



April 14, 2026

The Honorable Laura Richardson, Chair
Senate Budget Subcommittee No. 5
California State Senate
1020 N Street, Room 502
Sacramento, CA 95814

RE: Labor and Workforce Development Agency, Comments on the Proposed SIBTF Budget Trailer Bill

Dear Chair Richardson and Members of the Subcommittee:

The California Coalition for Injured Workers (CCIW) is a statewide nonprofit alliance of injured workers, advocates, attorneys, medical professionals, and community partners dedicated to protecting and advancing the rights of California's injured workers. We seek policy solutions to improve efficiency, control costs, and protect appropriate benefits for injured workers. We write with deep concern regarding the Governor's proposed trailer bill making significant policy reforms to the Subsequent Injuries Benefit Trust Fund (SIBTF), which will be under consideration by this committee on Tuesday, March 10th.

Chief Concern: Unprecedented Retroactive Application

CCIW's strongest and most urgent objection is to the bill's unprecedented retroactive application to pending SIBTF cases. The proposal would immediately and summarily eliminate the rights of injured workers whose claims are already in process—workers who have followed every rule and relied on the law as it stood when they filed. Such a retroactive provision is fundamentally unfair, destabilizes settlements, and raises serious constitutional questions. It undermines trust in the entire workers' compensation system and threatens the stability on which all parties depend. We urge the Subcommittee to ensure that any changes to SIBTF are applied prospectively only.

Systemic and Practical Impacts

Beyond retroactivity, the trailer bill would have sweeping negative consequences for injured workers, employers, and the workers' compensation system as a whole. If enacted, it would deny access to benefits for thousands of permanently disabled Californians, deepening poverty and inequality among the state's most vulnerable residents. At the same time, employers and insurers would face increased exposure and costs, potentially discouraging the hiring of workers with disabilities and leading to higher litigation and insurance premiums. The resulting complexity

and delays would further burden an already strained system, undermining both efficiency and fairness.

Barriers to Access and Evidence

The bill's restrictive eligibility and evidentiary requirements would exclude many genuinely disabled workers. Imposing a 35% Whole Person Impairment threshold, eliminating additive disability analysis, and requiring pre-injury "substantial evidence" would disqualify numerous claimants—including those with congenital conditions or incomplete medical records, who are often older, rural, or low-wage workers. Even individuals who have undergone major surgeries could be unable to meet the new standards.

Procedural and Administrative Hurdles

The proposed procedural changes would further complicate the process for injured workers. By restricting evidence to that created in the underlying case, banning new medical and vocational reports for SIBTF, and forcing concurrent litigation, the bill would generate confusion, delays, and ongoing disputes over evidence and evaluations. This would overburden the courts and disrupt the timely resolution of cases.

Shifting Costs and Increasing Litigation

Rather than containing costs, the bill would increase litigation and administrative expenses. More medical evaluations, depositions, vocational assessments, and hearings would be necessary, with employers and insurers in underlying cases bearing the burden. Expanded offsets for Social Security Disability Insurance and retirement benefits could eliminate SIBTF awards altogether, and the exclusion of vocational evidence would artificially depress disability ratings. The combination of these provisions with retroactive application would destabilize settlements and create an unworkable system for all parties.

Recommendations for a Fair and Functional System

CCIW supports the need for thoughtful and targeted reform of SIBTF but believes such changes must be implemented prospectively and with respect for the rights and expectations of all stakeholders. We urge the Subcommittee to:

- Remove retroactive provisions and apply all changes only to future cases.
- Permit the development of independent, SIBTF-specific medical and vocational evidence.
- Define clear methodology, training, and rules for any specialized SIBTF evaluators.
- Require that injured workers be notified of potential SIBTF eligibility.
- Pursue statutory changes through the standard legislative process, with actuarial analysis and full stakeholder input, rather than a budget trailer bill.

California's workers' compensation system must prioritize fairness, stability, and equity. The retroactive provisions of this trailer bill proposal are unprecedented and threaten to undermine

decades of progress and the fundamental trust that injured workers and employers place in the system. CCIW urges you to reject retroactivity, engage stakeholders transparently, and craft reforms that preserve the SIBTF's essential mission. Should you have any questions, please contact our legislative advocate Alice Kessler at kesslera@gtlaw.com or (916) 868-0605.

Thank you for your consideration.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'L. Stuart Girard', with a stylized flourish at the end.

L. Stuart Girard
President
California Coalition of Injured Workers (CCIW)

cc: Jaskiran Grewall, Deputy Secretary of Legislation, Labor and Workforce
Development Agency
Luke Reidenbach, Chief Deputy Legislative Secretary, Governor Gavin Newsom
Jano Dekermenjian, Consultant, Senate President pro Tem Monique Limón
Tim Rainey, Consultant, Assembly Speaker Rober Rivas
Stephanie Gerstle Esparza, Legislative Director, Assemblymember Liz Ortega