

BILL: Senate Bill 575
TITLE: County Boards of Education - Limit on Liability
POSITION: OPPOSE
DATE: March 24, 2016
COMMITTEE: Judiciary Committee
CONTACT: John R. Woolums, Esq.

The Maryland Association of Boards of Education (MABE), representing all of the state's twenty-four local boards of education, opposes Senate Bill 575, which would increase the statutory limit on per claim liability for local boards of education from \$100,000 to \$400,000.

MABE supports maintaining the current law governing the limits on liability exposure for local school systems in response to tort claims. The longstanding limitation on the waiver of immunity to claims against school systems of more than \$100,000 has allowed for reasonable plaintiff's recoveries in countless cases and at the same time protected school systems and educational resources from excessive litigation costs and claims.

Senate Bill 575 would dramatically increase the exposure of school systems to legal and insurance costs arising from the proposal to increase the limit on the minimum amount of liability coverage a board of education must maintain from \$100,000 to \$400,000. MABE believes the existing liability limits are appropriate for claims against the local boards of education, and preserve a reasonable balance between a school system's obligations to provide a high quality county-wide system of public education, while at the same time maintaining a reasonable level of monetary compensation in the event of an accident.

Local boards are fiscally dependent on state and local funding sources; and therefore unable to fund any dramatic increase in the costs of litigation, legal settlements, and judgments without drawing limited resources away from the classroom. For the same reason, if this legislation is enacted, MABE would urge consideration of an amendment to adopt an effective date of July 1, 2017 to allow time for resulting budgetary considerations.

For these reasons, MABE requests an unfavorable report on Senate Bill 575.