

By: Senator(s) Cuevas

To: Appropriations

SENATE BILL NO. 2810

1 AN ACT TO 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 25-15-3. For the purposes of this article, the words and  
9 phrases used herein shall have the following meanings:

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

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

25 (b) "Department" means the Department of Finance and  
26 Administration.

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



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

31 (e) "Retiree" means any employee retired under the  
32 Mississippi retirement plan.

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

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

37 25-15-15. (1) The board is authorized to determine the  
38 manner in which premiums and contributions by the state agencies,  
39 local school districts, colleges, universities, community/junior  
40 colleges and public libraries shall be collected to provide the  
41 self-insured health insurance program for employees as provided  
42 under this article. The state shall provide fifty percent (50%)  
43 of the cost of the above life insurance plan and one hundred  
44 percent (100%) of the cost of the above health insurance plan for  
45 all active full-time employees, and the employees shall be given  
46 the opportunity to purchase coverage for their eligible dependents  
47 with the premiums for such dependent coverage as well as the  
48 employee's fifty percent (50%) share for his life insurance  
49 coverage to be deductible from the employee's salary by the  
50 agency, department or institution head, which deductions, together  
51 with the fifty percent (50%) share of such life insurance premiums  
52 of such employing agency, department or institution head from  
53 funds appropriated to or authorized to be expended by such  
54 employing agency, department or institution head, shall be  
55 deposited directly into a depository bank or special fund in the  
56 State Treasury, as determined by the board. These funds and  
57 interest earned on these funds may be used for the disbursement of  
58 claims and shall be exempt from the appropriation process.

59 (2) The state shall provide annually, by line item in the  
60 Mississippi Library Commission appropriation bill, such funds to  
61 pay one hundred percent (100%) of the cost of health insurance



62 under the State and School Employees Health Insurance Plan for all  
63 full-time library staff members in each public library in  
64 Mississippi. The commission shall allot to each public library a  
65 sufficient amount of those funds appropriated to pay the costs of  
66 insurance for eligible employees. Any funds so appropriated by  
67 line item which are not expended during the fiscal year for which  
68 such funds were appropriated shall be carried forward for the same  
69 purposes during the next succeeding fiscal year. If any premiums  
70 for the health insurance and/or late charges and interest  
71 penalties are not paid by a public library in a timely manner, as  
72 defined by the board, the Mississippi Library Commission, upon  
73 notice by the board, shall immediately withhold all subsequent  
74 disbursements of funds to that public library.

75 (3) The state shall annually provide one hundred percent  
76 (100%) of the cost of the health insurance plan for all public  
77 school district employees who work no less than twenty (20) hours  
78 during each week and regular nonstudent school bus drivers and  
79 regular school district food service employees. Where federal  
80 funding is allowable to defray, in full or in part, the cost of  
81 participation in the program by district employees who work no  
82 less than twenty (20) hours during the week and regular nonstudent  
83 bus drivers and school district food service employees, whose  
84 salaries are paid, in full or in part, by federal funds, the  
85 allowance under this section shall be reduced to the extent of  
86 such federal funding. Where the use of federal funds is allowable  
87 but not available, it is the intent of the Legislature that school  
88 districts contribute the cost of participation for such employees  
89 from local funds, except that parent fees for child nutrition  
90 programs shall not be increased to cover such cost.

91 (4) The state shall provide annually, by line item in the  
92 community/junior college appropriation bill, such funds to pay one  
93 hundred percent (100%) of the cost of the health insurance plan



94 for all community/junior college district employees who work no  
95 less than twenty (20) hours during each week.

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

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

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

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



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

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

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



160 participating retirees adversely affects the overall cost of the  
161 plan to the state, then the department may impose a premium  
162 surcharge, not to exceed fifteen percent (15%), upon such  
163 participating retired employees who are under the age for Medicare  
164 eligibility.

165         **SECTION 3.** This act shall take effect and be in force from  
166 and after July 1, 2002.

