

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: March 24, 2008
POSITION: Oppose
SPONSOR: Voters Injured at Work

BILL NUMBER: SB 1189
AUTHOR: G. Cedillo
RELATED BILLS: AB 1636 (2007), SB 942 (2007)

BILL SUMMARY: Workers' Compensation: Supplemental Job

This bill would require employers to issue supplemental job displacement benefit vouchers within 74 days after the disability becomes permanent and stationary for injuries that occur on or after January 1, 2009, as specified.

FISCAL SUMMARY

Costs to the Department of Industrial Relations associated with the provisions of this bill would be minor and absorbable.

Employers should not experience a substantial increase in costs as the class of individuals eligible for supplemental job displacement benefits would not increase; they would, however, receive benefits sooner under the provisions of this bill. Issuance of the vouchers prior to the final determination of a permanent disability may result in some increase in costs if injured workers are determined to have been ineligible. Currently an unspecified percentage of supplemental job displacement benefit vouchers are not utilized.

COMMENTS

The Department of Finance is opposed to this bill because it is nearly identical to AB 1636, which was vetoed by the Governor last year because the procedures proposed for the issuance of vouchers are vague and will encourage litigation.

The intent of this bill is to expedite the provision of training and retraining services to permanently injured workers who do not receive a timely offer to return to work by their employer.

Existing law:

- Specifies that if an injured worker does not return to work for their employer within 60 days as a result of permanent disability, they will be eligible for a specified level of supplemental job displacement benefits based on their level of permanent disability.
Specifies that supplemental job displacement benefit vouchers are approved for issuance to an injured worker when their permanent disability rating has been officially determined by the Disability Evaluation Bureau.

This bill would:

- Require employers to issue a supplemental job displacement benefit voucher to an injured worker based on a reasonable estimate of permanent disability within 74 days of the termination of temporary disability benefits. These provisions would only be effective if the worker does not return to specified employment within 60 days and was injured on or after January 1, 2008.

Analyst/Principal (0241) K. Shelton Date Program Budget Manager Todd Jerue Date

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**

**AUTHOR**

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- Require the employer to issue an additional voucher for the difference between actual and estimated permanent disability if the employer's reasonable estimate was low.
- Provide that the employer shall not be liable for the supplemental job displacement benefit if, within 60 days of the disability becoming permanent and stationary, the employee rejects modified or alternative work, as specified.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	
7350/DIR	SO	No		----- No/Minor Fiscal Impact -----					0001