

- SUBJECT:** Appropriations for miscellaneous claims and judgments
- COMMITTEE:** Appropriations — committee substitute recommended
- VOTE:** 22 ayes — Junell, Carona, Clemons, Coleman, Cook, H. Cuellar, R. Cuellar, Davis, Gallego, Glaze, Haggerty, Harris, Hernandez, Johnson, Kubiak, McDonald, Mowery, Ogden, Park, Raymond, Swinford, S. Turner
- 0 nays
- 5 absent — Delisi, Conley, Gray, Greenberg, Heflin
- WITNESSES:** None
- BACKGROUND:** Since the late 1970s every general appropriations act has contained a rider prohibiting the use of general revenue funds to pay any judgment or settlement unless the funds are specifically appropriated for such use. For fiscal 1994-95 this provision is located in Art. 5, General Provisions, sec. 65.
- DIGEST:** CSHB 3049 would appropriate \$7.759 million out of 20 general revenue accounts or special funds to pay 170 claims and judgments against the state.
- Payments range from \$3.50 (to Chris Haines for a warrant voided by statute of limitations) to \$3.6 million (to George Green for settlement of *Green v Department of Human Services*). Other large payments include \$3.3 million to T. Brown Constructors, Inc. for a judgment in a case against the state highway department and \$1.1 million to the Texas Department of Mental Health and Mental Retardation for unpaid administrative services under Title 19 of the federal Social Security Act. About 64 payments were made for unpaid charges for nursing home care for Medicaid recipients.
- The act would take effect September 1, 1995. Prior to payment, claims or judgments would be required to be verified by the administrator of the special fund or account and approved by the attorney general and the comptroller by August 1, 1996.

SUPPORTERS SAY: CSHB 3049 is a routine piece of legislation enacted at the end of every session to pay outstanding claims and judgments at the conclusion of each biennium.

The \$3.6 million payment to George Green, the state employee who successfully sued the state under the Whistleblower Act in 1991, is a substantial and fair reward that falls within state budget constraints. The payment represents actual damages awarded by the jury, and Green would also receive accrued interest. This would be one of the largest state awards payments in recent memory. To pay Green more it would be necessary to reduce state funding in other areas.

OPPONENTS SAY: CSHB 3049 would pay everyone their due except George Green, the state employee who uncovered patterns of corruption and fraud in Department of Human Services construction projects. George Green was fired by DHS in 1989, and criminal charges were even filed against him for allegedly abusing his sick leave and for making a 13-cent personal long distance phone call. He was awarded \$13.5 million by a jury in 1991 and because the state has not paid the judgment, he is now owed about \$19 million including interest. The Texas Supreme Court upheld the judgment on Feb. 2.

The Whistleblower Act, enacted in 1983, prohibits a state agency from terminating an employee for reporting violations to law enforcement agencies. It is dishonorable for the state now to ignore its own rules when it may not like the results. Employees should be rewarded for taking personal and professional risks in reporting suspected cases of fraud and mishandling of state funds.

NOTES: The committee substitute added about 11 payments to the filed version, including payments to George Green and T. Brown Constructors, Inc.