

Financial Impacts of the Chronic Understaffing at Cal/OSHA

An examination of California budget documents for the last four fiscal years shows the dramatic impact of the chronic understaffing of Cal/OSHA, the state's worker protection agency, on workplace health and safety in the state,

The scale of "money left on the table" by Cal/OSHA is shown on Table 1 below – with between 33% and 50% of the resources collected and available for Cal/OSHA have been left unused. The source of this huge amount of unused resources is unpaid salaries for the 35% - 40% vacancies in field compliance inspectors (and other positions) at Cal/OSHA. The people paying the cost in injuries, illnesses and deaths for this loss of essential resources for workplace health and safety are the working people of the state.

At the same time, employers who pay into an independent fund which finances Cal/OSHA's worker protection activities – rather than the state General Fund – have had their contributions to the fund cut by tens of millions of dollars in the last four years. Table 2 shows how the failure of Cal/OSHA and its parent agency the Department of Industrial Relations to hire and fill vacant positions has generated an immense pool of unused resources which are eventually returned to employers in the form of reduced assessments.

Cal/OSHA and DIR have left millions of worker protection dollars on the table, crippled its ability to enforce safety laws and be a credible deterrent for employers, and at the same time returned millions back to the employers, adding insult to injury for California workers.

Garrett Brown, March 22, 2024

Table 1: Occupational Safety and Health Fund (OSHF) Budget and Fund Balances

Metric	FY 2020/21 July 1, 2020	FY 2021/22 July 1, 2021	FY 2022/23 July 1, 2022	FY 2023/24 July 1, 2023
Adjusted beginning balance	\$50,066,000	\$55,968,000	\$94,346,000	\$120,062,000
Total resources available	\$148,847,000	\$154,749,000	\$242,312,000	\$266,558,000
Total expenditures	\$100,450,000	\$100,450,000	\$122,250,000	\$158,238,000
Ending fund balance	\$48,397,000	\$54,299,000	\$120,062,000	\$108,320,000
Expenditures as % of total resources	67.5%	65%	50%	59%
Fund balance as % of total resources	32.5%	35%	50%	41%

Source: Labor and Workforce Development, Governor’s Budget for the fiscal years 2021-22, 2022-23, and 2024-25.

Links:

<https://ebudget.ca.gov/2021-22/pdf/GovernorsBudget/7000/7350FCS.pdf>

<https://ebudget.ca.gov/2022-23/pdf/GovernorsBudget/7000/7350FCS.pdf>

<https://ebudget.ca.gov/2024-25/pdf/GovernorsBudget/7000/7350FCS.pdf>

Table 2: Employer Assessments for the Occupational Safety and Health Fund (OSHF)

Metric	FY 2020/21 July 1, 2020	FY 2021/22 July 1, 2021	FY 2022/23 July 1, 2022	FY 2023/24 July 1, 2023
Total assessments for all payers	\$132,411,468	\$168,104,708	\$195,438,707	\$217,831,327
Initial OSHF assessment for insured employers	\$59,111,203	\$124,481,556	\$141,438,992	\$160,672,387
Decrease for overcollection for insured employers	\$35,095,081	\$12,423,847	\$53,883,736	\$53,721,211
Final assessment for insured employers	\$29,763,161	\$129,393,510	\$105,810,928	\$115,523,288
Initial OSHF assessment for self-insured employers	\$22,040,916	\$43,623,172	\$53,999,715	\$57,158,940
Decrease for overcollection of self-insured employers	\$5,151,080	\$4,353,799	\$20,572,165	\$19,111,234
Final assessment for self-insured employers	\$16,889,836	\$39,269,373	\$33,427,550	\$38,047,706

Source: Department of Industrial Relations (DIR) memos and methodology for fiscal year assessments from FY 2020/21 through FY 2023/24

Links:

<https://www.dir.ca.gov/osip/FY-2020-2021-Assessment-Notices.pdf>

<https://www.dir.ca.gov/OSIP/FY-2021-2022-Assessment-Notices.pdf>

https://www.dir.ca.gov/dwc/DWC_RevolvingFundAssessment/22UFund.pdf

<https://www.dir.ca.gov/OSIP/FY-2023-2024-Assessment-Notices.pdf>