

CONCURRENCE IN SENATE AMENDMENTS

AB 1908 (McKinnor)

As Amended June 3, 2026

2/3 vote. Urgency

SUMMARY

Clarifies the existing law related to *settlement agreements in civil actions to permit a court to deem obligations paid by a victims' compensation fund as a valid means of settling the civil action.*

Major Provisions

- 1) Provides *that the existing law regarding the settlement of tort actions applies to a settlement agreement resolving a tort claim against a local public entity if both of the following conditions are satisfied:*
 - a) *A civil action arising from the tort claim has not yet been filed or has been voluntarily withdrawn by the plaintiff; and*
 - b) *The claim is eligible for payment from a victims' compensation fund or other victim-related financial assistance program established by the local public entity.*
- 2) *Authorizes the enforcement of settlements entered into pursuant to 1).*
- 3) *Defines a "local public entity" to include a county, city, district, public authority, public agency, and any other political subdivision or public corporation in the state, but does not include the Regents of the University of California and does not include the state or any office, officer, department, division, bureau, board, commission or agency of the state claims against which are paid by warrants drawn by the Controller.*

Senate Amendments

- 1) *Move provisions of the bill a victim's compensation fund into a different provision of the Code of Civil Procedure.*
- 2) *Revise and recast the victim's compensation fund provisions to clarify how fund payments are related to the settlement of a civil action.*
- 3) *Adopt an urgency clause.*

COMMENTS

The County of Los Angeles faces at least \$4 billion in liability stemming from the county's systematic failure to prevent childhood sexual assault from occurring at several county-run youth facilities. One avenue Los Angeles County is exploring to address this massive liability is the establishment of a victims' compensation fund. This bill would clarify that *payments from a county administered victim's compensation fund may be utilized to settle civil lawsuits related to childhood sexual assaults filed against local public entities.*

According to reports and numerous lawsuits, Los Angeles County permitted decades of abuse to occur at the MacLaren Children's Center. Originally constructed as a temporary home for foster

youth, Los Angeles County's MacLaren Children's Center devolved into an overcrowded youth detention facility handling minors with a history of mental illness, criminal behavior, and a history of prior physical abuse. (Sue Fox, *County Closes Center for Troubled Children*, Los Angeles Times (Mar. 11, 2003) available at: <https://www.latimes.com/archives/la-xpm-2003-mar-11-me-mac11-story.html>.) Unfortunately, it soon came to light that overcrowded living conditions and inadequate medical services provided at the facility were the least of the problems. Following the enactment of AB 218 (Gonzalez) Chap. 861, Stats. 2018, a flurry of lawsuits arose alleging horrific acts of sexual abuse at the facility committed by facility staff employed by Los Angeles County. Thousands of claims, some dating back to 1961, forced the County of Los Angeles to enter into a record \$4 billion settlement with victims in April of 2025. (*LA County Reaches \$4 Billion Tentative Settlement in Thousands of Sexual Abuse Cases*, LA County Office of Public Information (Apr. 4, 2025) available at: <https://lacounty.gov/2025/04/04/la-county-reaches-4-billion-tentative-settlement-in-thousands-of-sexual-abuse-cases/>.) While the \$4 billion settlement total is unprecedented, so was the decades long failure of Los Angeles County to police its own staff and protect children placed in the county's care.

As reported by the Los Angeles Times, and detailed in a 2022 lawsuit against the county, children at the facility described being "assaulted, drugged and forced to perform sex acts on MacLaren employees." (James Queally, *Decades later, former foster children allege abuse at MacLaren Children's Center*, Los Angeles Times (May 17, 2022) available at: <https://www.latimes.com/california/story/2022-05-17/abuse-allegations-maclaren>.) One victim noted that county staff would climb into bed with her on a near-nightly basis. Another victim reported the abuse began when he was five years old. Yet another victim, a 13-year-old girl, reported being beaten by MacLaren staff when she reported another employee's sexual abuse. (*Ibid.*) A 2001 Los Angeles County civil grand jury report noted that facility managers were not conducting background checks on potential employees leading to the hiring of at least 17 staff members despite having convictions that should have disqualified them from employment. (*Ibid.*) Indeed, reporting by the BBC noted that MacLaren hired convicted "burglars and drug traffickers" to care for children at the facility, many of whom were not fully aware of the scope of the abuse due to medical conditions and the medication being provided to the children in the facility's care. (Regan Morris & Danai Nesta Kupemba, *LA approves \$4bn to settle 'horrific' child abuse claims*, BBC (April 30, 2025) available at: <https://www.bbc.com/news/articles/clyqe9e6gjeo>.)

In addition to the settlement, in anticipation of more potential claims, the County of Los Angeles now seeks to establish a fund to compensate victims. The County aims to craft a fund that will function like other victims' compensation funds created after other scandals or disasters elsewhere in the county.

This bill clarifies that a victims' compensation fund may be utilized to settle civil lawsuits. Due to the massive scope of the liability facing the County of Los Angeles, the county will have to use bonding and other forms of debt financing to assist victims while still maintaining county services. To that end, this bill clarifies *that payments from a victims' compensation fund may be utilized to provide payments to settle lawsuits against the county, and other similarly situated local governments.*

Although this bill clarifies the status of the applicable uses of a victims' compensation fund, it does not create the fund itself. This bill clarifies how a victim's compensation fund may be

utilized to finance settlement agreements between local agencies and the survivors of sexual assault. However, the bill does not create the fund itself and leaves that authority to the Board of Supervisors of Los Angeles County *or other impacted local agencies*. This approach appears prudent as it enables Los Angeles County *and other impacted local agencies* to engage with local stakeholders and tailor a program to the needs of the residents of *the local jurisdiction*. This approach also appears prudent as it permits local governments and school districts who may face similar liability to create their own programs for addressing the needs of local victims.

According to the Author

AB 1908 establishes a locally funded Victims Compensation Fund so that survivors of abuse by former employees of Los Angeles County can have access to justice and receive timely and responsible compensation for past abuse, while ensuring that Los Angeles County can continue to provide essential public safety and fire services, safety net healthcare services, foster care services and other critical public services that over 10 million residents rely upon every day.

Arguments in Support

This bill is sponsored by the County of Los Angeles. In support of the bill the County writes:

Public entities are facing growing legal exposure and rising costs for civil claims. As a result, funding these claims has become increasingly difficult. One option that many jurisdictions, including Los Angeles, have explored is the establishment of a self-funded victims' compensation program, which can provide fair compensation to claimants more quickly than litigation. The challenge, however, is financing such a fund when the public entity lacks sufficient available cash for it.

This is where judgment obligation bonds can be instrumental. Judgment obligation bonds are recognized in the California Code of Civil Procedure as a common mechanism for public entities to pay civil awards from bench and jury trials as well as court-approved settlements. Current law, however, limits the use of judgment obligation bonds to these types of legal obligations. We seek to extend the same framework to victims' compensation funds. AB 1908 would create the legal mechanism to do exactly that.

Arguments in Opposition

None on file

FISCAL COMMENTS

None

VOTES:

ASM JUDICIARY: 12-0-0

YES: Kalra, Macedo, Bauer-Kahan, Bryan, Connolly, Dixon, Harabedian, Pacheco, Papan, Sanchez, Stefani, Zbur

ASSEMBLY FLOOR: 77-0-3

YES: Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wilson, Zbur, Rivas

ABS, ABST OR NV: Addis, Celeste Rodriguez, Wicks

UPDATED

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CONSULTANT: Nicholas Liedtke / JUD. / (916) 319-2334

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