

THE BUDGET REQUEST FOR CAL-OSHA

FEBRUARY 29, 1984

LEGISLATIVE ANALYST

STATE OF CALIFORNIA

925 L STREET, SUITE 650

SACRAMENTO, CALIFORNIA 95814

THE BUDGET REQUEST FOR CAL-OSHA

Statement By the Legislative Analyst to
the Assembly Labor and Employment Committee
and the Senate Industrial Relations Committee

MR. CHAIRMAN AND MEMBERS:

YOU HAVE ASKED ME TO SUMMARIZE THE FINDINGS FROM OUR ANALYSIS OF THE 1984-85 BUDGET REQUEST FOR THE CAL-OSHA PROGRAM IN THE DEPARTMENT OF INDUSTRIAL RELATIONS (DIR).

OUR REVIEW OF THE PROPOSED BUDGET FOR CAL-OSHA INDICATES THAT IN FISCAL YEAR 1984-85 THE DEPARTMENT MAY NOT HAVE THE RESOURCES IT NEEDS TO PERFORM ITS STATUTORY RESPONSIBILITIES, DUE TO THREE FACTORS:

- THE ELIMINATION OF 170 POSITIONS THAT RESULTED FROM THE GOVERNOR'S ACTION ON THE BUDGET FOR THE CURRENT YEAR;
- THE PROPOSED REDUCTION OF 18 POSITIONS IN 1984-85 AS PART OF THE GOVERNOR'S PERSONNEL REDUCTION PLAN; AND
- A PERSISTENTLY HIGH VACANCY RATE AMONG THOSE POSITIONS THAT REMAIN--14 PERCENT AS OF THE BEGINNING OF THE YEAR.

I WILL DISCUSS IN MORE DETAIL THE IMPACT OF EACH OF THESE FACTORS ON THE DIVISION OF OCCUPATIONAL SAFETY AND HEALTH, WHICH ADMINISTERS THE CAL-OSHA PROGRAM.

CURRENT-YEAR POSITION REDUCTIONS

THE GOVERNOR CUT 170 POSITIONS AND \$8 MILLION FROM THE DEPARTMENT'S BASELINE BUDGET FOR 1983-84, WITH ONE-HALF OF THESE POSITIONS COMING FROM

THE DIVISION OF OCCUPATIONAL SAFETY AND HEALTH. TABLE 1 SUMMARIZES THE PERSONNEL REDUCTIONS AFFECTING THE DIVISION. THE TABLE INDICATES THAT 44 OF THE TERMINATED POSITIONS WERE PROFESSIONAL AND 42.5 WERE CLERICAL. THE 86.5 POSITION REDUCTION REPRESENTS A 17 PERCENT CUT IN THE TOTAL NUMBER OF POSITIONS AVAILABLE TO THE DIVISION.

Table 1

Department of Industrial Relations: Division of Occupational Safety and Health
 Impact of 1983-84 Budget Reductions
 On Staffing Levels

Selected Programs	1982-83 Staffing Levels			1983-84 Reductions			1983-84 Staffing Levels		
	Professional	Clerical	Total	Professional	Clerical	Total	Professional	Clerical	Total
Cal-OSHA:									
Administration	14.0	17.0	31.0	-5.0	-3.0	-8.0	9.0	14.0	23.0
Research and Standards Development	14.0	4.0	18.0	-6.0	-1.0	-7.0	8.0	3.0	11.0
Medical Support	6.0	--	6.0	-3.0	--	-3.0	3.0	--	3.0
Special Health Studies	5.0	2.0	7.0	-1.0	--	-1.0	4.0	2.0	6.0
Legal Unit	11.0	9.0	20.0	-7.0	-4.0	-11.0	4.0	5.0	9.0
Bureau of Investigations	10.0	3.0	13.0	-4.0	--	-4.0	6.0	3.0	9.0
Monitoring Unit	4.0	2.0	6.0	-3.0	-1.5	-4.5	1.0	.5	1.5
Field Enforcement	210.0	72.5	282.5	-10.0	-27.0	-37.0	200.0	45.5	245.5
Elevator Inspections	41.0	17.0	58.0	-2.0	-4.0	-6.0	39.0	13.0	52.0
Pressure Vessel Inspections	52.0	18.0	70.0	-3.0	-2.0	-5.0	49.0	16.0	65.0
Totals	367.0	144.5	511.5	-44.0	-42.5	-86.5	323.0	102.0	425.0

WE DO NOT TAKE ISSUE WITH ALL THE POSITIONS ELIMINATED BY THE GOVERNOR. HOWEVER, WE CONTINUE TO HAVE SOME OF THE CONCERNS ABOUT THESE REDUCTIONS THAT WE EXPRESSED TO THE LEGISLATURE LAST APRIL WHEN THESE POSITIONS FIRST WERE PROPOSED FOR ELIMINATION. FOR EXAMPLE, WE ARE CONCERNED THAT REDUCTIONS IN CAL-OSHA ATTORNEY POSITIONS MAY RESULT IN INADEQUATE STATE REPRESENTATION BEFORE THE CAL-OSHA APPEALS BOARD. IN ADDITION, WE ARE CONCERNED THAT THE ELIMINATION OF CLERICAL POSITIONS IN CAL-OSHA FIELD ENFORCEMENT MAY INTERFERE WITH THE ABILITY OF FIELD OFFICES TO EFFECTIVELY ENFORCE CAL-OSHA REGULATIONS. FOR INSTANCE, OUR FIELD INVESTIGATIONS HAVE FOUND THAT IN SOME FIELD OFFICES, CLERICALS NO LONGER ARE PROCESSING HISTORY CHECKS TO DETERMINE IF EMPLOYERS BEING INVESTIGATED HAVE HAD PRIOR VIOLATIONS. AND, IN OTHER OFFICES, FIELD ENFORCEMENT PERSONNEL HAVE REDIRECTED SOME OF THEIR TIME TOWARD ANSWERING PHONES AND PERFORMING CLERICAL DUTIES.

THREE PERCENT REDUCTIONS

THE ADMINISTRATION NOW PROPOSES FURTHER REDUCTIONS IN STAFFING FOR THE DIR AS PART OF ITS OVERALL PLAN TO REDUCE THE STATE WORKFORCE BY 3 PERCENT. SEVEN OF THE EIGHTEEN POSITIONS PROPOSED FOR REDUCTION FROM THE DEPARTMENT ARE IN THE DIVISION. AS TABLE 2 SHOWS, THESE POSITIONS INCLUDE: TWO FROM THE CAL-OSHA APPEALS BOARD, ONE FROM THE CAL-OSHA STANDARDS BOARD, TWO POSITIONS PERTAINING TO PRESSURE VESSEL INSPECTIONS, AND TWO POSITIONS FOR ELEVATOR INSPECTIONS.

Table 2

Department of Industrial Relations
 Three Percent Position Reduction by Program and Funding Source
 (dollars in thousands)

	Positions	Funding Source			Totals
		General Fund	Elevator and Pressure Vessel Accounts	Federal Funds and Reimbursements	
Administration	1	\$55	4	15	\$74
Regulation of Workers' Compensation Self-Insurance Plans	1	--	--	33	33
Adjudication of Workers' Compensation Disputes	7	307	--	--	307
Division of Occupational Safety and Health					
Cal-OSHA					
OSHA Appeals Board	2	40	--	39	79
OSHA Standards Board	1	34	--	--	34
Elevator Inspections	2	--	66	--	66
Pressure Vessel Unit	2	--	82	--	82
Labor Force Research and Data Dissemination	<u>2</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Totals	18	\$436	\$152	\$87	\$675

WE ARE CONCERNED THAT THE ELIMINATION OF FOUR INSPECTION POSITIONS WILL LIMIT THE DEPARTMENT'S ABILITY TO ENSURE PUBLIC HEALTH AND SAFETY. IN BOTH THE ELEVATOR INSPECTION AND PRESSURE VESSEL INSPECTION PROGRAMS, THERE ALREADY ARE SERIOUS BACKLOGS. FOR INSTANCE, 40 PERCENT OF ALL ELEVATORS IN THE STATE, 7.5 PERCENT OF THE LIQUIFIED PETROLEUM GAS TANKS, AND 44 PERCENT OF STEAM PRESSURE BOILERS ARE PAST-DUE FOR INSPECTION. THESE INSPECTION PROGRAMS ARE PRIMARILY SELF-SUPPORTING THROUGH FEES CHARGED TO OWNERS OF ELEVATORS AND PRESSURE VESSELS. THE GENERAL FUND PICKS UP THE TAB ONLY FOR THOSE INSPECTIONS PERFORMED ON STATE AND LOCAL FACILITIES.

WE QUESTION THE WISDOM OF REDUCING STAFF IN PROGRAM AREAS WHICH (1) DIRECTLY AFFECT THE PUBLIC HEALTH AND SAFETY, (2) ALREADY HAVE SERIOUS BACKLOGS, AND (3) DO NOT REPRESENT A MAJOR DRAIN ON THE GENERAL FUND.

HIGH VACANCY RATES

FINALLY, THE DEPARTMENT IS EXPERIENCING AN EXCESSIVELY HIGH VACANCY RATE. AS OF DECEMBER 31, 1983, THE DEPARTMENT-WIDE VACANCY RATE WAS 14 PERCENT. SOME DIVISIONS AND PROGRAMS, HOWEVER, ARE EXPERIENCING EVEN HIGHER VACANCY RATES. AS TABLE 3 INDICATES, THE DIVISION HAD AN OVERALL VACANCY RATE OF 21.1 PERCENT AT THE END OF 1983.

Table 3

Department of Industrial Relations
 Vacancies, Division of Occupational Safety and Health
 As of December 31, 1983

	Authorized Positions	Vacancies	
		No.	Percent
Division of Occupational Safety and Health	635.9	134	21.1%
Selected programs:			
Cal-OSHA Consultation Service	67.0	13	19.4
Cal-OSHA Compliance Inspectors	217.0	52	24.0
Pressure Vessels Inspections	50.0	25	50.0
Elevator Inspections	39.0	11	28.2

PROGRAMS WITHIN CAL-OSHA WHICH ARE MOST SEVERELY AFFECTED BY THE
 HIGH VACANCY RATE INCLUDE:

- COMPLIANCE INSPECTIONS. THIRTY-ONE PERCENT OF ALL HEALTH INSPECTOR POSITIONS AND 20 PERCENT OF ALL SAFETY INSPECTOR POSITIONS WERE VACANT ON DECEMBER 31, 1983. COMPLIANCE INSPECTORS CITE VIOLATIONS AND SEEK COMPLIANCE WITH CAL-OSHA HEALTH AND SAFETY REGULATIONS.
- INDUSTRIAL HYGIENISTS. FORTY-ONE PERCENT OF ALL INDUSTRIAL HYGIENIST POSITIONS IN THE CONSULTATION PROGRAM WERE VACANT. THIS PROGRAM HELPS EMPLOYERS COMPLY WITH CAL-OSHA REGULATIONS. THE POSITIONS ARE 90 PERCENT FUNDED BY THE FEDERAL GOVERNMENT.
- PRESSURE VESSEL AND ELEVATOR INSPECTORS. FIFTY PERCENT OF ALL PRESSURE VESSEL INSPECTOR POSITIONS AND 28 PERCENT OF ALL ELEVATOR INSPECTOR POSITIONS WERE VACANT ON DECEMBER 31.

AS I HAVE ALREADY STATED, BOTH THE PRESSURE VESSEL INSPECTION PROGRAM AND THE ELEVATOR INSPECTION PROGRAM CURRENTLY HAVE VERY LARGE BACKLOGS. IN ADDITION, BOTH PROGRAMS ARE FUNDED PRIMARILY THROUGH FEES ASSESSED TO OWNERS OF FACILITIES.

DEPARTMENT OFFERS REASONS FOR HIGH VACANCY

THE DEPARTMENT CITES THREE REASONS FOR THE HIGH DEPARTMENT-WIDE VACANCY RATES.

1. HOLDING COSTS ASSOCIATED WITH TERMINATED POSITIONS. AT THE START OF THE CURRENT FISCAL YEAR, NO FUNDING WAS AVAILABLE FOR THE POSITIONS ELIMINATED BY THE GOVERNOR FROM THE 1983 BUDGET ACT. DUE TO THE STATE'S INVOLVED LAYOFF PROCESS, HOWEVER, THOSE OCCUPYING THESE POSITIONS COULD NOT BE TAKEN OFF THE STATE'S PAYROLL. IN FACT, AS OF JANUARY 1--SIX MONTHS INTO THE FISCAL YEAR, 22 OF THE ELIMINATED POSITIONS WERE STILL FILLED. THE DEPARTMENT ASSERTS THAT MAINTAINING A HIGH VACANCY RATE--THAT IS, HOLDING OPEN OTHER POSITIONS--HAS BEEN NECESSARY TO FUND THE HOLDING COSTS ASSOCIATED WITH THE TERMINATED POSITIONS.

2. ADMINISTRATION HIRING FREEZE. THE DEPARTMENT INFORMS US THAT THE HIRING FREEZE HAS ADDED TO THE DIFFICULTIES OF FILLING AUTHORIZED POSITIONS.

3. "GOLDEN HANDSHAKE" PROGRAM. IN ORDER TO REMOVE INDIVIDUALS FROM THE 170 POSITIONS ELIMINATED BY THE GOVERNOR IN THE CURRENT YEAR, THE DIR OFFERED THE "GOLDEN HANDSHAKE"--OR EARLY RETIREMENT--PROGRAM TO ITS EMPLOYEES. ONCE THE DECISION TO OFFER THIS OPTION WAS MADE, HOWEVER, THE DEPARTMENT COULD NOT EXTEND THE OPTION TO SOME DIVISIONS AND NOT TO OTHERS.

THUS, THE DEPARTMENT CONTENDS THAT THE "GOLDEN HANDSHAKE" UNINTENTIONALLY EXACERBATED THE HIGH VACANCY RATES OF SOME DIVISIONS.

MR. CHAIRMAN AND MEMBERS, THOSE ARE THE PRINCIPAL FINDINGS FROM OUR ANALYSIS OF THE DIVISION OF OCCUPATIONAL SAFETY AND HEALTH BUDGET. CLEARLY, THEY RAISE SOME SERIOUS QUESTIONS AS TO THE DEPARTMENT'S ABILITY TO CARRY OUT ITS RESPONSIBILITIES DURING THE CURRENT-YEAR AND IN THE FUTURE. I WOULD BE HAPPY TO ADDRESS ANY QUESTIONS YOU MIGHT HAVE.