

UNFINISHED BUSINESS

Bill No: SB 577
Author: Laird (D) and Allen (D), et al.
Amended: 8/27/26
Vote: 21

SENATE JUDICIARY COMMITTEE: 13-0, 4/22/25

AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Valladares, Wahab, Weber Pierson, Wiener

SENATE APPROPRIATIONS COMMITTEE: 5-0, 5/23/25

AYES: Caballero, Seyarto, Cabaldon, Grayson, Richardson

NO VOTE RECORDED: Dahle, Wahab

SENATE FLOOR: 35-0, 5/28/25

AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNerney, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

NO VOTE RECORDED: Alvarado-Gil, Cervantes, Limón, Menjivar, Reyes

ASSEMBLY FLOOR: Passed, 8/30/26

SUBJECT: Public entities

SOURCE: Author

DIGEST: This bill makes a series of changes to relevant law to mitigate the fiscal impact of childhood sexual assault claims against public entities and to diminish the prevalence of childhood sexual abuse.

Assembly Amendments increase the standard of proof required for specified claims of public entity child sexual assault; establish additional protections for children in the care of public entities; establish additional accountability for attorneys who submit fraudulent childhood sexual assault claims against public entities; provide

that in a civil action filed on or after January 1, 2027, alleging personal injury, property damage, or wrongful death against a public entity, the joint liability of each public entity defendant for economic damages is prohibited unless the public entity is found to be more than 15% at fault.

ANALYSIS:

Existing law:

- 1) Provides that there is no time limit for the commencement of any of the following actions for recovery of damages suffered as a result of childhood sexual assault:
 - a) an action against any person for committing an act of childhood sexual assault;
 - b) an action for liability against any person or entity who owed a duty of care to the plaintiff, if a wrongful or negligent act by that person or entity was a legal cause of the childhood sexual assault that resulted in the injury to the plaintiff; or
 - c) an action for liability against any person or entity if an intentional act by that person or entity was a legal cause of the childhood sexual assault that resulted in the injury to the plaintiff. (Code of Civil Procedure [Civ. Proc.] § 340.1(a)).
- 2) Authorizes a person who is sexually assaulted and proves it was the result of a cover up to recover up to treble damages against a defendant who is found to have covered up the sexual assault of a minor, unless prohibited by another law. (Code Civ. Proc. § 340.1(b).)
- 3) Provides that the above applies to any claim in which the childhood sexual assault occurred on and after January 1, 2024. Notwithstanding any other law, a claim for damages based on the specified conduct in which the childhood sexual assault occurred on or before December 31, 2023 may only be commenced pursuant to the applicable statute of limitations set forth in existing law as it read on December 31, 2023. (Code Civ. Proc. § 340.1(p).)
- 4) Revives, notwithstanding any other provision of law, any above claim for damages that has not been litigated to finality and that would otherwise be barred as of January 1, 2020, because the applicable statute of limitations, claim presentation deadline, or any other time limit had expired, and permits these

claims to be commenced within three years of January 1, 2020. (*Previous Code Civ. Proc. § 340.1(q).*)

- 5) Provides that claims pursuant to Section 340.1 are not required to be presented to any government entity prior to the commencement of an action. (Code Civ. Proc. § 340.1(q).)
- 6) Specifies the time frame for commencing actions for recovery of damages suffered as a result of childhood sexual assault that occurred before January 1, 2024. (Code Civ. Proc. § 340.11.)
- 7) Establishes the County Office Fiscal Crisis and Management Assistance Team (FCMAT) and charges it with, among other things, providing fiscal management assistance and training. (Educ. Code § 42127.8.)
- 8) Permits a defendant or a cross-defendant in a civil proceeding under the Government Claims Act, or in any civil action for indemnity or contribution, to seek from the court, at the time of the granting of a motion for summary judgment, directed verdict, motion for judgment in a nonjury trial, or nonsuit dismissing the moving party other than the plaintiff, petitioner, cross-complainant, or intervenor, a determination as to whether the plaintiff, petitioner, cross-complainant, or intervenor brought their proceeding in good faith and with reasonable cause. If the court finds the action was not brought in good faith or with reasonable cause, it must determine and award the reasonable and necessary defense costs incurred by the party opposing the proceeding and to render judgment in favor of that party. (Code Civ. Proc. § 1038.)
- 9) Defines “defense costs” for purposes of the above to include reasonable attorney’s fees, expert witness fees, the expense of services of experts, advisers, and consultants in defense of the proceeding, and where reasonably and necessarily incurred in defending the proceeding. (Code Civ. Proc. § 1038(b).)
- 10) Provides that specified bonds, warrants, contracts, obligations, and evidences of indebtedness shall be deemed to be in existence upon their authorization. Bonds and warrants shall be deemed authorized as of the date of adoption by the governing body of the public agency of a resolution or ordinance authorizing their issuance, and contracts shall be deemed authorized as of the date of adoption by the governing body of the public agency of a resolution or ordinance approving the contract and authorizing its execution. (Code Civ. Proc. § 864.)

- 11) Authorizes a trial court to order a party, the party's attorney, or both, to pay the reasonable expenses, including attorney's fees, incurred by another party as a result of actions or tactics, made in bad faith, that are frivolous or solely intended to cause unnecessary delay. Sanctions are also authorized in certain circumstances 21 days after an order to show cause or service of the motion is provided to the plaintiff, as provided. (Code Civ. Proc. § 128.5.)
- 12) Subjects attorneys to discipline by the State Bar for violating the rules of professional conduct, among other acts, and also subjects an attorney to civil penalties or criminal sanctions, including for unlawful solicitation, as specified. (Business and Professions Code [Bus. & Prof.] §§ 6000, et. seq.)
- 13) Provides that the personnel records of peace officers and custodial officers are confidential and not disclosable in any criminal or civil proceeding except through discovery, as specified. Provides that this limitation does not apply to investigations or proceedings concerning the conduct of such officers that are conducted by specified entities, such as a grand jury, a district attorney, or the Commission on Peace Officer Standards and Training. (Penal Code § 832.7.)
- 14) Prohibits, in a civil action for personal injury, property damage, or wrongful death, the joint liability of each defendant for noneconomic damages, as defined, and requires each defendant in such an action to be liable only for the amount of noneconomic damages allocated to that defendant in direct proportion to that defendant's percentage of fault. (Code Civ. Proc. § 1431.2.)
- 15) Allows the Attorney General to assign an investigator upon request of a district attorney, sheriff, or chief of policy, in any crime of statewide importance. (Penal Code §§ 11050, et. seq.)
- 16) Establishes procedures for the reporting and investigation of suspected child abuse or neglect. (Penal Code § 11165.7.)

This bill:

- 1) Adds motion for judgment on the pleadings or a demurrer to the list of eligible motions for seeking defense costs in Government Claims Act actions. Requires a motion brought by a defendant or cross-defendant to identify the specific plaintiffs for which the court's determination is sought.
- 2) Prohibits treble damages from being imposed against a public entity defendant in favor of the victim of childhood sexual assault who proves the assault was the result of a cover up.

- 3) Amends the statute of limitations for actions to be brought pursuant to Section 340.11 of the Code of Civil Procedure from within five years of the date the plaintiff should have discovered the injury, as provided, to within three years thereof.
- 4) Requires the plaintiff for actions seeking damages for childhood sexual assault that occurred before January 1, 2024, and filed on or after January 1, 2026, against a public entity, or one of its employees or agents, by a plaintiff who is 40 years of age or older, to prove by clear and convincing evidence that the public entity knew of misconduct that resulted in childhood sexual assault and failed to take reasonable steps or implement safeguards to avoid it, as specified, and that the public entity negligently discharged a mandatory duty. For these cases, the bill requires the court to review specified factors when adjudicating motions for remittitur and authorizes a court to structure judgments against public entities so that they could be paid overtime.
- 5) Requires certificates of merit to be filed concurrently with the complaint and prohibits a court clerk from accepting the filing of a complaint that lacks the certificates, except as specified. Requires the certificates of merit to declare that the plaintiff's attorney is licensed to practice law in California and is in good standing with the State Bar.
- 6) Authorizes a participating party, as defined, in connection with securing financing, refinancing, or refunding of a public debt obligation, as defined, to elect to provide for funding payments of the public debt obligation by electing to participate in a state or local intercept, or both, by an action of its governing board. Requires the Controller, the county treasurer, or other appropriate county fiscal officer, as applicable, upon receipt of written notice provided by the participating party, to make an apportionment or revenue transfer from specified moneys designated for apportionment to the participating party, as provided. Authorizes a county to participate in these local intercepts. Requires a participating party to certify the payment schedule, as specified.
- 7) Requires a school district to consult the county superintendent of schools and FCMAT in developing the repayment schedule for emergency apportionments and requires the county superintendent of schools to submit the repayment schedule to the Department of Finance, instead of the Superintendent, for approval. Specifies that the maximum term of a lease for repayment of an emergency apportionment is extended to 30 years. Provides that the determination of the term must be made by the Department of Finance, in consultation with the school district, the county superintendent of schools, the

Superintendent, and FCMAT and that the determination must take into consideration specified factors.

- 8) Provides that, for purposes of determining the validity of refunding bonds to refund a tort action judgment entered against a public agency, as specified, indebtedness is deemed to be in existence on the date of adoption by the governing body of the public agency of a resolution or ordinance, as specified.
- 9) Provides that in a civil action filed on or after January 1, 2027, alleging personal injury, property damage, or wrongful death against a public entity, the joint liability of each public entity defendant for economic damages, as defined, is prohibited, unless the public entity is found to be more than 15% at fault. In other words, this bill adjusts proportionate liability for economic damages to be several in these cases against public entities if the entity is found to be less than 15% culpable.
- 10) Requires the Attorney General to investigate claims of systemic and longstanding sexual abuse of minors in specified juvenile detention centers operated by the County of Los Angeles and reports of fraudulent claims of sexual abuse of minors in, among others, the County of Los Angeles and the City of Santa Monica. Requires the Attorney General, by June 30, 2029, to prepare and submit a report to the Legislature summarizing their investigative findings pursuant to these provisions.
- 11) Requires local governmental bodies and local educational agencies to adopt codes of conduct and sexual assault prevention plans that promote a safe environment for minors, as specified. Requires these bodies and agencies to adopt written policies, plans, or specifications regarding how grooming and sexual abuse concerns and risks will be reported. Contains reporting requirements and study requirements.
- 12) Requires the California Child Welfare Council to issue an advisory report that includes recommendations for policy changes that could aid in the prevention of sexual assault of minors in the custody or temporary care of public agencies or their contracted caregivers, as specified.
- 13) Requires the Office of the State Foster Care Ombudsperson to develop a plan to strengthen independent oversight, monitoring, safety, and rights protections for children and nonminor dependents in foster care who are at risk of sexual abuse, grooming, exploitation, trafficking, or retaliation, as specified.

- 14) Requires the Department of Social Services to issue guidance to children's residential facilities that identifies best practices for preventing sexual abuse in such facilities, as specified. Requires facilities to have program statements that address responses to reports of sexual abuse, grooming, sexual exploitation, trafficking, retaliation, or interference when sexual abuse is alleged or suspected, as specified.
- 15) Requires the Department of Social Services to place a children's residential facility on enhanced monitoring for not less than 12 months if two or more credible allegations within a 12-month period or one substantiated allegation are made involving certain conduct, including sexual abuse, grooming, sexual exploitation, or retaliation.
- 16) Requires the Office of Youth and Community Restoration and the Board of State and Community Corrections to develop a plan to establish an oversight structure that ensures protections for youth in juvenile halls, camps, secure youth treatment facilities and other juvenile justice settings that are comparable to youth placed in licensed children's residential facilities, as specified.
- 17) Expands the list of employers that are required to provide specified mandated reporter training to include those who employ, among others, peace officers, probation officers, and social workers, and would require that training to also include grooming behavior and sexual abuse risks.
- 18) Subjects an attorney who brings a civil claim alleging childhood sexual assault in bad faith, as defined, to a civil penalty of \$25,000 per violation. Authorizes the Attorney General, a city attorney, or a county counsel to bring the penalty action and entitles a prevailing plaintiff in an action seeking this civil penalty to an award of reasonable attorney's fees and costs.
- 19) Beginning January 1, 2028, excludes an investigation or proceeding conducted by the Division of the Ombudsperson of the Office of Youth and Community Restoration from the limitation of confidentiality and non-disclosure of personnel records of peace officers, as specified.

Background

Scientific research and studies make clear that many victims of childhood sexual assault repress memories of their assault or are incredibly fearful of reporting it. It is therefore not surprising that childhood sexual assault is grossly underreported. Making matters worse, many of the institutions, including many public institutions,

where the crimes have occurred have played a role in covering up the sexual assaults and failing to prevent further damage.

Given the scope of this conduct, the resulting claims have severely strained the fiscal strength of many public institutions in California, including many school districts. This bill, based partially on a report called for by the Legislature, enacts measures to provide increased flexibility for funding and paying out claims, increased eligibility for defense cost recovery, shortened limitations periods, amends to the remittitur process, and limitations on refiling certain actions, enhanced penalties for nefarious attorneys, and enhanced oversight and protection for children to prevent childhood sexual assault, with a goal of finding the right balance between financial solvency and protecting victims' rights. This bill is author-sponsored. It is supported by the County of Los Angeles and a coalition representing organizations that work to protect children and youth in California's foster care and juvenile justice systems, among others. It is opposed by sexual assault survivor organizations, the League of California Cities, the California Association of Joint Powers Authorities, and various police officer organizations, among others. For a more thorough overview of the history of regulation in this context, please see the Senate Judiciary Committee analysis of this bill.

Comment

According to the author:

Incidents of sexual assault on children should never happen. The adults in these cases have failed these children – some of whom are now adults. These cases can leave lifelong impacts and scars that no amount of compensation can erase. Judgements and settlements arising from childhood sexual assault cases are having fiscal impacts on schools and public agencies, even risking fiscal insolvency in some instances. As we consider legislative proposals aimed at ensuring the fiscal solvency of public agencies, it's crucial we prioritize justice for victims.

By providing additional legal and fiscal mechanisms for public agencies, Senate Bill 577 carefully balances the need to uphold victims' rights and ensure they are able to seek justice under the law and receive fair compensation for the harm they have endured, while also safeguarding the fiscal stability of public agencies—such as school districts, cities, and counties—so they can continue delivering essential services to the communities they serve.

The County of Los Angeles writes the following in support of SB 577:

We recognize how challenging it is to both meet the needs of survivors and safeguard the financial stability of public agencies. Further, we appreciate how important it is to provide clarity to the entities and individuals responsible for the care of children, and transparency to the public about the protocols and responses when allegations of such awful conduct arises. Finally, we appreciate the work of the Legislature, with your guidance and leadership, to reach this compromise. Your bill helps strike an important and fair balance.

SB 577 is a delicate balance of important competing interests that accomplishes a great deal. Our ability to maintain a semblance of financial stability during these incredibly difficult times is critical to ensuring we continue to provide the vital services our residents depend from health and wellness programs, to emergency response and public safety.

A coalition representing organizations that work to protect children and youth in California's foster care and juvenile justice systems, write the following in support of SB 577:

SB 577 represents a compromise, and not every provision reflects what our organizations would have chosen. However, on balance, the bill takes important steps toward addressing a question that must remain central to this discussion: how do we prevent children and youth in government custody from being abused in the first place?

Young people in juvenile halls, camps, foster care placements, residential facilities, and other government-funded or supervised settings are dependent on public systems for their safety. They should not bear the responsibility of identifying dangerous adults, recognizing patterns of misconduct, navigating unsafe reporting systems, or ensuring that government agencies respond appropriately when warning signs emerge. Whether a young person is placed through the child welfare system or confined through the juvenile justice system, the government has a fundamental responsibility to protect them from abuse.

We therefore strongly support the prevention, accountability, and oversight measures included in SB 577. The bill includes important protections across both the child welfare and juvenile justice systems designed to strengthen monitoring, identify potential abuse and misconduct earlier, and

improve the ability of independent oversight entities to respond when concerns

arise. These protections are especially important when allegations of abuse or misconduct arise and when patterns or warning signs indicate that other children may also be at risk.

For child welfare and youth justice organizations, meaningful independent oversight is not simply an accountability measure after harm has occurred. It is a critical tool for preventing abuse before another young person is harmed. Oversight bodies must have the authority and access necessary to investigate complaints, speak confidentially with youth, identify concerning patterns and conditions, review relevant records and evidence, and ensure that young people can report concerns without fear of retaliation.

SB 577 also recognizes that prevention requires more than responding to individual incidents. It requires systems to examine their practices, strengthen safeguards, improve oversight, and act when there are indications that children may be unsafe. These are meaningful steps toward creating a culture in which protecting children is an ongoing responsibility, rather than a response only after serious harm has occurred.

Stand With Survivors, Sexual Predator Accountability Institute, Female Composer Safety League, Survivors.Org, and Global Hope 365 write the following in opposition to SB 577:

Taken as a whole, SB 577 punishes survivors of child sex abuse who seek justice by rolling back their current rights. And in doing so, their rapists will never be held accountable. Your bill in essence blames the victims for the sexual assault they suffered as a child.

SB 577 does this by 1) raising the burden of proof for child sex abuse survivors who are over 40 to “clear and convincing”, which is similar to the extremely difficult burden of “beyond a reasonable doubt” in a criminal case. And 2) since it proposes to apply to child sex abuse survivors over 40, when the vast majority of child sex abuse survivors don’t come forward until after 40, your bill effectively eliminates most child sex abuse cases going forward against public entities. SB 577 is the ultimate injustice toward survivors who have fought for decades for fairness under the law.

A coalition of law enforcement entities writes the following in opposition of SB 577:

Peace officer personnel records are confidential, with limited exceptions for certain entities such as grand juries, district attorney and Attorney General. These records contain far more than just information about an officer's conduct, including medical, family information, evaluations, employment history, leave information, addresses, contact information, benefits and other sensitive content. Becoming a peace officer should not mean surrendering ordinary employee privacy to a non-peace officer ombudsman.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT: (Verified 8/30/26)

California Alliance for Youth and Community Justice
California Joint Powers Insurance Authority
California Youth Defender Center
Children's Advocacy Institute
Children's Law Center of California
City of San Leandro
Communities United for Restorative Youth Justice
County of Los Angeles
County of Monterey
Courage California
Los Angeles County Public Defenders Union Local 148
National Center for Youth Law
Orange County Board of Supervisors
Prisma Legal Center for Youth Justice
Public Risk Innovation, Solutions, and Management
Smart Justice California
Youth Law Center

OPPOSITION: (Verified 8/30/26)

Arcadia POA
Association of California School Administrators
Brea POA
Burbank POA

California Association of Highway Patrolmen
California Association of Joint Powers Authorities
California Association of School Business Officials
California Catholic Conference
California Coalition of School Safety Professionals
California Correctional Peace Officers Association
California Narcotics Officers' Association
California Reserve POA
California School Boards Association
California Schools Development Center
California State Sheriffs' Association
Charter Schools Development Center
Chief Probation Officers of California
Claremont POA
Corona POA
Court-Appointed Special Advocates of San Luis Obispo
Culver City POA
Female Composer Safety League
Fraternal Order of Police
Fullerton POA
Global Hope 365
League of California Cities
Los Angeles Dependency Lawyers, Inc.
Los Angeles School Police Management Association
Los Angeles Schools PA
Lumina Alliance
Murrieta POA
Newport Beach PA
Novato POA
Palos Verdes POA
Parents Against Child Sexual Abuse
Peace Officers' Research Association of California
Placer County DSA
Pomona POA
Rising Worldwide
Riverside POA
Riverside Sheriffs' Association
Rural County Representatives of California
San Luis Obispo County District Attorney Dan Dow
Sexual Predator Accountability Institute

Stand with Survivors
State Coalition of Probation Organizations
Survivor Policy Coalition
Survivors.Org
VALOR

Prepared by: Margie Estrada / JUD. / (916) 651-4113
8/30/26 18:14:30

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