

Form Number 500

Agency Adjustment Summary

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER 1
	CODE & DESCRIPTION
AGENCY	65 Administrative Services
	6559201 Indemnification Judgment

EXPENDITURE ACCOUNT	ADJUSTMENTS
	2008-2009
Permanent F.T.E. Positions	
511100 Permanent Salaries - Wages	
511200 Temporary Salaries - Wages	
511600 Per Diem Payments	
511900 Supplemental (One-time payments)	
All Other Salaries	
Sub-Total Salaries	
515100 Retirement Plans Expense	
515200 OASDI Expense	
515400 Life and Accident Insurance Expense	
515500 Health Insurance Expense	
All Other Personal Services	
Sub-Total Benefits	
510000 Personal Services	
520000 Operating Expenses	
559101 Claims Paid	803,000
570000 Travel Expenses	
580000 Capital Outlay	
590000 Government Aid	
Total Expense	803,000
Means of Financing	
General Fund	803,000
Cash Fund	
Federal Fund	
Revolving Fund	
Total Funding	803,000
Personal Services Limitation (PSL)	

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	065	Administrative Services
PROGRAM	592	Indemnification Claims
REQUEST	6559201	Indemnification Judgment

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

A) Description: This is a request for \$803,000 to pay the remainder of a settlement reached in the federal court case Hirsh v Lecuona. The Court awarded \$391,000 in actual damages, \$350,000 in punitive damages, and front pay in the amount of \$386,184 plus costs and attorney fees. The State appealed the case but a settlement was reached between the Attorney General’s Office representing Lecuona and the Plaintiff in the total amount of \$878,000. The settlement amount significantly exceeds the fund appropriation and cash balance. \$75,000 will be paid upon finalization of the settlement and no later than December 31, 2008. The remaining \$803,000 is being requested in this deficit.

B) Rationale: The Court awarded in excess of \$1.2 million to the Plaintiff in this case and refused to stay the award pending appeal. The settlement reached reduced the amount due to \$878,000. The State owes the settlement amount.

C) Impact: This request is made to pay a settlement which reduced a judgment of the federal court. If the State does not pay a judgment or its settlement agreement, the Court may issue a writ of execution allowing the plaintiff to pursue recovery of the amount either against the State or against the former State employee who is being indemnified. By statute the amount must be paid from the indemnification fund as it is a case against a former state employee related to an error in the course and scope of their employment. Statute says “If the amount of money in any of such funds is not sufficient to pay any awards or judgments...the Risk Manager shall immediately advise the Legislature and request an emergency appropriation to satisfy such awards and judgments....” There will be no impact on the agency’s budget request for 09-10 or 10-11 because this is a one time judgment.

D) Statutory Change: LB321 Section 216 contains the original \$241,250 appropriation.

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	1
	CODE & DESCRIPTION	
AGENCY	65 Administrative Services	
PROGRAM	592 Indemnification Claims	
REQUEST	6559201 Indemnification Judgment	

EXPENDITURE ACCOUNT	APPROPRIATIONS	ADJUSTMENTS
	2008-2009	2008-2009
Permanent F.T.E. Positions		
511100 Permanent Salaries - Wages		
511200 Temporary Salaries - Wages		
511600 Per Diem Payments		
511900 Supplemental (One-time payments)		
All Other Salaries		
Sub-Total Salaries		
515100 Retirement Plans Expense		
515200 OASDI Expense		
515400 Life and Accident Insurance Expense		
515500 Health Insurance Expense		
All Other Personal Services		
Sub-Total Benefits		
510000 Personal Services		
520000 Operating Expenses		
559101 Claims Paid	241,250	803,000
570000 Travel Expenses		
580000 Capital Outlay		
590000 Government Aid		
Total Expense	241,250	803,000
Means of Financing		
General Fund	241,250	803,000
Cash Fund		
Federal Fund		
Revolving Fund		
Total Funding	241,250	803,000
Personal Services Limitation (PSL)		

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.