

Schwarzenegger vetoes benefit increase for disabled workers

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SACRAMENTO - Gov. Arnold Schwarzenegger vetoed legislation Tuesday that would have doubled benefits for newly disabled workers, contending the bill would have undercut "many of the economic gains now powering California's economy."

But the measure's supporters said it would have eased one of the worst aspects of the workers' compensation overhaul pushed through by the Republican governor in 2004.

"Gov. Schwarzenegger said himself that he didn't want injured workers to suffer from benefit cuts," said Art Pulaski, executive secretary-treasurer of the California Labor Federation. "It's a shame he refused to rectify the damage he caused."

The bill, by Senate President Pro Tem Don Perata, D-Oakland, was a reaction to regulations adopted by the Schwarzenegger administration late in 2004 to help implement a broad workers' compensation overhaul approved by lawmakers earlier that year.

The regulations changed the way doctors evaluate the severity of job-related injuries and, critics said, led to a sharp drop in benefits for workers who suffer permanent disabilities.

The state Commission on Health and Safety and Workers' Compensation, a board made up of employer and worker representatives, issued a report in February that said the average benefit was cut 50 percent because of the regulations.

Perata's bill would have gradually doubled the number of weeks workers could have received benefits as compensation for permanent disabilities suffered starting next Jan. 1.

Alicia Trost, a spokeswoman for the Senate leader, said Perata made the bill prospective in hopes of getting Schwarzenegger to sign it. "He would have never signed something that was retroactive," she said.

The governor said Perata's bill was based on incomplete evidence and that he would consider changes in the regulations if his own review found that workers were being unfairly denied benefits.

"When the new permanent disability (rating) schedule took effect in 2005, I committed that we would monitor the impact of the new law on injured workers for 18 months and if we found that seriously injured workers were falling through the cracks we would fix it," Schwarzenegger said in his veto message.

"That review will be completed by the end of the year, and I am committed to making any changes necessary to ensure that injured workers unfairly impacted by workers' comp reform received appropriate medical treatment and indemnity benefits."

But Mark Hayes, president of Voters Injured at Work, a group of injured workers, said the governor's comments about potentially raising benefits didn't ease his concerns.

"There's empirical evidence that these rates were cut from 50 to 90 percent," he said. "How much more time does he need to wait? How many more injured workers does he need to devastate?"

Allan Zaremborg, president of the California Chamber of Commerce, praised the veto, saying any "modifications to the carefully crafted reforms should be done only after thoughtful review of sufficient empirical data, not through hasty legislation rushed through at the end of the legislative session."

ON THE NET

Read the bill, SB815, at <http://www.senate.ca.gov>