

**STATE OF CALIFORNIA  
DEPARTMENT OF INDUSTRIAL RELATIONS  
Division of Workers' Compensation**

**FINAL STATEMENT OF REASONS**

**Subject Matter of Proposed Amendments to Regulations: Workers' Compensation –  
Collective Bargaining Agreements**

**A. UPDATE OF INITIAL STATEMENT OF REASONS AND INFORMATIVE DIGEST**

Pursuant to Government Code Section 11346.9(b), the Administrative Director of the Division of Workers' Compensation (hereinafter "Administrative Director") incorporates, by this reference, the Initial Statement of Reasons prepared in this matter.

**1. MODIFICATIONS TO THE PROPOSED REGULATORY TEXT**

No changes were made to the initially noticed regulatory text, except changes without regulatory effect, including correction of typographical errors.

There were changes to the numbering in Section 10201, subdivision (a)(1)(F), where (1.) through (4.) were changed to (i) through (iv). In Section 10201, subdivision (a)(1)(H)(iii), a cross-referencing error was corrected.

There were changes to the numbering in Section 10202 subdivision (d)(1)(E), where (1) through (3) were changed to (i) through (iii).

In Section 10202, subdivision (d)(2)(C)(1), a paragraph was deleted to conform to the statute. Section 10202 carries out the collectively bargained alternative dispute resolution programs under Labor Code section 3201.7 for industries other than the construction industry. Section 10202, subdivision (d)(2)(C)(1) mistakenly required proof that the union represents employees in the construction industry. However, the "construction industry" requirement is only applicable to programs under Labor Code section 3201.5 which is carried out in Section 10201. The deletion of the paragraph from subdivision (d)(2)(C)(1) corrects a drafting error and conforms the regulation to the statute. It is a change without regulatory effect. The numbering was then adjusted to conform to the deletion of the paragraph.

**B. DETERMINATIONS CONCERNING LOCAL MANDATES**

Local Mandate: None. The proposed regulations will not impose any new mandated programs or increased service levels on any local agency or school district. Cities and counties that are self-insured may negotiate carve-out programs with unions that are the exclusive bargaining representative of cities' or counties' employees, but the statute does not mandate such programs. The potential costs imposed on all public agency employers by these proposed regulations, although not a benefit level increase, are not a new State mandate because the regulations apply to all unionized employers, both public and private, and not uniquely to local governments.

Cost to any local agency or school district that is required to be reimbursed under Part 7 (commencing with section 17500) of Division 4 of the Government Code: None. (See “Local Mandate” section above.)

Other nondiscretionary costs/savings imposed upon local agencies: None. (See “Local Mandate” section above.)

### **C. CONSIDERATION OF ALTERNATIVES**

The Administrative Director considered all the comments submitted during the public comment period and determined that no alternatives proposed by the regulated public or otherwise considered by the Administrative Director would be more effective in carrying out the purpose for which these regulations were proposed, nor would they be as effective as and less burdensome to affected private persons and businesses than the regulations that were adopted.

### **D. SUMMARY OF COMMENTS RECEIVED ON THE REGULATIONS AS ADOPTED AND RESPONSES THERETO**

The comments of each organization or individual are addressed in the attached chart as they relate to each section of the regulations.

The 45-day public comment period on the proposed regulations was from May 21, 2004 through July 8, 2004.

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