

Report on Grading and Paving Industry Study

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Grading and Paving Industry Study

5506, Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping – all kinds – including airport runways, warming aprons, incidental field plants, fence or guardrail construction

5507, Street or Road Construction – grading – all operations of bringing roadbed to grade, including clearing and grubbing right-of-way and temporary surfacing

6218(2), Grading Land – N.O.C. – including borrowing, filling or backfilling – employees whose regular hourly wage does not equal or exceed \$31.00 per hour

6220(2), Grading Land – N.O.C. – including borrowing, filling or backfilling – employees whose regular hourly wage equals or exceeds \$31.00 per hour

5474(1), Painting, Decorating or Paper Hanging – including shop operations – employees whose regular hourly wage does not equal or exceed \$26.00 per hour – N.O.C.

5482(1), Painting, Decorating or Paper Hanging – including shop operations – employees whose regular hourly wage equals or exceeds \$26.00 per hour – N.O.C.

I. Introduction

This study was conducted to address issues raised during a recent appeal before the California Department of Insurance regarding the scope and application of the above referenced classifications. The appeal concerned the classification treatment applicable to (1) off-street paving and grading operations and (2) subsequent operations including painting or application of pavement markings and installation of paved surface improvements. Based upon the issues raised during the course of the appeal, WCIRB staff analyzed the operations in question in order to determine if the current classification procedure remains appropriate or if a new procedure is warranted.

II. Classification History

A chronological summary of the history of the subject grading, paving and asphalt improvement industry classifications can be found in Appendix I.

III. Other Jurisdictions

A summary of the comparison between WCIRB classifications and those maintained by the National Council of Compensation Insurance, Inc. (NCCI) jurisdictions for operations related to paving, grading and painting can be found in Appendix II.

IV. Classification Analysis

Off-Street Grading Operations

Surface grading operations in preparation for the construction of parking lots, driveways, pathways and other non-street or road areas include clearing debris, preliminary land grading, spreading crushed base rock and bringing the area to the final grade in preparation for paving.

The WCIRB has consistently assigned the grading of these off-street street areas to dual wage *Construction and Erection* Classifications 6218(2)/6220(2), *Grading Land – N.O.C. – including borrowing, filling or backfilling*. The rationale for this assignment is that (1) there is not a classification that specifically describes the grading of parking lots and other off-street areas, and (2) as N.O.C. (not otherwise classified) classifications, Classifications 6218(2)/6220(2) are assignable to any grading operation that is not specifically described by another classification. To this end, Classifications 6218(2)/6220(2) have been assigned to any land grading operation that is not more specifically described by another classification. This includes grading off-street areas in connection with building sites, parking lots or driveways. Land grading operations include clearing land and moving earth from high areas to low areas based on required specifications and subsequently rolling and compacting the land to the final grade.¹

¹ Classifications 6218/6220 have three alternate phraseologies including 6218(1)/6220(1), *Excavation – N.O.C. – including borrowing, filling or backfilling*, which applies to the excavation of land that is not more specifically described by any other classification; and 6218(3)/6220(3), *Land Leveling – grading farm lands*, which applies to the leveling, smoothing and shaping of

At issue is whether off-street grading operations in preparation for asphalt paving are more akin to the operations contemplated under Classification 5507, *Street or Road Construction – grading*, than to those contemplated under Classifications 6218(2)/6220(2), *Grading Land – N.O.C.*

In its analysis of contractors engaged in off-street grading in preparation for asphalt paving, staff found that (1) both off-street grading and street and road grading use similar machinery, equipment and processes; (2) the objective of both operations is grading land in preparation for asphalt paving; and (3) it is common for the same contractor to engage in both off-street and street and road grading. Staff also found that it was common for companies engaged in off-street grading in preparation for asphalt paving to also engage in other land grading operations.

In assessing the above, staff concluded that in view of the common operations, objective, and industry, off-street grading operations when conducted in preparation for asphalt paving are most comparable to those grading operations contemplated under Classification 5507, *Street or Road Construction – grading*, and should be similarly classified.

In an effort to assess the impact of a potential reassignment, staff compared the 2018 classification relativities of the affected classifications. (Due to significant overlap in operations, staff was unable to identify payroll and loss data specific to off-street grading in preparation for asphalt paving.)

**Comparison of 2018 Selected (Unlimited) Loss to Payroll Ratios
Classification 5507 vs. 6218/6220**

	Current 6218/6220	Proposed 5507	Difference
6218 (low wage)	5.47	4.38	-1.09 (-19.9%)
6220 (high wage)	3.98	4.38	0.40 (10.1%)

As indicated above, since the operations in question are currently assigned to dual wage classifications, the impact will vary based upon the wage of the employee being reclassified. While the rate for employees currently assigned to Classification 6218 (the low wage classification) will likely see a significant decrease, the rate for employees currently assigned to Classification 6220 (the high wage classification) will likely see an increase.

Paving, Painting and Paved Surface Improvements

The installation of improvements on newly paved surfaces includes painting or otherwise applying parking or traffic markings and installing truncated domes, wheel stops and street signs. These operations are often, but not always, conducted by the same employer that performed the street or road construction paving operations.

The WCIRB has consistently classified these operations based on whether the employer that performed the improvements also performed the paving operations at the same job or location.

- Classification 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping*, applies to companies that perform asphalt paving, patch paving or seal coating in connection with the construction of streets or roads. Classification 5506 also applies to the paving of streets or roads with materials other than asphalt, including concrete, and the asphalt paving and seal coating of paved areas that are not streets or roads, including airport runways, warming aprons and parking lots. Operations include spreading hot asphalt onto graded areas using hand

agricultural land for other concerns on a fee basis. These classifications also apply to the ripping and subsequent grading of soil at farms where such operations are not performed in connection with land clearing. These classifications have also been assigned to trenching operations, except when performed in connection with the construction of streets, roads, canals, sewers, irrigation systems, cross-country water pipelines or oil or gas pipelines. Operations include removing dirt to produce holes, trenches, ditches and other excavations based on required size and depth specifications.

tools and then compacting the asphalt using rollers to produce a firm and level surface. A finishing oil sealant or other seal coating may be applied, and lines or other traffic markings may also be applied.

Classification 5506 has historically been assigned to the subsequent application of paved surface improvements including traffic markings, lines, truncated domes and wheel stops on jobs where the contractor also performed the asphalt paving, patching or seal coating operations. This assignment is predicated on a determination that these improvement operations are incidental to the overall paving operations.

Classification 5506 also applies to the installation of street signs when conducted by employers engaged in street or road construction and when 5506 develops the most payroll for the job. On jobs where Classification 5507, *Street or Road Construction – grading*, generates the most payroll, then the installation of street signs is assigned to 5507.

- Classifications 5474(1)/5482(1), *Painting, Decorating or Paper Hanging*, have historically been assigned to the application of paved surface improvements if the contractor applies the improvements as a separate job and therefore did not also perform the asphalt paving, patching or seal coating work. This assignment is predicated on a determination that if the employer did not engage in the paving operations at the same job or location, the paved surface improvement operations are not completed under the paving classification, but under the classification that best describes the operations in question. Given that these operations include and often primarily consist of painting surfaces, they were assigned to Classifications 5474(1)/5482(1); classifications that are otherwise primarily assigned to the interior or exterior painting of buildings or other structures.

At issue is the propriety of the current classification procedure and if the assignment of painting and paved surface improvements should be based on whether the contractor also conducted the paving operations. Neither Classification 5506 nor Classifications 5474(1)/5482(1) specifically address how to assign the installation or application of paved surface improvements, including the painting or application of traffic markings, truncated domes or wheel stops to paved surfaces.

In the analysis of employers that install paved surface improvements, staff found that the installation or application of paved surface improvements, including painted traffic markings, is typically conducted by employers that are also engaged in paving operations. Conversely, staff found no overlap between these employers and employers specializing in painting the interior or exterior of buildings. Because there is an overlap in employers engaged in paving and post-paving improvements, employees conducting the same operations can be classified differently based solely on whether their employer completed the paving or seal coating operations.

In view of (1) the overlap in employers that engage in both paving and paving improvements; and (2) the lack of any compelling similarity between the interior and exterior painting of buildings and the application or installation of paved surface improvements, staff recommends that the installation or application of paved surface improvements, including but not limited to traffic markings, truncated domes and wheel stops, be assigned to Classification 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping*, regardless of whether the operations are performed by the same employer that performed the paving operations.

Staff also recommends that Classification 5506 include the installation of signs when conducted during the paving phase of a construction project as these sign installation operations are consistent with the above described post-pavement improvements.

In an effort to assess the impact of a potential reassignment, staff compared the 2018 classification relativities of the affected classifications.

Comparison of 2018 Selected (Unlimited) Loss to Payroll Ratios

Classification 5506 vs. 5474/5482

	Current 5474/5482	Proposed 5506	Difference
5474 (low wage)	8.67	5.82	-2.85 (-32.8%)
5482 (high wage)	4.27	5.82	1.55 (36.3%)

As indicated above, since the operations in question are currently assigned to dual wage classifications, the impact will vary based upon the wage of the employee being reclassified. While the rate for employees currently assigned to Classification 5474 (the low wage classification) will likely see a significant decrease, the rate for employees currently assigned to Classification 5482 (the high wage classification) will likely see a significant increase.

V. Findings

Based on a review of the identified *Construction and Erection* classifications, the WCIRB finds:

1. Neither Classification 5507, *Street or Road Construction – grading*, nor Classifications 6218(2)/6220(2), *Grading Land – N.O.C.*, specifically address grading off-street areas, including but not limited to parking lots, driveways, bike or cart paths and similar areas when performed in connection with subsequent asphalt paving.
2. Grading off-street areas in connection with asphalt paving operations has historically been assigned to Classifications 6218(2)/6220(2); however, these operations are similar to the street or road grading operations contemplated by Classification 5507, *Street or Road Construction – grading*.
3. Neither Classifications 5474(1)/5482(1), *Painting, Decorating or Paper Hanging*, nor Classification 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping*, specifically address how to classify the installation or application of paved surface improvements, including but not limited to truncated domes, wheel stops and thermoplastic or painted lines or traffic markings to paved surfaces, such as streets, roads and parking lots.
4. The installation or application of paved surface improvements, including but not limited to truncated domes, wheel stops and thermoplastic or painted lines or traffic markings to paved surfaces, such as streets, roads or parking lots where the employer did not perform paving operations have been historically assigned to Classifications 5474(1)/5482(1). However, these operations are associated with street or road surfacing operations assignable to Classification 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping*, and have been historically assigned to Classification 5506 when performed by an employer in connection with its paving operations.
5. An employer’s installation of street signs in connection with its street or road construction operations have historically been assigned to Classification 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping*, or 5507, *Street or Road Construction – grading*, depending on which classification develops the most payroll for the job or location. However, street sign installation operations are consistent with other installation operations associated with street or road surfacing assignable to Classification 5506.

VI. Recommendations

Based on these findings, the WCIRB recommends:

1. Amend Classification 5507, *Street or Road Construction – grading*, to also apply to the grading of off-street areas, including but not limited to parking lots, in preparation for subsequent asphalt paving.
2. Amend Classifications 6218(1)/6220(1), *Excavation*, to provide direction as to how to classify the grading of off-street areas in preparation for asphalt paving.
3. Amend Classifications 6218(2)/6220(2), *Grading Land*, to provide direction as to how to classify the grading of off-street areas in preparation for asphalt paving.
4. Amend Classification 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping*, to also apply to the installation or application of paved surface improvements, including but not limited to truncated domes, wheel stops and thermoplastic or painted lines or traffic markings to paved surfaces such as streets, roads or parking lots.
5. Amend Classification 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping*, to also apply to the installation of street signs when conducted by employers engaged in street or road construction.
6. Amend Classifications 5474(1)/5482(1), *Painting, Decorating or Paper Hanging*, to provide direction as to how to classify the installation or application of paved surface improvements, including but not limited to truncated domes, wheel stops and thermoplastic or painted lines or traffic markings to paved surfaces, such as streets, roads or parking lots, to clarify that the classifications apply to wallpaper installation, to delete reference to decorating to prevent confusion with Classification 9529(2), *Decorating*, and for consistency with other proposed changes.

Appendix I

The following is a timeline of the significant changes to the scope and application of the relevant classifications:

- 1917: Classification 5500, *Paving – N.O.C. – including yards*, was established to apply to off-street paving operations. This classification was not available for division of payroll in connection with state or municipal road or street paving
- 1921: Classification 5500 was reviewed and confirmed to apply to the following operations: sub-grading, laying foundation for pavement, spreading macadam, laying wooden or stone blocks, laying asphalt or laying a concrete base with the asphalt on top.
- 1929: Classification 6041, *Grading Land*, was amended to distinguish it from a newly established classification for clearing land.
- 1929: Classification 5500 was amended to specify that it was not applicable to contracts involving the construction or reconstruction of the base or foundation of the roadway, the widening or relocation of the road bed, or the laying of concrete road or pavements. Contracts that involved foraging operations as well as paving were classified as 6042, *Street or Road Construction*.
- 1932: Classifications 6042, *Street or Road Construction*, and 5500, were eliminated and the following classifications were established:
 - 5506, *Street or Road Construction, Paving or Surfacing – all kinds – including incidental field plants – excluding grading, clearing and grubbing right-of-way, bridge or culvert building, tunneling, sewer construction, quarrying, stone crushing and sand and gravel digging*
 - 5507, *Street or Road Construction – grading – all operations of bringing roadbed to grade, including clearing and grubbing right-of-way and temporary surfacing excluding bridge or culvert building where floor is more than 10 feet above ground or the span exceeds 20 feet; and excluding tunneling, sewer construction, quarrying, stone crushing and sand and gravel digging*
 - 5508, *Street or Road Construction, Rock Quarries and Stone Crushing Plants – operated in connection with street or road construction operations, including all employees hauling to and from quarries, crushing plants or road*
- 1935: The phraseology of Classification 5508 was amended to *Street or Road Construction – Sand and Gravel Digging and/or Stone Crushing Plants operated in connection with street or road construction operations, including all employees hauling to and from pits, crushing plants or road*.
- 1943: Classification 6219, *Excavation*, and Classification 6041, *Grading Land*, were combined into a single classification.
- 1961: Given that there was considerable misunderstanding regarding the classification procedure for off-street grading operations, the Classification and Rating (C & R) Committee discussed the topic and confirmed that grading for the construction of parking lots is assignable to Classification 6217, *Grading Land*, and not Classification 5507, *Street or Road Construction – grading*.
- 1981: Based on numerous requests from off-street paving contractors to establish a new classification, the WCIRB conducted a study of off-street paving operations. The study concluded that a new classification should not be established and that such operations should continue to be assigned to Classification 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping – all kinds*.
- 1987: An asphalt maintenance contractor protested the assignment of Classification 5474(B), *Waterproofing – other than roofing*, to its asphalt maintenance operations involving the seal coating of parking lots and playgrounds. After careful review, the C & R Committee decided that the contractor's seal coating operations should be assigned to Classification 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping – all kinds*, rather than Classification 5474(B). The C & R Committee also decided that parking lot striping when

performed in connection with paving or seal coating should be assigned to Classification 5506, and noted that parking lot striping performed on separate jobs not in connection with paving or seal coating should be assigned to Classification 5474(A)/5482(A), *Painting, Decorating or Paper Hanging*. The C & R Committee voted to apply this decision to all insureds performing similar operations as of the inception date of policies outstanding on February 10, 1987, the date of the decision.

- 1992: Classifications 6218(2)/6220(2), *Grading Land – N.O.C.*, were established as dual wage classifications.

Appendix II

OPERATIONS	WCIRB	NCCI
Street or Road Construction – paving	5506, <i>Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping – all kinds – including airport runways, warming aprons, incidental field plants, fence or guardrail construction</i>	5506, <i>Street or Road Construction – Paving or Repaving and Drivers</i>
Street or Road Construction – grading	5507, <i>Street or Road Construction – grading – all operations of bringing roadbed to grade, including clearing and grubbing right-of-way and temporary surfacing</i>	5507, <i>Street or Road Construction – Subsurface Work & Drivers</i> 5508, <i>Street or Road Construction – Rock Excavation & Drivers</i>
Excavating/Grading/Land Leveling	6218(1)/6220(1), <i>Excavation – N.O.C. – including borrowing, filling or backfilling</i> 6218(2)/6220(2), <i>Grading Land – N.O.C. – including borrowing, filling or backfilling</i> 6218(3)/6220(3), <i>Land Leveling – grading farm lands</i>	6217, <i>Excavation & Drivers</i>
Painting	5474(1)/5482(1), <i>Painting, Decorating or Paper Hanging – including shop operations</i>	5474, <i>Painting N.O.C. & Shop Operations, Drivers</i>

NCCI's Classification 5508, *Street or Road Construction – Rock Excavation & Drivers*, applies to the preliminary excavation of mass rock prior to street or road construction, and Classification 5507, *Street or Road Construction – Subsurface Work & Drivers*, applies to filling or grading operations in preparation for street or road construction. The WCIRB maintains just one classification, 5507, *Street or Road Construction – grading – all operations of bringing roadbed to grade, including clearing and grubbing right-of-way and temporary surfacing*, for all operations to bring the roadbed to grade; however, 5507 does not include tunneling, sewer construction, quarrying, stone crushing, sand and gravel digging, or bridge or culvert building where clearance is more than 10 feet at any point or the entire distance between terminal abutments exceeds 20 feet.

NCCI's Classification 6217, *Excavation & Drivers*, applies to the grading of land in preparation for the construction of parking lots, but does not apply to grading in connection with streets or roads.²

NCCI assigns Classification 5506, *Street or Road Construction – Paving or Repaving and Drivers*, to street or road construction involving paving, repaving or resurfacing. This classification also applies to contractors engaged in painting lines or stripes on streets, roads or highways. However, NCCI assigns Classification 5474, *Painting N.O.C. & Shop Operations, Drivers*, to the painting of lines or stripes on parking lots.

² NCCI's Scopes Manual provides the following footnotes for Classification 6217:

Code 6217 includes excavation in connection with building foundations, swimming pools, landscape gardening and waterproofing operations. It does not include excavation in connection with street or road construction, dam or lock construction, pile driving, shaft sinking, caisson or cofferdam work.

The classification includes grading involved in airport construction, grading of land preparatory to construction or planting, grading of parking lots, etc. It does not include grading in connection with street or road construction, dam or lock construction, pile driving, shaft sinking, and caisson or cofferdam work.

Recommendation

Amend Classifications 6218(1)/6220(1), *Excavation*, to clarify the intended application and provide direction as to how related operations should be classified.

PROPOSED

EXCAVATION – N.O.C. – including borrowing, filling or backfilling – employees whose regular hourly wage does not equal or exceed \$31.00 per hour 6218(1)

This classification applies to the excavation of land to prepare sites for the construction of buildings ~~and~~ structures, including but not limited to residential and commercial buildings, bridges, aerial line towers, driveways, parking lots and swimming pools. This classification includes incidental grading operations. This classification also applies to excavation for removal of contaminated soil.

Excavation in connection with ~~the construction of streets or roads, construction highways or airport runways, or the excavation of all other areas in preparation for asphalt paving~~ shall be classified as 5507, *Street or Road Construction – grading*.

~~Mass rock excavation, pile driving, shaft sinking, caisson or cofferdam work shall be separately classified.~~

Trenching operations conducted in connection with the construction of canals, irrigation systems, cross-country water pipelines, oil or gas pipelines or sewers shall be assigned to the applicable construction classification.

Mass rock excavation, pile driving, shaft sinking, or caisson or cofferdam work shall be separately classified.

EXCAVATION – N.O.C. – including borrowing, filling or backfilling – employees whose regular hourly wage equals or exceeds \$31.00 per hour 6220(1)

Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds \$31.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$31.00 per hour shall be classified as 6218(1), *Excavation – N.O.C.*

This classification applies to the excavation of land to prepare sites for the construction of buildings ~~and~~ structures, including but not limited to residential and commercial buildings, bridges, aerial line towers, driveways, parking lots and swimming pools. This classification includes incidental grading operations. This classification also applies to excavation for removal of contaminated soil.

Excavation in connection with ~~the construction of streets or roads, construction highways or airport runways, or the excavation of all other areas in preparation for asphalt paving~~ shall be classified as 5507, *Street or Road Construction – grading*.

~~Mass rock excavation, pile driving, shaft sinking, caisson or cofferdam work shall be separately classified.~~

Trenching operations conducted in connection with the construction of canals, irrigation systems, cross-country water pipelines, oil or gas pipelines or sewers shall be assigned to the applicable construction classification.

Mass rock excavation, pile driving, shaft sinking, or caisson or cofferdam work shall be separately classified.

* * * * *

Recommendation

Amend Classifications 6218(2)/6220(2), *Grading Land*, to clarify the intended application and provide direction as to how related operations should be classified.

PROPOSED

GRADING LAND – N.O.C. – including borrowing, filling or backfilling – employees whose regular hourly wage does not equal or exceed \$31.00 per hour 6218(2)

~~Mass rock excavation, grading or excavation in connection with street or road construction, pile driving, shaft sinking, caisson or cofferdam work shall be separately classified. This classification applies to land grading that is not more specifically described by another classification.~~

~~This classification includes ~~†~~Trenching operations conducted by specialty contractors except in connection with the construction of canals, irrigation systems, cross-country water pipelines, oil or gas pipelines construction or sewers construction. Such operations shall be assigned to the corresponding applicable construction classification.~~

~~Grading when performed in connection with the construction of streets, roads, highways or airport runways, or grading of all other areas in preparation for asphalt paving, shall be classified as 5507, *Street or Road Construction – grading*.~~

~~Mass rock excavation, pile driving, shaft sinking, or caisson or cofferdam work shall be separately classified.~~

GRADING LAND – N.O.C. – including borrowing, filling or backfilling – employees whose regular hourly wage equals or exceeds \$31.00 per hour 6220(2)

Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds \$31.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$31.00 per hour shall be classified as 6218(2), *Grading Land*.

~~Mass rock excavation, grading or excavation in connection with street or road construction, pile driving, shaft sinking, caisson or cofferdam work shall be separately classified. This classification applies to land grading that is not more specifically described by another classification.~~

~~This classification includes ~~†~~Trenching operations conducted by specialty contractors except in connection with the construction of canals, irrigation systems, cross-country water pipelines, oil or gas pipelines construction or sewers construction. Such operations shall be assigned to the corresponding applicable construction classification.~~

~~Grading when performed in connection with the construction of streets, roads, highways or airport runways, or grading of all other areas in preparation for asphalt paving, shall be classified as 5507, *Street or Road Construction – grading*.~~

~~Mass rock excavation, pile driving, shaft sinking, or caisson or cofferdam work shall be separately classified.~~

* * * * *

Recommendation

Amend Classifications 5474(1)/5482(1), *Painting, Decorating or Paper Hanging – including shop operations*, to clarify the intended application and provide direction as to how related operations should be classified.

PROPOSED

PAINING, DECORATING OR WALLPAPER HANGING/INSTALLATION – including shop operations – employees whose regular hourly wage does not equal or exceed \$26.00 per hour – N.O.C. 5474(1)

This classification applies to interior or exterior painting at customers' locations by application of decorative or protective coatings, including but not limited to paint, stain or varnish. This classification also applies to wallpaper installation, lead paint abatement operations, or graffiti abatement by painting.

This classification includes incidental cleaning, stripping, patching and surface preparation for in connection with painting or wallpaper installation.

This classification also includes shop operations, including but not limited to mixing or blending paints, maintaining painting equipment and shop painting performed in connection with painting or wallpaper installation at customers' locations.

Shop painting operations performed on a fee basis that have no connection to any painting operations performed at customers' locations shall be classified as 9501(1), *Painting – shop only*.

Wallboard taping, finishing or texturing shall be classified as 5446/5447, *Wallboard Application-Installation*.

Applying plaster, including veneer plaster, shall be classified as 5484/5485, *Plastering or Stucco Work*.

Painting steel structures or bridges shall be separately classified as 5040(3), *Painting – steel structures or bridges*. Painting water, oil or gasoline storage tanks shall be classified as 5474(3)/5482(3), *Painting – water, oil or gasoline storage tanks*.

Applying water repellent coatings, membranes or caulking to interior or exterior building surfaces (not roofs) shall be classified as 5474(2)/5482(2), *Waterproofing*.

Applying or installing paved surface improvements, including but not limited to thermoplastic or painted lines or traffic markings; truncated domes; and wheel stop bumpers to paved surfaces such as streets, roads or parking lots shall be classified as 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping*.

PAINING, DECORATING OR WALLPAPER HANGING/INSTALLATION – including shop operations – employees whose regular hourly wage equals or exceeds \$26.00 per hour – N.O.C. 5482(1)

Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds \$26.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$26.00 per hour shall be classified as 5474(1), *Painting, Decorating or Wallpaper Hanging/Installation*.

This classification applies to interior or exterior painting at customers' locations by application of decorative or protective coatings, including but not limited to paint, stain or varnish. This classification also applies to wallpaper installation, lead paint abatement operations, or graffiti abatement by painting.

This classification includes incidental cleaning, stripping, patching and surface preparation for in connection with painting or wallpaper installation.

This classification also includes shop operations, including but not limited to mixing or blending paints, maintaining painting equipment and shop painting performed in connection with painting or wallpaper hanging at customers' locations.

Shop painting operations performed on a fee basis that have no connection to any painting operations performed at customers' locations shall be classified as 9501(1), *Painting – shop only*.

Wallboard taping, finishing or texturing shall be classified as 5446/5447, ~~*Wallboard Application-Installation*~~.

Applying plaster, including veneer plaster, shall be classified as 5484/5485, *Plastering or Stucco Work*.

Painting steel structures or bridges shall be ~~separately-classified as 5040(3), *Painting – steel structures or bridges*~~. Painting water, oil or gasoline storage tanks shall be classified as 5474(3)/5482(3), *Painting – water, oil or gasoline storage tanks*.

Applying water repellent coatings, membranes or caulking to interior or exterior building surfaces (not roofs) shall be classified as 5474(2)/5482(2), *Waterproofing*.

Applying or installing paved surface improvements, including but not limited to thermoplastic or painted lines or traffic markings; truncated domes; and wheel stop bumpers to paved surfaces such as streets, roads or parking lots shall be classified as 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping*.

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Recommendation

Amend Classification 9552, *Sign Erection or Repair*, which is part of the *Sign Industry Group*, for clarity and consistency with other proposed and prior approved changes.

PROPOSED

SIGN INDUSTRY

SIGN ERECTION OR REPAIR – N.O.C.

9552

This classification applies to the erection, installation, service or repair of permanent free-standing signs, including but not limited to pole signs, tower signs, monument signs and street signs (not in connection with street or road construction). This classification includes electrical wiring activities within 6 feet of the sign when performed in connection with sign installation.

If electrical wiring activities performed in connection with sign installation are not within 6 feet of the sign ~~in connection with sign installation~~, the electrical wiring operations shall be separately classified as 5140/5190, *Electrical Wiring – within buildings*, or 6325, *Conduit Construction or Underground Wiring*.

The installation, service or repair of signs affixed to interior or exterior building surfaces shall be classified as 5146(2), *Sign Installation or Repair*.

The installation of street signs, when conducted by employers engaged in street or road construction or asphalt paving operations at the same job or location, shall be classified as 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping*, ~~or 5507, *Street or Road Construction – grading*, depending on which classification develops the most payroll for the job or location.~~

The installation of temporary signs, including but not limited to real estate and construction site signs shall be classified as 8028, *Equipment or Machinery Rental Yards*.

The installation of signs by employers selling space for advertising purposes shall be classified as 9549, *Advertising Companies*.

The operation of mobile billboard trucks (mobile advertising signs) shall be classified as 9549, *Advertising Companies*.

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Recommendation

Amend Classification 5146(2), *Sign Installation or Repair*, which is part of the *Sign Industry Group*, for consistency with other proposed changes.

PROPOSED

SIGN INDUSTRY

SIGN INSTALLATION OR REPAIR – interior or affixed to building surfaces

5146(2)

This classification applies to the installation, service or repair of signs that are affixed directly to interior or exterior building surfaces, including but not limited to cabinet signs, channel letters, three dimensional letters, directional signs and neon signs. This classification includes electrical wiring activities within 6 feet of the sign when performed in connection with sign installation.

If electrical wiring activities performed in connection with sign installation are not within 6 feet of the sign ~~in connection with sign installation~~, the electrical wiring operations shall be separately classified as 5140/5190, *Electrical Wiring – within buildings*, or 6325, *Conduit Construction or Underground Wiring*.

The installation, service or repair of permanent signs that are not affixed directly to building surfaces, including but not limited to pole signs, tower signs, monument signs and street signs (not in connection with street or road construction) shall be classified as 9552, *Sign Erection or Repair*. The installation of street signs, when conducted by employers engaged in street or road construction or asphalt paving operations at the same job or location, shall be classified as 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping*, ~~or 5507, Street or Road Construction – grading, depending on which classification develops the most payroll for the job or location.~~

The installation of temporary signs, including but not limited to real estate and construction site signs shall be classified as 8028, *Equipment or Machinery Rental Yards*.

The installation of signs by employers selling space for advertising purposes shall be classified as 9549, *Advertising Companies*.

The operation of mobile billboard trucks (mobile advertising signs) shall be classified as 9549, *Advertising Companies*.

The installation of awnings shall be classified as 5102(1), *Iron, Steel, Brass, Bronze or Aluminum Erection*.

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Recommendation

Amend Classification 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping*, to clarify its intended application and provide direction as to how related operations should be classified.

PROPOSED

STREET OR ROAD CONSTRUCTION – paving or repaving, surfacing or resurfacing or scraping – all kinds – including airport runways, warming aprons, incidental field plants, fence or guardrail construction 5506

This classification applies to paving or repaving streets, roads, highways or airport runways using asphalt or concrete. This classification also applies to asphalt paving off-street areas, including but not limited to parking lots, driveways and cart or bike paths. This classification includes grinding existing paved surfaces in preparation for repaving and the application of sealants onto paved surfaces.

This classification also applies to the installation or application of paved surface improvements, including but not limited to truncated domes; wheel stop bumpers; and thermoplastic or painted lines or traffic markings to paved surfaces such as streets, roads or parking lots.

This classification also applies to the installation of street signs when conducted by the same employer engaged in street or road construction or asphalt paving operations at the same job or location.

Concrete paving of off-street areas, including but not limited to parking lots, sidewalks, driveways or other concrete flatwork shall be classified as 5201(1)/5205(1), *Concrete or Cement Work – pouring or finishing of concrete sidewalks, driveways, patios, curbs or gutters.*

Grading when performed in connection with the construction of streets, roads, highways or airport runways, or grading of all other areas in preparation for asphalt paving, shall be classified as 5507, *Street or Road Construction – grading.*

Grading that is not performed in connection with the construction of streets, roads, highways or airport runways, or not in preparation for asphalt paving, shall be classified as 6218(2)/6220(2), *Grading Land*, or 6218(3)/6220(3), *Land Leveling.*

~~Clearing of right-of-way~~ Tunneling, quarrying, bridge or culvert building, earth or rock excavation, filling or grading, tunneling, bridge or culvert building, quarrying ~~clearing of right-of-way, stone crushing and~~ or sand or gravel digging shall be separately classified.

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Recommendation

Amend Classification 5507, *Street or Road Construction – grading*, to clarify its intended application and provide direction as to how related operations should be classified.

PROPOSED

STREET OR ROAD CONSTRUCTION – grading – all operations of bringing roadbed to grade, including clearing and grubbing right-of-way and temporary surfacing 5507

This classification applies to grading when performed in connection with the construction of streets, roads, highways or airport runways in preparation for asphalt or concrete paving, and includes cutting, filling and spreading base rock to bring the roadbed to grade. This classification also applies to the grading of all other areas in preparation for asphalt paving.

Paving streets, roads, highways or airport runways using asphalt or concrete, or paving all other surfaces using asphalt, shall be classified as 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping.*

Grading that is not performed in connection with the construction of streets, roads, highways or airport runways, or not in preparation for asphalt paving, shall be classified as 6218(2)/6220(2), *Grading Land*, or 6218(3)/6220(3), *Land Leveling.*

~~Bridge or culvert building where clearance is more than 10 feet at any point or the entire distance between terminal abutments exceeds 20 feet, tunneling, sewer construction, quarrying, sewer construction, stone crushing, and sand and/or gravel digging or bridge or culvert building where clearance exceeds 10 feet at any point or the entire distance between terminal abutments exceeds 20 feet shall be separately classified.~~

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Recommendation

Amend Classification 5473, *Asbestos Abatement*, for consistency with other proposed changes.

PROPOSED

ASBESTOS ABATEMENT – all operations – including shop

5473

This classification applies to shop and outside operations involving the encapsulation or removal of asbestos and asbestos-laden building materials from interior and exterior building surfaces, including but not limited to ceilings, walls, floors, structural steel, ducts, boilers, steam pipes and hot water pipes.

Roof removal operations shall be separately classified as 5552/5553, *Roofing*.

Lead paint abatement shall be classified as 5474(1)/5482(1), ~~*Painting, Decorating or Wallpaper Hanging Installation*~~.

Mold abatement shall be classified as 9008, *Janitorial Services*.

New construction and remodeling operations performed subsequent to the completion of asbestos abatement operations shall be separately classified.

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Recommendation

Amend Section VIII, *Abbreviated Classifications – Numeric Listing*, for consistency with other proposed changes.

PROPOSED

Section I – Abbreviated Classifications – Numeric Listing

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- 5474(1) Painting/~~Decorating~~Wallpaper Install–low wage
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- 5482(1) Painting/~~Decorating~~Wallpaper Install–high wage
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Recommendation

Amend Appendix I, *Construction and Erection Classifications*, for consistency with other proposed changes.

PROPOSED

Appendix I

Construction and Erection Classifications

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- 5474(1) Painting/~~Decorating~~Wallpaper Install–low wage
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- 5482(1) Painting/~~Decorating~~Wallpaper Install–high wage
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