California Code of Regulations Adoption of Articles 1-4 to Subchapter 9 of, Chapter 6 of, of Division 1, of Title 8, of the California Code of Regulations Sections 13660, 13660.1, 13660.2, 13661, 13662, 13663, 13663.5, 13664 13665, 13665.5, 13666, 13666.1, 13666.2, 13667, 13667.1, and 13667.4, Farm Labor Contractors- Application for Farm Labor Contractor License; Educational Classes for Farm Labor Contractors; Duties of Contractors; and, Farm worker Remedial Account

ECONOMIC IMPACT ASSESSMENT

(Government Code Section 11346.3(b))

The proposed amendments to existing regulations for Farm Labor Contractors along with proposed new regulations to be adopted standardizes criteria for administering statutory licensing requirements used to determine fitness of applicants and licensees, surety bonds, written examinations, educational classes, continuing duties of licensees, and disbursing funds to workers and their representatives from the Farmworker Remedial Account administered by the agency.

The purpose of these regulations is to facilitate an understanding of the standards and criteria considered for issuance of Farm Labor Contractor licenses. Additionally, these regulations standardize and clarify the procedures utilized by the Department of Labor Standards Enforcement (DLSE) in carrying out the statutory standard that applicants for a Farm Labor Contractors License provide information regarding character, competency, and responsibility. The regulations also codify existing educational requirements for licensees and establish duties for license holders.

Creation or Elimination of Jobs within the State of California

The regulations are designed to standardize criteria for administering statutory licensing requirements used to determine fitness of applicants and licensees, surety bonds, written examinations, educational classes, continuing duties of licensees, and disbursing funds to workers and their representatives from the Farmworker Remedial Account administered by the agency. The regulations also assist the DLSE in carrying out the statutorily mandated program for issuance of Farm Labor Contractors Licenses and administering the license program. These activities are currently being performed by existing state staff and the regulations enhance their job abilities. Therefore, no jobs in California will be created or eliminated.

<u>Creation of New or Elimination of Existing Businesses Within the State of</u> <u>California</u>

The regulations are designed to standardize criteria for administering statutory licensing requirements used to determine fitness of applicants and licensees, surety bonds, written examinations, educational classes, continuing duties of licensees, and disbursing funds to workers and their representatives from the Farmworker Remedial Account administered by the agency. The regulations also assist the DLSE in carrying out the statutorily mandated program for issuance of Farm Labor Contractors Licenses. These activities are currently being performed by existing state staff and the regulations enhance their job abilities. While the proposed regulations will impact farm labor contractor businesses that fall under the licensing requirement, the action primarily clarifies and standardizes existing requirements set by statute and will not significantly increase existing statutory obligations above that which the agency currently requires. Therefore, no new businesses in California will be created or existing businesses eliminated.

Expansion of Businesses or Elimination of Existing Businesses Within the State of California

The regulations are designed to standardize criteria for administering statutory licensing requirements used to determine fitness of applicants and licensees, surety bonds, written examinations, educational classes, continuing duties of licensees, and disbursing funds to workers and their representatives from the Farmworker Remedial Account administered by the agency. The regulations also assist the DLSE in carrying out the statutorily mandated program for issuance of Farm Labor Contractors Licenses. These activities are currently being performed by existing state staff and the regulations enhance their job abilities. While the proposed regulations will impact farm labor contractor businesses that fall under the licensing requirement, the action primarily clarifies and standardizes existing requirements set by statute. The proposed regulations are no more burdensome than current administrative practices relating to application review, issuance of licenses, and providing payments of claims against the Farmworker Remedial Account. Proposed regulations for written examinations, educational program approval, instruction, and records of classes are consistent with existing practices and processes used by DLSE for administration of the licensing program and will not significantly increase existing statutory obligations for applicants, licensee's, educational program providers, or workers claiming amounts under the Farmworker Remedial Account above that which the agency currently requires. Proposed regulations which establish signage and minor quarterly training of supervisors regarding worker safety matters based upon the season will require some additional but non-substantial and minor cost for license holders to comply. Therefore, no existing businesses in California will be expanded or eliminated.

Benefits of the Regulations

The regulations are designed to standardize criteria for administering statutory licensing requirements used to determine fitness of applicants and licensees, surety bonds, written examinations, educational classes, continuing duties of licensees, and disbursing funds to workers and their representatives from the Farmworker Remedial Account administered by the agency. These regulations will clarify and standardize the existing procedures, standards, and criteria for issuance of Farm Labor Contractor licenses currently used by DLSE and will alleviate confusion and inconsistency with regards to interpretation of the standards and criteria provided by statute in Chapter 3 (Farm Labor Contractors) of Part 6 (Licensing) in Division 2 (Employment Regulation and Supervision) of the Labor Code.

Proposed worker safety training of crew leaders and forepersons, and documentation thereof, are independently required under existing health and safety laws and thus, employers (including farm labor contractor licensee) are required to train their employees, including supervisors (see Title 8, CCR Sections 3203). Heat illness injury prevention and response, and pesticide use and exposure, are known dangerous conditions for farmworkers health and constitute risks which vary by the season, workplace, and with frequency throughout the year. The proposed requirement for safety and health training in these areas, which requires a licensee contractor to comply with an on-going minimal obligation of safety training consistent with the seasonal conditions, and to maintain records of such training in order to operate as a licensed farm labor contractor will increase awareness of these hazards and aid in prevention of conditions dangerous to farmworkers health.

The highly mobile and transient nature inherent to operations conducted by contractors on farms which vary in size, numbers of workers, type of work being performed by workers, and numbers of contractors at any time in a day or week creates obstacles for inspectors and investigators to ascertain a contractor's operation at a worksite. Recent legislation (AB 1675, Chapter 857 of Stat. 2012) provides for enforcement of the licensing requirement through assessments of civil penalties against unlicensed contractors. Proposed identification signage will enhance enforcement efforts by allowing for more effective contractor identification and contact information. Providing for more readily visible and important basic identifying information regarding operations which are subject to farm labor contractor requirements will benefit law abiding employer contractors and farm workers alike by enhancing accountability of employer contractors who employ farm laborers at regularly changing worksites.