

# Join the Coalition to Protect Community Services

*A statewide alliance led by the California Joint Powers Insurance Authority (California JPIA)*

## **\$2 BILLION+ ANNUALLY BY 2027**

Taxpayer dollars used to pay claims against California public agencies are projected to exceed **\$2 billion every year by 2027** — a figure that excludes large, self-insured jurisdictions.

### **THE CRISIS FACING LOCAL GOVERNMENT**

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California's local governments are absorbing a sharp and unsustainable rise in liability costs — driven not by negligence, but by runaway growth in claim awards and disproportionate allocation of fault. Local governments are being forced to subsidize harm primarily caused by other parties.

#### **The numbers tell the story:**

- Taxpayer dollars used to pay claims against California public agencies are projected to exceed \$2 billion annually by 2027 — a figure that excludes large, self-insured jurisdictions.
- Insurance premiums paid by local agencies have **grown 370%**, climbing from \$115 million in 2016 to \$541 million in 2025.
- Large liability claims exceeding \$1 million **increased 67%** between 2015 and 2022.

These figures come from a California Association of Joint Powers Authorities analysis of 1,979 local government agencies — and they represent a trajectory that is not sustainable. Every dollar consumed by disproportionate liability judgments and inflated settlements is a dollar unavailable for police and fire protection, roads and infrastructure maintenance, parks, libraries, senior services, and youth sports programs.

### **REAL-WORLD IMPACT ON LOCAL BUDGETS**

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The consequences are already reshaping local budgets across California.

**Los Angeles County:** After reaching \$4 billion in settlements, Los Angeles County proposed \$1.3 billion in budget cuts and zero raises — triggering the first countywide strike in SEIU Local 721 history. The County explicitly cited settlement costs as the reason it could not offer cost-of-living increases.

**City of Los Angeles:** With nearly \$300 million in settlements in 2024 — a 3x increase in two years — the City of Los Angeles now faces a \$1 billion shortfall, 1,647 proposed layoffs, constrained public-safety hiring, and had to borrow \$80 million at interest to cover payouts.

These are not isolated cases. Local agencies with \$1 million+ in annual claims show statistically significant negative impacts in their communities, including increased poverty rates, unemployment, housing costs for homeowners, and SNAP benefit usage. Large claims often have impacts beyond insurance and litigation costs, influencing budget flexibility, service delivery, and longer-term community indicators. The financial burden of excessive liability costs has a widespread impact.

## THREE STRUCTURAL FLAWS CONTRIBUTING TO THE CRISIS

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The roots of this crisis run deep. Multiple structural flaws in California law expose local agencies to disproportionate and unjust financial liability — three among many of the problems are described below.

### “Deep Pocket” Targeting Under Joint and Several Liability

Under current law, a city found just 1% at fault can be required to pay 100% of economic damages when co-defendants — drunk drivers, uninsured motorists, careless contractors — have no assets. Local agencies are routinely named in lawsuits not because they caused the harm, but because they can pay. The result is a system that allocates financial responsibility based on who has money, not who caused the injury.

### Design Immunity Documentation Burden for Historic Infrastructure

Many local agencies acquired roads from the state or counties decades ago — and design records were never transferred or have long since been lost. Under current law, agencies must produce documentation to assert design immunity, even when that documentation never existed in city records. Agencies are losing cases they should win — not because of improper design, but because they cannot produce paperwork from the 1960’s that was never in their possession.

### Fault Shifting When Intentional Wrongdoers Cause the Harm

When a violent criminal or other intentional actor is judgment-proof, plaintiffs routinely omit them from the lawsuit entirely and name only the local agency. The result: taxpayers are forced to absorb damages caused by criminal conduct, while the actual wrongdoer bears no financial accountability. This is not an accident of the system — it is a deliberate litigation strategy enabled by a gap in current law.

## THREE SURGICAL REFORMS TO PROTECT CORE GOVERNMENT OPERATIONS

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### Establish Proportionate Liability for Local Governments

Local agencies pay only their actual share of fault. Eliminates joint and several liability for local public entities so that plaintiffs recover from each responsible party in proportion to that party’s fault. Does not apply to federal civil rights claims.

### Clarify Design Immunity for Historic Infrastructure

Creates a rebuttable presumption that roads accepted before 1997 had approved designs, ending the unfair burden of producing records that often were never transferred. Applies only to the original design — not to subsequent modifications. Does not create new immunity.

### Stop Fault Shifting from Intentional Wrongdoers

Prohibits assigning a local agency a share of fault that equals or exceeds the share assigned to an intentional wrongdoer — even when that wrongdoer is not named in the lawsuit. Preserves full accountability for an agency’s own independent negligence.

## JOIN THE COALITION TO PROTECT COMMUNITY SERVICES

Fixing California’s liability system will take time and sustained commitment. We invite organizations that share that commitment to join the Coalition and support the Community Services Protection Act, as the first in a series of necessary reforms. Return letters of support to [Tim@BryantGA.com](mailto:Tim@BryantGA.com)