

Trailer Bill Will Bankrupt Small California Cities

Cost Distribution Under the Current System vs. the Proposed SIBTF Trailer Bill

Trailer Bill does not eliminate catastrophic firefighter loss — it **privatizes the savings** (employer assessments drop) and **socializes the losses** (taxpayers absorb the shortfall through welfare or catastrophic local-government liability).

THE INCIDENT Small California city • House fire • Roof collapse • 4 firefighters critically injured

Projected injuries: severe burns, orthopedic trauma, possible amputation, spinal injury, inhalation injury, PTSD — each firefighter projected at ~70% PD from the new injury.

KEY ASSUMPTION: Each firefighter has **rateable pre-existing conditions that are arguably treatable** — e.g., HIV/AIDS, multiple sclerosis, systemic lupus erythematosus, or severe rheumatoid arthritis. They were working full-duty up until the collapse. This is the **exact population** the Trailer Bill's new §4750 "arguably treatable" exclusion strips from SIBTF eligibility.

COST BORNE BY	SCENARIO I <i>Current System w/ SIBTF</i>	SCENARIO II <i>Trailer Bill — Attorney Accepts Standard PD</i>	SCENARIO III <i>Trailer Bill — Attorney Pursues 100% PD</i>
PRIVATE COST — EMPLOYER-FUNDED WORKERS' COMP POOL			
SIBTF <i>(statewide employer-assessment pool)</i>	\$2.6 M	\$0	\$0
PUBLIC COST — TAXPAYER-FUNDED			
CITY <i>(local taxpayer / public employer)</i>	\$2.4 M	\$2.4 M	\$14.5 M*
STATE OF CALIFORNIA <i>(welfare / safety-net backfill)</i>	\$0.2 M	\$1.8 M	\$0.2 M
PUBLIC TOTAL	\$2.6 M	\$4.2 M	\$14.7 M

BENEFITS TO THE 4 INJURED FIREFIGHTERS	~\$5.0 M <i>full combined-disability benefits</i>	~\$2.4 M <i>52% cut — families on welfare</i>	~\$14.5 M* <i>city absorbs a 6x cost spike</i>
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* Includes future medical care and is payable upfront.

PRIVATIZATION → PUBLIC COST SHIFT

- **The underlying WC settlement does not change.** The Trailer Bill does not touch §4663, the PDRS, or the employer's PD liability. The city pays its apportioned share (\$2.4 M) in both Scenario I and Scenario II. What changes is only who covers the gap.
- **Scenario I — private risk pool covers the gap.** SIBTF, funded by ~\$0.02 per \$100 of premium across every California employer, pays \$2.6 M. Worker is made whole.
- **Scenario II — private share goes to zero, public share jumps 62%.** New §4750's "arguably treatable" exclusion disqualifies the firefighters. The gap doesn't disappear — it re-emerges as \$1.8 M in Medi-Cal, SSI/SSP, CalFresh, CalWORKs, and dependent services as undercompensated families fall into the safety net.
- **Scenario III — rational response destroys the city.** With SIBTF closed, competent counsel must defeat §4663 apportionment and prove 100% PTD via *Vigil* and *Ogilvie*. Local taxpayer exposure surges from \$2.4 M to \$14.5 M — a 6x spike absorbed by one small city's general fund.

Illustrative estimates based on 2026 statutory maximums, AMA Guides 5th Ed., California PDRS, and Labor Code §§4650–4659, 4663 (apportionment), 4750–4755 (SIBTF), 4850. Per-worker figures are present-value approximations including indemnity, lifetime medical, and life pension. State-of-California costs reflect lifetime general-fund share of Medi-Cal, SSI/SSP, CalFresh, CalWORKs, and dependent-child services triggered when WC benefits are inadequate. Scenario II assumes ~50% §4663 apportionment. Not legal advice.