



**January 31, 2008**

**LEGISLATIVE UPDATE (by Nancy LaCasse, School Services of California):**

The Legislature reconvened earlier this month faced with the daunting task of dealing with the state's massive \$14.5 billion revenue shortfall. The Governor has since released his proposed 2008-09 state budget that proposes across-the-board cuts to virtually every state program, including cuts totaling over \$4.5 billion to public education as well as suspension of Proposition 98.

The Governor has since declared a "fiscal emergency" as allowed under Proposition 58, and with the exception of the recent defeat of health care reform legislation, the Legislature has been absorbed with attempting to come up with a proposal to reduce funding in the current year without inflicting damage to current programs. The special session is in force and budget committees and subcommittees have been meeting daily in an effort to craft a plan before the 45 day deadline set forth in the Proposition.

In addition, the Senate and Assembly fiscal committees have been hearing bills introduced last year, approving few bills that must meet quick deadlines. To date, over 222 new Assembly and Senate bills have been introduced and SELF will be analyzing and recommending positions on those bills that have an impact on school liability.

**BILL UPDATE:** Only a handful of bills have been introduced to date that affect school liability or workers' compensation. They include:

AB 545 (Walters): Insurance fraud

Status: Senate, not yet assigned

SELF Position:

This bill would authorize the Public Employees' Retirement System to obtain information from an insurer for purposes of determining the eligibility of a member, or unlawful application or receipt of benefits, under the Public Employees' Retirement System, and would add the Public Employees' Retirement System to the list of authorized governmental agencies to which an insurer is required to release that information.

AB 644 (Dymally): Arbitration awards

Status: Assembly Insurance Committee

SELF Position:

Existing law provides that an appeal, other than in a limited civil case, is to the court of appeal. Existing law specifies those types of orders and judgments from which an appeal may be taken, including, but not limited to, an order directing payment of monetary sanctions by a party or an attorney for a party, if the amount exceeds \$5,000. This bill would add an order upholding an arbitration award. This bill contains other related provisions and other existing laws.

AB 1051 (Calderon, Charles): Insurance: Rates

Status: Assembly Banking and Insurance

SELF Position:

Existing law provides that rates set by the commissioner pursuant to Proposition 103 of the 1988 statewide general election may be judicially challenged for various reasons. This bill would provide that if any judicial rate challenge has been exhausted, no retrospective adjustment may be awarded on the grounds that it is excessive, inadequate, or unfairly discriminatory absent noncompliance with the commissioner's approval. This bill would also define "unfairly discriminatory."

SB 1115 (Migden): Workers' Compensation: Permanent Disability Reports: Apportionment

Status: Senate, not yet assigned

SELF Position:

Existing workers' compensation law generally requires employers to secure the payment of workers' compensation, including medical treatment, for injuries incurred by their employees that arise out of, or in the course of, employment. Existing law requires any physician who prepares a report addressing the issue of permanent disability due to a claimed industrial injury to address the issue of causation of the permanent disability, and requires that such a report include an apportionment determination to be considered complete on the issue of permanent disability.

This bill would provide that race, religious creed, color, national origin, age, gender, marital status, sex, or genetic predisposition shall not be considered to be a cause or other factor considered in any determination made pursuant to those provisions.