



August 17, 2026

TO: All California State Assembly and Senate Offices

RE: Liability Reform for California Public Agencies

Public Risk Innovation, Solutions, and Management (PRISM) is a California Joint Powers Authority representing approximately 1,700 public entity members across the state. Our membership includes 54 counties, 70% of California cities, as well as school districts, special districts, housing authorities, fire districts, hospitals, and other Joint Powers Authorities. PRISM is a member-directed risk-sharing pool committed to providing coverage and risk management services that promote stability, efficiency, and best practices.

Following the August 11 letter to the Legislature from the Consumer Attorneys of California and other organizations, we believe it is important to clearly state our purpose in launching Californians for Protecting Local Services. Simply put, California's public entities have a clear and compelling case for meaningful public sector tort reform. We seek a thoughtful conversation about how the state can fairly preserve appropriate remedies for injured parties while protecting the public resources needed to provide essential services.

Recent estimates indicate that public entity liability costs have grown significantly in recent years, with California public agencies now facing current exposure of \$7 billion according to aggregated risk-pool data¹ collected by the California Association of Joint Powers Authorities. However, it is not just the total exposure that is concerning. California public agencies are projected to pay over \$2 billion annually in lawsuit settlements and judgments - a cost that has more than quadrupled over the last decade. These costs are paid by the taxpayer-funded member contributions of cities, counties, schools, and other public agencies from the same general fund dollars that pay for police officers, firefighters, teachers, road crews, and other community services for vulnerable populations. We believe California can protect injured parties while making changes to the liability framework governing public agencies, and that conversation should begin now.

A growing number of public agencies have clearly and repeatedly asked the Legislature for help. On August 7, 2026 public agencies representing communities throughout California sent a letter again calling on lawmakers to address rapidly rising public sector liability costs. While reasonable people may disagree with individual proposals, public agencies, and the taxpayers they serve need thoughtful dialogue rather than facing blanket opposition to any reform.

PRISM and other public agencies welcome the opportunity to meet with any member of the Legislature who has questions about how California can fairly balance the needs of victims with the need to preserve increasingly limited public resources that fund services vital to every Californian.

Sincerely,

Gina Dean
Chief Executive Officer

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PRISM Board Presiden

¹ These numbers are conservative. CAJPA uses a limited dataset that includes only 84% of counties, 86% of cities, and 37% of school districts.