SAFETY & HEALTH APPEALS BOARD (OSHAB)**

**Headquarters** ..... 916-274-5751  
2520 Venture Oaks Way, Suite 300 Fax: 916-274-5785  
Sacramento, CA 95833

**Southern California** ..... 626-332-1145  
100 N. Barranca St, Suite 410 Fax: 626-966-4490  
West Covina, CA 91791

#### **DIVISION OF APPRENTICESHIP STANDARDS (DAS)**

**Headquarters—San Francisco** ..... 415-703-4920  
455 Golden Gate Ave, 8th Floor • CA 94102

**Fresno** ..... 559-445-5431  
2550 Mariposa St, Room 3080 • CA 93721

**Los Angeles** ..... 213-576-7750  
320 W. 4th St, Suite 830 • CA 90013

**Oakland** ..... 510-622-3259  
1515 Clay St, Suite 602 • CA 94612

**Sacramento** ..... 916-263-2877  
2424 Arden Way, Suite 160 • CA 95825

**San Jose** ..... 408-277-1273  
100 Paseo de San Antonio, Room 125 • CA 95113

**Santa Ana** ..... 714-558-4126  
28 Civic Center Plaza, Room 525 • CA 92701

#### **DIVISION OF WORKERS' COMPENSATION (DWC)**

**For recorded general information  
call toll-free** ..... 1-800-736-7401

**Headquarters—San Francisco** ..... 415-703-4600  
455 Golden Gate Ave, 9th Floor • CA 94102

**Anaheim:**  
**Information & Assistance Unit** ..... 714-738-4038  
1661 N. Raymond Ave, Suite 200 • CA 92801

**Bakersfield:**  
**Information & Assistance Unit** ..... 661-395-2514  
1800 - 30th St, Room 100 • CA 93301

**Eureka:**  
**Information & Assistance Unit** ..... 707-441-5723  
100 "H" St, Suite 202 • CA 95501

**Fresno:**  
**Information & Assistance Unit** ..... 559-445-5355  
2550 Mariposa St, Suite 2035 • CA 93721

**Goleta:**  
**Information & Assistance Unit** ..... 805-968-4158  
6755 Hollister Ave, Suite 100 • CA 93117

**Grover Beach:**

Information & Assistance Unit ..... 805-481-3296  
 1562 Grand Ave • CA 93433

**Long Beach:**

Information & Assistance Unit ..... 562-590-5240  
 300 Oceangate St, Suite 200 • CA 90802

**Los Angeles:**

Information & Assistance Unit ..... 213-576-7389  
 320 W. 4th St, 9th Floor • CA 90013

**Oakland:**

Information & Assistance Unit ..... 510-622-2861  
 1515 Clay St, 6th Floor • CA 94612

**Pomona:**

Information & Assistance Unit ..... 909-623-8568  
 435 W. Mission Blvd, Suite 100 • CA 91766

**Redding:**

Information & Assistance Unit ..... 530-225-2047  
 2115 Akard, Suite 15 • CA 96001

**Riverside:**

Information & Assistance Unit ..... 909-782-4347  
 3737 Main St, Suite 300 • CA 92501

**Sacramento:**

Information & Assistance Unit ..... 916-263-2741  
 2424 Arden Way, Suite 230 • CA 95825

**Salinas:**

Information & Assistance Unit ..... 831-443-3058  
 1880 N. Main St, Suites 100 & 200 • CA 93906

**San Bernardino:**

Information & Assistance Unit ..... 909-383-4522  
 464 W. 4th St, Suite 239 • CA 92401

**San Diego:**

Information & Assistance Unit ..... 858-525-4589  
 1350 Front St, Suite 3047 • CA 92101

**San Francisco:**

Information & Assistance Unit ..... 415-703-5020  
 455 Golden Gate Ave, 2nd Floor • CA 94102

**San Jose:**

Information & Assistance Unit ..... 408-277-1292  
 100 Paseo de San Antonio, Suite 240 • CA 95113

**Santa Ana:**

Information & Assistance Unit ..... 714-558-4597  
 28 Civic Center Plaza, Suite 451 • CA 92701

**Santa Monica:**

Information & Assistance Unit ..... 310-452-1188  
 2701 Ocean Park Blvd, Suite 220 • CA 90405

**Santa Rosa:**

Information & Assistance Unit ..... 707-576-2452  
 50 "D" St, Suite 420 • CA 95404

**Stockton:**

Information & Assistance Unit ..... 209-948-7980  
 31 E. Channel St, Room 344 • CA 95202

**Van Nuys:**

Information & Assistance Unit ..... 818-901-5374  
 6150 Van Nuys Blvd, Suite 110 • CA 91401

**Ventura:**

Information & Assistance Unit ..... 805-654-4701  
 5810 Ralston St • CA 93003

**Walnut Creek:**

Information & Assistance Unit ..... 925-977-8343  
 175 Lennon Lane, Suite 200 • CA 94598

**WORKERS' COMPENSATION APPEALS BOARD (WCAB)**

455 Golden Gate Ave, 9th Floor. .... 415-703-4580  
 San Francisco, CA 94102 Fax: 415-703-4549

**INDUSTRIAL MEDICAL COUNCIL (IMC)**

395 Oyster Point Blvd, Room 102 .... 1-800-794-6900  
 South San Francisco, CA 94080 650-737-2767  
 Fax: 650-737-2711

**SELF INSURANCE PLANS (SIP)**

2265 Watt Ave, Suite 1 ..... 916-483-3392  
 Sacramento, CA 95825 Fax: 916-483-1535

**COMMISSION ON HEALTH & SAFETY & WORKERS' COMPENSATION (CHSWC)**

455 Golden Gate Ave, 10th Floor. .... 415-703-4220  
 San Francisco, CA 94102 Fax: 415-703-4234

**DIVISION OF LABOR STATISTICS & RESEARCH (DLSR)**

455 Golden Gate Ave, 8th Floor ..... 415-703-4780  
 San Francisco, CA 94102

Prevailing Wage Hotline ..... 415-703-4774

**STATE MEDIATION & CONCILIATION SERVICE (SMCS)**

Headquarters—San Francisco ..... 415-703-4882  
 455 Golden Gate Ave, 8th Floor Fax: 415-703-4886  
 CA 94102

Fresno ..... 559-445-5311  
 2550 Mariposa St, Room 4014 Fax: 559-445-5314  
 CA 93721

Los Angeles ..... 213-576-7759  
 320 W. 4th St, Room 420 Fax: 213-576-7765  
 CA 90013

# Program Management

September 1, 2000

## GOVERNOR

Gray Davis

## DEPARTMENT OF INDUSTRIAL RELATIONS

**Director:** Stephen J. Smith

**Assistant Director:** Suzanne P. Marria

**Chief Deputy Director:** Daniel M. Curtin

### Deputy Directors:

Janet Coffman, Communications

Patrick Henning Jr, Legislative Affairs

## DIVISION OF LABOR STANDARDS ENFORCEMENT

**State Labor Commissioner & Chief:** Arthur S. Lujan

**Assistant Chiefs:** Thomas E. Grogan, Roger D. Miller,  
Gregory L. Rupp, Nance S. Steffen

## INDUSTRIAL WELFARE COMMISSION

**Chair:** William E. Dombrowski

**Commissioners:** Douglas H. Bosco, Barry D. Broad,  
Leslee Coleman, Harold A. Rose

**Executive Officer:** Andrew Baron

## CALIFORNIA OCCUPATIONAL SAFETY AND HEALTH PROGRAM

**State Designee:** Stephen J. Smith

## DIVISION OF OCCUPATIONAL SAFETY AND HEALTH

**Chief:** John Howard

**Acting Deputy Chiefs:** Victoria Heza, Lennox Welsh

**Manager, Cal/OSHA Consultation Service:** Dave C. Bare

## OCCUPATIONAL SAFETY AND HEALTH STANDARDS BOARD

**Chair:** Jere W. Ingram

**Members:** Gwendolyn W. Berman, Victoria Bradshaw,  
William Jackson, Elizabeth Lee, Sopac M. Tompkins

**Executive Officer:** John D. MacLeod

## OCCUPATIONAL SAFETY AND HEALTH APPEALS BOARD

**Members:** William Duplissee, Marcy Saunders

**Executive Officer:** Janet M. Eagan

## DIVISION OF APPRENTICESHIP STANDARDS

**Chief:** Henry P. Nunn III

**Deputy Chief:** Rita H. Tsuda

**Administrator of Apprenticeship:** Stephen J. Smith

## CALIFORNIA APPRENTICESHIP COUNCIL

**Employee Representatives:** Gerrit J. Buddingh', Robert H. Eisenbeisz, Jeannie Holmes, Marvin Kropke, Brad Plueger, Richard Zampa

**Employer Representatives:** Charles W. Burke, William Callahan, Carole C. Colbert, Raymond Leap, Laura Nelson, Eugene Sapper

**Public Representatives:** Sotero Andrade, Max Turchen

**Ex Officio Members:** Robert Balgenorth, Victoria Morrow,  
Stephen J. Smith

## DIVISION OF WORKERS' COMPENSATION

**Administrative Director:** Richard P. Gannon

**Acting Chief Deputy Administrative Director:**  
George Mason

**Assistant Chief:** Richard W. Younkin

## WORKERS' COMPENSATION APPEALS BOARD

**Chair:** Merle C. Rabine

**Members:** Robert E. Burton, Colleen S. Casey,  
Robert N. Ruggles

**Deputy and Secretary to the Board:** Dennis J. Hannigan

**Deputy Commissioners:** Rick Dietrich, Neil P. Sullivan

## INDUSTRIAL MEDICAL COUNCIL

### Co-chairs:

Richard Pitts, D.O.; Steven Nagelberg, M.D., J.D.

**Members:** Robert C. Larsen, M.D.; Marvin H. Lipton, M.D.;  
Maria E. Mayoral, M.D.; Ira H. Monosson, M.D.;  
Jonathan T. Ng, M.D.; Glenn R. Repko, Ph.D.;  
Michael D. Roback, M.D.; Patricia Sinnott, P.T., M.P.H.;  
Richard F. Sommer, Esq.; Lawrence Tain, D.C.;  
Paul Wakim, D.O.; Gayle A. Walsh, D.C.;  
Benjamin Yang, C.A., O.M.D.

**Executive Medical Director:** D. Allan MacKenzie, M.D.,  
F.A.A.O.S.

## SELF INSURANCE PLANS

**Manager:** Mark B. Ashcraft

## COMMISSION ON HEALTH AND SAFETY AND WORKERS' COMPENSATION

**Members:** Jill A. Dulich, Leonard C. McLeod, Gerald P. O'Hara, Tom Rankin, Kristen Schwenkmeyer, Robert B. Steinberg, Darrel "Shorty" Thacker, John C. Wilson

**Executive Officer:** Christine Baker

## DIVISION OF LABOR STATISTICS AND RESEARCH

**Acting Chief:** Daniel M. Curtin

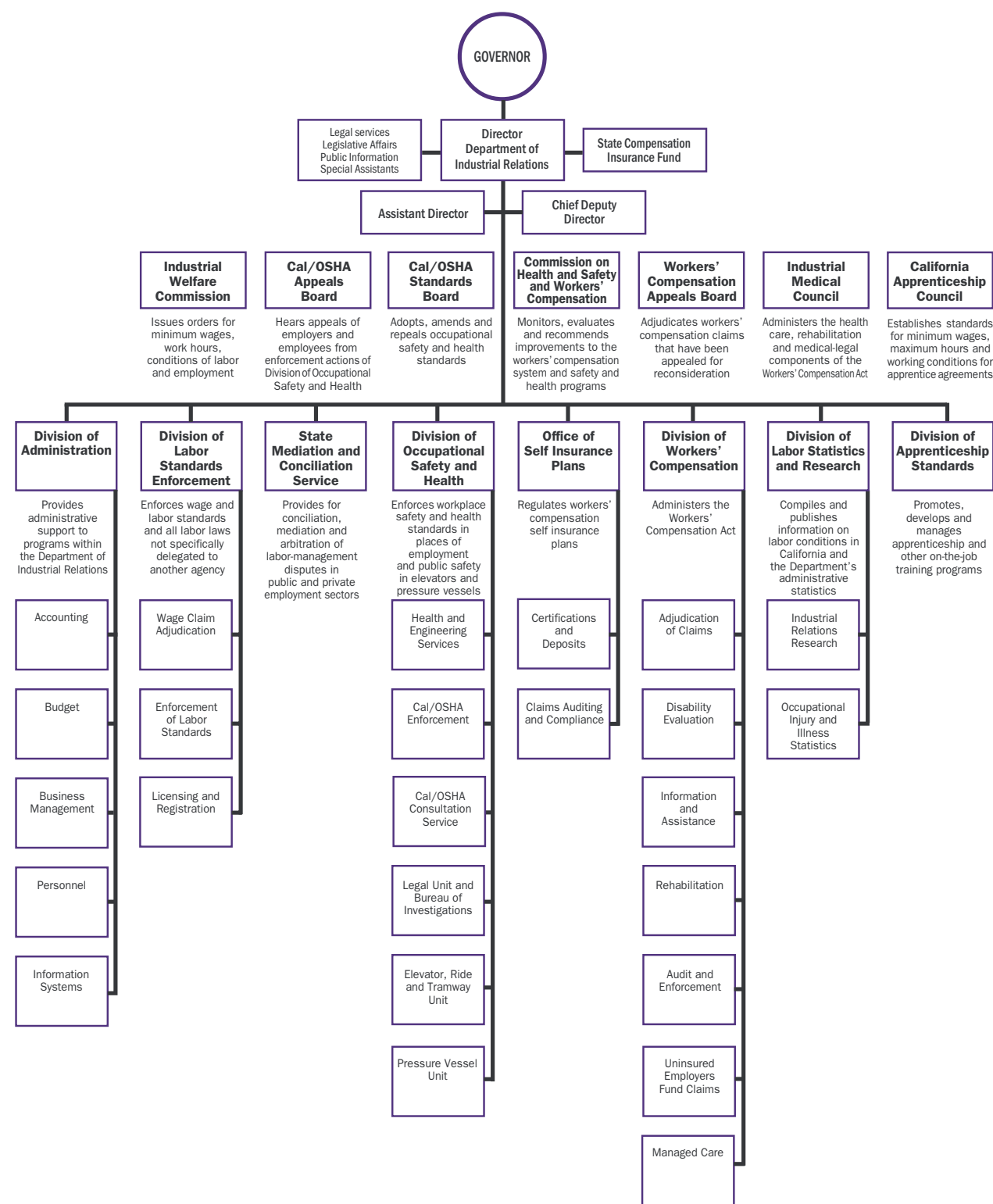
**Deputy Chief:** Maria Y. Robbins

## STATE MEDIATION AND CONCILIATION SERVICE

**Chief:** Micki Callahan



# Program Functions











State of California  
Gray Davis, Governor  
Stephen J. Smith  
Director of Industrial Relations