

CAPITOL UPDATE

February 19, 2026

Dear Members,

As you may know, Assemblymember Ortega has reintroduced Assembly Bill (AB) 1576 pertaining to the Subsequent Injuries Benefit Trust Fund (SIBTF). This bill is similar to AB 1329, which was vetoed last year by Governor Newsom. Much like last year, the California Coalition on Workers' Compensation has taken an **opposed** position to AB 1576 as it is currently written.

AB 1576 does not adequately address the myriad problems with SIBTF. SIBTF claims have skyrocketed in recent years, creating a fiscal crisis, as recognized by two recent reports from the [Legislative Analyst's Office](#) and the [Department of Industrial Relations \(DIR\) through RAND](#).

Established in 1945, the SIBTF was designed to encourage the hiring and retention of workers with pre-existing disabilities; however, recent court decisions, including *Todd v. SIBTF*, and expanded litigation have significantly increased costs, with employer assessments rising 800% since 2011 and total liabilities for resolved and pending cases between 2010 and 2022 estimated at \$7.9 billion.

Reports by the California Department of Industrial Relations and the California Legislative Analyst's Office identify reforms needed to stabilize the fund, including stricter eligibility criteria, prior documentation of pre-existing conditions, restoring the prior method of combining disabilities, applying medical-legal reporting standards, and improving claims administration to address significant backlogs.

While AB 1576 does include some positive shifts in policy, it leaves the job unfinished. Last year in his veto message, Governor Newsom stated that the bill's prior version, AB 1329, "does not contain the comprehensive reforms necessary to save SIBTF" and called on the DIR to develop a comprehensive budget proposal. Governor Newsom's SIBTF reform proposal is being considered as a budget trailer bill, **which is supported by CCWC**.

We are asking you to sign on to two letters, one [supporting the Governor's proposal to reform the Subsequent Injury Benefit Trust Fund \(SIBTF\)](#) and one [opposing AB 1576 \(Ortega\)](#). It is important to have as many signatories on both letters in order to push for much-needed reforms to the SIBTF.

To sign on, please send your logo to **Olivia Thomas** (olivia@syaslpartners.com) and **Dylan Hoffman** (hoffman@syaslpartners.com) by COB Friday, February 27.



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