



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: S.B. 56 of the 131st G.A.

Date: April 6, 2015

Status: As Introduced

Sponsor: Sen. Eklund

Local Impact Statement Procedure Required: No

Contents: Makes changes relative to the set-off of collateral recoveries against damages awarded in certain civil actions against state universities and colleges

State Fiscal Highlights

- The bill requires that the aggregate of insurance proceeds, disability award, settlements, or any other collateral recovery be deducted from recoveries against state universities and colleges in certain civil actions, instead of benefits from an insurance policy or any other source, as under current law. This could lower the amount recovered against state universities and colleges in future civil actions.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

When a plaintiff recovers an award against a state university or college for damages for injury, loss, or death, current law requires that the amount of any benefits from an insurance policy or any other source received by a plaintiff for this injury or loss be deducted from the award. In 2013, the Court of Appeals of the Tenth District decided in *Adae v. Ohio*,¹ that settlement proceeds are not a benefit that must be deducted from an award under this law. The bill abrogates this decision. It modifies the law to state that recoveries against a state university or college be reduced by "the aggregate of insurance proceeds, disability award, settlements, or any other collateral recovery" received by the plaintiff.

Under the bill, therefore, future recoveries against a state university or college may be reduced beyond what they are under current law, resulting in a potential decrease in expenditures for state universities and colleges. For example, the settlement in question in *Adae v. Ohio* was for \$2.0 million.² Any potential future reduction will depend on the unique circumstances of any potential future case.

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¹ *Adae v. Ohio*, 2013-Ohio-23, 2013 WL 85200.

² This case involved the University of Cincinnati. The Court of Claims awarded plaintiffs \$3.3 million in damages and the University appealed arguing that a \$2.0 million settlement received by the plaintiffs should be deducted from the \$3.3 million award.