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Chapter No. 58
10/HR40/A501SG
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HOUSE BILL NO. 1642

Originated in House Don Richardson Clerk

HOUSE BILL NO. 1642

AN ACT MAKING AN APPROPRIATION FOR THE PURPOSE OF DEFRAYING THE EXPENSES OF THE MISSISSIPPI DEPARTMENT OF INSURANCE FOR THE FISCAL YEAR 2011.

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

SECTION 1. The following sum, or so much thereof as may be necessary, is hereby appropriated out of any money in any special fund in the State Treasury to the credit of the Mississippi Department of Insurance which is comprised of special source funds collected by or otherwise available to the department, for the purpose of defraying the expenses of the department for the fiscal year beginning July 1, 2010, and ending June 30, 2011

..... \$	29,037,776.00.
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SECTION 2. Of the funds appropriated under the provisions of this act, not more than the following amount shall be expended for Salaries, Wages and Fringe Benefits

..... \$	7,356,067.00
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FUNDING:

General Funds	\$	0.00
Special Funds		<u>29,037,776.00</u>
Total	\$	29,037,776.00

AUTHORIZED POSITIONS:

Permanent:	Full Time	131
	Part Time	0
Time-Limited:	Full Time	0
	Part Time	0

With the funds herein appropriated, it is the intention of the Legislature that it shall be the agency's responsibility to make certain that funds required to be appropriated for "Personal

Services" for Fiscal Year 2012 do not exceed Fiscal Year 2011 funds appropriated for that purpose, unless programs or positions are added to the agency's Fiscal Year 2011 budget by the Mississippi Legislature. Based on data provided by the Legislative Budget Office, the State Personnel Board shall determine and publish the projected annual cost to fully fund all appropriated positions in compliance with the provisions of this act. It shall be the responsibility of the agency head to ensure that no single personnel action increases this projected annual cost and/or the Fiscal Year 2011 appropriations for "Personal Services" when annualized, with the exception of escalated funds. If, at the time the agency takes any action to change "Personal Services," the State Personnel Board determines that the agency has taken an action which would cause the agency to exceed this projected annual cost or the Fiscal Year 2011 "Personal Services" appropriated level, when annualized, then only those actions which reduce the projected annual cost and/or the appropriation requirement will be processed by the State Personnel Board until such time as the requirements of this provision are met.

Unless otherwise authorized in this act, no state agency shall take any action to promote or otherwise award salary increases through reallocation, reclassification, realignment, educational benchmark, career ladder, equity salary adjustment, or any other means to increase salaries of employees or positions unless specifically exempted by the following conditions: the award of teacher salary increments; the advancement of a trainee/cadet to the next level of a bona fide career ladder; the award of an educational benchmark for the attainment of a Certified Public Accountant License or higher level professional certification based on information provided to the State Personnel Board by the Legislative Budget Office; the immediate replacement of a departing employee with an employee from within state service at a salary level of the departing employee or the Fiscal Year

2011 promotional formula, whichever is less; the emergency appointment of nurses, pharmacists or other health care and child protection professionals at a salary to be determined by the State Personnel Board; or a new hire associated with the American Recovery and Reinvestment Act of 2009. All positions supported by funds available through the American Recovery and Reinvestment Act of 2009 shall be designated as time-limited positions.

Any transfers or escalations shall be made in accordance with the terms, conditions and procedures established by law or allowable under the terms set forth within this act. The State Personnel Board shall not escalate positions without written approval from the Department of Finance and Administration. The Department of Finance and Administration shall not provide written approval to escalate any funds for salaries and/or positions without proof of availability of new or additional funds above the appropriated level.

No general funds authorized to be expended herein shall be used to replace federal funds and/or other special funds which are being used for salaries authorized under the provisions of this act and which are withdrawn and no longer available.

SECTION 3. It is the intention of the Legislature that the Mississippi Department of Insurance shall maintain complete accounting and personnel records related to the expenditure of all funds appropriated under this act and that such records shall be in the same format and level of detail as maintained for Fiscal Year 2010. It is further the intention of the Legislature that the agency's budget request for Fiscal Year 2012 shall be submitted to the Joint Legislative Budget Committee in a format and level of detail comparable to the format and level of detail provided during the Fiscal Year 2011 budget request process.

SECTION 4. Of the funds appropriated under the provisions of Section 1, Fifteen Thousand Seventy-nine Dollars (\$15,079.00) is

provided for the Mississippi Fire Personnel Minimum Standards and Certification Board.

SECTION 5. The following sum, or so much thereof as may be necessary, is hereby appropriated out of any money in the special fund in the State Treasury to the credit of the Rural Fire Truck Acquisition Fund to the Mississippi Department of Insurance for the Rural Fire Truck Acquisition Assistance Program for the fiscal year beginning July 1, 2010, and ending June 30, 2011
..... \$ 3,727,090.00.

SECTION 6. The following sum, or so much thereof as may be necessary, is hereby appropriated out of any money in the special fund in the State Treasury to the credit of the Supplemental Rural Fire Truck Fund, created in Section 1, Laws of 2004, Third Extraordinary Session, to the Mississippi Department of Insurance for the Supplemental Rural Fire Truck Acquisition Assistance Program for the fiscal year beginning July 1, 2010, and ending June 30, 2011 \$ 2,715,670.00.

SECTION 7. Of the funds appropriated under the provisions of Section 1, funds in the amount of Ten Thousand Dollars (\$10,000.00) are provided and shall be expended to pay the annual dues for the National Conference of Insurance Legislators.

SECTION 8. Of the funds appropriated in Section 1, the amount of Eighteen Million Dollars (\$18,000,000.00) is provided for the purpose of defraying the expenses of windstorm reinsurance. Of the funds provided under the provisions of this section, Eighteen Million Dollars (\$18,000,000.00) shall be derived from the Mississippi Windstorm Underwriting Association Reinsurance Assistance Fund.

SECTION 9. It is the intention of the Legislature that none of the funds appropriated above shall be expended unless members of the Mississippi House of Representatives and Mississippi Senate are notified at least five (5) days prior to a public ceremony announcing the award of any grant in their district or any public

announcement or ceremony regarding the groundbreaking or opening of a facility, roadway or bridge for which the Legislature has made funds available. Any signage regarding any public event or any new facility, roadway or bridge shall include the following language: "Funds were made available for this project by the Mississippi State Legislature."

SECTION 10. It is the intention of the Legislature that whenever two (2) or more bids are received by this agency for the purchase of commodities or equipment, and whenever all things stated in such received bids are equal with respect to price, quality and service, the Mississippi Industries for the Blind shall be given preference. A similar preference shall be given to the Mississippi Industries for the Blind whenever purchases are made without competitive bids.

SECTION 11. It is the intention of the Legislature that the Office of Mississippi Department of Insurance shall have the authority to accept, budget and expend funds, which is comprised of special funds to the office, not to exceed Three Hundred Thousand Dollars (\$300,000.00). Such funds are to be escalated in accordance with procedures for federal fund escalations as established in Section 27-104-21, Mississippi Code of 1972, and expended for the purposes of performing such duties as set forth by law in accordance with applicable rules and regulations of the State Fiscal Officer.

SECTION 12. Within the limits of the funds available to the Mississippi Insurance Department for such purpose, the Commissioner of Insurance for the Mississippi Insurance Department may grant a paid internship to students pursuing junior or senior undergraduate level year coursework toward a Bachelor's Degree in Risk Management Insurance or graduate level coursework towards a Master's Degree in Business Administration. Those applicants deemed qualified by the Mississippi Department of Insurance shall receive funds that may be used to pay for tuition, books and

related fees to pursue their degree. It is the intent of the Legislature that the paid internship program shall be used as incentive for risk management insurance careers at the Mississippi Insurance Department.

SECTION 13. It is the intention of the Legislature that the agency shall compile cell phone usage records of any cellular phone (wireless communication device) that is assigned, issued or made available to any officer or employee in accordance with Section 25-53-191, Mississippi Code of 1972, and these records shall be made publicly available at the expense of the agency.

SECTION 14. It is legislative intent to ensure beneficial information reaches as many Mississippians as possible. Further, it is legislative intent that the expenditure of public funds for this purpose be accomplished in an efficient and effective manner.

Therefore, state agencies as standard procedure will observe the following criteria:

(a) Develop goals and desired result for a campaign.

(b) Evaluate effectiveness through respected advertising standards, including market reach and cost effectiveness.

(c) Seek public service announcements, which would be aired by media without cost.

(d) Itemize and justify professional assistance and related expenses for creative and production costs outside of the actual media expenditures.

(e) Utilize Mississippi-owned media companies when feasible.

SECTION 15. It is the intention of the Legislature that this agency shall have the authority to receive, budget and expend funds from any source that may become available to them as a result of the passage of the American Recovery and Reinvestment Act of 2009 in accordance with the rules and regulations of the

Department of Finance and Administration in a manner consistent with the escalation of federal funds.

The Executive Director of the Department of Finance and Administration shall have the authority to approve escalations of funds and employee positions using funds from any source available due to the passage of the American Recovery and Reinvestment Act of 2009.

The Executive Director of the Department of Finance and Administration shall immediately send notice of the approval of such budget escalation to the House of Representatives Appropriations Committee, the Senate Appropriations Committee and the Legislative Budget Office. Within fifteen (15) days of such approval, the Executive Director of the Department of Finance and Administration shall ensure that the Legislative Budget Office receives detailed and accurate information about the amount and use of federal and special source funds by state agencies as a result of the passage of the American Recovery and Reinvestment Act of 2009.

SECTION 16. No former employee who is receiving State of Mississippi retirement benefits shall be hired under contract for an amount exceeding Twenty Thousand Dollars (\$20,000.00) a year without prior approval by an agency's proper governing board or authority. Upon approval of such contracts, a written report shall be submitted detailing the cost and need of such contract services to the Chairmen and members of the Senate and House Appropriations Committees.

SECTION 17. Of the funds appropriated in Section 1, Two Hundred Fifty Thousand Dollars (\$250,000.00) is provided for the State Fire Marshal's Office for fire safety prevention and services, including, but not limited to, fire protection supplies and materials, smoke alarms, and public service announcements providing fire prevention information.

SECTION 18. It is the intention of the Legislature that the Office of Mississippi Department of Insurance shall have the authority to receive, budget and expend funds, which is comprised of the special funds to the office, not to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00). This escalation is in order to comply with and as a result of the passage of The Patient Protection and Affordable Care Act, HR 3590, and supporting regulations issued in pursuant thereto. Such funds are to be escalated in accordance with procedures for federal fund escalations as established in Section 27-104-21, Mississippi Code of 1972, and expended for the purposes of performing such duties as set forth by law in accordance with applicable rules and regulations of the State Fiscal Officer.

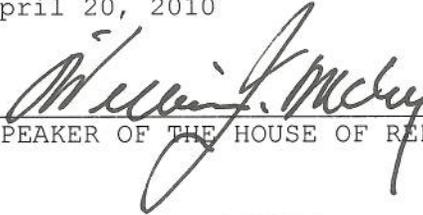
~~**SECTION 19.** In addition to all other sums herein appropriated the following sum, or so much thereof as may be necessary, is appropriated out of the Hurricane Disaster Reserve Fund (#37SS), for the purpose of defraying the expenses of windstorm reinsurance for the fiscal year beginning July 1, 2010, and ending June 30, 2011 \$20,000,000.00.~~

Partial veto

SECTION 20. The money herein appropriated shall be paid by the State Treasurer out of any money in the State Treasury to the credit of the proper fund or funds as set forth in this act, upon warrants issued by the State Fiscal Officer; and the State Fiscal Officer shall issue his warrants upon requisitions signed by the proper person, officer or officers, in the manner provided by law.

SECTION 21. This act shall take effect and be in force from and after July 1, 2010.

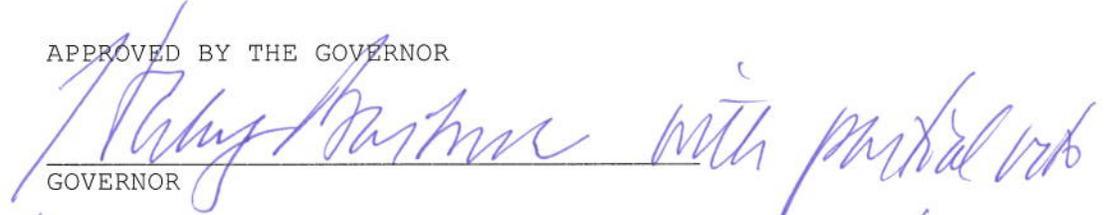
PASSED BY THE HOUSE OF REPRESENTATIVES
April 20, 2010


SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
April 20, 2010


PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR


GOVERNOR

5/13/10

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STATE OF MISSISSIPPI

Office of the Governor



May 13, 2010

TO THE MISSISSIPPI HOUSE OF REPRESENTATIVES:

GOVERNOR'S VETO MESSAGE FOR HOUSE BILL 1642, SECTION 19:

I am vetoing Section 19 of House Bill 1642: "AN ACT MAKING AN APPROPRIATION FOR THE PURPOSE OF DEFRAYING THE EXPENSES OF THE MISSISSIPPI DEPARTMENT OF INSURANCE FOR THE FISCAL YEAR 2011," and assign the following reasons for my line item veto.

Section 19 of House Bill 1642 appropriates \$20 million from the Hurricane Disaster Reserve Fund to be deposited into the Mississippi Windstorm Underwriting Association Reinsurance Assistance Fund (the "Windpool") for defraying the expenses of windstorm reinsurance for residents of the coast.

In my January State of the State speech, I told legislators that I would oppose any effort to raid the Hurricane Disaster Reserve Fund, which exists solely to pay matching funds that we owe the federal government for \$400 million of hazard mitigation expenditures in South Mississippi. For more than three years, we have tried to get the federal government to accept in-kind payment of the nearly \$100 million we owe them, but they have not agreed. Further, the devastation caused by recent tornadoes in Central and North Mississippi will require additional state funds to match federal disaster-related expenditures. Therefore, spending \$20 million of the Hurricane Disaster Reserve for any purpose other than this federal match is not only unacceptable, but irresponsible.

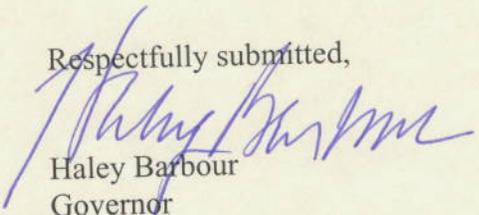
Additionally, Section 19 of House Bill 1642 would require an additional \$20 million to be paid into the Windpool, which will have already received \$160 million from state and Community Development Block Grant funds by the end of the current fiscal year. While I continue to believe the state must focus on lowering insurance rates along the coast, I believe a long-term approach requires us to focus on strengthening construction instead of continuing to subsidize insurance policies through the Windpool.

In March, I was pleased to announce with Insurance Commissioner Mike Chaney the creation of the Wind Mitigation Retrofit Program, which will use \$20 million in federal money to provide grants to coast homeowners to retrofit homes to make them more hurricane resistant. The program will defray the cost of reinsurance, lower the risk for insurance companies writing policies in Mississippi, and reduce insurance premiums on the Coast. Unlike annual subsidies to purchase reinsurance for the Windpool, this program is a sustainable solution to reducing the cost of insurance in our coastal region.

As Governor, I remain committed to ensuring the Legislature does not spend money which is already owed to the federal government from the Hurricane Disaster Reserve Fund, as well as continuing to support long-term solutions to help address the cost of insurance and strength of our coastal communities.

For these reasons, I am vetoing Section 19 of House Bill 1642.

Respectfully submitted,


Haley Barbour
Governor

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