

**M e m o r a n d u m**

To : INDUSTRIAL WELFARE COMMISSION

Date : April 1, 1997

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Subject : SATTB

From : Department of Industrial Relations

  
Karla M. Yates

*Confidential*

The IWC is required by Labor Code Sec. 1177 to adopt a "statement as to the basis" (SATTB) whenever it adopts new regulations, and that SATTB "shall be concurred in by a majority of the commissioners."

Two court cases state the purpose of the SATTB is to explain "how and why the commission did what it did." It is "a concise general statement of basis and purpose" and includes "what major issues of policy were ventilated by the [administrative] proceedings and why the agency reacted to them as it did."

The following, taken directly from the decision in the California Hotel and Motel Association case, explains to some degree what needs to be incorporated into the SATTB you will adopt if and when you adopt your proposals on overtime and related issues and the meals and lodging credits:

1. Any explanation "would reflect the factual, legal, and policy foundations for the action taken."
2. The basis is "an explanation of how and why the commission did what it did."
3. The "basis must show how the commission resolved conflicting interests and how that resolution led to the order chosen."
4. The basis should "make frequent reference to specific comments and recommendations raised in the course of the lengthy administrative proceeding . . . ."

As you can see, developing a proper SATTB is a big job, and since you will be taking final action on your proposals on April 11, 1997, staff will draft a SATTB assuming you will adopt all of your proposals as proposed.

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Remember, this is only a draft based on assumptions since staff will not know how you will vote on your proposals until you actually take final action. At that time, if you decide to reject certain proposals, the section(s) related to the rejected language can be deleted from the draft SATTB. If you decide to make minor adjustments to your proposals, the SATTB can also be adjusted accordingly at that time.

Staff will prepare the draft SATTB after the public comment period closes at 5.p.m. on Friday, April 4, 1997, and send the draft to you for review prior to final action on April 11, 1997.

Please feel free to call me at any time at (415) 975-0761 if you have any questions or comments about the SATTB, or any procedures related to your reviews or final action.

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