

Cal/OSHA acknowledges spending only 71% of enforcement funding in 2023 while Governor Newsom proposes a \$21 million cut in enforcement starting in July 2025

Garrett Brown, March 19, 2025

Cal/OSHA parent agency, the Department of Industrial Relations (DIR), reported to the California state legislature in February that Cal/OSHA spent only 71% of its allocated funding for enforcement during 2023. The admission comes at the same time that Governor Gavin Newsom has proposed a \$21 million cut in enforcement spending for the fiscal year starting in July 2025.

DIR is required to report key performance metrics to the state legislature for each calendar year by March 1st of the next year. On February 5, 2025, DIR Director Katie Hagen sent legislators – a year late – the report for Cal/OSHA activities in calendar year 2023. The report on Cal/OSHA’s 2024 performance was due on March 1, 2025, but no word from DIR on when that data will be provided.

DIR reported that Cal/OSHA spent only 71% of its allocated enforcement spending during 2023, and 71% of its overall allocated resources (see attached letter). Leaving this worker protection “money on the table” is one of the financial results of the years-long understaffing of field inspectors in Cal/OSHA’s enforcement offices, with vacancy rates above 40% in the latest available staffing statistics.

At the same time, in January 2025, Governor Newsom proposed a \$21 million cut in Cal/OSHA enforcement resources starting in July 2025 for the next state fiscal year. The proposed reduction in worker protection comes when there is a large backlog of inspections caused by the inspector vacancies, and when new regulations and legislative mandates are coming into effect.

Cal/OSHA is not funded by the state General Fund, but rather by three totally independent sources unaffected by the state budget: the annual Fed OSHA grant, the OSH Fund, and a “fee for service” funding for equipment inspections (such as elevators). The OSH Fund, the major source of Cal/OSHA’s independent funding comes from a very small surcharge on employer’s premiums on worker compensation insurance policies.

The double-whammy of inspector vacancy rates above 40% and the proposed \$21 million cut in enforcement funding means the agency has been and will be crippled in terms of protecting California’s 19 million workers.

Interestingly, DIR has just contracted with the CPS HR Consulting company to conduct a study on “maximizing recruitment and retention efforts; ensuring the classification specification(s) are current; and reviewing the minimum qualifications.” Cal/OSHA field inspectors have been informed that information gathering sessions will begin at the end of March and early April.

In 2020, DIR contracted with the same consulting firm to conduct a study of Cal/OSHA's workload and establish the number of field inspectors (both safety engineers and industrial hygienists) needed to do the work and meet Cal/OSHA's mandate and mission.

In July 2020, CPS HR Consulting issued a report (see attached) with its findings:

"Overall Findings and Observations: The workload staffing analysis identified a need for **140.64 IH and 187.46 SE** positions to meet the projected workload in FY 22-23, which is notably higher than the 3.6 IH and 171.6 SE filled as of FY 18-19." [for a total of 327 field inspector positions]

Five years later – with an even greater workload today for field inspectors – the latest available staffing data indicates Cal/OSHA has just 150 safety engineer and 4 industrial hygiene positions filled, out of 268 funded and authorized CSHO positions.

It should be noted that the Governor's budget proposal documents that the OSH Fund for Cal/OSHA will run a \$200 million surplus (called a "reserve for economic uncertainties") for the current state fiscal year, and ran a \$200 million surplus in the previous fiscal year. So resources to implement the state recommendations of the 2020 CPS HR Consulting report have been and are available.

It remains to be seen with the pending recommendations of the 2025 study are implemented, or ignored as occurred with the 2020 study.

In the meantime, California's workers and their families will continue to pay the cost in blood and tears for the reduced worksite health and safety protections under the Newsom Administration.