

**ECONOMIC IMPACT STATEMENT**

DEPARTMENT NAME <b>Dept. of Industrial Relations/DOSH</b>	CONTACT PERSON <b>Silas M. Shawver</b>	EMAIL ADDRESS <b>sshawver@dir.ca.gov</b>	TELEPHONE NUMBER <b>(510) 286-7348</b>
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 <b>Employer Representative and Representative Authorized By Employees</b>			NOTICE FILE NUMBER <b>Z</b>

**A. ESTIMATED PRIVATE SECTOR COST IMPACTS** *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:
- |  |   |
|--|---|
| <input checked="" type="checkbox"/> a. Impacts business and/or employees | <input type="checkbox"/> e. Imposes reporting requirements              |
| <input checked="" type="checkbox"/> b. Impacts small businesses          | <input type="checkbox"/> f. Imposes prescriptive instead of performance |
| <input checked="" type="checkbox"/> c. Impacts jobs or occupations       | <input type="checkbox"/> g. Impacts individuals                         |
| <input type="checkbox"/> d. Impacts California competitiveness           | <input type="checkbox"/> h. None of the above (Explain below):          |

*If any box in Items 1 a through g is checked, complete this Economic Impact Statement.  
If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.*

2. The Department of Industrial Relations estimates that the economic impact of this regulation (which includes the fiscal impact) is:  
(Agency/Department)
- ☒ Below \$10 million  
☐ Between \$10 and \$25 million  
☐ Between \$25 and \$50 million  
☐ Over \$50 million *[If the economic impact is over \$50 million, agencies are required to submit a [Standardized Regulatory Impact Assessment](#) as specified in Government Code Section 11346.3(c)]*

3. Enter the total number of businesses impacted: 60

Describe the types of businesses (Include nonprofits): Labor organizations and worker advocacy organizations

Enter the number or percentage of total businesses impacted that are small businesses: 100

4. Enter the number of businesses that will be created: 0 eliminated: 0

Explain: This procedural rule as to the conduct of workplace inspections is unlikely to create or eliminate any business.

5. Indicate the geographic extent of impacts: ☒ Statewide  
☐ Local or regional (List areas): \_\_\_\_\_

6. Enter the number of jobs created: 0 and eliminated: 0

Describe the types of jobs or occupations impacted: Labor relations specialists and labor representatives may incur opportunity costs from the time spent accompanying the division on certain workplace inspections.

7. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here? ☐ YES ☒ NO

If YES, explain briefly: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ECONOMIC AND FISCAL IMPACT STATEMENT  
(REGULATIONS AND ORDERS)**

STD. 399 (Rev. 10/2019)

**ECONOMIC IMPACT STATEMENT (CONTINUED)****B. ESTIMATED COSTS** *Include calculations and assumptions in the rulemaking record.*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ 1,820,000
- a. Initial costs for a small business: \$ 0 Annual ongoing costs: \$ 3,033 Years: 10
- b. Initial costs for a typical business: \$ 0 Annual ongoing costs: \$ 0 Years: 10
- c. Initial costs for an individual: \$ 0 Annual ongoing costs: \$ 0 Years: 10
- d. Describe other economic costs that may occur: Opportunity costs of \$182,000 annually borne by employee representative organizations whose employees would accompany the Division's representative during the workplace inspection.
2. If multiple industries are impacted, enter the share of total costs for each industry: n/a
3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted. \$ n/a
4. Will this regulation directly impact housing costs? ☐ YES ☒ NO  
If YES, enter the annual dollar cost per housing unit: \$ \_\_\_\_\_  
Number of units: \_\_\_\_\_
5. Are there comparable Federal regulations? ☒ YES ☐ NO  
Explain the need for State regulation given the existence or absence of Federal regulations: Federal law requires the state, under its state safety and health plan, to adopt regulations that are at least as effective as their federal counterparts.
- Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ 0

**C. ESTIMATED BENEFITS** *Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: The regulation will improve the Division's workplace health and safety inspections by allowing the inspectors to be accompanied by employee representatives whose assistance is reasonably necessary for the conduct of an effective and thorough inspection.
2. Are the benefits the result of: ☒ specific statutory requirements, or ☐ goals developed by the agency based on broad statutory authority?  
Explain: Federal OSHA updated its regulation. Cal/OSHA must also update to ensure it is as effective as federal OSHA.
3. What are the total statewide benefits from this regulation over its lifetime? \$ 0
4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: None expected.

**D. ALTERNATIVES TO THE REGULATION** *Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: There are no alternatives that have been considered because under the law, our inspection process must be at least as effective as the federal process. This proposal is modeled after the federal inspection process found in 29 CFR section 1903.8.

**ECONOMIC IMPACT STATEMENT (CONTINUED)**

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation:	Benefit: \$	<u>0</u>	Cost: \$	<u>1,820,000</u>
Alternative 1:	Benefit: \$	<u>n/a</u>	Cost: \$	<u>n/a</u>
Alternative 2:	Benefit: \$	<u>n/a</u>	Cost: \$	<u>n/a</u>

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: None

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? ☐ YES ☒ NO

Explain: This proposed rule does not mandate the use of specific technologies or equipment nor does it prescribe specific actions or procedures.

**E. MAJOR REGULATIONS** *Include calculations and assumptions in the rulemaking record.*

***California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.***

1. Will the estimated costs of this regulation to California business enterprises **exceed \$10 million**? ☐ YES ☒ NO

***If YES, complete E2. and E3  
If NO, skip to E4***

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: \_\_\_\_\_  
Alternative 2: \_\_\_\_\_

*(Attach additional pages for other alternatives)*

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation:	Total Cost \$	_____	Cost-effectiveness ratio: \$	_____
Alternative 1:	Total Cost \$	_____	Cost-effectiveness ratio: \$	_____
Alternative 2:	Total Cost \$	_____	Cost-effectiveness ratio: \$	_____

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding \$50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented?

☐ YES ☒ NO

*If YES, agencies are required to submit a Standardized Regulatory Impact Assessment (SRIA) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.*

5. Briefly describe the following:

The increase or decrease of investment in the State: The proposed regulation will not result in an increase or decrease of investment in the State. These changes are required on a national level and have been implemented federally.

The incentive for innovation in products, materials or processes: The proposed regulation will not impact incentives for innovation in products, materials or processes.

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: This proposed regulation would improve worker safety by making workplace health and safety inspections more effective.

**FISCAL IMPACT STATEMENT**

**A. FISCAL EFFECT ON LOCAL GOVERNMENT** *Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

☐ 1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate)  
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ \_\_\_\_\_

☐ a. Funding provided in \_\_\_\_\_  
Budget Act of \_\_\_\_\_ or Chapter \_\_\_\_\_, Statutes of \_\_\_\_\_

☐ b. Funding will be requested in the Governor's Budget Act of \_\_\_\_\_  
Fiscal Year: \_\_\_\_\_

☐ 2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)  
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ \_\_\_\_\_

*Check reason(s) this regulation is not reimbursable and provide the appropriate information:*

☐ a. Implements the Federal mandate contained in \_\_\_\_\_

☐ b. Implements the court mandate set forth by the \_\_\_\_\_ Court.

Case of: \_\_\_\_\_ vs. \_\_\_\_\_

☐ c. Implements a mandate of the people of this State expressed in their approval of Proposition No. \_\_\_\_\_

Date of Election: \_\_\_\_\_

☐ d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: \_\_\_\_\_  
\_\_\_\_\_

☐ e. Will be fully financed from the fees, revenue, etc. from: \_\_\_\_\_

Authorized by Section: \_\_\_\_\_ of the \_\_\_\_\_ Code;

☐ f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

☐ g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in \_\_\_\_\_

☐ 3. Annual Savings. (approximate)

\$ \_\_\_\_\_

☐ 4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

☒ 5. No fiscal impact exists. This regulation does not affect any local entity or program.

☐ 6. Other. Explain \_\_\_\_\_  
\_\_\_\_\_

**FISCAL IMPACT STATEMENT (CONTINUED)**

**B. FISCAL EFFECT ON STATE GOVERNMENT** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

- ☐ 1. Additional expenditures in the current State Fiscal Year. (Approximate)
- \$ \_\_\_\_\_
- It is anticipated that State agencies will:*
- ☐ a. Absorb these additional costs within their existing budgets and resources.
- ☐ b. Increase the currently authorized budget level for the \_\_\_\_\_ Fiscal Year

- ☐ 2. Savings in the current State Fiscal Year. (Approximate)

\$ \_\_\_\_\_

- ☒ 3. No fiscal impact exists. This regulation does not affect any State agency or program.

- ☐ 4. Other. Explain \_\_\_\_\_
- \_\_\_\_\_

**C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

- ☐ 1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ \_\_\_\_\_

- ☐ 2. Savings in the current State Fiscal Year. (Approximate)


\$ \_\_\_\_\_

- ☒ 3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.

- ☐ 4. Other. Explain \_\_\_\_\_
- \_\_\_\_\_

FISCAL OFFICER SIGNATURE

 **Joshua Iverson**

 Digitally signed by Joshua Iverson  
Date: 2025.05.22 08:50:14 -07'00'

DATE

May 22, 2025

*The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.*

AGENCY SECRETARY



DATE

10/7/25

*Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.*

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER



DATE