



California State Association of Counties
1100 K Street, Suite 101
Sacramento, CA 95814

League of California Cities
1400 K Street, 4th Floor
Sacramento, CA 95814

FOR IMMEDIATE RELEASE – April 1, 2004

Contact: Steve Keil, California State Association of Counties, 916/327-7500, ext. 521
Megan Taylor, League of California Cities, 916/658-8228

California Cities, County Data Shows Declining Workers' Comp Claims, But Soaring Costs

Sacramento – The California State Association of Counties (CSAC) and the League of California Cities today released city and county survey information, which documents alarming growth in local governments' workers' compensation costs – even though the number of claims filed is declining, and local governments are able to hold down insurance rates by self-insuring.

“Cities' and counties' average costs went up 66 percent over the past four years,” said Steve Keil, CSAC Legislative Coordinator, “and we project a further increase of 33% this year. Medical costs went up 73 percent over the same period, even though our claims are down.

“The fact that we are self insured, and don't face soaring insurance rates, shows clearly that the problem of soaring workers' comp costs is not solely a problem of insurance rates.”

CSAC and League representatives presented the data today in Sacramento at a briefing held for reporters. The information was compiled over the past few months and compares workers' comp claims and costs today for 120 cities and counties, representing more than 90 percent of the state's population, with those experienced in the 1998-99 fiscal year. The average workers' comp costs for cities rose 48 percent over this period, and 56 percent for counties.

“City and county taxpayers just can't afford these cost increases,” said League Executive Director Chris McKenzie. “Local government services are already being slashed as the state continues to take local funds to patch up its own deficit. These additional workers compensation costs create added pressure to cut local services.”

“We strongly support the Governor’s current push for workers’ comp reform in the legislature this year,” said McKenzie. “If the legislature can’t pass reform, we’ll support the Governor’s initiative.”

“The important thing is to not let this problem linger,” added Keil. We support the Governor’s and the legislature’s efforts to reform this badly broken system, and want them to do it now.”

####