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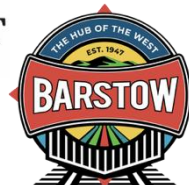
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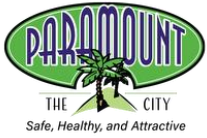


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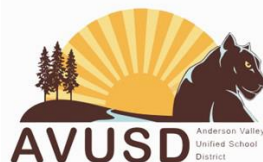
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CITY OF
FOLSOM
DISTINCTIVE BY NATURE







Date: July 17, 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
California Association of Suburban School Districts
California Latino School Boards Association
California LULAC (League of United Latin American Citizens)
ABC Unified School District
Alameda County Schools Insurance Group
Anderson Valley Unified School District
Beta Healthcare Group
Bennett Valley Union School District
Brett Harte Union High School District
Buckeye Union School District
Butte Schools Self-Funded Programs
Cajon Valley Union School District

California Affiliated Risk Management Authorities (CARMA)
California Insurance Pool Authority
California Intergovernmental Risk Authority (CIRA)
California Joint Powers Risk Management Authority (CJPRMA)
Camino Union Elementary School District
Central Fire District, Santa Cruz County
Central Region School Insurance Group
Central San Joaquin Valley Risk Management Authority (CSJVRMA)
City of Artesia
City of Bakersfield
City of Bellflower
City of Blythe
City of Calimesa
City of Canyon Lake
City of Carson
City of Chico
City of Citrus Heights
City of Cloverdale
City of Coalinga
City of Colton
City of Corona
City of Cotati
City of Dunsmuir
City of Eastvale
City of El Segundo
City of Elk Grove
City of Eureka
City of Fairfield
City of Folsom
City of Fort Bragg
City of Grass Valley
City of Hemet
City of Highland
City of Jurupa Valley
City of La Mesa
City of La Mirada
City of Lake Elsinore
City of Lake Port
City of Live Oak
City of Long Beach
City of Madera
City of Marysville
City of Menifee
City of Merced
City of Moreno Valley
City of Mt. Shasta

City of Murrieta
City of National City
City of Norco
City of Oakdale
City of Oroville
City of Paramount
City of Perris
City of Petaluma
City of Pico Rivera
City of Placerville
City of Rancho Cordova
City of Rancho Cucamonga
City of Reedley
City of Ripon
City of Riverside
City of Roseville
City of Sacramento
City of Shasta Lake
City of South Gate
City of St. Helena
City of Stanton
City of Tehama
City of Tracy
City of Tustin
City of Upland
City of Vacaville
City of Vernon
City of Walnut Creek
City of Weed
City of Whittier
City of Willows
City of Yorba Linda
City of Yreka
Corona Norco Unified School District
County of Butte
County of Humboldt
County of Inyo
County of Kings
County of Merced
County of Riverside
County of San Bernardino
County of Siskiyou
County of Solano
County of Tehama
County of Trinity
County of Yuba

Desert Sands Unified School District
Dunham Elementary School
East Bay Schools Insurance Group (EBSIG)
East Side Union High School District
El Dorado County Office of Education (EDCOE)
Employment Risk Management Authority (ERMA)
Folsom Cordova Unified School District
Galt Joint Union Elementary School District
Garden Grove Unified School District
Golden State Risk Management Authority
Hermosa Beach City School District
Hope School District
Huntington Beach City School District
Indian Diggins School District
Irvine Unified School District
Jurupa Unified School District
Kelseyville Unified School District
Kern County Superintendent of Schools (KCSOS)
Kings County Office of Education
Konocti Unified School District
La Mesa Spring Valley Schools
Lemon Grove School District
Lindsay Unified School Districts
Livermore Valley Joint Unified School District
Livingston Union School District
Los Altos School District
Lynwood Unified School District
Moreno Valley Unified School District
Mt. Diablo Unified School District
New Haven Unified School District
Natomas Charter School
NorCal Cities Self-Insurance Fund
North Coast Schools Insurance Group
Northern California Regional Liability Excess Fund (NCR)
Northern California Schools Insurance Group
Oroville City Elementary School District
Oroville Union High School District
Palo Verde Valley Transit Agency (PVVTA)
Palm Springs Unified School District
Poway Unified School Districts
Redondo Beach Unified School District
Redwood Empire Schools Insurance Group (RESIG)
Riverside Unified School District
Rowland Unified School District
San Marcos Unified School District
San Mateo Schools Insurance Group

Santa Clara Unified
Santa Rosa City Schools
School & College Legal Services of California
Schools Association For Excess Risk (SAFER)
Schools Excess Liability Fund (SELF)
Schools Insurance Authority (SIA)
Schools Insurance Group
Sebastopol Charter
Sebastopol Independent Charter School
Shasta-Trinity Schools Insurance Group
Sierra Sands Unified School District
Sonoma Charter School
Sonoma County Office of Education
Southern California Regional Liability Excess Fund (SCR)
Special District Risk Management Authority
Torrance Unified School Districts
Town of Truckee
Trindel Risk Management for Rural Counties
Tulare Joint Union High School District
Tuolumne JPA
Upper Lake Unified School District
West Covina Unified School District
West Side Union Elementary School District
Westminster School District
Wheatland Union High School District
Wright Elementary School District