

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

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME Agricultural Labor Relations Board	CONTACT PERSON Eduardo R. Blanco	EMAIL ADDRESS eblanco@alrb.ca.gov	TELEPHONE NUMBER 916-651-7633
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Consolidation of cases: Amending CCR Title 8 §20335(c)			NOTICE FILE NUMBER Z

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 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.***Agricultural Labor Relations Board**2. The Agricultural Labor Relations Board (Agency/Department) estimates that the economic impact of this regulation (which includes the fiscal impact) is:

- 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: 75,000 approx.Describe the types of businesses (Include nonprofits): Growers, unions (non-profit), law firmsEnter the number or percentage of total businesses impacted that are small businesses: All4. Enter the number of businesses that will be created: None eliminated: NoneExplain: This regulatory action will not create or eliminate any businesses.5. Indicate the geographic extent of impacts: Statewide Local or regional (List areas): _____6. Enter the number of jobs created: None and eliminated: NoneDescribe the types of jobs or occupations impacted: N/A7. 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 NOIf YES, explain briefly: The regulations provide technical clarification for certain types of legal filings.

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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? \$ 0
- a. Initial costs for a small business: \$ 0 Annual ongoing costs: \$ 0 Years: N/A
- b. Initial costs for a typical business: \$ 0 Annual ongoing costs: \$ 0 Years: N/A
- c. Initial costs for an individual: \$ 0 Annual ongoing costs: \$ 0 Years: N/A
- d. Describe other economic costs that may occur: None.

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: \$ 0

Number of units: 0

5. Are there comparable Federal regulations? YES NO

Explain the need for State regulation given the existence or absence of Federal regulations: The regulations clarify the relationship between elections and mirror ULPs to ensure the timely resolution of the charges.

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ None

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 consolidation of cases enables more efficient resolution of election objections and certain unfair labor practice (ULP) cases.

2. Are the benefits the result of: specific statutory requirements, or goals developed by the agency based on broad statutory authority?

Explain: SB 126 (Statutes of 2011) amends LC§ 1156.3 to institute a mandatory timeline for certain types of election cases.

3. What are the total statewide benefits from this regulation over its lifetime? \$ Unknown

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: None.

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: The alternative to the regulations was to retain the current process, which could prevent the ALRB from meeting the required timeline or lead to separate litigation and inconsistent decisions for the same case.

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ECONOMIC IMPACT STATEMENT (CONTINUED)

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

Regulation: Benefit: \$ 0 Cost: \$ 0

Alternative 1: Benefit: \$ 0 Cost: \$ Unknown

Alternative 2: Benefit: \$ _____ Cost: \$ _____

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: There is no known economic benefit to Alternative 1, and an unknown cost related to possible additional hearings and increasing litigation.

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: The regulations propose specific types of legal actions and legal determinations, and as such, performance standards are not applicable.

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: None.

The incentive for innovation in products, materials or processes: None.

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: ALRB will comply with the intent of the statute, and avoid duplicative hearings and the associated administrative costs.

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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 _____

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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 Does not result in additional costs for ALRB. The General Counsel will prioritize workload related to expediting investigation of mirror unfair labor practices (ULPs).

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



DATE

3/23/16

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

3-23-16

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

Consolidation Regulations

Economic Impact Statement

- A. 3. The ALRB estimates that there are approximately 75,000 farms in California, any of which may be subject to union elections. There are 3 unions that represent California farmworkers and who would potentially be involved in an elections case or unfair labor practice (ULP) matter including litigation. There are about 20 law firms in California that represent clients (unions, farmworkers, or employers) in front of the ALRB.

Agricultural operations are generally not categorized in terms of "small business;" the ALRB relies on data from the US Census of Agriculture, 2012, Table 5. In California, the overall net gain per farm was \$308,000. Based on this data, the ALRB believes that the majority of farms in the state are small businesses.

Table 4. Farm Production Expenses: 2012 and 2007 (continued)

[For meaning of abbreviations and symbols, see introductory text.]

Item	2012		2007	
	Farms	Expenses (\$1,000)	Farms	Expenses (\$1,000)
Production expenses paid by landlords	farms 1,305	(X)	1,026	(X)
	\$1,000 (X)	54,690	(X)	45,760
	percent of total (X)	0.2	(X)	0.2
Farms with expenses of-				
\$1 to \$499	159	39	56	14
\$500 to \$999	82	87	32	22
\$1,000 to \$4,999	378	914	250	646
\$5,000 to \$9,999	154	1,122	193	1,406
\$10,000 to \$24,999	206	3,275	217	3,396
\$25,000 or more	326	49,283	278	40,276
\$25,000 to \$49,999	157	5,526	122	4,274
\$50,000 to \$99,999	85	4,646	78	5,467
\$100,000 or more	104	39,111	78	30,535
Depreciation expenses claimed	farms 39,342	(X)	37,834	(X)
	\$1,000 (X)	2,256,892	(X)	1,800,646
	percent of total (X)	6.4	(X)	6.7
Farms with expenses of-				
\$1 to \$499	1,870	466	2,261	553
\$500 to \$999	2,109	1,420	2,130	1,476
\$1,000 to \$4,999	10,058	26,176	10,208	26,387
\$5,000 to \$9,999	6,351	43,212	6,474	42,498
\$10,000 to \$24,999	7,480	116,800	6,946	108,405
\$25,000 or more	11,474	2,068,818	10,115	1,621,327
\$25,000 to \$49,999	4,349	150,587	3,880	134,643
\$50,000 to \$99,999	2,940	201,416	2,628	183,982
\$100,000 or more	4,185	1,716,814	3,607	1,369,701

¹ Landlord production expenses are included within total farm production expenses.

Table 5. Net Cash Farm Income of the Operations and Operators: 2012 and 2007

[For meaning of abbreviations and symbols, see introductory text.]

Item	2012		2007	
	Farms	Income (\$1,000)	Farms	Income (\$1,000)
Net cash farm income of the operations (see text)	77,857	8,523,285	81,033	7,983,228
Average per farm	(X)	109,474	(X)	98,518
Farms with net gains ¹	36,283	11,394,897	35,095	9,904,894
Average per farm	(X)	314,056	(X)	282,231
Farms with gains of-				
less than \$1,000	1,602	762	2,028	954
\$1,000 to \$4,999	4,785	13,480	5,232	14,497
\$5,000 to \$9,999	3,597	26,156	3,567	25,959
\$10,000 to \$24,999	5,723	95,178	5,792	95,323
\$25,000 to \$49,999	4,813	173,881	4,443	159,895
\$50,000 or more	15,763	11,085,441	14,033	9,608,267
Farms with net losses	41,574	2,871,613	45,938	1,921,666
Average per farm	(X)	69,072	(X)	41,832
Farms with losses of-				
less than \$1,000	1,982	1,004	2,626	1,290
\$1,000 to \$4,999	8,924	26,202	10,484	30,850
\$5,000 to \$9,999	7,815	57,166	9,022	65,613
\$10,000 to \$24,999	10,269	164,982	11,115	179,418
\$25,000 to \$49,999	5,478	192,542	5,866	204,678
\$50,000 or more	7,106	2,429,717	6,825	1,439,817
Net cash farm income of operators (see text)	77,857	8,177,199	81,033	7,746,152
Average per farm	(X)	105,028	(X)	95,593
Farm operators reporting net gains ¹	36,052	11,136,098	34,860	9,704,279
Average per farm	(X)	308,890	(X)	278,379
Farms with gains of-				
less than \$1,000	1,605	764	2,020	952
\$1,000 to \$4,999	4,774	13,450	5,242	14,532
\$5,000 to \$9,999	3,610	26,231	3,577	26,009
\$10,000 to \$24,999	5,758	95,875	5,786	95,105
\$25,000 to \$49,999	4,811	173,736	4,447	160,067
\$50,000 or more	15,494	10,826,042	13,788	9,407,615
Farm operators reporting net losses	41,805	2,958,899	46,173	1,958,128
Average per farm	(X)	70,779	(X)	42,409
Farms with losses of-				
less than \$1,000	2,006	1,012	2,639	1,298
\$1,000 to \$4,999	8,944	26,288	10,495	30,906
\$5,000 to \$9,999	7,798	57,022	9,041	65,737
\$10,000 to \$24,999	10,315	165,747	11,157	180,020
\$25,000 to \$49,999	5,518	194,032	5,893	205,701
\$50,000 or more	7,224	2,514,798	6,948	1,474,465

¹ Farms with total production expenses equal to market value of agricultural products sold, government payments, and farm-related income are included as farms with gains of less than \$1,000.