

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM
3.41
(ID # 9211)

MEETING DATE:

Tuesday, February 26, 2019

FROM : SUPERVISOR KEVIN JEFFRIES:

SUBJECT: SUPERVISOR KEVIN JEFFRIES: Financial Responsibility for Future Litigation and Claims Against County Agencies

RECOMMENDED MOTION: That the Board of Supervisors:
Direct the Executive Office to study the issue of Financial Responsibility for Future Litigation and Claims Against County Agencies and report back to the BOS within 90 days the feasibility of the following policy.


ACTION:Policy


Supervisor Kevin Jeffries, Vice Chairman 2/21/2019

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended with direction to the Executive Office to report back within 90 days.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: February 26, 2019
xc: Supvr. Jeffries, EO

Kecia Harper
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

BACKGROUND:

Summary

In 2014, Supervisor Jeffries introduced a Form 11 entitled "Financial Responsibility for Future Litigation and Claims Against Government Agencies" (see Attachment A). That measure was not approved by the Board, and working with the Executive Office, Human Resources, and County Counsel, a different measure, "Policy Direction on Administrative Protocol for Reducing Claims and Lawsuits Against County Agencies" (see Attachment B). That second Form 11 was supposed to create a series of reforms within the bureaucracy to reduce litigation and payouts against the county, but while some pieces of that reform may have gone into effect with some success (requiring warrants for CPS actions, for example), others clearly have not (including the "regular reporting on all significant resolved litigation by department... as part of the annual budget presentation to the Board").

Riverside County has reportedly paid over \$100 million in claims since that time, and it is not at all clear that things have improved generally in the numbers or severity of claims against the County. As such, this Form 11, will re-introduce the concepts from the original reform.

The County of Riverside has traditionally paid civil liability claims out of a special fund, into which county agencies make an annual contribution. While this system acts as a form of self-insurance, it also obscures the impact of these losses on the broader county budget, and occurs largely outside of the view of taxpayers, who have a legitimate interest in seeing a more specific accounting of county losses through settlements and judgments.

If passed, this proposal would direct the Executive Office to study this issue and report back to the BOS within 90 days the feasibility of the following policy:

1. On those occasions when the Board of Supervisors or Executive Office agrees to settle or otherwise is required to pay compensation, awards or damages as a result of litigation and/or claims against the county from an employee or injured citizen or immediate family, the funding source for such compensation shall initially be appropriated from the current adopted budget of the department responsible for the direct oversight, management, or supervision of the program and/or involved employee(s) related to the underlying cause of litigation or claim(s).
2. Provide for circumstances whereby the Executive Office or the Board of Supervisors may determine that the settlement funding need not be appropriated from the related department as the actions or inactions of the county were within the normal routine course of duty or services, and not a result of faulty policies, training, neglect, or management.
3. A department may further seek to have the diverted settlement or judgment funds restored to their budget by submitting a request and justification to the Board of Supervisors to be discussed at a regular Board Meeting or in the regular course of quarterly budget adjustments.

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA

Impact on Citizens and Businesses

Will increase transparency for citizens and businesses interested in a more detailed accounting of settlements and judgments against specific county agencies.

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Supervisor Kevin Jeffries

SUBMITTAL DATE:
September 18, 2014

SUBJECT: Policy Direction on Administrative Protocol for Reducing Claims and Lawsuits Against County Agencies

RECOMMENDED MOTION: That the Board of Supervisors:

1. Direct the Executive Officer and County Counsel to continue implementation of the administrative protocol which reflects the following policy direction:
 - Timely notification of significant incidents of possible County liability to the Executive Office, Human Resources, County Counsel, and the Chair of the Board of Supervisors;
 - Prompt investigation by the appropriate County Department in consultation with Human Resources and County Counsel;
 - Development and implementation of strategies to increase accountability and reduce the frequency of future liability and litigation;
 - Regular reporting to the Board of Supervisors as appropriate;
 - Regular reporting on all significant resolved litigation (either settled or litigated to the final conclusion) by Department, including litigation handled by the County Counsel's Office and Human Resources as part of the Annual Budget Presentation to the Board.

Departmental Concurrence

BACKGROUND:
Summary


KEVIN JEFFRIES, First District
Supervisor

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ n/a	\$ n/a	\$ n/a	\$ n/a	Consent <input checked="" type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ n/a	\$ n/a	\$ n/a	\$ n/a	

SOURCE OF FUNDS:	Budget Adjustment:
	For Fiscal Year:

C.E.O. RECOMMENDATION:

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.:

District: ALL

Agenda Number:

3-2

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: for Reducing Claims and Lawsuits Against County Agencies**

DATE: September 18, 2014

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

On September 23, 2014, I brought forward a recommendation for the Board to direct the Executive Office to study the issue of financial responsibility for future litigation and claims against county agencies. After discussion and deliberation, the item was continued to October 21, to allow me to meet with County Counsel and other involved departments to review and consider other alternatives to improving accountability and furthering a proactive approach to reducing claims and lawsuits against the County.

Claims and litigation filed against the County of Riverside are received through the Clerk of the Board and controlled by the Human Resources Department Risk Management Division and County Counsel. The Human Resources Department Risk Management Division coordinates the claim and assigns defense counsel in coordination with County Counsel. Estimated liability accruals include those incidents that are reported as well as an amount for those incidents that are incurred but are not reported at fiscal year-end. The funding of these estimates is based on actuarial experience and projections. Notification is made to the County's excess insurance carrier, CSAC Excess Insurance Authority, of any claim and or lawsuit that has the potential of exceeding established self-insured retention levels. The County's excess insurance carrier assists in the management and possible settlement of high exposure claims.

The Human Resources Department Risk Management Division maintains financial reserves through an Internal Service Fund (ISF) which are used to manage the County's claims and litigation. The ISF is used to settle and mitigate claims, and to assist with proactive measures to reduce the frequency and exposure of future claims. All program costs are allocated to County departments based 80% on the claims history of each department and 20% on department exposure data.

Additionally, litigation is filed against the County which does not fall within the scope of the County's excess insurance coverage. Those cases are referred to County Counsel for handling or assignment to special counsel. In an effort to further reduce costs, County Counsel is committed to developing the internal capacity and expertise necessary for handling more of these cases as well as risk management cases. In that regard, County Counsel has recently hired two staff attorneys with experience in public agency tort litigation and CEQA litigation.

Impact on Residents and Businesses

Further enhancements of the existing administrative protocol and a collaborative, proactive approach between the Executive Office, Human Resources Department, County Counsel, and the involved county agency may reduce future liabilities and expenditures and increase accountability. Such reductions in claim costs will increase the availability of county funds for the general benefit of county residents, and increase transparency of county government through regular reporting to the Board of Supervisors of significant resolved risk management litigation as well as the litigation handled by the County Counsel's Office as part of the Annual Budget Presentation.

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Supervisor Kevin Jeffries

SUBMITTAL DATE:
September 18, 2014

SUBJECT: Financial Responsibility for Future Litigation and Claims Against County Agencies

RECOMMENDED MOTION: That the Board of Supervisors:
Direct the Executive Office to study the issue of Financial Responsibility for Future Litigation and Claims Against County Agencies and report back to the BOS within 90 days the feasibility of the following policy.

BACKGROUND:

Summary

The County of Riverside has traditionally paid civil liability claims out of a special fund, into which county agencies make an annual contribution. While this system acts as a form of self-insurance, it also obscures the impact of these losses on the broader county budget, and occurs largely outside of the view of taxpayers, who have a legitimate interest in seeing a more specific accounting of county losses through settlements and judgments.

Continued on page 2

Departmental Concurrence


**KEVIN JEFFRIES, First District
Supervisor**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ n/a	\$ n/a	\$ n/a	\$ n/a	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ n/a	\$ n/a	\$ n/a	\$ n/a	

SOURCE OF FUNDS:	Budget Adjustment:
	For Fiscal Year:

C.E.O. RECOMMENDATION:

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.: | **District:** | **Agenda Number:**

3-75

Background Summary (continued):

If passed, this proposal would direct the Executive Office to study this issue and report back to the BOS within 90 days the feasibility of the following policy:

1. On those occasions when the Board of Supervisors or Executive Office agrees to settle or otherwise is required to pay compensation, awards or damages as a result of litigation and/or claims against the county from an employee or injured citizen or immediate family, the funding source for such compensation shall initially be appropriated from the current adopted budget of the department responsible for the direct oversight, management, or supervision of the program and/or involved employee(s) related to the underlying cause of litigation or claim(s).
2. Provide for circumstances whereby the Executive Office or the Board of Supervisors may determine that the settlement funding need not be appropriated from the related department as the actions or inactions of the county were within the normal routine course of duty or services, and not a result of faulty policies, training, or management.
3. A department may further seek to have the diverted settlement or judgment funds restored to their budget by submitting a request and justification to the Board of Supervisors to be discussed at a regular Board Meeting.

Impact on Citizens and Businesses

Will increase transparency for citizens and businesses interested in a more detailed accounting of settlements and judgments against specific county agencies.