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**COUNTY OF MENDOCINO
BOARD OF SUPERVISORS**

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August 5, 2016

Assemblyman Jim Wood
State Capitol, Room 5164
P.O. Box 942849,
Sacramento, CA 94249-0002

Dear Assemblyman Wood:

On behalf of the Mendocino County Board of Supervisors, I write to express our opposition to Senate Bill 897, which would provide an additional year of leave with full salary to certain peace officers who have been temporarily or permanently disabled as a result of a "catastrophic injury" suffered in the course of employment.

Workers' Compensation Benefits Currently Provided

An injured worker who cannot return to normal or modified work duties as the result of a workplace injury or illness is entitled to two years of temporary disability (TD) benefits under California Labor Code §4850. These benefits are intended to serve as a wage replacement benefit for injured workers who are unable to work following an injury and are paid at a rate of two-thirds of the average weekly wage over the past year; the payments are based on pre-tax wages and no federal, state or income taxes are paid on TD benefits.

TD benefits are capped at 104 weeks, but it's important to note that the injured worker may collect these payments over a five-year period and the cap can be extended to 240 weeks in certain cases (severe burns, amputations, pulmonary fibrosis, etc.)

Labor Code §4850 requires state and municipal governments to provide specified categories of peace officers with a more substantial wage loss benefit. Many peace officers receive up to one full year of their salary in lieu of the regular method of calculated TD benefits. These payments are also not subject to taxes and the officers continue to accrue vacation leave, sick leave and retirement benefits service credit. Following the year of fully-paid leave, this category of public employees are then allowed one additional year of wage loss benefits in the form of temporary disability payments.

Following two years of wage replacement benefits, should a return to active duty be unfeasible, an injured peace officer may opt for a disability retirement pension, which, barring settlement must be at least 50 percent of his or her highest salary.

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“Catastrophic Injury” and “Severe”

SB 897 would entitle certain peace officers to an additional year of leave with full salary if that officer is “...disabled, whether temporarily or permanently, by a catastrophic injury arising out of and in the course of his or her duties.” While we appreciate the attempt by the author to define “catastrophic injury” within the bill as severe burns, severe bodily injuries resulting from the collapse of a building and severe bodily injuries resulting from a shooting, stabbing, or other battery, the use of the modifier “severe” itself is undefined in current statute. This leaves local governments in the position of being responsible for determining when an injury is “severe” enough to qualify for another year of full salary benefits under §4850 and exposes our agencies to further litigation when disagreement exists between our employers and injured workers as to whether these additional benefits have been triggered.

Cost Concerns

Many public agencies, including the County of Mendocino, are self-insured for workers' compensation claims. Payments are treated in a pay-as-you-go manner. Therefore, any increase in costs has a direct impact on the same local funds that are utilized to provide services to our residents. While employers wait to experience the full effects of promised cost savings following the passage of the workers' compensation system reforms in 2012, it should be noted that public agencies in California share often staggering workers' compensation costs. Mendocino in particular has struggled with some of the highest increases in workers' compensation costs in the state in the past few years. We believe that the current benefits available to this class of employees is an optimal balance between providing fair treatment and rehabilitation benefits to injured workers and maintaining a stable fiscal situation for local governments – the additional, unnecessary expansion of benefits in SB 897 will lead to unprecedented and unpredictable costs to public agencies and provide a disincentive for officers to return to work.

For these reasons, we OPPOSE SB 897 and respectfully request your “No” vote when this bill is heard on the Assembly Floor.

Sincerely,



Dan Gjerde, Chair
Mendocino County Board of Supervisors

cc: The Honorable Mike McGuire, California State Senate
The Honorable Richard Roth, California State Senate
California State Association of Counties (CSAC)
Rural County Representatives of California (RCRC)