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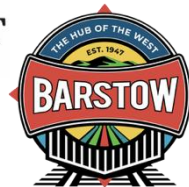
HERMOSA
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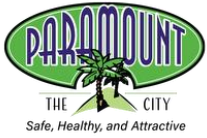


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Date: June 19, 2026

To: Members, California State Legislature

Urgent Need for Comprehensive Tort Reform to Protect California Taxpayers, Survivors, and Essential Public Services

On behalf of the undersigned organizations, we urge the Legislature to enact meaningful tort reform for civil actions against public entities. New data released by the California Association of Joint Powers Authorities (CAJPA) confirms what our members have been warning lawmakers about for years: **public-entity liability costs have tripled in the last seven years, now exceeding \$7 billion in known exposure. Costs are on pace to grow another 70 percent by 2027–28.** The fiscal trajectory is unsustainable, the structure of liability is fundamentally unfair to taxpayers, and the consequences are now measured in billions of dollars diverted away from classrooms, fire stations, roads, mental health

services, and the essential programs Californians depend on every day.

Our organizations share a deep and unwavering commitment to ensuring that survivors of harm receive justice, support, and meaningful compensation. California's public agencies are not asking for insulation from accountability. We do not seek to deny survivors their day in court. Instead, we seek to fix a system that, as currently structured, transfers enormous wealth to plaintiffs' law firms and threatens the financial solvency of the very public agencies tasked with protecting and serving our vulnerable community members. The longer the Legislature waits, the more public services will be cut, the more agencies will face insolvency.

The Path Forward. We urge the Legislature to advance a comprehensive tort reform package for civil actions against public entities that, at minimum, includes the following:

- **Defined benefits** including caps on damages in civil actions against public entities, ensuring survivors and other injured parties are made whole while preserving the capacity to deliver essential public services.
- **Proportional (several) liability for economic damages** in civil actions against public entities, so that taxpayers pay only for the share of harm actually attributable to the public agency. This way the perpetrators bear the cost of their own conduct and not taxpayers.
- **Heightened evidentiary and procedural standards** for claims where witnesses, records, and evidence archives are absent or insufficient to assign culpability.

Why are Billions of Taxpayer Dollars Being Diverted from Essential Services? AB 218 (Gonzalez, Chapter 861, Statutes of 2019) related to childhood sexual assault is one stark driver, but it is not the only one. Across the spectrum of civil litigation against public entities — from premises liability to dangerous conditions — plaintiffs' firms are increasingly targeting governmental defendants precisely because they are perceived as having the deepest pockets. The result is an unreasonable transfer of public resources to private wealth that the Legislature has both the power and the responsibility to address

How Are Claims Against Public Entities Funded? Most cities, counties, special districts, and school districts in California do not purchase liability coverage from traditional commercial insurance carriers because it is either too expensive, does not provide sufficient coverage, or is simply not offered. Instead, they self-fund their liability coverage or they collectively pool risk through Joint Powers Authorities (JPAs), which are not insurance companies with large capital reserves. Every self-funded claim, including those paid out of a JPA, comes from taxpayer-funded member contributions paid by cities, counties, schools, and other public agencies from the same general fund dollars that pay for police officers, firefighters, teachers, road crews, and homelessness response.

When a JPA pays out claims of magnitude, every member agency in that pool feels it

through higher premiums, the potential need for special assessments, reduced coverage limits, and/or increasingly, the inability to obtain coverage at all. Public agencies that have never had a single AB 218 claim filed against them are facing double-digit premium increases. For schools, this means Proposition 98 education dollars intended to support today's students are paying for decades-old liabilities. Even for cities and counties that have few claims filed against them it means delaying critical infrastructure maintenance and reducing local government's ability to provide social-safety-net services to the most vulnerable Californians.

Plaintiffs' Attorneys Are on Track to Profit Over Half a Billion Taxpayer Dollars Every Year. In civil actions against public entities, plaintiffs' counsel commonly recover contingency fees of 40 percent or more of the gross judgment or settlement. Even using a conservative 30 percent contingency assumption, **estimated plaintiff attorney fees in actions against California public entities have climbed to over \$500 million annually.** In many individual cases, **attorney fees approach 50 percent of the taxpayer-funded settlement or award.** That means that for every \$10 million paid by a city, county, JPA, or school district, as much as \$4 to \$5 million is paid to a private law firm. It does not go to the survivor, nor does it go to mental health services, prevention or victim assistance, or back to the taxpayers who funded the payment. Plaintiffs' firms are, in many cases, the single largest beneficiaries of the current system.

Caps on Damages Are Essential to Preserve Public Services and Solvency.

Support for meaningful tort reform must include caps on damages in actions against public entities. Without such caps, the cascading effects of recent legislation will only worsen, and the very real threat of insolvency among California's public agencies, already materializing in some regions, will only accelerate. California already imposes reasonable limits in medical malpractice cases under MICRA, recognizing the public interest in such restrictions. The same principle should apply when taxpayer dollars are the source of the payment.

Public Entities Should Pay in Proportion to Their Actual Fault — Not for the Crimes of Others. Under California's current liability structure, a public entity found just one percent at fault can be ordered to pay the entirety of a plaintiff's economic damages — even when the overwhelming majority of fault lies with a criminal actor who has no assets to satisfy a judgment.

The result is morally indefensible: perpetrators escape financial accountability for their conduct, while taxpayers — through their cities, counties, transit agencies, and school districts — are forced to pay for the harm that resulted. It allows perpetrators to walk away while public services are gutted to satisfy awards for conduct the public entity did not commit. **The Legislature must restore proportional (several) liability for economic damages in actions against public entities, so that they are responsible only for the share of harm attributable to the public agency's own conduct.**

Survivors Deserve Their Day in Court, and Public Entities Deserve a Meaningful Opportunity to Defend. Restoring balance to AB 218 claims involving decades-old conduct does not require closing the courthouse door to survivors. Rather, it requires recognizing that, after decades have passed, the records and witnesses needed to fairly

adjudicate a claim are often incomplete or simply gone. For claims involving conduct that occurred decades ago, we urge the Legislature to restore balance by reinstating a prior-knowledge requirement, paired with a clear-and-convincing-evidence standard. Prior to AB 218, California law permitted survivors to bring claims against public entities outside the statute of limitations, when a plaintiff could show the entity "knew or had reason to know, or was otherwise on notice, of any unlawful sexual conduct" by the perpetrator and failed to implement reasonable safeguards. That framework provided a meaningful path to justice for survivors with evidence of institutional culpability while also protecting taxpayers from liability for conduct the public entity had no realistic means to anticipate, prevent, or now defend against.

Our coalition stands ready to work with the Legislature, the Administration, and the survivor community to craft a balanced, durable solution so that necessary action can be taken now. Detailed findings and supporting data are available in CAJPA's recent report, *Protecting Public Funds: The Rising Cost of Claims Against California Public Entities*. Please do not hesitate to contact us with questions or to discuss specific legislative vehicles.

Sincerely,

California Association of Joint Powers Authorities (CAJPA)
California School Boards Association (CSBA)
California Association of School Business Officials (CASBO)
Los Angeles Unified School District (LAUSD)
Association of California School Administrators (ACSA)
The Rural County Representatives of California (RCRC)
California Association of Recreation and Park Districts (CARPD)
California Special Districts Association (CSDA)
League of California Cities
City of Eastvale
City of Bakersfield
City of Blythe
City of Calimesa
City of Cloverdale
City of Chico
City of Cotati
City of Corona
City of El Segundo
City of Fort Bragg
City of Highland
City of Eureka
City of Rancho Cucamonga
City of Riverside
City of Lake Elsinore
City of Fairfield
City of Dunsmuir

City of Upland
City of Oroville
City of Menifee
City of Vacaville
City of St. Helena
City of Placerville
City of Shasta Lake
City of Mt. Shasta
City of Marysville, Yuba County
City of Colton
City of Jurupa Valley
City of Rancho Cordova
City of Folsom
City of Paramount
City of South Gate
City of Citrus Heights
City of Stanton
City of Elk Grove
City of Perris
City of Roseville
City of Petaluma
City of Whittier
City of Yreka
City of Weed
City of Willows
City of Walnut Creek
City of Lake Port
City of La Mesa
City of Murrieta
City of Tehama
La Mesa Spring Valley Schools
City of Live Oak
City of La Mirada
City of Bellflower
Hope School District
Merced County
Northern California Schools Insurance Group
ABC Unified School District
Wheatland Union High School District
Brett Harte Union High School District
Sebastopol Charter
Redwood Empire Schools Insurance Group (RESIG)
NorCal Cities Self-Insurance Fund
Lemon Grove School District
Natomas Charter School
Sonoma Charter School

Santa Rosa City Schools
Huntington Beach City School District
Kern County Superintendent of Schools (KCSOS)
Sebastopol Independent Charter School
Palo Verde Valley Transit Agency (PVVTA)
Schools Excess Liability Fund (SELF)
Butte Schools Self-Funded Programs
Hermosa Beach City School District
Oroville Union High School District
Schools Insurance Authority (SIA)
Schools Insurance Group
Tuolumne JPA
San Marcos Unified School District
Sierra Sands Unified School District
Tulare Joint Union High School District
Desert Sands Unified School District
Golden State Risk Management Authority
County of Inyo
County of Kings
County of Solano
County of Siskiyou
Trindel Risk Management for Rural Counties
Central Region School Insurance Group
West Covina Unified School District
California Association of Suburban School Districts
Poway Unified School Districts
Torrance Unified School Districts
Lindsay Unified School Districts
Bennett Valley Union School District
Special District Risk Management Authority
Oroville City Elementary School District
Buckeye Union School District
Southern California Regional Liability Excess Fund (SCR)
Northern California Regional Liability Excess Fund (NCR)
Schools Association For Excess Risk (SAFER)
Cajon Valley Union School District
Redondo Beach Unified School District
Corona Norco Unified School District
Irvine Unified School District
East Side Union High School District
North Coast Schools Insurance Group
Alameda County Schools Insurance Group
Town of Truckee
City of Grass Valley
Central Fire District, Santa Cruz County
Beta Healthcare Group

School & College Legal Services of California
Sebastopol Independent Charter School
Wright Elementary School District
Sonoma County Office of Education
California Affiliated Risk Management Authorities (CARMA)
Employment Risk Management Authority (ERMA)
California LULAC (League of United Latin American Citizens)
California Intergovernmental Risk Authority (CIRA)
California Joint Powers Risk Management Authority (CJPRMA)