

By: Senator(s) Gordon, Little,  
Burton

To: Appropriations

SENATE BILL NO. 2010

1 AN ACT TO AMEND SECTIONS 25-15-15 AND 25-15-101, MISSISSIPPI  
2 CODE OF 1972, TO AUTHORIZE STATE AND LOCAL GOVERNMENT ENTITIES TO  
3 PAY FOR A CERTAIN PERIOD OF TIME THE LIFE AND HEALTH INSURANCE  
4 BENEFITS FOR EMPLOYEES WHO HAVE BEEN PLACED ON INVOLUNTARY LEAVE  
5 WITHOUT PAY BECAUSE OF HURRICANE KATRINA; AND FOR RELATED  
6 PURPOSES.

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

8 **SECTION 1.** Section 25-15-15, Mississippi Code of 1972, is  
9 amended as follows:

10 **[Through June 30 of the year in which Section 25-11-143**  
11 **becomes effective as provided in subsection (1) of Section**  
12 **25-11-143, this section shall read as follows:]**

13 25-15-15. (1) The board is authorized to determine the  
14 manner in which premiums and contributions by the state agencies,  
15 local school districts, colleges, universities, community/junior  
16 colleges and public libraries shall be collected to provide the  
17 self-insured health insurance program for employees as provided  
18 under this article. The state shall provide fifty percent (50%)  
19 of the cost of the above life insurance plan for all active  
20 full-time employees. The state shall provide one hundred percent  
21 (100%) of the cost of the health insurance plan for active  
22 full-time employees initially employed before January 1, 2006.  
23 For active full-time employees initially employed on or after  
24 January 1, 2006, the state shall provide one hundred percent  
25 (100%) of the cost of a basic level of health insurance and the  
26 employees may pay additional amounts to purchase additional  
27 benefits or levels of coverage offered under the plan. All active  
28 full-time employees shall be given the opportunity to purchase  
29 coverage for their eligible dependents with the premiums for such

30 dependent coverage, as well as the employee's fifty percent (50%)  
31 share for his life insurance coverage, to be deductible from the  
32 employee's salary by the agency, department or institution head,  
33 which deductions, together with the fifty percent (50%) share of  
34 such life insurance premiums of such employing agency, department  
35 or institution head from funds appropriated to or authorized to be  
36 expended by the employing agency, department or institution head,  
37 shall be deposited directly into a depository bank or special fund  
38 in the State Treasury, as determined by the board. These funds  
39 and interest earned on these funds may be used for the  
40 disbursement of claims and shall be exempt from the appropriation  
41 process.

42 (2) The state shall provide annually, by line item in the  
43 Mississippi Library Commission appropriation bill, such funds to  
44 pay one hundred percent (100%) of the cost of health insurance  
45 under the State and School Employees Health Insurance Plan for  
46 full-time library staff members in each public library in  
47 Mississippi initially employed before January 1, 2006. For  
48 full-time library staff members initially employed on or after  
49 January 1, 2006, the state shall provide one hundred percent  
50 (100%) of the cost of a basic level of health insurance under the  
51 State and School Employees Health Insurance Plan and the employees  
52 may pay additional amounts to purchase additional benefits or  
53 levels of coverage offered under the plan. The commission shall  
54 allot to each public library a sufficient amount of those funds  
55 appropriated to pay the costs of insurance for eligible employees.  
56 Any funds so appropriated by line item which are not expended  
57 during the fiscal year for which such funds were appropriated  
58 shall be carried forward for the same purposes during the next  
59 succeeding fiscal year. If any premiums for the health insurance  
60 and/or late charges and interest penalties are not paid by a  
61 public library in a timely manner, as defined by the board, the  
62 Mississippi Library Commission, upon notice by the board, shall

63 immediately withhold all subsequent disbursements of funds to that  
64 public library.

65 (3) The state shall annually provide one hundred percent  
66 (100%) of the cost of the health insurance plan for public school  
67 district employees who work no less than twenty (20) hours during  
68 each week and regular nonstudent school bus drivers, if such  
69 employees and school bus drivers were initially employed before  
70 January 1, 2006. For such employees and school bus drivers  
71 initially employed on or after January 1, 2006, the state shall  
72 provide one hundred percent (100%) of the cost of a basic level of  
73 health insurance under the State and School Employees Health  
74 Insurance Plan and the employees may pay additional amounts to  
75 purchase additional benefits or levels of coverage offered under  
76 the plan. Where federal funding is allowable to defray, in full  
77 or in part, the cost of participation in the program by district  
78 employees who work no less than twenty (20) hours during the week  
79 and regular nonstudent bus drivers, whose salaries are paid, in  
80 full or in part, by federal funds, the allowance under this  
81 section shall be reduced to the extent of such federal funding.  
82 Where the use of federal funds is allowable but not available, it  
83 is the intent of the Legislature that school districts contribute  
84 the cost of participation for such employees from local funds,  
85 except that parent fees for child nutrition programs shall not be  
86 increased to cover such cost.

87 (4) The state shall provide annually, by line item in the  
88 community/junior college appropriation bill, such funds to pay one  
89 hundred percent (100%) of the cost of the health insurance plan  
90 for community/junior college district employees initially employed  
91 before January 1, 2006, who work no less than twenty (20) hours  
92 during each week. For such employees initially employed on or  
93 after January 1, 2006, the state shall provide one hundred percent  
94 (100%) of the cost of a basic level of health insurance under the  
95 State and School Employees Health Insurance Plan and the employees

96 may pay additional amounts to purchase additional benefits or  
97 levels of coverage offered under the plan.

98 (5) When the use of federal funding is allowable to defray,  
99 in full or in part, the cost of participation in the insurance  
100 plan by community/junior college district employees who work no  
101 less than twenty (20) hours during each week, whose salaries are  
102 paid, in full or in part, by federal funds, the allowance under  
103 this section shall be reduced to the extent of the federal  
104 funding. Where the use of federal funds is allowable but not  
105 available, it is the intent of the Legislature that  
106 community/junior college districts contribute the cost of  
107 participation for such employees from local funds.

108 (6) Any community/junior college district may contribute to  
109 the cost of coverage for any district employee from local  
110 community/junior college district funds, and any public school  
111 district may contribute to the cost of coverage for any district  
112 employee from nonminimum program funds. Any part of the cost of  
113 such coverage for participating employees of public school  
114 districts and public community/junior college districts that is  
115 not paid by the state shall be paid by the participating  
116 employees, which shall be deducted from the salaries of the  
117 employees in a manner determined by the board.

118 (7) Any funds appropriated for the cost of insurance by line  
119 item in the community/junior colleges appropriation bill which are  
120 not expended during the fiscal year for which such funds were  
121 appropriated shall be carried forward for the same purposes during  
122 the next succeeding fiscal year.

123 (8) The board may establish and enforce late charges and  
124 interest penalties or other penalties for the purpose of requiring  
125 the prompt payment of all premiums for life and health insurance  
126 permitted under Chapter 15 of Title 25. All funds in excess of  
127 the amount needed for disbursement of claims shall be deposited in  
128 a special fund in the State Treasury to be known as the State and

129 School Employees Insurance Fund. The State Treasurer shall invest  
130 all funds in the State and School Employees Insurance Fund and all  
131 interest earned shall be credited to the State and School  
132 Employees Insurance Fund. Such funds shall be placed with one or  
133 more depositories of the state and invested on the first day such  
134 funds are available for investment in certificates of deposit,  
135 repurchase agreements or in United States Treasury bills or as  
136 otherwise authorized by law for the investment of Public  
137 Employees' Retirement System funds, as long as such investment is  
138 made from competitive offering and at the highest and best market  
139 rate obtainable consistent with any available investment  
140 alternatives; however, such investments shall not be made in  
141 shares of stock, common or preferred, or in any other investments  
142 which would mature more than one (1) year from the date of  
143 investment. The board shall have the authority to draw from this  
144 fund periodically such funds as are necessary to operate the  
145 self-insurance plan or to pay to the insurance carrier the cost of  
146 operation of this plan, it being the purpose to limit the amount  
147 of participation by the state to fifty percent (50%) of the cost  
148 of the life insurance program and not to limit the contracting for  
149 additional benefits where the cost will be paid in full by the  
150 employee. The state shall not share in the cost of coverage for  
151 retired employees.

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

156 (10) Any retired employee electing to purchase retired life  
157 and health insurance will have the full cost of such insurance  
158 deducted monthly from his State of Mississippi retirement plan  
159 check or direct billed for the cost of the premium if the  
160 retirement check is insufficient to pay for the premium. If the  
161 board determines actuarially that the premium paid by the

162 participating retirees adversely affects the overall cost of the  
163 plan to the state, then the board may impose a premium surcharge,  
164 not to exceed fifteen percent (15%), upon such participating  
165 retired employees who are under the age for Medicare eligibility  
166 and who were initially employed before January 1, 2006. For  
167 participating retired employees who are under the age for Medicare  
168 eligibility and who were initially employed on or after January 1,  
169 2006, the board may impose a premium surcharge in an amount the  
170 board determines actuarially to cover the full cost of insurance.

171 (11) State agencies, local school districts, colleges,  
172 universities, community/junior colleges and public libraries may  
173 continue to pay, for a period not to exceed six (6) months, the  
174 employer portion of life and health insurance premiums for those  
175 employees who have been placed on involuntary leave without pay  
176 because of emergency conditions arising from Hurricane Katrina.  
177 The employee shall continue to pay the employee portion of life  
178 and health insurance premiums as required by the board in order to  
179 continue coverage under the plan.

180 **[From and after July 1 of the year in which Section 25-11-143**  
181 **becomes effective as provided in subsection (1) of Section**  
182 **25-11-143, this section shall read as follows:]**

183 25-15-15. (1) The board may determine the manner in which  
184 premiums and contributions by the state agencies, local school  
185 districts, colleges, universities, community/junior colleges and  
186 public libraries will be collected to provide the self-insured  
187 health insurance program for employees as provided under this  
188 article. The state shall provide fifty percent (50%) of the cost  
189 of the above life insurance plan for all active full-time  
190 employees. The state shall provide one hundred percent (100%) of  
191 the cost of the health insurance plan for active full-time  
192 employees initially employed before January 1, 2006. For active  
193 full-time employees initially employed on or after January 1,  
194 2006, the state shall provide one hundred percent (100%) of the

195 cost of a basic level of health insurance and the employees may  
196 pay additional amounts to purchase additional benefits or levels  
197 of coverage offered under the plan. All active full-time  
198 employees shall be given the opportunity to purchase coverage for  
199 their eligible dependents with the premiums for the dependent  
200 coverage, as well as the employee's fifty percent (50%) share for  
201 his life insurance coverage, to be deductible from the employee's  
202 salary by the agency, department or institution head. Those  
203 deductions, together with the fifty percent (50%) share of the  
204 life insurance premiums of the employing agency, department or  
205 institution head from funds appropriated to or authorized to be  
206 expended by the employing agency, department or institution head,  
207 shall be deposited directly into a depository bank or special fund  
208 in the State Treasury, as determined by the board. These funds  
209 and interest earned on these funds may be used for the  
210 disbursement of claims and shall be exempt from the appropriation  
211 process.

212 (2) The state shall provide annually, by line item in the  
213 Mississippi Library Commission appropriation bill, the funds to  
214 pay one hundred percent (100%) of the cost of health insurance  
215 under the State and School Employees Health Insurance Plan for all  
216 full-time library staff members in each public library in  
217 Mississippi initially employed before January 1, 2006. For  
218 full-time library staff members initially employed on or after  
219 January 1, 2006, the state shall provide one hundred percent  
220 (100%) of the cost of a basic level of health insurance under the  
221 State and School Employees Health Insurance Plan and the employees  
222 may pay additional amounts to purchase additional benefits or  
223 levels of coverage offered under the plan. The commission shall  
224 allot to each public library a sufficient amount of those funds  
225 appropriated to pay the costs of insurance for eligible employees.  
226 Any funds so appropriated by line item that are not expended  
227 during the fiscal year for which the funds were appropriated shall

228 be carried forward for the same purposes during the next  
229 succeeding fiscal year. If any premiums for the health insurance  
230 and/or late charges and interest penalties are not paid by a  
231 public library in a timely manner, as defined by the board, the  
232 Mississippi Library Commission, upon notice by the board, shall  
233 immediately withhold all subsequent disbursements of funds to that  
234 public library.

235 (3) The state shall annually provide one hundred percent  
236 (100%) of the cost of the health insurance plan for public school  
237 district employees who work no less than twenty (20) hours during  
238 each week and regular nonstudent school bus drivers, if such  
239 employees and school bus drivers were initially employed before  
240 January 1, 2006. For such employees and school bus drivers  
241 initially employed on or after January 1, 2006, the state shall  
242 provide one hundred percent (100%) of the cost of a basic level of  
243 health insurance under the State and School Employees Health  
244 Insurance Plan and the employees may pay additional amounts to  
245 purchase additional benefits or levels of coverage offered under  
246 the plan. Where federal funding is allowable to defray, in full  
247 or in part, the cost of participation in the program by district  
248 employees who work no less than twenty (20) hours during the week  
249 and regular nonstudent bus drivers, whose salaries are paid, in  
250 full or in part, by federal funds, the allowance under this  
251 section shall be reduced to the extent of that federal funding.  
252 Where the use of federal funds is allowable but not available, it  
253 is the intent of the Legislature that school districts contribute  
254 the cost of participation for the employees from local funds,  
255 except that parent fees for child nutrition programs shall not be  
256 increased to cover that cost.

257 (4) The state shall provide annually, by line item in the  
258 community/junior college appropriation bill, the funds to pay one  
259 hundred percent (100%) of the cost of the health insurance plan  
260 for community/junior college district employees initially employed



261 before January 1, 2006, who work no less than twenty (20) hours  
262 during each week. For such employees initially employed on or  
263 after January 1, 2006, the state shall provide one hundred percent  
264 (100%) of the cost of a basic level of health insurance under the  
265 State and School Employees Health Insurance Plan and the employees  
266 may pay additional amounts to purchase additional benefits or  
267 levels of coverage offered under the plan.

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

278 (6) Any community/junior college district may contribute to  
279 the cost of coverage for any district employee from local  
280 community/junior college district funds, and any public school  
281 district may contribute to the cost of coverage for any district  
282 employee from nonminimum program funds. Any part of the cost of  
283 the coverage for participating employees of public school  
284 districts and public community/junior college districts that is  
285 not paid by the state shall be paid by the participating  
286 employees, which shall be deducted from the salaries of the  
287 employees in a manner determined by the board.

288 (7) Any funds appropriated for the cost of insurance by line  
289 item in the community/junior colleges appropriation bill that are  
290 not expended during the fiscal year for which the funds were  
291 appropriated shall be carried forward for the same purposes during  
292 the next succeeding fiscal year.

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

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

325       (10) State agencies, local school districts, colleges,  
326 universities, community/junior colleges and public libraries may  
327 continue to pay, for a period not to exceed six (6) months, the  
328 employer portion of life and health insurance premiums for those  
329 employees who have been placed on involuntary leave without pay  
330 because of emergency conditions arising from Hurricane Katrina.  
331 The employee shall continue to pay the employee portion of life  
332 and health insurance premiums as required by the board in order to  
333 continue coverage under the plan.

334       **SECTION 2.** Section 25-15-101, Mississippi Code of 1972, is  
335 amended as follows:

336       25-15-101. The governing board of any county, municipality,  
337 municipal separate school district, other school district or  
338 junior college district, and the governing board or head of any  
339 institution, department or agency of any county or municipality  
340 may negotiate for and secure for all or specified groups of  
341 employees and their dependents of such county or municipality, or  
342 institution, department or agency of such county or municipality,  
343 or municipal separate school district, other school district or  
344 junior college district, a policy or policies of group insurance  
345 covering the life, (except as hereinafter provided), salary  
346 protection, health, accident and hospitalization, as well as a  
347 group contract or contracts covering hospital and/or medical  
348 and/or surgical services or benefits (including surgical costs,  
349 so-called "hospital extras," medical expenses, allied coverages,  
350 and major medical costs) of such of its employees and their  
351 dependents as may desire such insurance and other coverage under  
352 such service or benefit contracts, and who shall authorize in  
353 writing the deduction from the salary or wages of such employees  
354 of the proportionate part of the costs thereof attributable to  
355 such employees. However, beginning with the 1984-1985 school  
356 year, school districts shall provide the policies of group  
357 insurance to certificated personnel. Any employee who desires to

358 reallocate or reduce any part of his or her salary or wages for a  
359 cafeteria fringe benefit plan in accordance with current  
360 requirements of Section 125 et seq. of the Internal Revenue Code  
361 for himself or herself and/or for his or her dependent(s) shall  
362 authorize, in writing, the deduction from the salary or wages of  
363 such employee the proportionate part of the costs thereof  
364 attributable to such employee. Any amount so deducted shall be  
365 transferred into the general fund or contingent fund of such  
366 county or municipality, or the operating fund of such institution,  
367 department or agency of the county or municipality, or the  
368 maintenance fund of such municipal separate school district, other  
369 school district or junior college district, as the case may be,  
370 and shall be supplemented by funds from the general fund,  
371 contingent fund, maintenance fund, or operating fund, as the case  
372 may be, in an amount to be determined by the governing board or  
373 head of such political subdivision, school district, junior  
374 college district, institution, department or agency, in their  
375 discretion, in order to pay the full costs. In no instances shall  
376 the amount of contributions by any governing board or head of a  
377 political subdivision, school district, junior college district,  
378 institution, department or agency hereinabove mentioned exceed an  
379 average of one hundred percent (100%) of the cost of all such  
380 group coverages for employees.

381       The governing board or head of such political subdivision,  
382 school district, junior college district, institution, department  
383 or agency is authorized to pay such full costs direct to the  
384 insurance company and to the hospital and/or medical and/or  
385 surgical service association from the general fund, contingent  
386 fund, or the maintenance fund of such county or municipality, or  
387 the operating fund of such institution, department, or agency of  
388 the county or municipality, or the maintenance fund of such  
389 municipal separate school district, other school district or  
390 junior college district, as the case may be, and to do all acts

391 necessary and proper for the purpose of carrying out the  
392 provisions of Sections 25-15-101 and 25-15-103 and of effectuating  
393 the purposes hereof. The rates for any and all costs covered by  
394 the sections shall be in keeping with promulgated schedules, and  
395 the rates for such costs shall be approved by the Insurance  
396 Commissioner of the State of Mississippi. This section shall not  
397 be construed to prevent changes in rates based on experience, nor  
398 the granting of dividends or rate reductions or credits.

399 The governing board or head of any political subdivision or  
400 other entity set forth in this section may elect to become a  
401 self-insurer with respect to all or any portion of group life,  
402 salary protection, health, accident and hospitalization benefits  
403 on terms and conditions deemed advisable, in its discretion. The  
404 administration and service of any such self-insurance program  
405 shall be contracted to a third party approved by the Commissioner  
406 of Insurance and benefits provided in excess of the self-insurance  
407 plan shall be covered by a policy or policies of group insurance  
408 or a group contract or contracts issued by a company licensed to  
409 do business in this state.

410 The governing board of any political subdivision or other  
411 entity set forth in this section may join with any one or more  
412 other such political subdivision or entity to pool the risks  
413 authorized to be insured or self-insured under this section or to  
414 act as a self-insurer, or to contract for a policy or policies of  
415 insurance, or to contract with a third party administrator for a  
416 self-insurance plan; however, in order to qualify as a  
417 self-insurer, a group whether consisting of one or more employers  
418 shall consist of not less than one hundred fifty (150) employees.  
419 The governing board of any political subdivision or other entity  
420 set forth in this section having at least fifty (50) employees but  
421 less than one hundred fifty (150) employees may self-insure all or  
422 any part of a benefit program with benefits authorized to be  
423 insured or self-insured under this section in an amount not to

424 exceed Two Thousand Dollars (\$2,000.00) per year per employee; and  
425 any such political subdivision or other entity may join with any  
426 one or more other such political subdivisions or entities, such  
427 political subdivisions and entities having at least fifty (50)  
428 employees but less than one hundred fifty (150) employees in the  
429 aggregate, to pool the risks authorized to be insured or  
430 self-insured under this section. However, any such self-insurance  
431 plan or pooled risk plan involving at least fifty (50) employees  
432 but less than one hundred fifty (150) employees shall be certified  
433 by the Mississippi Department of Insurance as being actuarially  
434 sound.

435 Any political subdivision or other entity that provides any  
436 plan of group insurance or other coverage under this section does  
437 not waive, but expressly reserves, its sovereign immunity under  
438 the laws of the State of Mississippi; and all plans and agreements  
439 executed by political subdivisions and other entities providing  
440 insurance or other coverage under this section shall contain a  
441 provision expressly limiting liability for the payment of all  
442 benefits for single or multiple claims to the extent of the  
443 insurance carried or to the extent of funds available under the  
444 self-insurance fund.

445 Nothing in Sections 25-15-101 and 25-15-103 shall be  
446 construed to apply to agencies financed entirely by federally  
447 granted administrative funds.

448 The restrictions in this section on the amount which  
449 employers may pay for group insurance and other coverage for their  
450 employees shall not be applicable to municipalities.

451 Any governing board or head of any political subdivision or  
452 other entity that provides any plan of group insurance or other  
453 coverage under this section, and any person with whom such  
454 governing board, head of a political subdivision or other entity  
455 contracts in the performance of any duty or authority prescribed  
456 under this section, shall be liable civilly for the loss or

457 misappropriation of any public funds resulting from their failure  
458 to comply with any provision of this section, such funds to be  
459 recovered in the manner provided under Section 7-7-211.

460 Any governing board or head of any political subdivision or  
461 other entity that provides any plan of group insurance or other  
462 coverage under this section may continue to pay, for a period not  
463 to exceed six (6) months, the employer portion of life and health  
464 insurance premiums for those employees who have been placed on  
465 involuntary leave without pay because of emergency conditions  
466 arising from Hurricane Katrina.

467 **SECTION 3.** This act shall take effect and be in force from  
468 and after its passage.