

CITY of CARPINTERIA, CALIFORNIA



September 8, 2022

Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

SUBJECT: Senate Bill 1127

Dear Governor Newsom,

On behalf of the City of Carpinteria, I write in opposition to Senate Bill (SB) 1127 (Atkins), as amended on August 15, 2022, because it fundamentally alters longstanding rules and timeframes for determining eligibility for workers' compensation claims and would dramatically increase systemic friction and litigation. SB 1127 creates a new, reduced timeline for employers to decide whether to cover a claimed injury. However, it does not synchronize other statutes and regulations that prevent employers from complying with the new timeline. The bill changes the rules for all presumptive claims, but the provisions applied to public employers are particularly challenging.

SB 1127 has three main provisions, each of which is problematic:

- **Reduces the timeframe allotted to employers to investigate rebuttable presumption claims:** SB 1127 proposes to shorten the time provided for employers to examine claims from 90 to 75 days. The bill does not, however, make a single change to the statutory and regulatory provisions that cause investigations to take more than 90 days.
- **Imposes new penalties on employers:** SB 1127 proposes new and unprecedented penalties on all claims covered by presumption statutes. The penalty would apply when "liability has been unreasonably rejected for claims of injury" and would cost up to \$50,000. These claims are predominantly for public safety employees whose salaries are taxpayer-funded. As proposed, these claims would have a higher standard of evidence because of the presumption, an objectively inadequate timeline to investigate claims, and substantial penalties for getting the process wrong.
- **More than doubles the duration of temporary disability for cancer presumption claims:** SB 1127 would extend the term of temporary disability benefits from 104 to 240 weeks for claims covered by cancer presumption statutes. Currently, covered employees have full and tax-free wage replacement benefits for one year and access to disability retirement benefits that can, in some cases, be received concurrently with temporary disability benefits.

We humbly request that you veto this bill as it will undoubtedly increase lawsuits and workers' compensation costs for our agency.

Sincerely,

A handwritten signature in cursive script, appearing to read "Wade T. Nomura", followed by a horizontal line extending to the right.

Wade T. Nomura
Mayor
City of Carpinteria