



LOZANO SMITH ALERT

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FURTHER DEVELOPMENTS FOR DIR'S LABOR COMPLIANCE UNIT

On August 1, 2011, the Office of Administrative Law approved the request by the Department of Industrial Relations (DIR) for another 90-day extension of its emergency regulations, which will again delay the implementation of the DIR's Compliance Monitoring Unit (CMU) for Labor Compliance Programs (LCP) for school and community college construction projects. During this extension period, the DIR will be working on adopting new permanent regulations to implement the CMU in early 2012. (Please see [Client News Brief No. 28, July 2010](#), [Client Alert No. 16, November 2010](#), and [Client Alert No. 8, May 2011](#) for more details regarding the recent developments of the LCP requirements.)

This extension continues the suspension of all CMU operations, along with the fee which was to be imposed for its labor compliance enforcement, through the end of October 2011. In the meantime, the DIR has scheduled a public hearing for August 15, 2011 on its proposed new regulations. The new regulations are intended to address concerns raised by the state's bond counsel and others regarding the CMU fee and to delay the effective date of the CMU to January 1, 2012 or later. For now, school districts and community college districts should continue to administer their own LCP programs or obtain the services of third-party LCP providers for projects.

We will continue to monitor developments from the DIR and provide any updates on the CMU and the related fee. In the meantime, if you have questions regarding labor compliance requirements or construction matters in general, please contact one of our [eight offices](#) located statewide or consult our [website](#).

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