



**Hundredth Legislature - First Session - 2007
Committee Statement
LB 88**

Hearing Date: March 12, 2007
Committee On: Business and Labor

Introducer(s): (Business and Labor)
Title: Provide for payment of claims against the state

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

7	Yes	Senators Cornett, Chambers, Lathrop, McGill, Rogert, Wallman, White
	No	
	Present, not voting	
	Absent	

Proponents:

Lori Thomas

Laura Peterson
Allen Beermann
Chris Peterson
Jeff Schmidt
John McGovern
Kathy Wann

Representing:

Introducer, Legal Counsel to the Business and Labor Committee
Department of Administrative Services
Nebraska Press Advertising Service
Health and Human Services
Health and Human Services
Cornhusker State Industries
State Fire Marshall’s Office

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes: LB 88 was introduced at the request of the Department of Administrative Services, Risk Management Division, pursuant to statute, to appropriate funds for the payment of certain claims and provide for the payment of such claims, to authorize certain write-offs, and to declare an emergency.

Section by Section Summary:

Section 1: of the bill appropriates funds for the payment of miscellaneous claims filed with the Risk Manager. Any approved Miscellaneous Claim in excess of \$10,000 must be reviewed by the Legislature. The bill requests payment from the general fund for the following claims:

- 1) Claim Number 2006-00385 against the Department of Revenue in the amount of \$13,785.42 requesting a reissuance of an expired warrant.
- 2) Claim Number 2006-00945 against the Department of Health and Human Services in the amount of \$18,530.00 for the detention of a state ward filed by the Douglas County Youth Center.
- 3) Claim Number 2007-01148 against the Attorney General's Office in the amount of \$19,128.28 for attorney's fees and costs filed by the Nebraska Appleseed Center per a District Court judgment in *Bowlin v. Montanez*.
- 4) Claim Number 2007-01373 against the Attorney General's Office in the amount of \$17,650.00 for attorney's fees filed by Ogborn, Summerlin and Ogborn per a District Court judgment in *Spiering v. Johanns*.
- 5) Claim Number 2007-01379 against the Secretary of State's office for payment of the publication of Constitutional amendments in the General and Primary elections in the amount of \$1,238,723.69 to the Nebraska Press Advertising Service.

Miscellaneous Claims Total: \$1,307,817.39

Section 2: of the bill appropriates funds for the payment of tort claims under the State Tort Claims Act, which have been settled by the Attorney General in District Court, or a judgment has been entered by a court and now requires the approval of the Legislature for payment. There are two tort claims included in this bill.

The first is TC04-240 in the amount of \$20,000.00 against the Department of Roads. This claim arose out of the Seward bus accident. A lawsuit was filed, a settlement was reached and approved by the District Court of Douglas County.

The second involves Claim Numbers 2007-01347 and 2007-01348 and arose out of an accident that involved a state vehicle. A settlement was reached and approved by the District Court of Lancaster County in the amount of \$233,000, \$50,000 of which has already been paid to the claimants. \$183,000.00 represents the remaining settlement amount owed to the claimants and will be paid out of the State Insurance Fund.

Tort Claims Total: \$203,000.00

Section 3: authorizes the Director of Administrative Services to draw warrants on or before June 30, 2007, upon the funds in the state treasury, for the issuance of warrants for the amounts described herein, and as the full payment of any and all claims, rights causes of action, damages and demands against the State of Nebraska. Said warrants shall not be delivered until a receipt and release in full releasing the State of Nebraska, its officers, employees, and agents, and their successors and assigns, has been filed by each of the beneficiaries.

Section 4: authorizes agencies to write off certain accounts. The following requests were reviewed and approved by the State Claims board.

- The Supreme Court filed Request 2006-00545 to write off \$356.29 in uncollectible debts. This amount reflects uncollectible accounts from 2002-2005.
- The Clerk of the Legislature filed Request 2007-01230 to write off \$19.96 in uncollectible debts for reproduction of legislative materials.
- The Worker's Compensation Court filed Request 2007-01290 to write off \$1,074.94 in uncollectible debts for accounts from 2003-2005.
- The Game and Parks Commission filed REQ. 2007-01292 to write off \$5,921.64 for 171 uncollectible checks totaling \$5,568.32 and one uncollectible amount of \$235.97.
- The Department of Health and Human Services- Finance and Support filed REQ. 2007-01297 to write off uncollectible debts in the amount of \$348,182.90. This amount involves various outstanding charges from 7/1/05 – 6/30/06 on patient accounts in the state's regional facilities.
- HHSS- Finance and Support filed REQ. 2007-01298 to write off \$6,272.00 of funds diverted for personal use by a former employee. The agency obtained a judgment against the employee but the employee filed bankruptcy.
- HHSS-Finance and Support filed REQ. 2007-01299 to write off 34 bad checks in the amount of \$534.00 which were written to the Office of Vital Statistics.
- HHSS- Regulation and Licensure filed REQ. 2007-01300 to write off uncollectible accounts in the amount of \$638.00.
- The Department of Correctional Services – Cornhusker State Industries filed REQ. 2007-01301 to write off uncollectible debts from the period of 1994 through 2001 in the amount of \$16,982.37.
- HHSS filed REQ. 2008-01317 to write off uncollectible debts in the amount of \$722,819.22 from the AABD, CFS, CC and ADC programs. Each of the claims is past the statute of limitations for collecting the debt.
- HHSS- for the Norfolk Veteran's home filed REQ 2007-01319 to write off \$5,278.28 for an uncollectible debt of a patient who passed away with no assets.
- The Military Department filed REQ 2007-01346 to write off uncollectible debts of \$10,537.58 associated with the National Guard Tuition Assistance Program.
- The State Fire Marshall's Office filed REQ 2007-01363 to write off uncollectible debts in the amount of \$400.00 related to fees owed by grain elevators/feed mills.

Total Agency Write-Off Requests: \$1,119,017.18

Section 5: contains the emergency clause.

Explanation of amendments, if any: The committee amendment would add the following three claims to be paid from the General Fund and accordingly adjusts the total appropriation amount for miscellaneous claims under the bill.

Claim Number 2007-01517 against the Department of Revenue in the amount of \$15,880.00 requesting a reissuance of an expired warrant.

Claim Number 2007-01594 against the Attorney General's Office in the amount of \$302,204.16 for attorneys' fees filed by Blackwell, Sanders, Peper, and Martin, LLP per a United States District Court judgment in *Jones v. Gale*.

Claim Number 2005-00295, against the Nebraska Health and Human Services System for mileage reimbursement to an employee.

Senator Abbie Cornett, Chairperson