

**STATUS OF LAWSUITS  
AGAINST THE STATE OF MICHIGAN  
FY 2003-04 UPDATE**



**SENATE FISCAL AGENCY  
LANSING, MICHIGAN  
MARCH 2005**

# THE SENATE FISCAL AGENCY

The Senate Fiscal Agency is governed by a board of five members, including the majority and minority leaders of the Senate, the Chairperson of the Appropriations Committee of the Senate, and two other members of the Appropriations Committee of the Senate appointed by the Chairperson of the Appropriations Committee with the concurrence of the Majority Leader of the Senate, one from the minority party.

The purpose of the Agency, as defined by statute, is to be of service to the Senate Appropriations Committee and other members of the Senate. In accordance with this charge, the Agency strives to achieve the following objectives:

1. To provide technical, analytical, and preparatory support for all appropriations bills.
2. To provide written analyses of all Senate bills, House bills and Administrative Rules considered by the Senate.
3. To review and evaluate proposed and existing State programs and services.
4. To provide economic and revenue analysis and forecasting.
5. To review and evaluate the impact of Federal budget decisions on the State.
6. To review and evaluate State issuance of long-term and short-term debt.
7. To review and evaluate the State's compliance with constitutional and statutory fiscal requirements.
8. To prepare special reports on fiscal issues as they arise and at the request of members of the Senate.

The Agency is located on the 8th floor of the Victor Office Center. The Agency is an equal opportunity employer.



Gary S. Olson, Director  
Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536  
Telephone (517) 373-2767  
TDD (517) 373-0543

Internet Home Page <http://www.senate.michigan.gov/sfa>

## **ACKNOWLEDGMENTS**

This report was prepared by Bill Bowerman, Chief Analyst of the Senate Fiscal Agency General Government Unit. Pam Yeomans typed the report. The Senate Fiscal Agency would like to thank all State departments and agencies for their cooperation.

Any questions regarding this report, or requests for additional copies, should be directed to:

Bill Bowerman  
Senate Fiscal Agency  
P.O. Box 30036  
Lansing, MI 48909-7536

Phone: (517) 373-2768  
TDD: (517) 373-0543



# TABLE OF CONTENTS

|   |    |
|---|----|
| OVERVIEW .....  | 1  |
| TABLE 1 TOTAL COURT JUDGMENTS AND SETTLEMENTS PAID BY THE STATE FY 1994-95 THROUGH FY 2003-04 ..... | 2  |
| TABLE 2 COURT JUDGMENTS PAID BY THE STATE FY 1994-95 THROUGH FY 2003-04 .....                       | 3  |
| TABLE 3 SETTLEMENTS PAID BY THE STATE FY 1994-95 THROUGH FY 2003-04 .....                           | 4  |
| TABLE 4 FY 2003-04 PAYMENTS BY DEPARTMENT .....   | 5  |
| FIGURE 1 HIGHWAY NEGLIGENCE PAYMENTS FY 1984-85 THROUGH FY 2003-04 .....                            | 8  |
| TABLE 5 RISK MANAGEMENT FUND AUTOMOTIVE LIABILITY PAYMENTS FY 1991-92 THROUGH FY 2003-04 .....      | 9  |
| TABLE 6 TOTAL COURT JUDGMENTS AND SETTLEMENTS PAID TO THE STATE FY 2003-04.....                     | 10 |
| LISTING OF CASES RESULTING IN PAYMENTS BY THE STATE DURING FY 2003-04:                              |    |
| COMMUNITY HEALTH.....   | 12 |
| CORRECTIONS .....   | 14 |
| EDUCATION.....  | 17 |
| ENVIRONMENTAL QUALITY.....  | 19 |
| FAMILY INDEPENDENCE AGENCY.....   | 21 |
| LABOR AND ECONOMIC GROWTH.....  | 23 |
| NATURAL RESOURCES.....  | 25 |
| STATE.....  | 27 |
| STATE POLICE .....  | 28 |
| TRANSPORTATION - HIGHWAY NEGLIGENCE CASES.....  | 30 |
| TRANSPORTATION - OTHER CASES .....  | 31 |
| TREASURY .....  | 32 |



## OVERVIEW

The information in this document is based on reports filed by State departments and agencies pursuant to Section 396(3) of the Management and Budget Act (Public Act 431 of 1984). Based on the amounts reported, the State of Michigan paid \$18,311,011 for judgments and settlements in fiscal year (FY) 2003-04. Of the 95 cases that resulted in payments, 39 were judgments totaling \$3,777,621, and 56 were settlements totaling \$14,533,390. Payments in FY 2003-04 were \$7,808,694 higher than the \$10,502,317 reported in FY 2002-03. The funding sources for payments in FY 2003-04 were as follows:

| Funding Source        | Amount       | Percent |
|-----------------------|--------------|---------|
| State Trunkline Fund  | \$10,774,291 | 58.8    |
| State General Fund    | 3,099,156    | 16.9    |
| State School Aid Fund | 2,287,211    | 12.5    |
| State Restricted      | 2,150,353    | 11.8    |
| Total:                | \$18,311,011 | 100.0   |

Tables on pages 2, 3, and 4 provide a 10-year history (FY 1994-95 through FY 2003-04) of payments made by the State of Michigan. Table 1 provides information on total payments (judgments and settlements), Table 2 lists payments resulting from judgments only, and Table 3 lists settlements. Departments that made payments totaling over \$700,000 in FY 2003-04 are listed in Table 4 and a summary of payments by those departments begins on page 5. Table 5 on page 9 includes a history of payments from the State's Risk Management Fund for automotive liability. Payments from the Fund are not included in amounts reported by departments. The report also includes a summary of cases that resulted in payments to the State of Michigan. Table 6 and information following on pages 10 and 11 provide an overview of amounts received by the State.

The FY 2003-04 reports for payments submitted by State departments and agencies follow beginning on page 12. For each payment, the name of the case is listed along with information regarding the funding source, the county where the cause of action arose, and a brief description of the cause of action (summary of case). This report does not include payments resulting from workers' compensation and unemployment claims.

Table 1

| TOTAL COURT JUDGMENTS AND SETTLEMENTS PAID BY THE STATE |                     |                      |                     |                      |                     |                     |                     |                     |                     |                     |
|---|---------------------|----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| (Actual Dollars)  |                     |                      |                     |                      |                     |                     |                     |                     |                     |                     |
| DEPARTMENT  | 1994-95             | 1995-96              | 1996-97             | 1997-98              | 1998-99             | 1999-2000           | 2000-01             | 2001-02             | 2002-03             | 2003-04             |
| Agriculture   | \$34,000            | \$100,500            | \$224,710           | \$10,000             | \$0                 | \$133,058           | \$789               | \$12,500            | \$116,416           | \$0                 |
| Attorney General  | 0                   | 0                    | 0                   | 0                    | 0                   | 0                   | 100,000             | 83,308              | 297,000             | 0                   |
| Civil Rights  | 757                 | 0                    | 0                   | 0                    | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Civil Service   | 0                   | 0                    | 30,000              | 0                    | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Commerce  | 231,467             |                      |                     |                      |                     |                     |                     |                     |                     |                     |
| Community Health  |                     | 727,838              | 908,000             | 2,131,565            | 659,922             | 149,088             | 106,000             | 387,750             | 2,092,756           | 114,889             |
| CIS   |                     | 0                    | 21,595              | 153,928              | 178,460             | 19,459              | 1,917,304           | 0                   | 3,000               |                     |
| Corrections   | 4,969,224           | 2,581,259            | 4,639,321           | 3,227,817            | 1,780,090           | 5,465,079           | 5,371,081           | 3,380,386           | 1,788,948           | 1,672,725           |
| Education   | 5,333,941           | 5,331,636            | 1,878,837           | 213,832,688          | 1,705,551           | 1,628,259           | 1,368,306           | 2,123,500           | 3,046,081           | 2,299,211           |
| Environmental Quality                                   |                     | 358,459              | 98,870              | 2,566                | 10,998              | 1,516,756           | 0                   | 0                   | 276,893             | 738,250             |
| Executive   | 0                   | 0                    | 0                   | 0                    | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| FIA   |                     | 511,587              | 1,399,850           | 2,115,076            | 320,938             | 107,311             | 1,520,345           | 339,422             | 144,597             | 447,237             |
| History, Arts, & Libraries                              |                     |                      |                     |                      |                     |                     |                     | 1,000               | 0                   | 0                   |
| Information Tech.                                       |                     |                      |                     |                      |                     |                     |                     | 0                   | 0                   | 0                   |
| Judiciary   | 268,250             | 45,000               | 724,000             | 0                    | 10,000              | 0                   | 0                   | 0                   | 0                   | 0                   |
| Labor & Econ. Growth                                    |                     |                      |                     |                      |                     |                     |                     |                     |                     | 503,067             |
| Lottery   | 4,000               | 0                    | 13,420              | 13,581               | 17,565              | 1,500               | 0                   | 0                   | 0                   | 0                   |
| Management & Budget                                     | 85,000              | 126,170              | 106,000             | 5,500                | 75,000              | 22,500              | 1,611,654           | 308,641             | 0                   | 0                   |
| Mental Health   | 515,500             |                      |                     |                      |                     |                     |                     |                     | 0                   |                     |
| MI Jobs Commission                                      | 1,951,024           | 3,500                | 156,239             | 23,681               |                     |                     |                     |                     |                     |                     |
| MI Strategic Fund                                       |                     |                      |                     |                      | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Military Affairs  | 0                   | 25,000               | 225,000             | 2,405,000            | 90,000              | 0                   | 8,793               | 0                   | 0                   | 0                   |
| Natural Resources                                       | 2,005,360           | 93,859,495           | 3,442,198           | 2,906,895            | 1,872,915           | 17,787,910          | 299,756             | 47,177              | 307,063             | 796,280             |
| Public Health   | 318,959             |                      |                     |                      |                     |                     |                     |                     |                     |                     |
| Social Services   | 2,727,681           |                      |                     |                      |                     |                     |                     |                     |                     |                     |
| State   | 3,400               | 67,500               | 7,500               | 1,817                | 101,460             | 36,400              | 1,000               | 150                 | 0                   | 2,099               |
| State Police  | 1,268,771           | 1,220,853            | 873,069             | 868,141              | 787,057             | 513,664             | 875,572             | 1,424,855           | 1,075,239           | 842,330             |
| Transportation  | 9,882,412           | 9,567,095            | 11,080,416          | 8,383,808            | 5,074,922           | 13,046,755          | 1,396,360           | 1,897,922           | 1,085,324           | 10,774,291          |
| Treasury  | 7,500               | 0                    | 65,669              | 11,500               | 0                   | 107,659             | 0                   | 180,000             | 269,000             | 120,632             |
| <b>TOTAL:</b>   | <b>\$29,607,246</b> | <b>\$114,525,892</b> | <b>\$25,894,694</b> | <b>\$236,093,563</b> | <b>\$12,684,878</b> | <b>\$40,535,398</b> | <b>\$14,576,960</b> | <b>\$10,186,611</b> | <b>\$10,502,317</b> | <b>\$18,311,011</b> |

Table 2

**COURT JUDGMENTS PAID BY THE STATE**  
(Actual Dollars)

| DEPARTMENT                | 1994-95             | 1995-96            | 1996-97            | 1997-98              | 1998-99            | 1999-2000          | 2000-01            | 2001-02            | 2002-03            | 2003-04            |
|---------------------------|---------------------|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Agriculture               | \$0                 | \$0                | \$0                | \$0                  | \$0                | \$0                | \$789              | \$0                | \$116,416          | \$0                |
| Attorney General          | 0                   | 0                  | 0                  | 0                    | 0                  | 0                  | 100,000            | 81,808             | 0                  | 0                  |
| Career Development        |                     |                    |                    |                      | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Civil Rights              | 757                 | 0                  | 0                  | 0                    | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Civil Service             | 0                   | 0                  | 0                  | 0                    | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Commerce                  | 0                   |                    |                    |                      |                    |                    |                    |                    |                    |                    |
| Community Health          |                     | 50,000             | 136,000            | 0                    | 310,422            | 21,633             | 1,000              | 250                | 1,025,273          | 100,000            |
| CIS                       |                     | 0                  | 15,000             | 100,000              | 160,000            | 0                  | 417,304            | 0                  | 3,000              |                    |
| Corrections               | 3,784,529           | 1,472,162          | 2,905,509          | 1,165,825            | 627,851            | 428,729            | 3,106,093          | 1,067,178          | 194,054            | 1,035,594          |
| Education                 | 5,333,941           | 5,331,636          | 1,297,349          | 213,823,188          | 1,684,540          | 1,628,259          | 1,368,306          | 2,123,500          | 3,046,081          | 2,287,211          |
| Environmental Quality     |                     | 239,459            | 0                  | 2,566                | 10,998             | 1,516,756          | 0                  | 0                  | 114,893            | 750                |
| Executive                 | 0                   | 0                  | 0                  | 0                    | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| FIA                       |                     | 0                  | 1,066              | 3,310                | 0                  | 764                | 0                  | 8,682              | 0                  | 115,652            |
| History, Arts & Libraries |                     |                    |                    |                      |                    |                    |                    | 0                  | 0                  | 0                  |
| Information Technology    |                     |                    |                    |                      |                    |                    |                    | 0                  | 0                  | 0                  |
| Judiciary                 | 0                   | 0                  | 0                  | 0                    | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Labor & Econ. Growth      |                     |                    |                    |                      |                    |                    |                    |                    |                    | 68,567             |
| Lottery                   | 0                   | 0                  | 0                  | 0                    | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Management & Budget       | 45,000              | 120,000            | 0                  | 0                    | 0                  | 22,500             | 1,611,654          | 78,641             | 0                  | 0                  |
| Mental Health             | 0                   |                    |                    |                      |                    |                    |                    |                    |                    |                    |
| MI Jobs Commission        | 0                   | 3,500              | 0                  | 0                    |                    |                    |                    |                    |                    |                    |
| MI Strategic Fund         |                     |                    |                    |                      | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Military Affairs          | 0                   | 0                  | 5,000              | 2,400,000            | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Natural Resources         | 242,834             | 201,811            | 901,193            | 2,901,395            | 409,888            | 1,537,910          | 152,162            | 0                  | 307,063            | 5,788              |
| Public Health             | 60,289              |                    |                    |                      |                    |                    |                    |                    |                    |                    |
| Social Services           | 2,137               |                    |                    |                      |                    |                    |                    |                    |                    |                    |
| State                     | 0                   | 0                  | 0                  | 0                    | 0                  | 0                  | 0                  | 150                | 0                  | 2,099              |
| State Police              | 762,500             | 0                  | 3,569              | 0                    | 0                  | 0                  | 0                  | 0                  | 975,615            | 41,328             |
| Transportation            | 1,871,956           | 661,000            | 1,331,974          | 0                    | 0                  | 2,875,000          | 0                  | 0                  | 360,000            | 0                  |
| Treasury                  | 0                   | 0                  | 15,669             | 0                    | 0                  | 0                  | 0                  | 0                  | 0                  | 120,632            |
| <b>TOTAL:</b>             | <b>\$12,103,943</b> | <b>\$8,079,568</b> | <b>\$6,612,329</b> | <b>\$220,396,284</b> | <b>\$3,203,699</b> | <b>\$8,031,551</b> | <b>\$6,757,308</b> | <b>\$3,360,209</b> | <b>\$6,142,395</b> | <b>\$3,777,621</b> |

Table 3

| SETTLEMENTS PAID BY THE STATE |                     |                      |                     |                     |                    |                     |                    |                    |                    |                     |
|-------------------------------|---------------------|----------------------|---------------------|---------------------|--------------------|---------------------|--------------------|--------------------|--------------------|---------------------|
| (Actual Dollars)              |                     |                      |                     |                     |                    |                     |                    |                    |                    |                     |
| DEPARTMENT                    | 1994-95             | 1995-96              | 1996-97             | 1997-98             | 1998-99            | 1999-2000           | 2000-01            | 2001-02            | 2002-03            | 2003-04             |
| Agriculture                   | \$34,000            | \$100,500            | \$224,710           | \$10,000            | \$0                | \$133,058           | \$0                | \$12,500           | \$0                | \$0                 |
| Attorney General              | 0                   | 0                    | 0                   | 0                   | 0                  | 0                   | 0                  | 1,500              | 297,000            | 0                   |
| Civil Rights                  | 0                   | 0                    | 0                   | 0                   | 0                  | 0                   | 0                  | 0                  | 0                  | 0                   |
| Civil Service                 | 0                   | 0                    | 30,000              | 0                   | 0                  | 0                   | 0                  | 0                  | 0                  | 0                   |
| Commerce                      | 231,467             |                      |                     |                     |                    |                     |                    |                    |                    |                     |
| Community Health              |                     | 677,838              | 772,000             | 2,131,565           | 349,500            | 127,455             | 105,000            | 387,500            | 1,067,483          | 14,889              |
| CIS                           |                     | 0                    | 6,595               | 53,928              | 18,460             | 19,459              | 1,500,000          | 0                  | 0                  |                     |
| Corrections                   | 1,184,695           | 1,109,097            | 1,733,812           | 2,061,992           | 1,152,239          | 5,036,350           | 2,264,988          | 2,313,208          | 1,594,894          | 637,131             |
| Education                     | 0                   | 0                    | 581,488             | 9,500               | 21,011             | 0                   | 0                  | 0                  | 0                  | 12,000              |
| Environmental Quality         |                     | 119,000              | 98,870              | 0                   | 0                  | 0                   | 0                  | 0                  | 162,000            | 737,500             |
| Executive                     | 0                   | 0                    | 0                   | 0                   | 0                  | 0                   | 0                  | 0                  | 0                  | 0                   |
| FIA                           |                     | 511,587              | 1,398,784           | 2,111,766           | 320,938            | 106,547             | 1,520,345          | 330,740            | 144,597            | 331,585             |
| History, Arts & Libraries     |                     |                      |                     |                     |                    |                     |                    | 1,000              | 0                  | 0                   |
| Information Technology        |                     |                      |                     |                     |                    |                     |                    | 0                  | 0                  | 0                   |
| Judiciary                     | 268,250             | 45,000               | 724,000             | 0                   | 10,000             | 0                   | 0                  | 0                  | 0                  | 0                   |
| Labor & Econ. Growth          |                     |                      |                     |                     |                    |                     |                    |                    |                    | 434,500             |
| Lottery                       | 4,000               | 0                    | 13,420              | 13,581              | 17,565             | 1,500               | 0                  | 0                  | 0                  | 0                   |
| Management & Budget           | 40,000              | 6,170                | 106,000             | 5,500               | 75,000             | 0                   | 0                  | 230,000            | 0                  | 0                   |
| Mental Health                 | 515,500             |                      |                     |                     |                    |                     |                    |                    |                    |                     |
| MI Jobs Commission            | 1,951,024           | 0                    | 156,239             | 23,681              |                    |                     |                    |                    |                    |                     |
| MI Strategic Fund             |                     |                      |                     |                     | 0                  | 0                   | 0                  | 0                  | 0                  | 0                   |
| Military Affairs              | 0                   | 25,000               | 220,000             | 5,000               | 90,000             | 0                   | 8,793              | 0                  | 0                  | 0                   |
| Natural Resources             | 1,762,526           | 93,657,684           | 2,541,005           | 5,500               | 1,463,027          | 16,250,000          | 147,594            | 47,177             | 0                  | 790,492             |
| Public Health                 | 258,670             |                      |                     |                     |                    |                     |                    |                    |                    |                     |
| Social Services               | 2,725,544           |                      |                     |                     |                    |                     |                    |                    |                    |                     |
| State                         | 3,400               | 67,500               | 7,500               | 1,817               | 101,460            | 36,400              | 1,000              | 0                  | 0                  | 0                   |
| State Police                  | 506,271             | 1,220,853            | 869,500             | 868,141             | 787,057            | 513,664             | 875,572            | 1,424,855          | 99,624             | 801,002             |
| Transportation                | 8,010,456           | 8,906,095            | 9,748,442           | 8,383,808           | 5,074,922          | 10,171,755          | 1,396,360          | 1,897,922          | 725,324            | 10,774,291          |
| Treasury                      | 7,500               | 0                    | 50,000              | 11,500              | 0                  | 107,659             | 0                  | 180,000            | 269,000            | 0                   |
| <b>TOTAL:</b>                 | <b>\$17,503,303</b> | <b>\$106,446,324</b> | <b>\$19,282,365</b> | <b>\$15,697,279</b> | <b>\$9,481,179</b> | <b>\$32,503,847</b> | <b>\$7,819,652</b> | <b>\$6,826,402</b> | <b>\$4,359,922</b> | <b>\$14,533,390</b> |

PAYMENTS BY DEPARTMENTS

Six State departments made payments totaling over \$700,000. Table 4 lists the number of cases and payments by department.

Table 4  
FY 2003-04  
PAYMENTS BY DEPARTMENT

| DEPARTMENT            | NUMBER OF CASES | PERCENT OF TOTAL | STATE PAYMENTS | PERCENT OF TOTAL |
|-----------------------|-----------------|------------------|----------------|------------------|
| Corrections           | 27              | 28.4             | \$1,672,725    | 9.1              |
| Education             | 2               | 2.1              | 2,299,211      | 12.6             |
| Environmental Quality | 3               | 3.2              | 738,250        | 4.0              |
| Natural Resources     | 14              | 14.7             | 796,280        | 4.3              |
| State Police          | 9               | 9.5              | 842,330        | 4.6              |
| Transportation        | 16              | 16.8             | 10,774,291     | 58.8             |
| Other Departments     | 24              | 25.3             | 1,187,924      | 6.5              |
| TOTAL:                | 95              | 100.0            | \$18,311,011   | 100.0            |

DEPARTMENT OF CORRECTIONS

The Department of Corrections made payments in 27 cases totaling \$1,672,725. This represents a decrease of \$116,223 (6.5%) from the \$1,788,948 reported in FY 2002-03. Payments ranged from \$100 in a case involving a petition for review to \$936,456 in Graham, et al. v Ford & MDOC, a case alleging employee discrimination. Eight cases, including Graham, alleging employee discrimination resulted in payments totaling \$1,458,456, which represents 87.2% of the total amount paid by the Department of Corrections in FY 2003-04.

## DEPARTMENT OF EDUCATION

Continuing payments in the Berry v Benton Harbor Area School District desegregation case account for most of the amount paid by the Department of Education in FY 2003-04. The State has been making annual payments resulting from this case since FY 1980-81. The original defendants in the case included the Benton Harbor Area School District, the Coloma School District, the Eau Claire School District, the Berrien County Intermediate School District, the Governor, the Attorney General, the State Board of Education, and the State Superintendent of Public Instruction. The United States District Court for the Western District of Michigan, Southern Division, directed the State of Michigan to pay certain expenses related to the court's desegregation remedy plan detailed in the court's order dated May 1, 1981. Most of the payments related to funding to the Benton Harbor Area School District for its resident students who elected to transfer to another school district, and transportation costs. Settlements reached with the Eau Claire School District and the Coloma School District modified the State's school aid funding obligations to those school districts in FY 1995-96 and subsequent fiscal years. The United States District Court formally released the Coloma School District, the Eau Claire School District, and the Berrien County Intermediate School District from court jurisdiction in November 2001. On April 4, 2002, the State was dismissed from the case, with a phase-out of payments (25% per year) over a five-year period using FY 2001-02 payments as a base. Pursuant to the court order, the last year of payments will be FY 2005-06.

## DEPARTMENT OF ENVIRONMENTAL QUALITY

The Department of Environmental Quality made payments in three cases totaling \$738,250. The largest amount was a \$437,500 payment in the case of Hobson Petroleum, et al. v MDNR, which involved litigation over the denial of an oil and gas permit. The total payment in the case was \$875,000. The Department of Natural Resources paid the other half of the total. The payment of \$300,000 by the Department of Environmental Quality in Carlo Environmental accounted for most of the remaining payments in FY 2003-04. That case involved a dispute regarding a cleanup site.

## DEPARTMENT OF NATURAL RESOURCES

Two cases accounted for 98.5% of the payments made by the Department of Natural Resources in FY 2003-04. Along with the Department's \$437,500 payment in Hobson, described above, the Department of Natural Resources paid \$347,000 in SG Construction Company v MDNR, a case involving construction work at Sterling State Park.

## DEPARTMENT OF STATE POLICE

The Department of State Police made payments in nine cases (two judgments and seven settlements) totaling \$842,330. Three cases with payments of \$200,000, or more, accounted for 80.7% of the total payments made by the Department of State Police in FY 2003-04. Payments ranged from \$5,000 in Craddock, et al. v Rau, et al., a case alleging excessive force, to \$280,000 in Galbreath v MSP, for a discrimination claim.

## DEPARTMENT OF TRANSPORTATION

Michigan Department of Transportation (MDOT) payments in 16 cases totaled \$10,774,291. A \$7.5 million payment in Rockwell Collins, Inc. v MDOT accounted for 69.6% of total payments by the Department of Transportation in FY 2003-04. That case involved allegations that MDOT required redesign and site location changes for Intelligent Transportation System facilities and did not compensate the contractor for the required extra work.

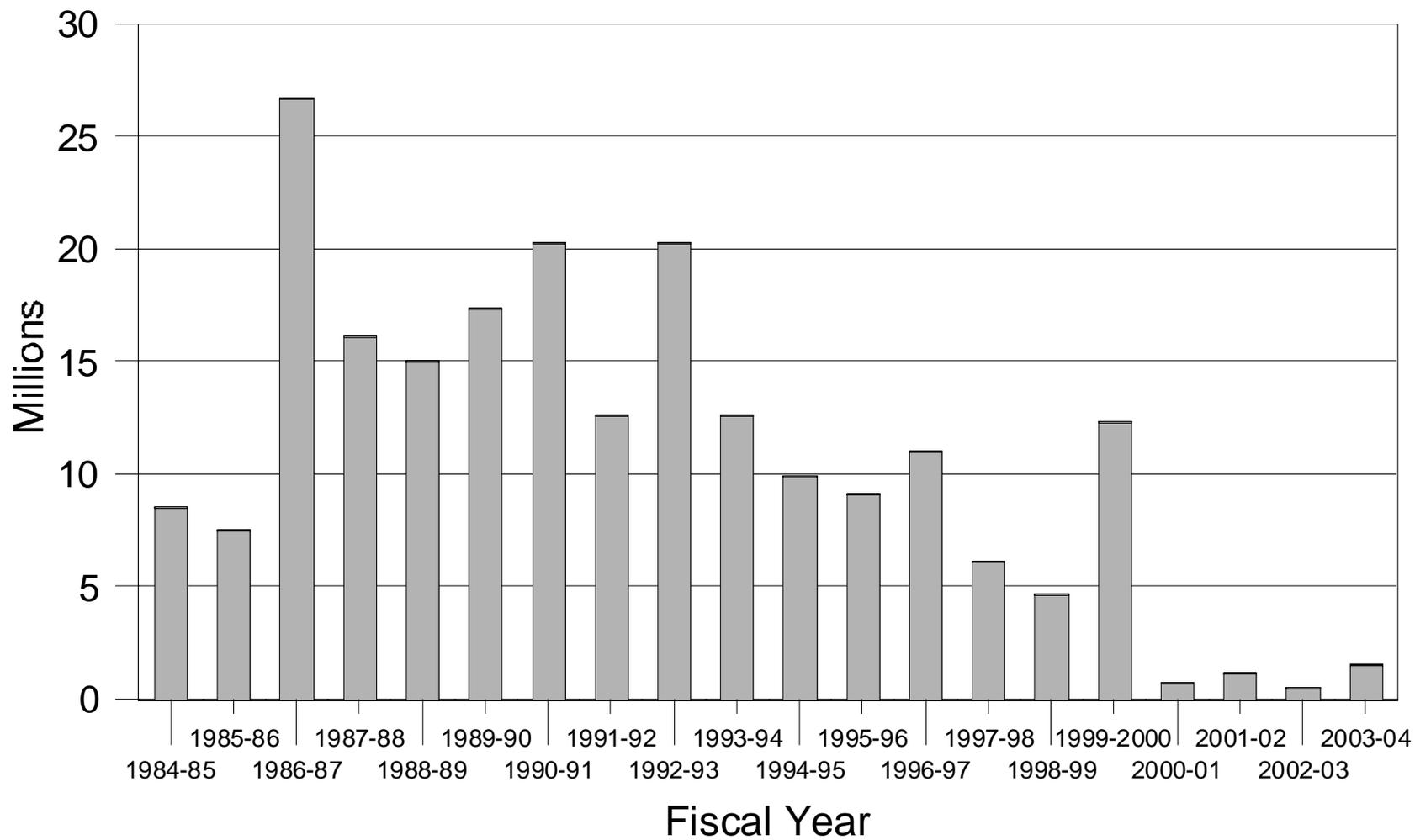
Twelve highway negligence cases accounted for \$1,521,200 of Department of Transportation payments in FY 2003-04. Payments in highway negligence cases ranged from \$1,500 in Pioneer State Mutual Insurance v MDOT to \$600,000 in Peabody v MDOT. Both cases involved alleged roadbed defects. Three cases with payments of \$320,000, \$400,000, and \$600,000 accounted for 86.8% of the total amount paid by MDOT in FY 2003-04 for highway negligence cases.

From FY 1983-84 through FY 2003-04, the State paid \$228.9 million resulting from 1,135 highway negligence cases. Payments resulting from highway negligence litigation over recent years have been well below the amounts paid in the 1980s and 1990s. The reduced level of payments can be attributed in part to rulings by the Michigan Supreme Court regarding governmental immunity and the statutory highway exception to governmental immunity, MCL 691.1402(1). The consolidated cases of Nawrocki v Macomb County Road Commission and Evens v Shiawassee County Road Commission, 463 Mich 143 (2000), overturned previous case law and narrowly construed the highway exception to governmental immunity. The Court stated that prior decisions of the Supreme Court improperly broadened the scope of the highway exception. The Supreme Court's January 3, 2002, opinion in Hanson v Board of County Road Commissioners of the County of Mecosta, 465 Mich 492, followed the reasoning in Nawrocki, ruling that the highway exception to governmental immunity does not include a duty to design, or to correct defects arising from the original design or construction of highways. On October 11, 2002, the Michigan Court of Appeals in Adams v MDOT, 253 Mich App 431, ruled that Nawrocki applies retroactively to pending highway negligence cases. A request for leave to appeal in that case was denied by the Michigan Supreme Court. The decision in Adams further reduced the State's potential liability. Figure 1 below shows highway negligence payments attributed to each fiscal year from FY 1984-85 through FY 2003-04.

Figure 1

# Highway Negligence Payments

FY 1984-85 through FY 2003-04



## RISK MANAGEMENT FUND

The Risk Management Fund was administratively established to account for specific centralized risk management functions performed by the Department of Management and Budget for all State agencies. Effective July 1, 1992, the State became self-insured for automotive liability claims. Motor transport charges to State departments and agencies include a cost associated with projected automotive liability. This amount is deposited in the State's Risk Management Fund. Automotive liability payments that do not exceed \$1.0 million are paid from the Fund. Table 5 provides a history of payments from the Fund. Amounts are reported based on the fiscal year in which the payment was made, and therefore do not necessarily reflect the year in which the liability occurred.

Table 5

| RISK MANAGEMENT FUND<br>AUTOMOTIVE LIABILITY PAYMENTS |             |
|---|-------------|
| FY 1991-92  | \$28,318    |
| FY 1992-93  | \$138,194   |
| FY 1993-94  | \$435,862   |
| FY 1994-95  | \$1,135,659 |
| FY 1995-96  | \$1,977,178 |
| FY 1996-97  | \$1,743,580 |
| FY 1997-98  | \$1,223,622 |
| FY 1998-99  | \$3,985,189 |
| FY 1999-2000  | \$775,972   |
| FY 2000-01  | \$2,590,458 |
| FY 2001-02  | \$1,780,009 |
| FY 2002-03  | \$2,487,429 |
| FY 2003-04  | \$2,718,182 |

PAYMENTS TO THE STATE OF MICHIGAN

Table 6 provides a summary of FY 2003-04 lawsuit payments to the State as reported by departments pursuant to Section 396(3) of the Management and Budget Act.

Table 6

| TOTAL COURT JUDGMENTS AND SETTLEMENTS<br>PAID TO THE STATE<br>(Actual Dollars) |                      |
|--|----------------------|
| DEPARTMENT   | FY 2003-04           |
| Attorney General   | \$10,226,173         |
| Community Health   | 360,140              |
| Corrections  | 1,744,472            |
| Environmental Quality  | 13,345,138           |
| Natural Resources  | 500,000              |
| Transportation   | 962,715              |
| Treasury   | 270,540,221          |
| <b>TOTAL:</b>  | <b>\$297,678,859</b> |

Department of Attorney General

Of the amount reported by the Department of Attorney General, \$5,769,818 resulted from two cases involving the multistate tobacco settlement. Payments to the State from the Master Tobacco Settlement are listed under the Department of Treasury. Other cases listed by the Attorney General include antitrust and consumer protection cases.

Community Health

Most of the payments to the State reported by the Department of Community Health resulted from Medicaid subrogation cases.

Corrections

All of the payments listed by the Department of Corrections resulted from cases filed under the Prisoner Reimbursement Act. Payments ranged from \$50 to \$177,428. There were 189 cases, 152 of which included payments of less than \$10,000. Six cases with payments of \$60,000 or more accounted for 34% of the total payments received by the Department.

#### Environmental Quality

There were 218 payments to the State reported by the Department of Environmental Quality. Most of the cases involved reimbursement for environmental contamination. Two of those cases resulted in payments of \$3,036,000 and \$2,750,000.

#### Natural Resources

The Department of Natural Resources reported one case (Detroit Edison) resulting from the Haven Hill Natural Area Consent Agreement.

#### Transportation

Payments to the Michigan Department of Transportation included 19 cases totaling \$962,715 for damage to roads and State appurtenances.

#### Treasury

The amount listed by the Department of Treasury reflects FY 2003-04 payments to the State resulting from the Master Tobacco Settlement Agreement.

**FISCAL YEAR 2003-04**

DEPARTMENT: COMMUNITY HEALTH

**FORM 1: JUDGMENTS PAID BY THE STATE**

| NAME OF CASE             | AMOUNT PAID         | INTEREST   | FUNDING SOURCE | LOCATION | SUMMARY OF CASE  |
|--------------------------|---------------------|------------|----------------|----------|--|
| Keith Harris v DCH, SOM  | \$100,000.00        | \$0        | General Fund   | Wayne    | Alleged violations of the Michigan Persons with Disabilities Civil Rights Act. |
| <b>FY 2003-04 TOTAL:</b> | <b>\$100,000.00</b> | <b>\$0</b> |                |          |  |

**FISCAL YEAR 2003-04**

DEPARTMENT: COMMUNITY HEALTH

**FORM 2: SETTLEMENTS PAID BY THE STATE**

| NAME OF CASE                    | AMOUNT PAID | INTEREST | FUNDING SOURCE | LOCATION | SUMMARY OF CASE   |
|---------------------------------|-------------|----------|----------------|----------|---|
| Meredith, Shelly v DCH, SOM     | \$4,727.42  | \$0      | General Fund   | Ingham   | Employee assaulted by patient at Caro Center; workers' compensation issues; MCL 330.1113. |
| Murray, Wilma                   | 10,000.00   | 0        | General Fund   | Wayne    | Employee allegations of wrongful discharge.   |
| Silverman, Mark v James Haveman | 162.00      | 0        | General Fund   | Oakland  | Administrative appeal hearing of provider. Taxable costs paid to court.                   |

---

**FY 2003-04 TOTAL:**                      **\$14,889.42**                      **\$0**

**FISCAL YEAR 2003-04**

DEPARTMENT: CORRECTIONS

**FORM 1: JUDGMENTS PAID BY THE STATE**

| NAME OF CASE                           | AMOUNT PAID           | INTEREST            | FUNDING SOURCE | LOCATION | SUMMARY OF CASE   |
|--|-----------------------|---------------------|----------------|----------|---|
| Baskin, Wesley v MDOC                  | \$120.00              | \$0                 | General Fund   | Ingham   | Inmate - Petition for Review (Rehearing Appeal).        |
| Beasley, James v MDOC                  | 100.00                | 0                   | General Fund   | Ingham   | Inmate - Petitions for Review - APA.                    |
| Bell v Johnson                         | 1451.97               | 0                   | General Fund   | Jackson  | Inmate - Harassment - General.                          |
| Colvin, Kenneth v Bruce Curtis, et al. | 229.34                | 0                   | General Fund   | Ionia    | Inmate - Religion - Kosher Diet.                        |
| Graham, et al. v Ford & MDOC           | 936,456.26            | 116,177.02          | General Fund   | Ionia    | Employee Discrimination - Race.                         |
| Henry, Alphonso v MDOC, et al.         | 170.00                | 0                   | General Fund   | Ingham   | Inmate - Petition for Judicial Review.                  |
| Riley, Jimmie Lee v David Kurtz        | 41,940.60             | 11,731.90           | General Fund   | Lenawee  | Inmate - Harassment - General.                          |
| Ross, Louis v Martin, et al.           | 350.00                | 0                   | General Fund   | Jackson  | Inmate - Disciplinary Process.                          |
| Sallier, Blaine v Joe Scott, et al.    | 650.90                | 0                   | General Fund   | Wayne    | Inmate - Legal Mail.                                    |
| Scott, David J. v Philip Bair          | 103.95                | 0                   | General Fund   | Montcalm | Inmate - Use of Force and Harassment.                   |
| Shultz, Kent v MDOC, et al.            | 177.00                | 0                   | General Fund   | Ingham   | Inmate - Conditions of Confinement.                     |
| White, Charles v MDOC                  | 120.00                | 0                   | General Fund   | Ingham   | Inmate - Petition for Judicial Review.                  |
| Yarborough, James v MDOC/CSC           | 53,723.50             | 0                   | General Fund   | Ingham   | Employee Other - Challenge of Civil Service Commission. |
| <b>FY 2003-04 TOTAL:</b>               | <b>\$1,035,593.52</b> | <b>\$127,908.92</b> |                |          |   |

**FISCAL YEAR 2003-04**

**DEPARTMENT: CORRECTIONS**

**FORM 2: SETTLEMENTS PAID BY THE STATE**

| NAME OF CASE                               | AMOUNT PAID | INTEREST | FUNDING SOURCE | LOCATION | SUMMARY OF CASE  |
|--|-------------|----------|----------------|----------|--|
| Birdsley-Diehl, Cheryl v MDOC              | \$37,000.00 | \$0      | General Fund   | Ingham   | Employee - Discrimination (Gender Harassment, Reverse Race, Marital Status, National Origin, Race, Religion, Sex, Weight, Hostile Work Environment, or Retaliation). |
| Carter, Steven v Richardson, et al.        | 750.00      | 0        | General Fund   | Jackson  | Inmate - Food - issues regarding medically prescribed diet.  |
| Correctional Medical Services Inc. v DOC   | 42,573.03   | 0        | General Fund   | Ingham   | Inmates - outstanding payments for pharmacy cost of Prevacid.  |
| Crawford, Leslie G. v Rae Lee Chabot       | 100,000.00  | 0        | General Fund   | Saginaw  | Employee - Discrimination - reverse.   |
| Fulson, Tamika v MDOC                      | 40,000.00   | 0        | General Fund   | Wayne    | Employee - Race and Gender Discrimination.   |
| Johnson, Estate of v Corsi, et al.         | 30,000.00   | 0        | General Fund   | Macomb   | Employee - Medical-dental malpractice claiming misdiagnosis of oral cancer resulting in death.   |
| Koenig, Jeffrey v Gerald Riley             | 149.66      | 0        | General Fund   | Alger    | Inmate - Religion - Prisoner contests denial of Kosher diet.   |
| Lamoreaux v MDOC                           | 12,500.00   | 0        | General Fund   | Ingham   | Employee - Other - assault pay for back injury.  |
| Minor, Philicia v MDOC and Joanne Sockwell | 35,000.00   | 0        | General Fund   | Wayne    | Employee - Other (Harassment, Discrimination, and Retaliation).  |
| Robinson, Gerald v Larry Ford, et al.      | 200,000.00  | 0        | General Fund   | Ionia    | Employee Discrimination (racial harassment and discrimination).  |
| Smith, Lane v MDOC, et al.                 | 15,000.00   | 0        | General Fund   | Wayne    | Employee Discrimination (handicap).  |
| Sowle, Suzanne v MDOC                      | 29,000.00   | 0        | General Fund   | Ingham   | Employee - Other (assault pay).  |

**FISCAL YEAR 2003-04**

**DEPARTMENT: CORRECTIONS**

**FORM 2: SETTLEMENTS PAID BY THE STATE**

| NAME OF CASE     | AMOUNT PAID | INTEREST | FUNDING SOURCE | LOCATION | SUMMARY OF CASE  |
|------------------|-------------|----------|----------------|----------|--|
| Watson v Riley   | 158.55      | 0        | General Fund   | Alger    | Inmate - Religion - Kosher diet.                             |
| Zimmerman v MDOC | 95,000.00   | 0        | General Fund   | Ingham   | Employee - Discrimination (Americans with Disabilities Act). |

**FY 2003-04 TOTAL:                      \$637,131.24                      \$0**

FISCAL YEAR 2003-04

DEPARTMENT: EDUCATION

**FORM 1: JUDGMENTS PAID BY THE STATE**

| NAME OF CASE                                       | AMOUNT PAID           | INTEREST   | FUNDING SOURCE        | LOCATION | SUMMARY OF CASE       |
|--|-----------------------|------------|-----------------------|----------|-----------------------|
| Barbara Jean Berry, et al. v Benton Harbor, et al. | \$2,287,211.48        | \$0        | State School Aid Fund | Berrien  | School Desegregation. |
| <b>FY 2003-04 TOTAL:</b>                           | <b>\$2,287,211.48</b> | <b>\$0</b> |                       |          |                       |

**FISCAL YEAR 2003-04**

DEPARTMENT: EDUCATION

**FORM 2: SETTLEMENTS PAID BY THE STATE**

| NAME OF CASE             | AMOUNT PAID        | INTEREST   | FUNDING SOURCE | LOCATION | SUMMARY OF CASE      |
|--------------------------|--------------------|------------|----------------|----------|----------------------|
| Consiglio v Watkins      | \$12,000.00        | \$0        | GF/GP          | Oakland  | Whistleblower Claim. |
| <b>FY 2003-04 TOTAL:</b> | <b>\$12,000.00</b> | <b>\$0</b> |                |          |                      |

**FISCAL YEAR 2003-04**

**DEPARTMENT: ENVIRONMENTAL QUALITY**

**FORM 1: JUDGMENTS PAID BY THE STATE**

| NAME OF CASE                | AMOUNT PAID     | INTEREST   | FUNDING SOURCE | LOCATION  | SUMMARY OF CASE   |
|-----------------------------|-----------------|------------|----------------|-----------|---|
| Cyman Properties, LTD., LLC | \$750.00        | \$0        | General Fund   | Cheboygan | Property inspection, reimbursed for lost income while attending inspection. |
| <b>FY 2003-04 TOTAL:</b>    | <b>\$750.00</b> | <b>\$0</b> |                |           |   |

**FISCAL YEAR 2003-04**

DEPARTMENT: ENVIRONMENTAL QUALITY

**FORM 2: SETTLEMENTS PAID BY THE STATE**

| NAME OF CASE        | AMOUNT PAID  | INTEREST | FUNDING SOURCE                | LOCATION  | SUMMARY OF CASE   |
|---------------------|--------------|----------|-------------------------------|-----------|---|
| Hobson Petroleum*   | \$437,500.00 | \$0      | Oil & Gas Fund                | Cheboygan | Litigation involving Oil & Gas Permit denial.                                       |
| Carlo Environmental | 300,000.00   | 0        | Environmental Protection Fund | Missaukee | Dispute of site cleanup between environmental contractor and the State of Michigan. |

**FY 2003-04 TOTAL:                      \$737,500.00                      \$0**

\*The total payment in this case was \$875,000. The Department of Natural Resources paid \$437,500.

**FISCAL YEAR 2003-04**

DEPARTMENT: FAMILY INDEPENDENCE AGENCY

**FORM 1: JUDGMENTS PAID BY THE STATE**

| NAME OF CASE                                  | AMOUNT PAID         | INTEREST   | FUNDING SOURCE | LOCATION | SUMMARY OF CASE                        |
|---|---------------------|------------|----------------|----------|--|
| Chavez, Liceyni, Manuel Rigiquez et al.       | \$821.60            | \$0        | General Fund   | Monroe   | Show cause nonproduction of documents. |
| Marchwinski, Tanya L. et al. v Douglas Howard | 112,275.00          | 0          | General Fund   | Alpena   | Class action welfare drug testing.     |
| Cordrey Minors                                | 1,642.90            | 0          | General Fund   | Monroe   | Show cause.                            |
| DiFranco, Krystal Lynn                        | 912.60              | 0          | General Fund   | Monroe   | Show cause.                            |
| <b>FY 2003-04 TOTAL:</b>                      | <b>\$115,652.10</b> | <b>\$0</b> |                |          |  |

**FISCAL YEAR 2003-04**

DEPARTMENT: FAMILY INDEPENDENCE AGENCY

**FORM 2: SETTLEMENTS PAID BY THE STATE**

| NAME OF CASE                | AMOUNT PAID         | INTEREST   | FUNDING SOURCE | LOCATION   | SUMMARY OF CASE   |
|-----------------------------|---------------------|------------|----------------|------------|---|
| Smith, Douglas Edward       | \$1,750.00          | \$0        | General Fund   | Sanilac    | Tort in a Child Protective Services investigation.                |
| Great Lakes Medical         | 150.00              | 0          | General Fund   | Mason      | Medical services.   |
| Milks, Robert               | 12,500.00           | 0          | General Fund   | Genesee    | Employment discrimination.  |
| Appling, Michelle           | 2,500.00            | 0          | General Fund   | Livingston | Employment discrimination.  |
| Friday, Judith J.           | 187,685.01          | 0          | General Fund   | Ingham     | Employment discrimination.  |
| O'Donnell, Patrick & Sandra | 70,000.00           | 0          | General Fund   | Ingham     | Constitutional rights in Child Protective Services investigation. |
| Clare, Martha               | 50,000.00           | 0          | General Fund   | Isabella   | Employment discrimination.  |
| Harris, Elaine              | 7,000.00            | 0          | General Fund   | Eaton      | Child Support lien.   |
| <b>FY 2003-04 TOTAL:</b>    | <b>\$331,585.01</b> | <b>\$0</b> |                |            |   |

**FISCAL YEAR 2003-04**

**DEPARTMENT: LABOR & ECONOMIC GROWTH**

**FORM 1: JUDGMENTS PAID BY THE STATE**

| NAME OF CASE                           | AMOUNT PAID        | INTEREST   | FUNDING SOURCE | LOCATION | SUMMARY OF CASE  |
|--|--------------------|------------|----------------|----------|--|
| The Herald Company Inc. v Tax Tribunal | \$68,567.22        | \$0        | Restricted     | Kent     | Open Meetings Act case awarding attorney fees and statutory costs. |
| <b>FY 2003-04 TOTAL:</b>               | <b>\$68,567.22</b> | <b>\$0</b> |                |          |  |

**FISCAL YEAR 2003-04**

DEPARTMENT: LABOR & ECONOMIC GROWTH

**FORM 2: SETTLEMENTS PAID BY THE STATE**

| NAME OF CASE                           | AMOUNT PAID         | INTEREST   | FUNDING SOURCE   | LOCATION     | SUMMARY OF CASE   |
|--|---------------------|------------|--|--------------|---|
| Detroit Delivery Corporation Employees | \$300,000.00        | \$0        | Liquor Purchase Revolving Fund                         | Rosemont, IL | State payment to pension fund for laid-off Detroit Delivery employees who worked at the Liquor Control Commission's Lincoln Park Warehouse. |
| Ramzi Saab v State of MI CIS           | 134,500.00          | 0          | Unemployment Insurance Fund (paid in FY 04 from AY 03) | Wayne        | Plaintiff demoted to a supervisor, whom he had a previous discrimination complaint against.   |
| <b>FY 2003-04 TOTAL:</b>               | <b>\$434,500.00</b> | <b>\$0</b> |  |              |   |

**FISCAL YEAR 2003-04**

DEPARTMENT: NATURAL RESOURCES

**FORM 1: JUDGMENTS PAID BY THE STATE**

| NAME OF CASE               | AMOUNT PAID       | INTEREST   | FUNDING SOURCE        | LOCATION          | SUMMARY OF CASE              |
|----------------------------|-------------------|------------|-----------------------|-------------------|------------------------------|
| James C. Fox               | \$120.00          | \$0        | Park Improvement Fund | Clinton           | Damaged Tent.                |
| Auto Club Insurance        | 345.41            | 0          | Park Improvement Fund | Wayne             | Damaged Auto Glass.          |
| William C. Lamont          | 50.00             | 0          | Park Improvement Fund | Bay               | Damaged Auto Glass.          |
| Citizens Insurance Company | 168.40            | 0          | Park Improvement Fund | Livingston        | Damaged Vehicle Body Work.   |
| Betty Showens              | 60.00             | 0          | Park Improvement Fund | State of New York | Medical Expenses.            |
| Harry Michael Gruen        | 250.00            | 0          | Park Improvement Fund | Ottawa            | Damaged Auto Glass.          |
| Linda L. Kitchen           | 267.90            | 0          | Park Improvement Fund | Cheboygan         | Medical Expenses.            |
| Charlotte Sue Donley       | 591.46            | 0          | Park Improvement Fund | State of Kentucky | Medical Bills.               |
| Steven M. Goetz            | 352.01            | 0          | Park Improvement Fund | Chippewa          | Electrical Equipment Damage. |
| Lee F. Marzean             | 116.45            | 0          | Park Improvement Fund | Alpena            | Electrical Equipment Damage. |
| Cincinnati Insurance       | 3,466.56          | 0          | Waterways Fund        | State of Ohio     | Boat Damage/Wrong Fuel.      |
| <b>FY 2003-04 TOTAL:</b>   | <b>\$5,788.19</b> | <b>\$0</b> |                       |                   |                              |

**FISCAL YEAR 2003-04**

DEPARTMENT: NATURAL RESOURCES

**FORM 2: SETTLEMENTS PAID BY THE STATE**

| NAME OF CASE   | AMOUNT PAID  | INTEREST | FUNDING SOURCE                   | LOCATION  | SUMMARY OF CASE   |
|--|--------------|----------|----------------------------------|-----------|---|
| Hobson Petroleum, et al. v MDNR*                         | \$437,500.00 | \$0      | Land Exchanges Facilitation Fund | Cheboygan | Takings case: Private mineral owners and leasehold interest owner claimed State deprived them of a right to develop their minerals. |
| SG Construction Company v MDNR/Parks & Recreation Bureau | 347,000.00   | 0        | Park Improvement Fund            | Oakland   | Case was settled out of court regarding construction work at Sterling State Park.   |
| Lynn Fleming v MDNR                                      | 5,991.58     | 0        | General Fund                     | Allegan   | Assessment for Lake Level.  |

**FY 2003-04 TOTAL:                      \$790,491.58                      \$0**

\*The total payment in this case was \$875,000. The Department of Environmental Quality paid \$437,500.

FISCAL YEAR 2003-04

DEPARTMENT: STATE

**FORM 1: JUDGMENTS PAID BY THE STATE**

| NAME OF CASE             | AMOUNT PAID       | INTEREST   | FUNDING SOURCE   | LOCATION | SUMMARY OF CASE  |
|--------------------------|-------------------|------------|------------------|----------|--|
| Abdul-Haqq v MDOS        | \$2,000.00        | \$0        | State Restricted | Wayne    | Settlement of discrimination case.                           |
| City of Madison Heights  | 99.00             | 0          | State Restricted | Oakland  | Reimbursement for vehicle impoundment due to clerical error. |
| <b>FY 2003-04 TOTAL:</b> | <b>\$2,099.00</b> | <b>\$0</b> |                  |          |  |

FISCAL YEAR 2003-04

DEPARTMENT: STATE POLICE

**FORM 1: JUDGMENTS PAID BY THE STATE**

| NAME OF CASE                                  | AMOUNT PAID        | INTEREST   | FUNDING SOURCE | LOCATION  | SUMMARY OF CASE  |
|---|--------------------|------------|----------------|-----------|--|
| The Herald Company Inc., et al. v MSP, et al. | \$9,632.22         | \$0        | General Fund   | Kent      | Freedom of Information Act case awarding fees and cost.      |
| Nelson & Carson v Kurish, et al.              | 31,695.98          | 0          | General Fund   | Washtenaw | False arrest, false imprisonment, assault and battery claim. |
| <b>FY 2003-04 TOTAL:</b>                      | <b>\$41,328.20</b> | <b>\$0</b> |                |           |  |

**FISCAL YEAR 2003-04**

DEPARTMENT: STATE POLICE

**FORM 2: SETTLEMENTS PAID BY THE STATE**

| NAME OF CASE  | AMOUNT PAID         | INTEREST   | FUNDING SOURCE | LOCATION | SUMMARY OF CASE   |
|---|---------------------|------------|----------------|----------|---|
| Galbreath v MSP   | \$280,000.00        | \$0        | General Fund   | Monroe   | Reverse discrimination claim.   |
| Covert v Pickell, et al.  | 10,000.00           | 0          | General Fund   | Genesee  | Plaintiff claimed, while in custody of the Defendants, his requests for medical treatment were denied.                                |
| Craddock, et al. v Rau, et al.                                    | 5,000.00            | 0          | General Fund   | Kent     | Excessive force claim.  |
| Frankenmuth Mutual Insurance Company v F/Lt. Dale W. Peet, et al. | 56,000.00           | 0          | General Fund   | Allegan  | Plaintiff claimed Defendants bombarded the interior of Plaintiff's home with tear gas resulting in more than \$277,000.00 in damages. |
| Kaled, et al. v Bugbee, et al.                                    | 200,000.00          | 0          | General Fund   | Macomb   | Malicious prosecution claim.  |
| Krafft v MSP  | 200,002.00          | 0          | General Fund   | Ingham   | Reverse discrimination claim.   |
| Kuecken v Bugbee, et al.  | 50,000.00           | 0          | General Fund   | Macomb   | Malicious prosecution claim.  |
| <b>FY 2003-04 TOTAL:</b>  | <b>\$801,002.00</b> | <b>\$0</b> |                |          |   |

**FISCAL YEAR 2003-04**

**DEPARTMENT: TRANSPORTATION - HIGHWAY NEGLIGENCE CASES**

**FORM 2: SETTLEMENTS PAID BY THE STATE**

| NAME OF CASE                              | AMOUNT PAID           | INTEREST   | FUNDING SOURCE       | LOCATION | SUMMARY OF CASE         |
|---|-----------------------|------------|----------------------|----------|-------------------------|
| Berry v MDOT                              | \$1,550.00            | \$0        | State Trunkline Fund | Genesee  | Obstruction in roadbed. |
| Contreras v MDOT                          | 90,000.00             | 0          | State Trunkline Fund | Oceana   | Roadbed defect.         |
| Esch v MDOT                               | 320,000.00            | 0          | State Trunkline Fund | Ottawa   | Roadbed defect.         |
| Gappy v MDOT                              | 5,150.00              | 0          | State Trunkline Fund | Wayne    | Roadbed defect.         |
| Harshman v MDOT                           | 400,000.00            | 0          | State Trunkline Fund | Eaton    | Roadbed defect.         |
| Jackson v MDOT                            | 42,000.00             | 0          | State Trunkline Fund | Allegan  | Roadbed defect.         |
| Johnson v MDOT                            | 15,000.00             | 0          | State Trunkline Fund | Wayne    | Roadbed defect.         |
| Latson v MDOT                             | 12,000.00             | 0          | State Trunkline Fund | Oakland  | Roadbed defect.         |
| Ollie v MDOT                              | 4,000.00*             | 0          | State Trunkline Fund | Wayne    | Roadbed defect.         |
| Peabody v MDOT                            | 600,000.00            | 0          | State Trunkline Fund | Eaton    | Roadbed defect.         |
| Pioneer State Mutual Ins. (Karban) v MDOT | 1,500.00              | 0          | State Trunkline Fund | Lapeer   | Roadbed defect.         |
| Tate v MDOT                               | 30,000.00             | 0          | State Trunkline Fund | Wayne    | Roadbed defect.         |
| <b>FY 2003-04 TOTAL:</b>                  | <b>\$1,521,200.00</b> | <b>\$0</b> |                      |          |                         |

\*This was paid with FY 04 money as a payable in FY 05.

**FISCAL YEAR 2003-04**

DEPARTMENT: TRANSPORTATION - OTHER CASES

**FORM 2: SETTLEMENTS PAID BY THE STATE**

| NAME OF CASE                                | AMOUNT PAID           | INTEREST   | FUNDING SOURCE       | LOCATION   | SUMMARY OF CASE  |
|---|-----------------------|------------|----------------------|------------|--|
| Rockwell Collins, Inc. v MDOT               | \$7,500,000.00        | \$0        | State Trunkline Fund | Wayne      | Successor to Rockwell International sued MDOT alleging that MDOT required redesign and site location changes for I.T.S. facilities and failed to compensate it for the extra work.   |
| International Fidelity Insurance Co. v MDOT | 130,000.00            | 0          | State Trunkline Fund | Livingston | Surety for a highway contractor sued as an assignee alleging that it incurred bond losses because MDOT wrongfully assessed liquidated damages.   |
| Bacco Construction Co. v MDOT               | 73,090.87             | 0          | State Trunkline Fund | Delta      | Contractor alleged that the contract imposed unreasonable specifications for water drilling and because of that MDOT directed an alternate process then refused to accept the well, causing contractor to drill a new well. MDOT accepted the new well but failed to pay all of contractor's costs, and imposed liquidated damages.  |
| Kiewit Western Co. v MDOT                   | 1,550,000.00          | 0          | State Trunkline Fund | Kent       | Contractor for S-Curve project sued for breach of contract, alleging MDOT failed to disclose the existence of subsurface boulders and refused to grant a time extension, causing it additional costs. MDOT's design consultant agreed to assume responsibility for defending and indemnifying MDOT in the lawsuit and in conjunction with that, last fiscal year, reimbursed MDOT for additional costs incurred by MDOT. MDOT paid the contractor \$1,550,000.00 for extra work identified in the claim process. |
| <b>FY 2003-04 TOTAL:</b>                    | <b>\$9,253,090.87</b> | <b>\$0</b> |                      |            |  |

**FISCAL YEAR 2003-04**

DEPARTMENT: TREASURY

**FORM 1: JUDGMENTS PAID BY THE STATE**

| NAME OF CASE   | AMOUNT PAID            | INTEREST       | FUNDING SOURCE                       | LOCATION | SUMMARY OF CASE   |
|--|------------------------|----------------|--------------------------------------|----------|---|
| A Check Cashing Store v Michigan Department of Treasury - Receipts Processing Division | \$3,232.79             | \$86.88        | General Fund                         | Ingham   | Check was dishonored by the State's bank. Court ruled the plaintiff was "holder in due course" per the UCC. |
| Stephen M. Landau, P.C. v Hanton Industries, Inc., et al.                              | 68,859.78<br>46,013.97 | 0<br>0         | Garnishment Fees<br>Escheats         | Oakland  | Failure to respond to the Court's Writ of Garnishment.  |
| Lawrence S. Drozdewski v Michigan Department of Treasury - Collections Division        | 2,525.00               |                | Delinquent Tax<br>Collection Revenue | Wayne    | Intercepted a joint income tax refund of the Debtor and his nonfiling spouse.                               |
| <b>FY 2003-04 TOTAL:</b>   | <b>\$120,631.54</b>    | <b>\$86.88</b> |                                      |          |   |





## RECENT SENATE FISCAL AGENCY REPORTS

|  |   |   |
|--|---|---|
| <p>“FY 2003-04 APPROPRIATIONS REPORT PART III – YEAR END APPROPRIATIONS”<br/>January 2005</p>                                    | <p>“FY 2004-05 HIGHER EDUCATION APPROPRIATIONS REPORT”<br/>by Ellen Jeffries<br/>December 2004</p>                            | <p>“STATUS OF LAWSUITS AGAINST THE STATE OF MICHIGAN – FY 2002-03 UPDATE”<br/>April 2004</p>  |
| <p>“DISPOSAL OF SOLID WASTE IN MI LANDFILLS: IMPORTED WASTE AND ENVIRONMENTAL CONCERNS”<br/>by Suzanne Lowe<br/>January 2005</p> | <p>“FY 2004-05 APPROPRIATIONS REPORT PART II – INITIAL APPROPRIATIONS”<br/>October 2004</p>                                   | <p>“FY 2004-05 APPROPRIATIONS REPORT PART I – GOVERNOR’S RECOMMENDATIONS”<br/>March 2004</p>  |
| <p>“MICHIGAN’S ECONOMIC OUTLOOK AND BUDGET REVIEW FY 2003-04, FY 2004-05 AND FY 2005-06”<br/>January 10, 2005</p>                | <p>“PROPOSED CHANGES TO MICHIGAN’S ELECTRIC RESTRUCTURING LAW”<br/>by Julie Koval<br/>September 2004</p>                      | <p>“FY 2002-03 APPROPRIATIONS REPORT – YEAR-END APPROPRIATIONS”<br/>February 2004</p>         |
| <p>“AGRICULTURAL BIOFUELS: OPPORTUNITIES AND CHALLENGES IN MICHIGAN”<br/>by Claire Layman<br/>January 2005</p>                   | <p>“PROPOSAL A: ARE WE BETTER OFF? A TEN-YEAR ANALYSIS 1993-94 THROUGH 2003-04”<br/>by Kathryn Summers-Coty<br/>June 2004</p> | <p>“MICHIGAN’S ECONOMIC OUTLOOK AND BUDGET REVIEW ISSUE 2004-1”<br/>January 2004</p>          |
|  | <p>“MICHIGAN’S ECONOMIC OUTLOOK AND BUDGET REVIEW ISSUE 2004-2”<br/>May 2004</p>  | <p>“FY 2003-04 APPROPRIATIONS REPORT PART II – INITIAL APPROPRIATIONS”<br/>September 2003</p> |

## RECURRING SENATE FISCAL AGENCY REPORTS

| RECURRING SENATE FISCAL AGENCY REPORTS             |                           |
|--|---------------------------|
| Appropriations Report - Governor’s Recommendations | Produced Annually         |
| Appropriations Report - Initial Appropriations     | Produced Annually         |
| Appropriations Report - Year-End Appropriations    | Produced Annually         |
| Estimated State Spending by County                 | Produced Annually         |
| Status of Lawsuits Against the State               | Produced Annually         |
| Higher Education Appropriations Report             | Produced Annually         |
| Michigan’s Economic Outlook and Budget Review      | Produced Twice a Year     |
| Monthly Revenue Report                             | Produced Monthly          |
| Michigan Economic Indicators                       | Produced Monthly          |
| State Notes: Topics of Legislative Interest        | Produced Six Times a Year |
| U.S. and Michigan Motor Vehicle Statistical Report | Produced Annually         |