

California State Senate



SENATOR RICARDO LARA

February 5, 2018

Eduardo Enz, Executive Director
California Commission on Health and Safety and Workers Compensation
1515 Clay Street, 17th Floor
Oakland, CA 94612

Dear Mr. Enz,

The Supplemental Job Displacement Benefit (SJDB) stands as one of the fundamental pillars of justice in California's workers' compensation system. As a worker is only eligible for the benefit if he or she is both permanently injured and denied the ability to return to his or her job, the benefit is uniquely progressive and focused on paving the way for injured workers to return to work. Without the SJDB, it is likely that this population of workers would be completely without funds for retraining themselves and supporting their families.

However, since the creation of the benefit in 2004, various stakeholders have reported challenges and concerns with the structure of the SJDB. Most recently, in an attempt to ensure that the SJDB training providers are offering an appropriate level of training, Senate Bill 863 (Statutes of 2012, Chapter 363) modified the SJDB to be a flat benefit that was more flexible in how it could be spent and required that training providers be certified and listed on the California Workforce Investment Board's Eligible Training Provider List. In modifying the SJDB, the Legislature believed that it would streamline the administration of the benefit, improve the ability of injured workers to receive high quality training, and ensure that some of California's most vulnerable injured workers are able to return to the workforce.

Unfortunately, there are a number of reports from stakeholders that suggest the Legislature's goal has not been fully reached. Specifically, stakeholders have reported that:

- 1) Some workers have signed up for retraining schools, which have requested and received payment for full tuition before the student has passed the required Ability to Benefit examinations and, where students have not passed the test, the voucher value has not be reinstated so that the worker can use it elsewhere.



- 2) Workers have reported having their voucher value “charged” for a computer but not receiving the computer.
- 3) Monolingual, Spanish-speaking workers have exchanged their voucher for courses presented in English only.
- 4) Workers with limited prior education and a history of manual labor were signed up for courses in computers that would be challenging to apply.
- 5) Workers have been registered for courses ostensibly presented live that are hundreds of miles from their homes.
- 6) Some workers have stated that they redeemed their voucher for education, but never started training and did not have the option of getting the voucher value returned to them for use elsewhere.
- 7) Others report starting training, but not completing it, often having signed a contract forfeiting any right to a refund or voucher reinstatement requested more than 7 days after execution; thus precluding the worker from applying the voucher to another program.

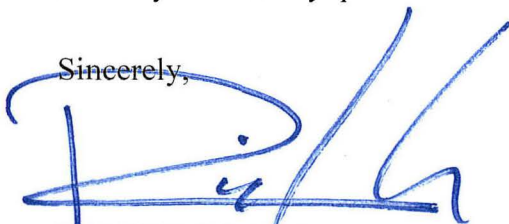
If true, these claims are incredibly troubling and raise a specter of a fraud that purposefully targets one of the most vulnerable populations in California: permanently injured workers with limited English proficiency. Given the serious nature of these allegations, they require an immediate study by the Commission on Health and Safety and Workers’ Compensation on the SJDB program.

Specifically, I request that the study looks, at a minimum, at the following issues:

- 1) What are the demographics and injuries associated with Supplemental Job Displacement Benefit recipients?
- 2) Is the training and reimbursement process for the voucher providing legitimate services and benefits to the workers?
- 3) Are the training partners legitimate and credentialed by law?
- 4) Is there a process to determine if the training was provided and at an appropriate rate?
- 5) What recommendations can be suggested for the improvement of the SJDB process to better serve injured workers?

Thank you in advance for your attention to this request. Please feel free to reach out to me or my staff if you have any questions.

Sincerely,



RICARDO LARA
Senator, 33rd District