
Legislative & Political Update

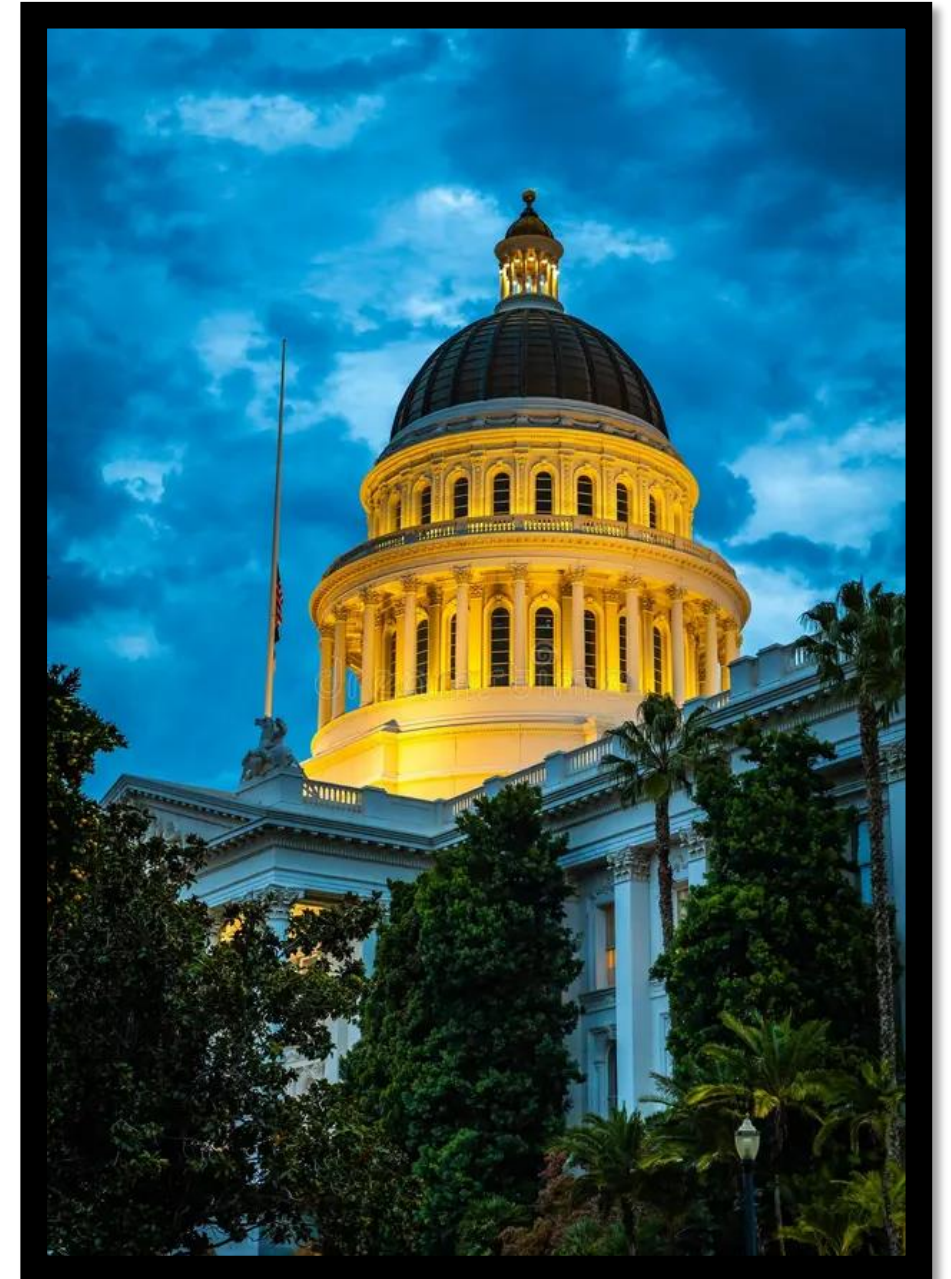
Paul Yoder

Jason Schmelzer



California Coalition on Workers' Compensation

- EMPLOYERS + INSURERS
- ADVOCACY
 - Lobbying team
 - State legislative & administrative bodies
 - State research bodies / projects
- EDUCATION & STRATEGIC COMMUNICATIONS
 - CCWC Annual Conference at Disney's Grand Californian
 - Webinars - monthly member / periodic open
 - Sacramento lobby day (as needed)
- POLITICAL
 - CCWC PAC





California Coalition on
Workers' Compensation

Become a member

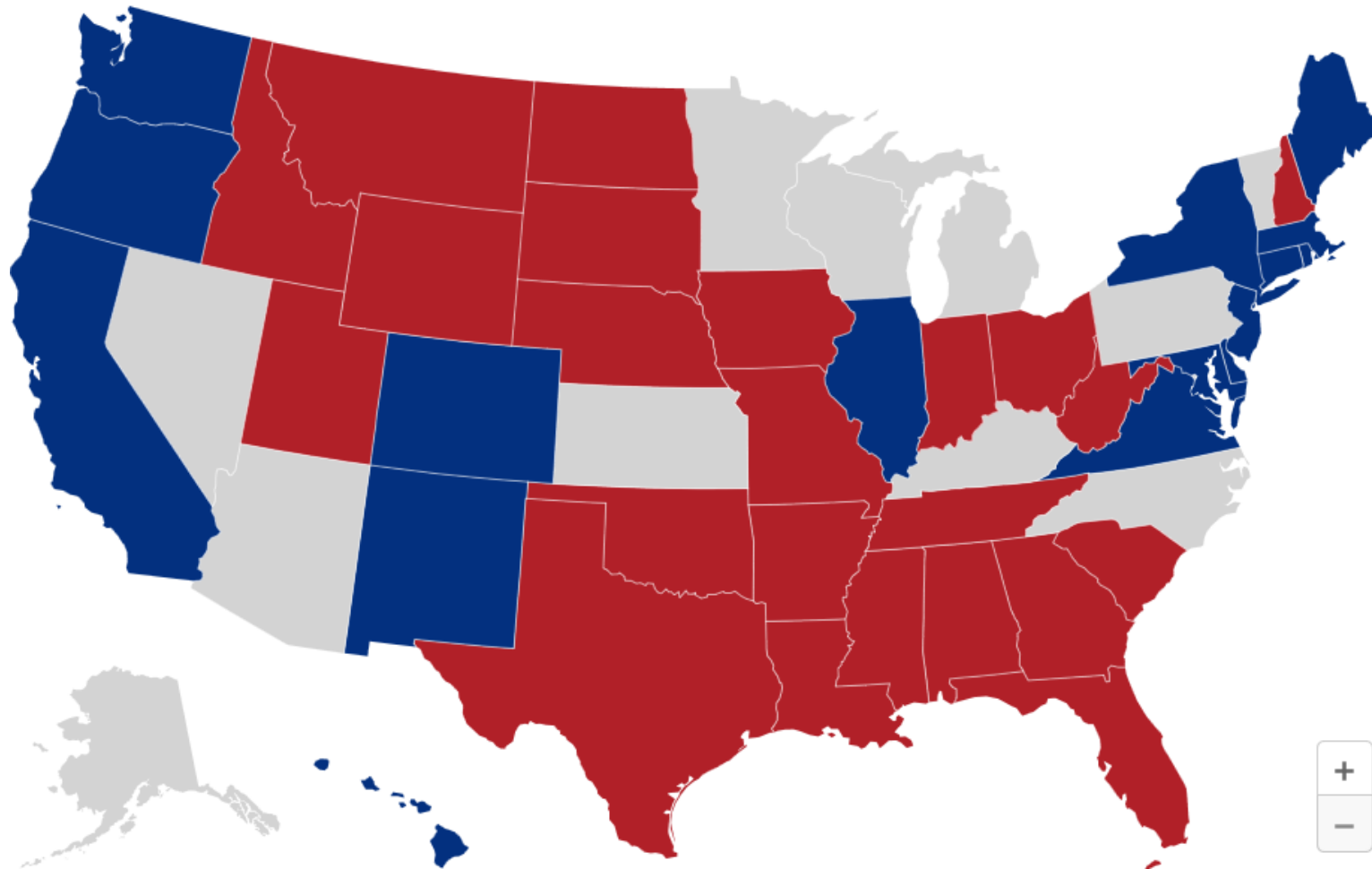




CALIFORNIA REPUBLIC

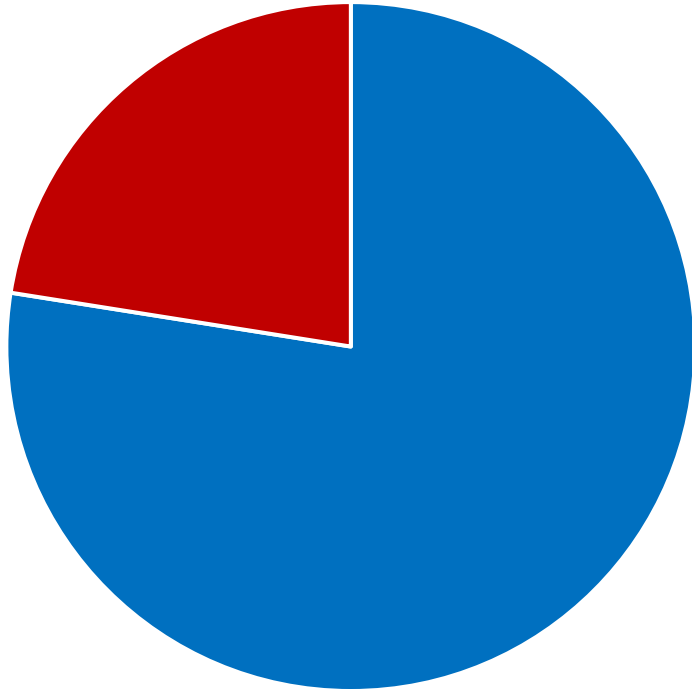
California Politics & Elections

California Trifecta



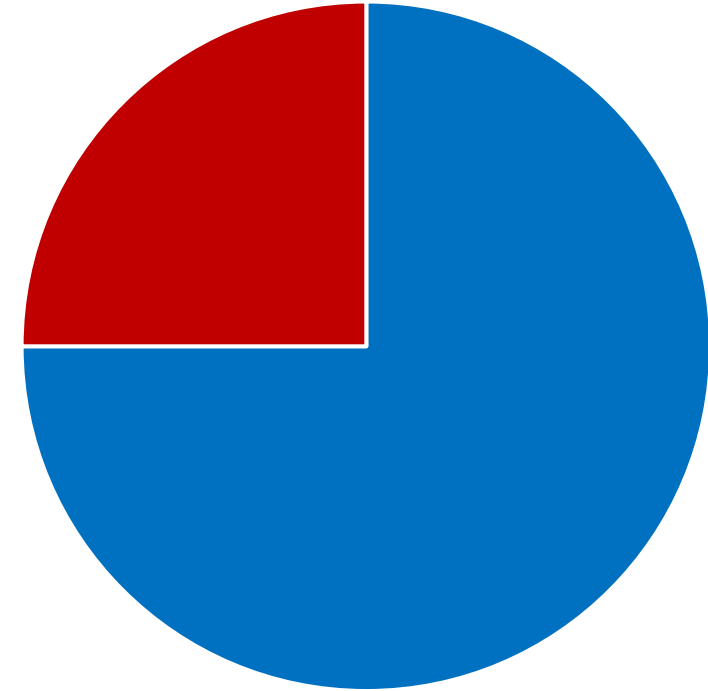
Democrat Legislative Supermajority

State Senate



■ Democrat ■ Republican

State Assembly



■ Democrat ■ Republican

California's Next Governor

- Bumpy primary season
- May lead to altering the top two primary
- Steve Hilton v. Xavier Becerra
 - Priorities
 - Backing
 - Success?



Statewide Offices

- Governor
- Lt. Governor
- *Attorney General*
- *Secretary of State*
- *Controller*
- Treasurer
- Insurance Commissioner
- Superintendent of Public Instruction



Insurance Commissioner

- 11 states elect Insurance Commissioner
- California Insurance Problems
 - Property Insurance / Fires
 - Public agency liability
 - Workers' compensation premiums
- Candidates on ballot:
 - Ben Allen (State Senator)
 - Jane Kim (Former SF BOS Member)



Statewide Ballot Initiatives

- Proposition 1
 - \$11.25 billion housing bond for veterans, farmworkers, and affordable housing.
- Proposition 2
 - Increases Rainy Day Fund from 10 to 20%
 - Creates additional budgeting flexibility
- Proposition 3
 - Permanently extends Prop. 30 from 2012
 - PIT increase of \$5-15 billion
- Proposition 4
 - Creates a voluntary public election campaign funding program.
 - Fights illegal foreign contributions
- Proposition 5
 - Changes confusing ballots in recall elections
- Proposition 37
 - \$25 billion home buyer assistance bond

Statewide Ballot Initiatives

- Proposition 38
 - \$8.4 billion bond for immunology research
- Proposition 39
 - Voter ID requirement
 - Provides free voter ID to all voters
- Proposition 40
 - Billionaire's tax
- Proposition 41
 - Audit of state programs funded by special tax
 - Prohibit exclusion of taxes from spending limit
- Proposition 42
 - Prohibition against some new taxes
 - Retroactive to 1/1/2026
- Proposition 43
 - 2/3 vote for local special taxes
- Proposition 44
 - 90% of annual revenue on patient care
- Proposition 45
 - CalChamber CEQA Initiative



Priority Issues

- Mitigating Federal impacts
- Housing + affordability
- Homelessness
- Climate change / Wildfires
- Property Insurance Market
- Budget / HR 1
- Artificial Intelligence
- Public Sector Liability

Advocacy Report



Leftovers

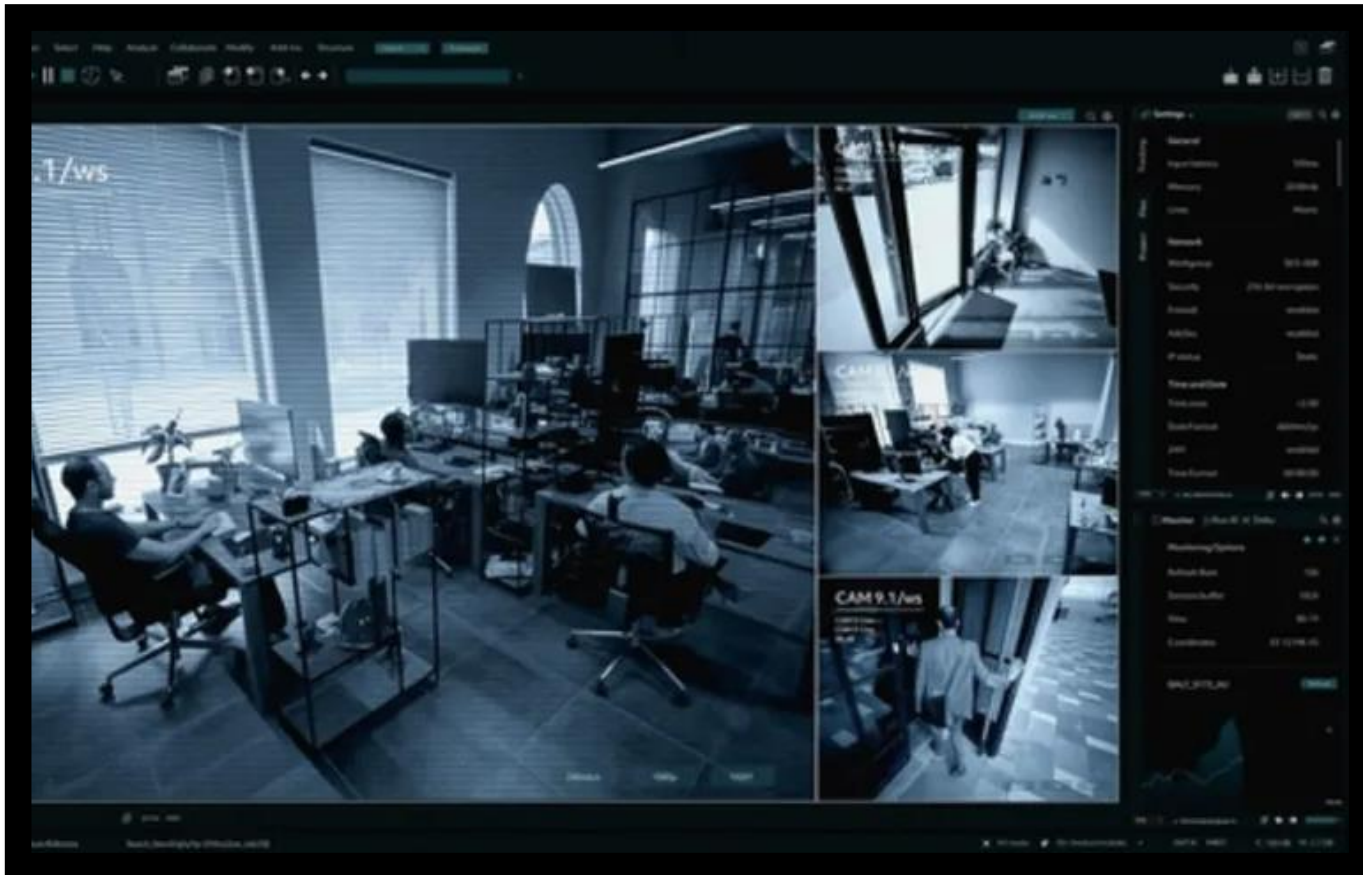
- AB 1048 (Chen) - Contract Transparency
 - CA Orthopaedic Association
 - Network bill reduction transparency
- SB 632 (Arreguin) - Hospital Worker Presumption
 - CA Nurses Association
 - All musculoskeletal, cancer, infectious diseases
- SB 536 (Archuleta) - EDD Payroll Data
 - EDD must release payroll data to private insurers
- SB 555 (Caballero) - Permanent Disability Benefits
 - California Applicant Attorneys Association
 - Social Security COLA → Spot Bill



Slow Year For WC Bills

- ACA 17 (Ortega) – Benefit Reductions
 - Require 2/3 vote of the legislature to reduce TD, PD, and several state-provided non-WC benefits
 - Does it even matter?
- AB 1683 (Ins. Committee) – Pay Cards
 - CHSWC Study
 - Sunset removed
- AB 2098 – Med Treatment During Work Hours
 - AB 1205 (Laird, 2024)
 - Nothing in the LC speaks to accommodation
 - TD versus protected leave
- AB 1900 (Kalra) – Single Payer Health Care
 - Not a problem now
 - But it will be

Workplace Surveillance



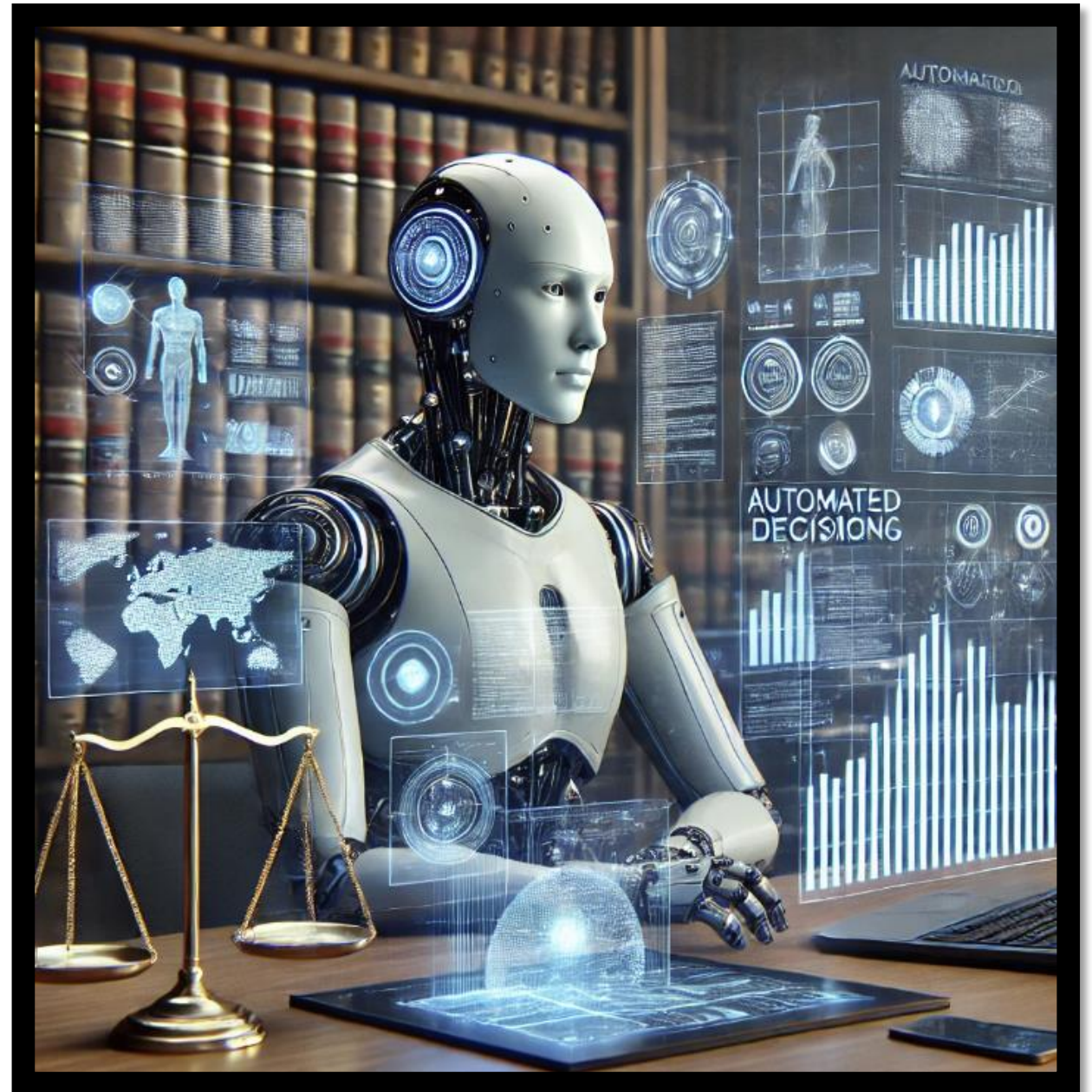
To what degree should the legislature limit tools, require disclosure, and secure worker privacy?

- Direct WC impacts
- Indirect workplace safety concerns
- Evidence collection

Automated Decision Systems (ADS)

To what degree should California limit the use of ADS in the employment arena where they could impact people without human oversight?

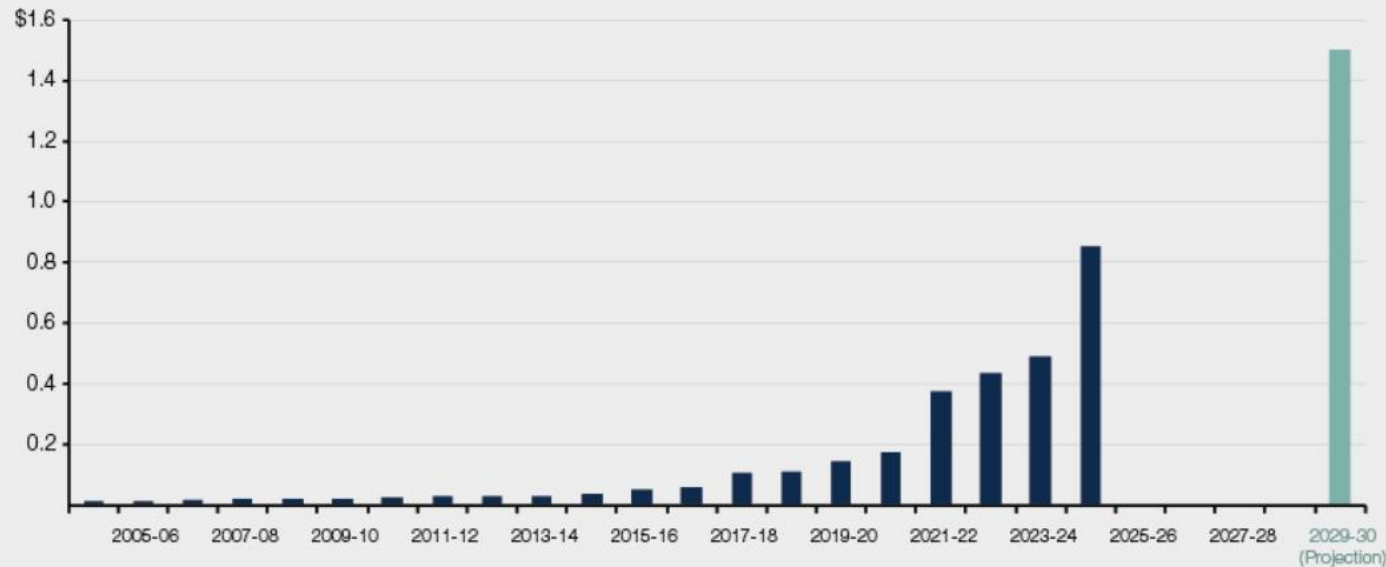
- Prohibits certain ADS uses
- Bars reliance solely on ADS
- Requires notice / access to data



Subsequent Injuries Benefit Trust Fund

Figure 6

Subsequent Injury Benefit Employer Taxes (In Billions)



2029-30 projection based on Department of Industrial Relations assessment of recent program trends.

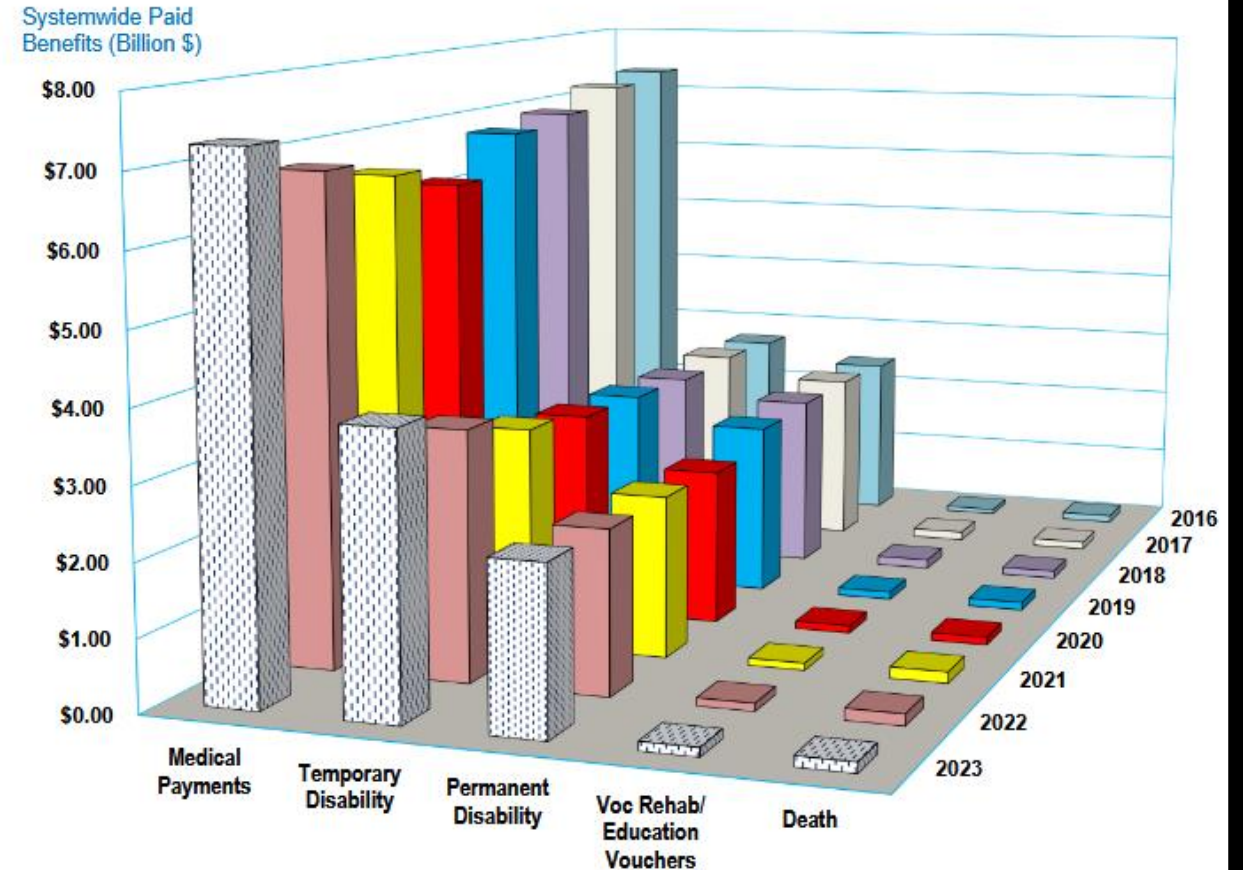
LAO

- **Legislative Efforts:**
 - AB 1329 and AB 1576
 - Doesn't address backlog
 - Incomplete implementation of Rand and LAO recommendations
- **Newsom Trailer Bill:**
 - Comprehensive
 - Addresses backlog
- **SB 171 Compromise**
 - On Governor's desk
 - Significant grandfathering clause

Permanent Disability Benefit Adequacy

- Last PD increase 2012/2014
- Approx 30% benefit increase
- Cumulative inflation of 40%
- SB 555 (Ca
- Relationship to SIBTF

Figure 2: Systemwide* Paid Benefits, by Year and Type of Payment (\$ in billions)



* Systemwide amounts for CY 2023 estimated at 1.55 times the amounts reported by insurers

Data Source: WCIRB

Reform?

- *Employer Priorities?*
 - *Cumulative Trauma*
 - *Med Legal Cost + Quality*
 - *Multiple Disabilities*
- *Labor Priorities?*
 - *Permanent Disability*
 - *MPN adequacy*
 - *UR + MPN*





CA WORKERS'
COMP NOW

GET THE FACTS

NEWS & RESOURCES

COALITION

TAKE ACTION

Fix California's Workers' Compensation System

California must fix workers' compensation to protect the system for injured workers, stop bad actors from abusing the system and bring rising costs under control.

FIX CA WORKERS COMP NOW

LEARN MORE

