

## **BILL ANALYSIS**

Senate Research Center  
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C.S.S.B. 1558  
By: Perry  
Health & Human Services  
4/10/2025  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Liability insurance is a critical yet increasingly inaccessible requirement for foster care providers in Texas. Rising premiums, limited carrier availability, and burdensome policy changes, combined with costly lawsuits and settlements, threaten the viability of these essential services, potentially leaving thousands of children without placement and destabilizing the child welfare system. Foster care providers are required by contract to maintain liability insurance, but the availability of coverage, skyrocketing premiums, and insufficient coverage threaten the ability of providers to continue their critical work.

Other than the systemic risk to the structure of the Texas foster care system, failure to address this crisis risks profound harm, including re-traumatization of vulnerable children and youth, job losses among care staff, and ripple effects on local communities. Providers unable to secure or afford the required liability insurance may exit the market, leaving gaps in the care infrastructure and reducing options for children in foster care.

Providers have no direct explanation for rising insurance premiums and a contracting insurance market, though some insurers point to regulatory structure and requirements, as well as increased risk of lawsuits or settlements. States across the country are facing the same problem, as well as other industries in Texas.

S.B. 1558 would reinforce the existing protections of the Charitable Immunity and Liability Act (CILA) to make it clear that non-profit foster care providers and the non-profit single source continuum contractors (SSCCs), who provide community-based care are protected by CILA.

S.B. 1558 limits the liability of SSCCs and certain nonprofit child welfare providers that offer foster care or adoption services. To qualify for these liability protections, an organization must:

- Conduct timely background checks and check offender registries.
- Require training in child sexual abuse prevention and reporting.
- Report any allegations of misconduct.
- Take appropriate action in response to misconduct.

Organizations meeting these requirements are protected by damage limits of \$500,000 per person and \$1,000,000 per occurrence for bodily injury/death, and \$100,000 per property damage incident.

An organization can only be held responsible for an employee, volunteer, caregiver, or clinical professional's actions if it failed to meet the requirements, that failure was meant to prevent the harm that occurred, and it was a substantial factor in causing harm.

These protections do not apply to cases of gross negligence.

The bill clarifies that nonprofit child welfare providers contracting with SSCCs are also covered.

Committee Substitute:

The committee substitute keeps the overall structure but makes several improvements based on stakeholder input:

- Requires timely and proportionate action for any staff performance issues, not just "grossly deficient" ones.
- Changes the liability threshold from being a "substantial factor" to a "contributing factor," slightly lowering the bar for proving harm.
- Adds language to confirm that this liability protection does not prevent state agencies from taking regulatory or enforcement action.

The substitute version maintains protections against gross negligence and keeps the same insurance requirements and scope of application.

C.S.S.B. 1558 amends current law relating to the liability of nonprofit entities contracted with the Department of Family and Protective Services or with a single source continuum contractor to provide community-based care or child welfare services.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 84, Civil Practice and Remedies Code, by adding Section 84.0068, as follows:

Sec. 84.0068. LIABILITY OF SINGLE SOURCE CONTINUUM CONTRACTORS OR CERTAIN NONPROFIT ENTITIES PROVIDING COMMUNITY-BASED CARE OR CHILD WELFARE SERVICES. (a) Provides that this section applies only to an entity described by Section 264.170(a), Family Code.

(b) Prohibits an entity, subject to Subsection (c) and except as provided by Subsection (d), from being held liable for damages resulting from the negligence of a person who is an employee or volunteer of the entity or a caregiver providing services on behalf of the entity if, for each person, the entity has taken certain actions.

(c) Authorizes an entity to be held vicariously liable by a claimant on the basis of services received from the entity for the act or omission of a person who is an employee or volunteer of the entity only if the claimant shows that certain circumstances were met.

(d) Provides that Subsection (b) does not affect the liability of an entity for damages resulting from the gross negligence of a person who is an employee or volunteer of the entity or a caregiver providing services on behalf of the entity.

(e) Prohibits this section from being construed to limit the liability of an entity for a claim otherwise authorized by state or federal law or the ability of a governmental entity to take administrative, regulatory, or prosecutorial action against an entity described by Section 264.170(a), Family Code.

SECTION 2. Amends Section 264.170, Family Code, as follows:

Sec. 264.170. New heading: LIMITED LIABILITY FOR SINGLE SOURCE CONTINUUM CONTRACTOR OR NONPROFIT ENTITY CONTRACTED TO PROVIDE COMMUNITY-BASED CARE OR CHILD WELFARE SERVICES AND RELATED PERSONNEL. (a) Provides that a nonprofit entity that contracts with the Department of Family and Protective Services (DFPS) to provide services as a single source continuum contractor under this subchapter or a nonprofit entity that contracts

with DFPS or with a single source continuum contractor to provide community-based care or child welfare services is considered to be a charitable organization for purposes of Chapter 84 (Charitable Immunity and Liability), Civil Practice and Remedies Code, with respect to the provision of those services, and that chapter applies to the entity and any person who is an employee or volunteer of the entity or a caregiver providing services on behalf of the entity. Makes nonsubstantive changes.

(b) Provides that the limitations on liability provided by this section apply only in certain instances, including to an act or omission by the entity or person, as applicable, that occurs while the entity or person is acting within the course and scope of the entity's contract with DFPS or with a single source continuum contractor, or while the person is acting within the course and scope of the person's duties for the entity. Makes nonsubstantive changes.

SECTION 3. Makes application of Section 84.0068, Civil Practice and Remedies Code, as added by this Act, and Section 264.170, Family Code, as amended by this Act, prospective.

SECTION 4. Effective date: September 1, 2025.