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Bill: Senate Bill 575
Title: County Boards of Education – Limit on Liability
Committee: Judicial Proceedings
Date: February 25, 2015
Position: OPPOSE
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Senate Bill 575 increases to \$400,000 per claim the limit on liability of a county board of education; and increases to \$400,000 per occurrence the minimum amount of liability coverage that a county board must maintain and for which the State Board of Education must establish standards and applies the Act prospectively.

PSSAM **opposes** Senate Bill 575 as an unfunded mandate. This bill would increase costs of settlements to local school systems from \$100,000 to \$400,000. The bill would increase to \$400,000 per occurrence the minimum amount of liability coverage that a county board must maintain and for which the State Board of Education must establish standards.

Senate Bill 575 would result in an increase in legal and attorney costs for litigation, legal settlements, and judgments. Raising the liability to \$400,000 would also result in increased interest by individuals or companies in filing potential claims, necessitating additional legal fees to research and respond to each individual inquiry. In addition, responding to the increased volume of potential inquiries and claims would also result in a corresponding impact on local school system staff time. The cost for liability coverage could increase for school systems by as much as 7% or more.

Finally, local school systems are fiscally dependent upon State and local funding. Without a funding source, the local school systems would be required to find a cost reduction within its budget for increases in liability coverage, workload, or claims, which could mean reduced classroom services or materials.

For the reasons stated above, PSSAM **OPPOSES** Senate Bill 575 and requests an **unfavorable** committee report.