

# Questions Raised Over 2024 Publicly Funded Study on CA SIBTF Liability Estimate

## Investigation Reveals 6.8 Billion Dollar Overstatement by State Funded Study

**Sacramento, California May 21, 2026** ([IssueWire.com](https://www.IssueWire.com)) - [An investigation by The Jacobi Journal](#) has raised significant questions regarding the RAND Corporation's 2024 study of California's Subsequent Injuries Benefits Trust Fund (SIBTF). The study allegedly overstated the fund's projected unfunded liability by approximately \$6.75 billion, or about 632%, compared to the Journal's recalculated estimate.

The RAND study's headline figure of a \$7.9 billion unfunded liability has been criticized for creating a perceived crisis that influenced 2025 reform efforts affecting severely disabled workers.

The SIBTF was established to provide supplemental benefits to severely disabled workers, funded by employers through the workers' compensation system. The California Department of Workers' Compensation engaged RAND to estimate the fund's future unfunded liability, which RAND reported as approximately \$7.9 billion. This figure was used to support legislation introduced in 2025 to narrow eligibility and reduce benefits.

[The Jacobi Journal](#) conducted an actuarial and financial review of the RAND model, identifying "highly questionable" assumptions that significantly increased the projected liability. Adjusting these assumptions to align with historical experience, the Journal estimates the SIBTF's future liability at closer to \$1.25 billion.

The Journal attributes the \$6.75 billion variance to assumptions in the RAND model, including an elevated projected payout rate on open cases and an inflated present value assigned to a 100% disability award. RAND reportedly applied a prediction algorithm to 14,681 open SIBTF files, *concluding that 91% would result in benefit payments when the 10 year average ranged between 24% and 44%*.

RAND's model implies an average liability of approximately \$933,000 per 100% disability award, driven by aggressive financial inputs. The critique focuses on the use of a 3% discount rate, a 3.9% annual cost-of-living adjustment, and limited adjustment for reduced life expectancy.

"The findings of The Jacobi Journal highlight the need for rigorous scrutiny in financial projections that impact policy decisions, especially research that is funded by the state" said Jennifer Bauder of [MedLegalNews.com](https://www.MedLegalNews.com).

With the Journal's recalculated numbers, the SIBTF's total unfunded liability is estimated at about \$1.25 billion, reframing the issue from a fiscal emergency to a manageable obWorkers' compensation litigation. Critics could argue that using the \$7.9 billion estimate risked justifying substantial benefit reductions, potentially shifting costs to broader safety-net programs and increasing pressure on California's budget.

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Source : The Jacobi Journal

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