

CALIFORNIA ADVOCATES, INC.



CONFIDENTIAL

September 8, 2011

The Honorable Edmund G. Brown, Jr.
Governor, State of California
State Capitol
Sacramento, California 95814

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**SUBJECT: AB 211 (CEDILLO)--SUPPLEMENTAL JOB DISPLACEMENT
VOUCHER – REQUEST FOR VETO**

Dear Governor Brown:

*Robert G. Walters
of Counsel*

The California Association of Joint Powers Authorities (CAJPA) respectfully requests a **VETO** of **AB 211 (Cedillo)**, which is on your desk awaiting action, which makes substantive changes to the Supplemental Job Displacement Voucher (SJDV) benefit provided to injured workers who cannot return to work at the same place of employment where they were injured.

CAJPA supports making the SJDV benefit administration work better for both injured workers and employers. However, CAJPA believes AB 211 falls short of those goals. CAJPA believes that AB 211 should be vetoed due to the drafting errors in the bill, creation of new administrative burdens and likely cost increases associated with the bill.

CAJPA is an organization of joint powers authorities established by a broad range of local government entities, including cities, counties, school districts, and other special districts. Many of these local government employers use the joint powers mechanism to manage their workers compensation, liability, property and other insurance and loss control-related obligations. The joint powers arrangement enables local government entities to band together to create sufficient economies of scale to effectively “self-insure” for these obligations. The benefits to local governments include better local control over their risk exposures, and efficiencies that enable a greater portion of local government dollars to be devoted to important local programs.

Over the past few years, public and private sector employers have attempted to resolve problems with the bill language with the author and sponsor of this legislation. However, all efforts to construct a bill that achieves the sponsor’s goals without creating new problems for employers failed to produce agreement.

Coalition Proposed Amendments

The amendments proposed by a large coalition of public and private sector employers do not alter the core purpose of AB 211. The amendments, however, do ensure that the new SJDV benefit that is created by AB 211 can be effectively administered by employers and insurers. One of the common criticisms of California Workers’ Compensation law is that it is incredibly complex and costly to administer. We believe our amendments minimized the impact of adding a new SJDV code section by harmonizing the new section with the old where possible. However, the sponsors of AB 211 failed to accept what CAJPA believe were modest changes in the bill.

Specifically, the proposed amendments that would make the revised SDJV benefit available to injured workers with dates of injury prior to 1/1/2012 in cases where eligibility had not already

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been triggered [Labor Code 4658.5(d) and 4658.7(a)]. This proposed amendment would have two important impacts. First, it would make all injured workers, regardless of their date of injury, eligible for the new and improved benefit. Second, it would create administrative efficiency and reduce confusion by more quickly phasing out the old, less useful, benefit.

The amendments also eliminate drafting errors in AB 211. For example, coalition proposed amendment to Labor Code 4658.6 adds the words “pursuant to Section 4658.5” because this section is only intended to apply to the old benefit contained in 4658.5. Without this addition, it would also apply to the new benefit, which is contained in 4658.7. The problem here is that Labor Code 4658.7 already contains similar, but not identical language [4658.7 (b)]. This is clearly an oversight in the drafting of the bill. The amendments also move a few subparagraphs that, for sake of clarity, would be more appropriately located elsewhere in the bill.

Finally, amendments would harmonize a specific aspect of the “old” and “new” SJDV benefit. Both the old and new SJDV benefits contain sections that outline how, and for what the SJDV benefit can be used. The amendments simply would have applied the same standard to both the old and new SJDV benefits.

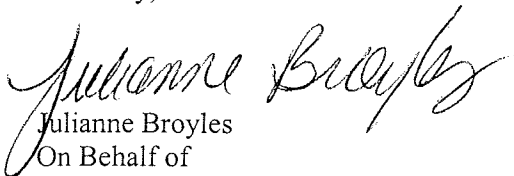
It is important to note that has never been a problem with how the benefit can be used. Instead, CAJPA’s concern has been with how and when the benefit is delivered. Creating two separate benefits with two separate standards for use simply adds to the administrative headaches in delivering the benefit to the injured worker. This adds unnecessary expense to the system.

If AB 211 is enacted, public and private sector employers expect to see a substantial increase in the number of injured workers who take full advantage of their vouchers. Unfortunately, the exact amount of the cost increase, both for the state and other public employers, is impossible to predict with data is currently available.

CAJPA believes that AB 211 should be vetoed due to the drafting errors in the bill, creation of new administrative burdens and likely cost increases associated with the bill.

For these reasons, CAJPA must urge a **VETO** of **AB 211 (Cedillo)** when it comes before you for action.

Sincerely,



Julianne Broyles
On Behalf of

California Association of Joint Powers Authorities