



# MONTGOMERY COUNTY BOARD OF EDUCATION

850 Hungerford Drive ♦ Room 123 ♦ Rockville, Maryland 20850



Bill: Senate Bill 575  
Title: County Boards of Education - Limit on Liability  
Committee: Judicial Proceedings  
Date: February 25, 2015  
Position: **OPPOSE**  
Contact: Michael Durso, President, Montgomery County Board of Education

The Montgomery County Board of Education opposes Senate Bill 575.

This bill increases the total cap of liability for a damages claim the Board of Education and its employees from \$100,000 to \$400,000.

MCPS takes its fiduciary responsibilities seriously and has extensive fiscal controls and compliance requirements to mitigate the risk of the sorts of incidents that give rise to litigation subject to this bill. Nevertheless, as a self-insured entity, the Board is responsible for all judgments against it. Yet as a fiscally dependent agency that cannot raise its own revenues, the Board could face a substantial increase in the amount it would be obligated to pay for an adverse judgment without a way to pay for it, except by reducing other expenditures critical to the education and well-being of students. Moreover, an increase in litigation risk may create pressure to impose otherwise unnecessary administrative protocols that would burden staff and detract from educational effectiveness.

The fiscal impact of this bill includes more than the increase in the upper limit on the costs of adverse judgments. There would be increased litigation costs to defend an anticipated increase in the number of cases. Attorneys (and plaintiffs) who were deterred by the \$100,000 cap may now find a lawsuit with a possible recovery up to \$400,000 much more attractive, so more lawsuits may result.

For these reasons, we oppose this bill and ask for an unfavorable report.