



May 6, 2025

The Honorable Anna Caballero
Chair, Senate Appropriations Committee
State Capitol, Room 412
Sacramento, CA 95814

**RE: SB 487 (Grayson) – Workers' Compensation Third Party Recovery
CONCERNS, AS AMENDED 4/21/2025**

Dear Senator Caballero,

I'm writing on behalf of the members of the California Coalition on Workers' Compensation to express **CONCERNS** with **SB 487**, which would limit the right of public agency employers to recover the cost of providing workers' compensation benefits when a third party is partially or entirely responsible for the workplace accident. CCWC represents a broad base of California's public and private sector employers that have an interest in the workers' compensation and advocate for a balanced workers' compensation system that provides injured workers with fair benefits, while keeping costs low for employers.

We appreciate the conversations we've had with your staff on your reasons for introducing SB 487. We also appreciate the April 21, 2025, amendments, which somewhat moderate the bill's impact but don't alleviate our concerns. We're reflexively opposed to any action that diminishes an employer's right to recover their costs from third parties that cause workplace injuries, but we want to have a more complete understanding of the perceived problem that the bill seeks to resolve and analyze the late amendments more completely.

It can be complicated when a third party is responsible for a workplace injury. The worker has many of their actual damages paid directly by the employer or insurer. And, depending on the circumstances, there can be a limited ability for all parties to recover from the responsible third party. There is a web of statutes, judicial procedures and practices, and behaviors by the parties that currently exist for a reason, and we are wary of any effort to broadly change the rules to address a rare anecdote. We think there are both constitutional and policy considerations with respect to the April 21, 2025, amendments that need to be more fully evaluated before we can clearly position on the bill.

For these reasons, we're expressing **CONCERNS** with **AB 487** and look forward to discussing the bill and its implications in more detail.

Sincerely,

A handwritten signature in black ink, reading "Jason Schmelzer". The signature is written in a cursive, flowing style.

Jason Schmelzer
Managing Director