OFFICE OF THE COUNTY COUNSEL

Chief Executive Office.

County of Los Angeles

Dawyn R. Harrison
County Counsel

Board of Supervisors

Hilda L. Solis
Supervisor, First District

Holly J. Mitchell
Supervisor, Second District

Lindsey P. Horvath
Supervisor, Third District

Janice Hahn
Supervisor, Fourth District

Kathryn Barger
Supervisor, Fifth District

November 17, 2026

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

JOINT RECOMMENDATION TO INCREASE THE DELEGATED SETTLEMENT AUTHORITY OF THE COUNTY OF LOS ANGELES CLAIMS BOARD AND COUNTY COUNSEL AND INCREASE THE THRESHOLD FOR CORRECTIVE ACTION PLANS AND SUMMARY CORRECTIVE ACTION PLANS (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

This is a joint recommendation by County Counsel and the Chief Executive Office (CEO) to increase the authority delegated to the Office of the County Counsel (County Counsel) and the County of Los Angeles (County) Claims Board (Claims Board) to settle claims and lawsuits and adjust the criteria for corrective action plans and summary corrective action plans. The proposed increases would adjust the current authority levels to account for inflation since they were set in 1982 and 1985, respectively. County Counsel and CEO intend to make this request every five years to adjust future authority limits to account for inflation.

This recommendation also seeks to require County Counsel's approval to settle any petition or appeal that is the subject of an administrative proceeding before the County Civil Service Commission brought against the County or any department thereof. Your Board will continue to have full visibility into the matters being handled by the Claims Board, a public Ralph M. Brown Act (Brown Act) body, and both the CEO Risk Manager and County Counsel Litigation Cost Manager will monitor and address systemic liability concerns.

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JOINT RECOMMENDATION BY COUNTY COUNSEL AND CEO THAT YOUR BOARD:

1. Approve the introduction of the attached ordinance amending Los Angeles County Code Section 2.14.020 to:

   (a) increase the delegated authority of County Counsel to settle claims and lawsuits to $50,000 from $20,000; and

   (b) require County Counsel's approval of any settlement of an appeal or petition that is the subject of a Civil Service Commission administrative proceeding brought against the County or a County department (Attachment A);

2. Adopt the attached resolution to increase the delegated authority of the Claims Board to settle claims and lawsuits for money damages to $250,000 from $100,000 (Attachment B);

3. Adopt the attached revisions to Board Delegated Authority Manual 20.120 – Review, Compromise or Settle Claims to reflect the increased delegated authority limits to the Claims Board (Attachment C);

4. Adopt the attached revisions to Board Policy No. 8.020 – Procedures For Including Corrective Follow-Up Reports As Part of The Claims Settlements Presented To The Board to adjust the criteria when a corrective action plan and summary corrective action plan are required to reflect tort or tort-like liability settlements in excess of $250,000 (Attachment D); and

5. Delegate authority to County Counsel and other related departments to make changes necessary to implement the above recommendations.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended increases to the settlement authority levels modernize the levels to adjust for inflation and better align with other large counties while continuing to ensure your Board and the public have visibility on the County's liabilities. These recommended adjustments are the result of a detailed review of the County's liability claims, the County's third-party liability process, and delegated authority levels established by other public agencies. A significant amount of time and resources are expended to prepare and present tentative settlements to Claims Board and your Board for approval. An increase in settlement authority will result in a more efficient and cost-effective resolution of claims and lawsuits.

The recommendation will also require County Counsel approval of any settlement of a petition or appeal that is the subject of an administrative proceeding against the County or a County department before the County Civil Service Commission. County Counsel may delegate such

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settlement authority over administrative proceedings to another department or County official. Such delegation may be revoked by County Counsel, in writing, at any time. The intent is to ensure consistency in settlements and compliance with applicable laws.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Adopting these recommendations supports the County's Strategic Plan Goal North Star 3 – Focus Area Goal G – Internal Controls and Processes: Strengthen our internal controls and processes while being cognizant of efficiency to continue good stewardship of public trust and fiscal responsibility.

FISCAL IMPACT/FINANCING

Acceptance of these recommendations will allow County departments to redirect their resources towards more financially impactful liability concerns. Instead of using limited resources on lower liability issues that comprise approximately 5 percent of the total value of settlements that require Board approval, those resources will be reallocated towards corrective action plans that make up approximately 95 percent of the value of Board-required settlements.[1] The increased settlement authority will also provide County Counsel and County departments increased opportunity to resolve smaller claims and lawsuits quickly, efficiently, and less expensively, both as to amounts paid as well as claims adjustment and litigation costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Government Code Sections 935.4 and 949, in 1982, the Board delegated to County Counsel the authority to approve settlements of claims and lawsuits up to and including $20,000. In 1985, the Board, under Government Code Section 935.2, created the Claims Board and delegated to it the authority to approve settlements of claims and lawsuits which exceed $20,000, and do not exceed $100,000. All settlements over $100,000 require approval of your Board. Neither of these original limits has changed since they were first established.

The recommended increases to the existing delegated authority limits recognize the impact of inflation since the establishment of the original delegated authority amounts. Based on the Bureau of Labor Statistics Consumer Price Index for Urban Consumers,[2] the $20,000 County Counsel settlement authority granted in 1982 has a 2026 value of $73,004. The $100,000 Claims Board authority granted in 1985 has a 2026 value of $327,644. The increased inflation justifies the recommended settlement authority increases.

[1] These numbers are based on cases that appeared before the Claims Board and settled over $100,000 in the last three fiscal years (FY 2022-23, FY 2023-24, and FY 2024-25). The data excludes AB 218 matters.

[2] The Bureau of Labor Statistics Consumer Price Index for Urban Consumers is also used to calculate adjustments in multi-year services contracts under Board Policy No. 5.070 of the Board Policy Manual.

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It is important to note that the Board of Supervisors (Board) would continue to hold the authority to approve settlements in all of the medium-to-high exposure matters even with an increase of the Claims Board authority to $250,000. For Fiscal Years (FY) 2022-23 to 2024-25, your Board reviewed and approved 183 recommended settlements for a total of $255,410,405.[3] If the Claims Board had been operating under a $250,000 delegated authority limit during the same two-year period, the Board would have reviewed and approved 115 matters for a total settlement value of $242,857,887 or 95 percent of all the settlements monies spent by the County. The public would continue to receive public notice of these matters during the Claims Board meetings and your Board meetings.

Increasing County Counsel's settlement authority will also allow for more expeditious settlements of claims and lawsuits. Settlements of lower exposure matters will occur earlier in the process before an extended period of discovery and litigation takes place, thereby reducing the County's litigation defense attorneys' fees and costs. It will also eliminate the significant time and resources spent taking relatively low value settlements to be approved by the Claims Board. Additionally, delegation of $50,000 in settlement authority to County Counsel is consistent with the amounts delegated by the governing boards of the City of Los Angeles, the Los Angeles County Metropolitan Transportation Authority (LACMTA), Los Angeles Care (LA Care), and many counties throughout the State including, but not limited to, San Bernardino and Orange.[4]

Increasing the authority of Claims Board to $250,000 and limiting the need for a formal corrective action plan to settlements over $250,000 will also reduce the processing time, attorneys' fees and costs, and Board time, and will result in resource savings that could be redirected to higher-priority activities including: (a) more in-depth root-cause analysis of high-exposure, multimillion-dollar liabilities; (b) proactive safety training and operational improvements; (c) accelerated clearance and resolution of outstanding claims; and (d) implementation of systemic improvements. Claims and lawsuits of lesser value are usually routine in nature, involve low risk, and their settlements can be robustly evaluated and approved without the need for Board review and approval. The members of Claims Board have substantial expertise in evaluating claims and lawsuits and the interests of the County will remain well-protected if this increase in settlement authority is delegated to them.

[3] This count and total settlement amount does not include the AB 218 litigation matters that were settled for $4.8 billion.

[4] The listed local public agencies (with the exception of Orange County) delegate $50,000 to its employees to settle or compromise a suit or claim. (City of Los Angeles Administrative Code, Section 5.173, subdivision (a); LACMTA Administrative Code, Section 2-40-010; L.A. Care Provider Policies and Compliance, Policy LS-009; and San Bernardino County Code, Section 12.1907, subdivision (b)(1).) Orange County delegates $50,000 for claims and $75,000 for lawsuits. (County of Orange, Resolution 23-136.) Additionally, the City of Los Angeles, LACMTA, and LA Care delegate $100,000, $200,000, and up to $250,000 to its Claims Boards, respectively. (City of Los Angeles Administrative Code, Section 5.173, subdivision (b); LACMTA Administrative Code, Section 2-40-020; and L.A. Care Provider Policies and Compliance, Policy LS-009.)

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CEO-Risk Management will continue to proactively review new claims and alert departments to potential risks. CEO-Risk Management Inspector General continues to retain authority to request, review and approve department corrective action plans and summary corrective action plans, irrespective of settlement amount, and County Counsel will continue to keep your Board apprised of high priority, significant litigation that it would have an interest in following.

Finally, requiring County Counsel's approval of settlements in Civil Service Commission administrative proceedings will help to ensure that such settlements are approached in a consistent manner and in accordance with applicable legal requirements for all County employees.

Your Board will continue to have full transparency into the liabilities facing the County through regular reporting by the CEO Risk Manager, County Counsel, the Litigation Cost Manager, and through the Claims Board process. Additionally, the public will continue to have notice of the matters that come before the Claims Board, as required under the Brown Act, and the public reporting performed by both the CEO and County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current County services or projects as a result of approving this action.

CONCLUSION

The recommended increases in delegated settlement authority will improve the processing of County claims and lawsuits and reduce the County's cost of risk. The increased authority limits will not otherwise impact County Counsel's obligations or past practices regarding the handling and settling of claims and lawsuits. This recommendation will also require County Counsel's approval of any settlement of a petition or appeal that is the subject of a proceeding before the Civil Service Commission.

Respectfully submitted,

DAWYN R. HARRISON
County Counsel

JOSEPH M. NICCHITTA
Chief Executive Officer

DRH:LC:ma

Enclosures

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ATTACHMENT A

ANALYSIS

This ordinance amends Title 2 - Administration of the Los Angeles County Code by changing the County Counsel's authorization to settle claims and lawsuits from $20,000 to $50,000 and providing the County Counsel authority to approve settlements in any administrative proceeding before the Civil Service Commission brought against the County or any department thereof.

DAWYN R. HARRISON
County Counsel

BY
LINDSAY YOSHIYAMA
Senior Deputy County Counsel
Litigation Monitoring Division

LY:ma

Requested: 4/9/21

Revised: 10/7/26

ORDINANCE NO._____

An ordinance amending Title 2 - Administration of the Los Angeles County Code relating to the authority of the County Counsel to settle claims and lawsuits and to approve settlements in any administrative proceeding before the Civil Service Commission brought against the County or any department thereof.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 2.14.020 is hereby amended to read as follows:

2.14.020 Suits or ~~c~~Claims—Settlement ~~p~~Procedure.

A. Except as otherwise provided in this section, and except as otherwise delegated to the claims boards established by the Board of Supervisors, where, in the opinion of the ~~c~~County ~~c~~Counsel, the ~~b~~Board of ~~s~~Supervisors may legally compromise or settle any claim or suit by or against the ~~c~~County, or any officer thereof, the ~~c~~County ~~c~~Counsel shall report to the ~~b~~Board of ~~s~~Supervisors the results of ~~his~~their investigation concerning such suit or claim, together with such recommendation for its disposition as ~~he~~they may have, for the information of the ~~b~~Board of ~~s~~Supervisors in its action.

B. Where, after proper claim has been filed and upon investigation by the ~~c~~County ~~c~~Counsel, ~~he~~the County Counsel finds that there exists a probable liability on the part of the ~~c~~County of Los Angeles as to a claim or suit, and where the amount necessary to be expended in order to pay, settle, or compromise such claim or suit does not exceed the sum of ~~$20,000.00~~$50,000.00, the ~~c~~County ~~c~~Counsel is authorized to pay, settle, or compromise such claim or suit pending against the ~~c~~County of Los Angeles, or any officer or employee thereof for which the ~~c~~County may ultimately be liable, in an amount not exceeding ~~$20,000.00~~$50,000.00, as to any person, firm, or

corporation, without the necessity of first receiving the approval of the ~~b~~Board of ~~s~~Supervisors.

C. The ~~c~~County ~~c~~Counsel is further authorized to settle or compromise any claim or suit of the ~~c~~County of Los Angeles against third parties, where ~~he~~the County Counsel finds there exists a reasonable doubt or dispute as to the validity of said claim or suit, and where the amount claimed or prayed for does not exceed the sum of ~~$20,000.00~~$50,000.00, without the necessity of first receiving the approval of the ~~b~~Board of ~~s~~Supervisors. The ~~c~~County ~~c~~Counsel is authorized to execute and deliver to said third parties any and all releases, covenants not to sue, satisfactions of judgment, and any other instrument in writing necessary or advisable to be executed and delivered to said third parties in connection with the settlement of such claims or suits.

D. The County Counsel's approval is required to settle any petition or appeal that is the subject of an administrative proceeding before the Civil Service Commission brought against the County or any department thereof, except that the County Counsel may delegate to another department or County official, in writing, the authority to settle such matters without the County Counsel's approval. Such delegation may be revoked by the County Counsel, in writing, at any time.

[214020LYCC]

ATTACHMENT B

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES MODIFYING THE SETTLEMENT AUTHORITY OF THE COUNTY OF LOS ANGELES CLAIMS BOARD

WHEREAS, on January 18, 1983, pursuant to Government Code sections 935.2 and 949, the Board of Supervisors (Board) established by resolution the County of Los Angeles (County) Claims Board (Claims Board);

WHEREAS, the Claims Board performs the functions of the Board related to claims and lawsuits for money damages, except as such authority has been delegated to the County Counsel pursuant to Los Angeles County Code Section 2.14.020 and except as such authority has been delegated to the Los Angeles County Contract Cities Liability Trust Fund Claims Board;

WHEREAS, on April 23, 1985, the Board adopted a resolution authorizing the Claims Board to review, compromise, or settle any claim and lawsuit for money damages in excess of $20,000 but not to exceed $100,000;

WHEREAS, it is the Board's intention to amend Section 2.14.020 of the Los Angeles County Code to increase the County Counsel's authority to resolve claims and lawsuits from $20,000 to $50,000;

WHEREAS, it is the Board's intention to modify the settlement authority of the Claims Board to resolve claims and lawsuits that exceed $50,000 and do not exceed $250,000, as set forth herein;

WHEREAS, it is the Board's intention to revise Board Delegated Authority Manual 20.120 to reflect the increased delegated authority limits to the Claims Board;

WHEREAS, it is the Board's intention to revise Board Policy 8.020 to adjust the criteria when a corrective action plan and summary corrective action plan are required to reflect the increased delegated authority limits; and

WHEREAS, it is the Board's intention to delegate authority to County Counsel and other related departments to make changes necessary to perform the above functions and effectuate the changes.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Los Angeles as follows**:**

SECTION 1: The Claims Board shall have the authority to review and approve or disapprove the settlement of claims and lawsuits for money damages, against the County, for settlements that exceed $50,000 and do not exceed $250,000.

SECTION 2: All claims and lawsuits before the Claims Board wherein settlement exceeds $250,000 shall be referred with a recommendation for final action to the Board.

SECTION 3: County Counsel and the Chief Executive Office are delegated the authority to make any other changes to implement this Resolution of the Board.

SECTION 4: That this Resolution shall take effect immediately upon its passage and shall remain in effect, unless extended or repealed by the Board.

The foregoing Resolution was adopted on the ___day of _____, 2026, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

EDWARD YEN
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By_____
Lindsay Yoshiyama
Senior Deputy County Counsel

ATTACHMENT C

Los Angeles County

BOARD DELEGATED AUTHORITY

Policy #:	Title:	Adopted Date:
20.120	**Review, Compromise or Settle Claims**	**04/23/1985**
	Department:	
	County Claims Board	

POLICY

The County Claims Board is authorized to receive and review requests to compromise or settle all claims and suits for money damages permitted under the Government Code, and to perform all functions of the Board of Supervisors with respect to such claims and suits for money damages, including authority to review and approve Summary Corrective Action Plans (SCAP) and Corrective Action Plans (CAP), except any such authority that has been specifically delegated to the County Counsel or the Chief Executive Office. All claims and suits before the Claims Board wherein settlement exceeds ~~$100,000~~$250,000 shall be referred with a recommendation for final action to the Board of Supervisors, along with any related ~~Summary Corrective Action Plan~~SCAP and ~~Corrective Action Plan~~CAP.

REFERENCE

Government Code Section 935.2

Government Code Section 949

Adopted by Board of Supervisors April 23, 1985, Synopsis No. 86

Adopted by Board of Supervisors Adopted Date [DATE]

RESPONSIBLE DEPARTMENT

County Claims Board

DATE ADOPTED/SUNSET REVIEW DATE

Adopted Date: April 23, 1985	**Sunset Review Date: June 30, 2013**
Review Date: April 25, 2013	**Sunset Review Date: June 30, 2017**
Review Date: July 20, 2017	**Sunset Review Date: June 30, 2019**
Review Date: April 17, 2019	**Sunset Review Date: June 30, 2023**
Review Date: May 17, 2023	**Sunset Review Date: June 30, 2028**
Review Date: October 6, 2026	**Sunset Review Date: June 30, 2031**

ATTACHMENT D

Policy #:	Title:	Effective Date:
8.020	**Procedures For Including Corrective Follow-Up Reports As Part of The Claims Settlements Presented To The Board of Supervisors**	12/10/96

PURPOSE

Establishes a requirement for corrective action follow-up reports as part of the ~~cl~~iaims settlement letter forwarded to the Board of Supervisors.

REFERENCE

December 10, 1996 Board Order, Synopsis 48

April 29, 2015 Chief Executive Office Memo, "Modification of Current Process for Corrective Action Plans and Summary Corrective Action Plans"

October 1, 2015 Chief Executive Office Memo, "Corrective Action Plans and Summary Corrective Action Plans for Tort-Like Settlements"

March 8, 2016 Board Order No. 13

POLICY

All departments must prepare a corrective action plan (CAP) and a summary corrective action plan (SCAP) for all proposed tort or tort-like liability settlements in excess of ~~$100,000~~$250,000 that are presented to the Claims Board or Board or Supervisors, or if required by the Chief Executive Office (CEO).

As directed by the CEO, all departments ~~should~~must submit a draft CAP and SCAP to the CEO's Risk Management Inspector General (RMIG) within 30 business days from County Counsel's notification of settlement, respond to questions from RMIG, and finalize the CAP and SCAP within 90 business days of the notification. Departments may prepare them, in consultation with County Counsel, before notification of settlement.

Because County Counsel is involved in the settlement process and the review of CAPs in order to provide legal assistance to departments, the Board of Supervisors, or Board Deputies, the CAP should be marked confidential and not disclosed.

RESPONSIBLE DEPARTMENT

Auditor-Controller

Chief Executive Office

County Counsel

DATE ISSUED/SUNSET DATE

Issue Date: December 10, 1996
Review Date: November 20, 2003
Review Date: July 16, 2009
Review Date: September 15, 2011
Review Date: March 8, 2016
Review Date: September 16, 2020
Review Date: September 17, 2025
Review Date: October 6, 2026

Sunset Review Date: December 10, 2003
Sunset Review Date: December 10, 2007
Sunset Review Date: December 10, 2011
Sunset Review Date: December 10, 2015
Sunset Review Date: December 10, 2020
Sunset Review Date: December 10, 2025
Sunset Review Date: December 10, 2030
Sunset Review Date: June 30, 2031