

By: Senator(s) Cuevas

To: Appropriations

SENATE BILL NO. 2589

1 AN ACT OT AMEND SECTIONS 25-15-3 AND 25-15-15, MISSISSIPPI
2 CODE OF 1972; TO PROVIDE THAT STATE FUNDS SHALL BE USED TO PAY THE
3 COST OF HEALTH INSURANCE BENEFITS FOR SCHOOL DISTRICT FOOD SERVICE
4 EMPLOYEES UNDER THE STATE HEALTH PLAN; AND FOR RELATED PURPOSES.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

6 **SECTION 1.** Section 25-15-3, Mississippi Code of 1972, is
7 amended as follows:

8 **[Through June 30 of the year in which Section 25-11-143**
9 **becomes effective as provided in subsection (1) of Section**
10 **25-11-143, this section shall read as follows:]**

11 25-15-3. For the purposes of this article, the words and
12 phrases used herein shall have the following meanings:

13 (a) "Employee" means a person who works full time for
14 the State of Mississippi and receives his compensation in a direct
15 payment from a department, agency or institution of the state
16 government and any person who works full time for any school
17 district, community/junior college, public library or
18 university-based program authorized under Section 37-23-31 for
19 deaf, aphasic and emotionally disturbed children or any regular
20 nonstudent bus driver or school district food service employee.

21 This shall include legislators, employees of the legislative
22 branch and the judicial branch of the state and "employees" shall
23 include full-time salaried judges and full-time district attorneys
24 and their staff and full-time compulsory school attendance
25 officers. For the purposes of this article, any "employee" making
26 contributions to the State of Mississippi retirement plan shall be
27 considered a full-time employee.



28 (b) "Department" means the Department of Finance and
29 Administration.

30 (c) "Plan" means the State and School Employees Life
31 and Health Insurance Plan created under this article.

32 (d) "Fund" means the State and School Employees
33 Insurance Fund set up under this article.

34 (e) "Retiree" means any employee retired under the
35 Mississippi retirement plan.

36 (f) "Board" means the State and School Employees Health
37 Insurance Management Board created under Section 25-15-303.

38 **[From and after July 1 of the year in which Section 25-11-143**
39 **becomes effective as provided in subsection (1) of Section**
40 **25-11-143, this section shall read as follows:]**

41 25-15-3. For the purposes of this article, the words and
42 phrases used in this section shall have the following meanings:

43 (a) "Employee" means a person who works full time for
44 the State of Mississippi and receives his compensation in a direct
45 payment from a department, agency or institution of the state
46 government, and any person who works full time for any school
47 district, community/junior college, public library,
48 university-based program authorized under Section 37-23-31 for
49 deaf, aphasic and emotionally disturbed children, or any regular
50 nonstudent bus driver or school district food service employee.

51 This term includes legislators, employees of the legislative
52 branch and the judicial branch of the state, full-time salaried
53 judges and full-time district attorneys and their staff, and
54 full-time compulsory school attendance officers. For the purposes
55 of this article, any "employee" making contributions to the Public
56 Employees' Retirement System or the Highway Safety Patrol
57 Retirement System shall be considered a full-time employee.

58 (b) "Department" means the Department of Finance and
59 Administration.



60 (c) "Plan" means the State and School Employees Life
61 and Health Insurance Plan created under this article.

62 (d) "Fund" means the State and School Employees
63 Insurance Fund set up under this article.

64 (e) "Board" means the State and School Employees Health
65 Insurance Management Board created under Section 25-15-303.

66 **SECTION 2.** Section 25-15-15, Mississippi Code of 1972, is
67 amended as follows:

68 **[Through June 30 of the year in which Section 25-11-143**
69 **becomes effective as provided in subsection (1) of Section**
70 **25-11-143, this section shall read as follows:]**

71 25-15-15. (1) The board is authorized to determine the
72 manner in which premiums and contributions by the state agencies,
73 local school districts, colleges, universities, community/junior
74 colleges and public libraries shall be collected to provide the
75 self-insured health insurance program for employees as provided
76 under this article. The state shall provide fifty percent (50%)
77 of the cost of the above life insurance plan and one hundred
78 percent (100%) of the cost of the above health insurance plan for
79 all active full-time employees, and the employees shall be given
80 the opportunity to purchase coverage for their eligible dependents
81 with the premiums for such dependent coverage as well as the
82 employee's fifty percent (50%) share for his life insurance
83 coverage to be deductible from the employee's salary by the
84 agency, department or institution head, which deductions, together
85 with the fifty percent (50%) share of such life insurance premiums
86 of such employing agency, department or institution head from
87 funds appropriated to or authorized to be expended by such
88 employing agency, department or institution head, shall be
89 deposited directly into a depository bank or special fund in the
90 State Treasury, as determined by the board. These funds and
91 interest earned on these funds may be used for the disbursement of
92 claims and shall be exempt from the appropriation process.



93 (2) The state shall provide annually, by line item in the
94 Mississippi Library Commission appropriation bill, such funds to
95 pay one hundred percent (100%) of the cost of health insurance
96 under the State and School Employees Health Insurance Plan for all
97 full-time library staff members in each public library in
98 Mississippi. The commission shall allot to each public library a
99 sufficient amount of those funds appropriated to pay the costs of
100 insurance for eligible employees. Any funds so appropriated by
101 line item which are not expended during the fiscal year for which
102 such funds were appropriated shall be carried forward for the same
103 purposes during the next succeeding fiscal year. If any premiums
104 for the health insurance and/or late charges and interest
105 penalties are not paid by a public library in a timely manner, as
106 defined by the board, the Mississippi Library Commission, upon
107 notice by the board, shall immediately withhold all subsequent
108 disbursements of funds to that public library.

109 (3) The state shall annually provide one hundred percent
110 (100%) of the cost of the health insurance plan for all public
111 school district employees who work no less than twenty (20) hours
112 during each week and regular nonstudent school bus drivers and
113 regular school district food service employees. Where federal
114 funding is allowable to defray, in full or in part, the cost of
115 participation in the program by district employees who work no
116 less than twenty (20) hours during the week and regular nonstudent
117 bus drivers and school district food service employees, whose
118 salaries are paid, in full or in part, by federal funds, the
119 allowance under this section shall be reduced to the extent of
120 such federal funding. Where the use of federal funds is allowable
121 but not available, it is the intent of the Legislature that school
122 districts contribute the cost of participation for such employees
123 from local funds, except that parent fees for child nutrition
124 programs shall not be increased to cover such cost.



125 (4) The state shall provide annually, by line item in the
126 community/junior college appropriation bill, such funds to pay one
127 hundred percent (100%) of the cost of the health insurance plan
128 for all community/junior college district employees who work no
129 less than twenty (20) hours during each week.

130 (5) When the use of federal funding is allowable to defray,
131 in full or in part, the cost of participation in the insurance
132 plan by community/junior college district employees who work no
133 less than twenty (20) hours during each week, whose salaries are
134 paid, in full or in part, by federal funds, the allowance under
135 this section shall be reduced to the extent of the federal
136 funding. Where the use of federal funds is allowable but not
137 available, it is the intent of the Legislature that
138 community/junior college districts contribute the cost of
139 participation for such employees from local funds.

140 (6) Any community/junior college district may contribute to
141 the cost of coverage for any district employee from local
142 community/junior college district funds, and any public school
143 district may contribute to the cost of coverage for any district
144 employee from nonminimum program funds. Any part of the cost of
145 such coverage for participating employees of public school
146 districts and public community/junior college districts that is
147 not paid by the state shall be paid by the participating
148 employees, which shall be deducted from the salaries of the
149 employees in a manner determined by the board.

150 (7) Any funds appropriated for the cost of insurance by line
151 item in the community/junior colleges appropriation bill which are
152 not expended during the fiscal year for which such funds were
153 appropriated shall be carried forward for the same purposes during
154 the next succeeding fiscal year.

155 (8) The board may establish and enforce late charges and
156 interest penalties or other penalties for the purpose of requiring
157 the prompt payment of all premiums for life and health insurance



158 permitted under Chapter 15 of Title 25. All funds in excess of
159 the amount needed for disbursement of claims shall be deposited in
160 a special fund in the State Treasury to be known as the State and
161 School Employees Insurance Fund. The State Treasurer shall invest
162 all funds in the State and School Employees Insurance Fund and all
163 interest earned shall be credited to the State and School
164 Employees Insurance Fund. Such funds shall be placed with one or
165 more depositories of the state and invested on the first day such
166 funds are available for investment in certificates of deposit,
167 repurchase agreements or in United States Treasury bills or as
168 otherwise authorized by law for the investment of Public
169 Employees' Retirement System funds, as long as such investment is
170 made from competitive offering and at the highest and best market
171 rate obtainable consistent with any available investment
172 alternatives; however, such investments shall not be made in
173 shares of stock, common or preferred, or in any other investments
174 which would mature more than one (1) year from the date of
175 investment. The board shall have the authority to draw from this
176 fund periodically such funds as are necessary to operate the
177 self-insurance plan or to pay to the insurance carrier the cost of
178 operation of this plan, it being the purpose to limit the amount
179 of participation by the state to fifty percent (50%) of the cost
180 of the life insurance program and not to limit the contracting for
181 additional benefits where the cost will be paid in full by the
182 employee. The state shall not share in the cost of coverage for
183 retired employees.

184 (9) The board shall also provide for the creation of an
185 Insurance Reserve Fund and funds therein shall be invested by the
186 State Treasurer with all interest earned credited to the State and
187 School Employees Insurance Fund.

188 (10) Any retired employee electing to purchase retired life
189 and health insurance will have the full cost of such insurance
190 deducted monthly from his State of Mississippi retirement plan



191 check or direct billed for the cost of the premium if the
192 retirement check is insufficient to pay for the premium. If the
193 board determines actuarially that the premium paid by the
194 participating retirees adversely affects the overall cost of the
195 plan to the state, then the department may impose a premium
196 surcharge, not to exceed fifteen percent (15%), upon such
197 participating retired employees who are under the age for Medicare
198 eligibility.

199 **[From and after July 1 of the year in which Section 25-11-143**
200 **becomes effective as provided in subsection (1) of Section**
201 **25-11-143, this section shall read as follows:]**

202 25-15-15. (1) The board may determine the manner in which
203 premiums and contributions by the state agencies, local school
204 districts, colleges, universities, community/junior colleges and
205 public libraries will be collected to provide the self-insured
206 health insurance program for employees as provided under this
207 article. The state shall provide fifty percent (50%) of the cost
208 of the above life insurance plan and one hundred percent (100%) of
209 the cost of the above health insurance plan for all active
210 full-time employees. The employees shall be given the opportunity
211 to purchase coverage for their eligible dependents with the
212 premiums for the dependent coverage, as well as the employee's
213 fifty percent (50%) share for his life insurance coverage, to be
214 deductible from the employee's salary by the agency, department or
215 institution head. Those deductions, together with the fifty
216 percent (50%) share of the life insurance premiums of the
217 employing agency, department or institution head from funds
218 appropriated to or authorized to be expended by the employing
219 agency, department or institution head, shall be deposited
220 directly into a depository bank or special fund in the State
221 Treasury, as determined by the board. These funds and interest
222 earned on these funds may be used for the disbursement of claims
223 and shall be exempt from the appropriation process.



224 (2) The state shall provide annually, by line item in the
225 Mississippi Library Commission appropriation bill, the funds to
226 pay one hundred percent (100%) of the cost of health insurance
227 under the State and School Employees Health Insurance Plan for all
228 full-time library staff members in each public library in
229 Mississippi. The commission shall allot to each public library a
230 sufficient amount of those funds appropriated to pay the costs of
231 insurance for eligible employees. Any funds so appropriated by
232 line item that are not expended during the fiscal year for which
233 the funds were appropriated shall be carried forward for the same
234 purposes during the next succeeding fiscal year. If any premiums
235 for the health insurance and/or late charges and interest
236 penalties are not paid by a public library in a timely manner, as
237 defined by the board, the Mississippi Library Commission, upon
238 notice by the board, shall immediately withhold all subsequent
239 disbursements of funds to that public library.

240 (3) The state shall annually provide one hundred percent
241 (100%) of the cost of the health insurance plan for all public
242 school district employees who work no less than twenty (20) hours
243 during each week and regular nonstudent school bus drivers and
244 regular school district food service employees. Where federal
245 funding is allowable to defray, in full or in part, the cost of
246 participation in the program by district employees who work no
247 less than twenty (20) hours during the week and regular nonstudent
248 bus drivers and school district food service employees, whose
249 salaries are paid, in full or in part, by federal funds, the
250 allowance under this section shall be reduced to the extent of
251 that federal funding. Where the use of federal funds is allowable
252 but not available, it is the intent of the Legislature that school
253 districts contribute the cost of participation for the employees
254 from local funds, except that parent fees for child nutrition
255 programs shall not be increased to cover that cost.



256 (4) The state shall provide annually, by line item in the
257 community/junior college appropriation bill, the funds to pay one
258 hundred percent (100%) of the cost of the health insurance plan
259 for all community/junior college district employees who work no
260 less than twenty (20) hours during each week.

261 (5) When the use of federal funding is allowable to defray,
262 in full or in part, the cost of participation in the insurance
263 plan by community/junior college district employees who work no
264 less than twenty (20) hours during each week, whose salaries are
265 paid, in full or in part, by federal funds, the allowance under
266 this section shall be reduced to the extent of the federal
267 funding. Where the use of federal funds is allowable but not
268 available, it is the intent of the Legislature that
269 community/junior college districts contribute the cost of
270 participation for the employees from local funds.

271 (6) Any community/junior college district may contribute to
272 the cost of coverage for any district employee from local
273 community/junior college district funds, and any public school
274 district may contribute to the cost of coverage for any district
275 employee from nonminimum program funds. Any part of the cost of
276 the coverage for participating employees of public school
277 districts and public community/junior college districts that is
278 not paid by the state shall be paid by the participating
279 employees, which shall be deducted from the salaries of the
280 employees in a manner determined by the board.

281 (7) Any funds appropriated for the cost of insurance by line
282 item in the community/junior colleges appropriation bill that are
283 not expended during the fiscal year for which the funds were
284 appropriated shall be carried forward for the same purposes during
285 the next succeeding fiscal year.

286 (8) The board may establish and enforce late charges and
287 interest penalties or other penalties for the purpose of requiring
288 the prompt payment of all premiums for life and health insurance



289 permitted under Chapter 15 of Title 25. All funds in excess of
290 the amount needed for disbursement of claims shall be deposited in
291 a special fund in the State Treasury to be known as the State and
292 School Employees Insurance Fund. The State Treasurer shall invest
293 all funds in the State and School Employees Insurance Fund and all
294 interest earned shall be credited to the State and School
295 Employees Insurance Fund. Those funds shall be placed with one or
296 more depositories of the state and invested on the first day that
297 the funds are available for investment in certificates of deposit,
298 repurchase agreements or in United States Treasury bills or as
299 otherwise authorized by law for the investment of Public
300 Employees' Retirement System funds, as long as the investment is
301 made from competitive offering and at the highest and best market
302 rate obtainable consistent with any available investment
303 alternatives. However, those investments shall not be made in
304 shares of stock, common or preferred, or in any other investments
305 that would mature more than one (1) year from the date of
306 investment. The board shall have the authority to draw from this
307 fund periodically such funds as are necessary to operate the
308 self-insurance plan or to pay to the insurance carrier the cost of
309 operation of this plan, it being the purpose to limit the amount
310 of participation by the state to fifty percent (50%) of the cost
311 of the life insurance program and not to limit the contracting for
312 additional benefits where the cost will be paid in full by the
313 employee.

314 (9) The board shall also provide for the creation of an
315 Insurance Reserve Fund, and funds in the reserve fund shall be
316 invested by the State Treasurer with all interest earned credited
317 to the State and School Employees Insurance Fund.

318 **SECTION 3.** This act shall take effect and be in force from
319 and after July 1, 2003.

