



CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

Presents the 24th Annual CDIAC Pre-Conference to
The Bond Buyer's 35th Annual California Public Finance Conference

Finance Strategies to Weather the Storm of Childhood Assault Claims



Monday, November 3, 2025

Manchester Grand Hyatt
1 Market Place
San Diego, CA 92101

The cost of victim compensation for past crimes against children resulting from AB 218 is sobering. Estimates of the direct liability of K-14 schools are more than \$3 billion. Counties, cities, districts and non-profit service providers are faced with exposure that is expected to exceed the K-14 liability many times over. How will agencies already challenged with structural imbalances pay for the deluge of judgements and settlements? This program will bring into focus the magnitude of the financial storm facing agencies across California, and it will also examine the condition of the insurance safety net that is recognized as the first line of fiscal defense. Lastly, experienced issuers and market professionals will explore the public finance strategies that agencies may use to overcome a fiscal challenge that may appear insurmountable.



8:30 AM **Registration**
Complimentary continental breakfast

9:00 AM **Welcome and Opening Remarks**
Michael Ballinger, Publisher, The Bond Buyer
Robert Berry, Executive Director, CDIAC

SESSION ONE

9:10 AM **Magnitude of the Fiscal Storm: Potential Effects and the Agencies Impacted**

This session will discuss the magnitude of claims, those agencies directly impacted, and the limitations on our ability to estimate the full scope of liability. Panelists will frame our understanding of the total liability versus the general fund capacity of local agencies, the potential effects on public services, and the current response strategy of local leadership. The session will also discuss the direct and indirect ratings implications, potential risks of financial contagion, and the impact on the cost of financing.

Helen Cregger, Vice President - Senior Credit Officer, Moody's Investor Services, Inc.
Mike Fine, Chief Executive Officer, Fiscal Crisis & Management Assistance Team (FCMAT)

SESSION TWO

10:00 AM **Insurance: Weakness in the Front Line of Fiscal Defense**

This session will explain how public agencies have insured against their liability claims through risk-pools - pooling funds and sharing risk across many agencies. California's risk-pools did not anticipate the costs of retroactive claims associated with the change in the statute of limitations for childhood assaults. This has led to a huge liquidity gap for the onslaught of new claims, among other coverage limitations. Panelists will address the state of the risk-pool landscape, specific limitations of risk pools to settle claims individually and collectively, and their expectations for a massive cost gap that will be absorbed by the general funds of all pool participants.

John Chino, Senior Vice President, Arthur J. Gallagher & Co.
Dave George, Chief Executive Officer, Schools Excess Liability Fund
Michael Pott, Chief Operating Officer, Public Risk Innovation, Solutions, and Management (PRISM)



11:00 AM Break

SESSION THREE

11:15 AM Payment Strategies for Settling Claims and Paying Judgements

The difference between the amount of a settlement or judgement and public agency liability coverage most often can't be drawn from reserves without threatening an agency's long-term financial sustainability. Developing a payment strategy for filing the gap will be essential. This session will discuss the strengths and weaknesses of different payment strategies for different agencies including receiverships and emergency apportionments, tax increases, and bond issuance. Panelists will address the challenging constitutional, statutory, and procedural hurdles and how they may be overcome to form a viable payment strategy.

Don Field, Partner, Orrick Herrington & Sutcliffe

Mike Fine, Chief Executive Officer, Fiscal Crisis & Management Assistance Team (FCMAT)

Karma Pemba, Managing Director, RBC Capital Markets

12:30 PM Luncheon

Fiona Ma, CPA, California State Treasurer

1:30 PM End of Program