



California Coalition on
Workers' Compensation



California Association of
Joint Powers Authorities



PRISM
Public Risk Innovation,
Solutions, and Management



LEAGUE OF
CALIFORNIA
CITIES

June 5, 2024

The Honorable Lisa Calderon, Chair
Assembly Insurance Committee
1021 O Street, Suite 4650
Sacramento, CA 95814

RE: SB 1058 (Ashby) – Expansion of LC 4850 Pay – OPPOSE AS AMENDED 4/18/2024

Dear Chair Calderon,

The undersigned organizations are **OPPOSED** to **SB 1058** by Senator Angelique Ashby, which would expand the application of a current law that provides tax-free full salary continuation benefit to select public safety officers in lieu of standard benefits when they are hurt at work. SB 1058 would expand the application of salary continuation, established in Labor Code Section 4850, to park rangers and housing authority patrol officers working for counties across the state. There has been no evidence of a specific need for this expanded benefit that would warrant diverting county resources, especially considering tightening state and local budgets.

Under California law, injured employees are generally provided a wage replacement benefit in the form of temporary disability indemnity benefits in the amount of two-thirds (2/3) of their average weekly wage. There is a maximum benefit level set annually by the state (currently \$1619.15 per week), and the temporary disability indemnity benefits are *not subject to state or federal taxation*.

Some but not all statutorily identified categories of police officers are provided with full wage replacement in lieu of temporary disability under Labor Code Section 4850. This benefit, which pays police officers their full salary for one full year, is also *not subject to state and federal taxation*. When an officer receives this benefit, their net pay is higher than it would be if they returned to work.

Our coalition opposes this expansion of salary continuation benefits as proposed by SB 1058 because no objective evidence has been offered to demonstrate that this enhanced benefit is necessary, and there has been no evaluation of the cost to our members. Local agencies typically fund workers' compensation costs out of their general fund, and every dollar spent on special enhanced benefits must come from somewhere. Funding for the special benefits proposed by AB 1058 will come out of local government budgets, and our coalition would respectfully urge the legislature to fully examine both the justification and cost related to the proposal.

Prior legislation that similarly expanded application of this benefit has been met with caution. Specifically, AB 346 (Cooper, 2019) expanded the application of salary continuation benefits to officers at local school districts and county offices of education. That bill was vetoed by Governor Newsom, who observed that the bill "would significantly expand 4850 benefits that can be negotiated locally through the collective bargaining process. Many local school districts face

financial stress, and the addition of a well-intentioned but costly benefit should be left to local entities that are struggling to balance their priorities.” We believe the same logic applies here.

For these reasons, we respectfully **OPPOSE SB 1058**.

Sincerely,

California Association of Joint Powers Authorities
California Coalition on Worker’s Compensation
League of California Cities
Public Risk Innovation, Solution, and Management
Rural County Representatives of California

CC: Members and Consultants, Assembly Insurance Committee