

# CALIFORNIA ADVOCATES, INC.



CONFIDENTIAL

September 19, 2011

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

*Ralph F. Simoni*

*Michael D. Belote*

*Julianne A. Broyles*

*Dennis K. Albiani*

**SUBJECT: AB 436 (SOLORIO)--UNINSURED EMPLOYERS BENEFIT TRUST  
FUND LOAN – 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 436 (Solorio)**, which is currently upon your desk awaiting action

CAJPA does not have any issue with the overall policy goals of **AB 436**. What CAJPA does take issue with is the provision in the bill that sets up a "loan" from the Uninsured Employers Trust Fund. **AB 436's** proposed Section 1771.3 of the Labor Code takes money from a nearly bankrupt fund as start up costs with no provisions on repayment.

The Uninsured Employers Benefit Trust Fund (UEBTF), a fund that is 100 percent supported through special assessments on all employers, is the source of the startup funding for **AB 436** activities. This fund was nearly at zero in 2010, and only through increased employer assessments will the UEBTF fund remain solvent in the year(s) ahead. Employers strongly object to the hijacking of these special assessed UEBTF funds away from injured workers needs. The bill also does not contain any substantive framework for repayment of these diverted special funds.

Moreover, it is CAJPA's belief that the establishment of a new continuously appropriated fund and the redirection of the UBEFT monies are not permitted unless approved by a two-thirds vote of the legislature under the provisions of the recent voter-approved Proposition 26.

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 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.

For these reasons, CAJPA respectfully requests a **VETO** of **AB 436 (Solorio)** when it comes before you for action.

Sincerely,

A handwritten signature in cursive script that reads "Julianne Broyles".

Julianne Broyles

On Behalf of California Association of Joint Powers Authorities

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