

SUPREME COURT OF MISSISSIPPI

Public Employees' Retirement System v. Annie L. Stamps

PERS v. Stamps · No. No. 2003-CC-02599-SCT · Decided September 8, 2003

SUMMARY

The Supreme Court of Mississippi reviews the denial of Annie L. Stamps's application for disability retirement benefits by the Public Employees' Retirement System. The court holds that the PERS decision was supported by substantial evidence and was not arbitrary or capricious, reversing the circuit court and reinstating the administrative decision. The court also considers, on cross-appeal, allegations concerning a possible conflict of interest involving a medical-board member's referral for a functional-capacity evaluation.

CASE DETAILS

COURT	Supreme Court of Mississippi
WRITING FOR THE COURT	Smith, Chief Justice, for the Court; Waller, P.J.; Cobb, P.J.; Carlson, J.; Dickinson, J.; Randolph, J.; Easley, J.; Graves, J.; Diaz, J.
JURISDICTION	Mississippi
DECIDED	September 8, 2003
DOCKET	No. 2003-CC-02599-SCT
DISPOSITION	other
PROCEDURAL POSTURE	PERS appealed the Hinds County Circuit Court's reversal of the PERS Board of Trustees' denial of Annie Stamps's disability-retirement benefits. Stamps filed a cross-appeal raising alleged conflicts of interest, evidentiary and due-process objections, open-meetings issues, and constitutional challenges to the PERS hearing procedures.
STANDARD OF REVIEW	An administrative agency's decision must remain undisturbed unless it is unsupported by substantial evidence, arbitrary or capricious, beyond the agency's authority, or violative of constitutional rights. A reviewing court may not substitute its judgment for the agency's or reweigh the evidence. The Supreme Court applies the same standard as the circuit court when reviewing the agency decision.
PRECEDENTIAL VALUE	Published, en banc Mississippi Supreme Court opinion; precedential.
PARTIES	The Public Employees' Retirement System v. Annie L. Stamps

TOPICS

judicial review of agency action

administrative law

agency adjudication

standard of review

appellate procedure

PRACTICE AREAS

Administrative law

Public employee disability retirement

Appellate procedure

Administrative due process

QUESTIONS PRESENTED

1. Whether the circuit court erred by reversing the PERS Board of Trustees' denial of disability benefits.
2. Whether an alleged conflict of interest involving Medical Board member Dr. David Collipp and the rehabilitation center that performed Stamps's functional-capacity evaluation required a new hearing.
3. Whether the functional-capacity evaluation report was inadmissible hearsay or otherwise violated Stamps's right to cross-examination.
4. Whether the lack of statutory authority for PERS to permit depositions or subpoena witnesses rendered the PERS hearing procedures unconstitutional.
5. Whether the PERS Medical Board and Disability Appeals Committee were subject to Mississippi's Open Meetings Law.
6. Whether an assistant attorney general's service as a Disability Appeals Committee hearing officer created an impermissible conflict of interest or denied Stamps a fair and impartial hearing.

HOLDINGS

1. The circuit court erred in reversing the PERS Board's denial because the Board's decision was supported by substantial evidence, was not arbitrary or capricious, was within PERS's authority, and did not violate Stamps's constitutional rights.
2. The alleged referral conflict did not require reversal or a new hearing because Dr. Collipp was performing statutory Medical Board duties, the alleged issue did not satisfy the applicable scope of review, and the factual allegations did not establish a disqualifying conflict.
3. The hearsay and cross-examination challenge to the functional-capacity evaluation was without merit. PERS administrative hearings are not governed by formal rules of evidence, and Stamps had no absolute right to compel the evaluator's appearance where PERS lacked subpoena power.
4. The PERS hearing procedures were not unconstitutional merely because PERS lacked statutory authority to permit depositions or subpoena witnesses.
5. The PERS Medical Board and Disability Appeals Committee were not subject to the Open Meetings Law for their review of an individual disability claim because they did not formulate or determine public policy.
6. The hearing officer's employment by the Mississippi Attorney General did not establish a conflict of interest or denial of a fair and impartial hearing.

KEY QUOTATIONS

“An agency's conclusions must remain undisturbed unless the agency's order 1) is not supported by substantial evidence, 2) is arbitrary or capricious, 3) is beyond the scope or power granted to the agency, or 4) violates one's constitutional rights.” (¶ 26)

“Further, a reviewing court may not substitute its judgment for that of the agency rendering the decision and may not re-weigh the facts.” (¶ 27)

“The circuit court impermissibly reweighed the evidence in this matter and substituted its judgment for that of the Board of Trustees.” (¶ 57)

FACTUAL BACKGROUND

Annie Stamps, a longtime public-school teacher, stopped working after developing cervical spine problems and undergoing cervical fusion surgery. Although she experienced reduced neck mobility and asserted continuing pain, her treating neurosurgeons imposed no work restrictions beyond avoiding contact sports, and medical imaging showed no continuing spinal-cord compression. PERS obtained a functional-capacity evaluation and reviewed medical records and hearing testimony before determining that Stamps had not established a permanent inability to perform her teaching duties or other available covered employment.

PROCEDURAL HISTORY

The PERS Medical Board denied Stamps's disability-benefits claim, and the PERS Disability Appeals Committee recommended affirmance. The PERS Board of Trustees adopted that recommendation and denied benefits on August 28, 2001. The Hinds County Circuit Court reversed the Board on September 9, 2003, finding that the denial was unsupported by substantial evidence. The Mississippi Supreme Court reversed and rendered on PERS's direct appeal, reinstating the Board's denial, and affirmed on Stamps's cross-appeal.

DISPOSITION

other

REMAND INSTRUCTIONS

No remand. The circuit court judgment was reversed and rendered on the direct appeal, the PERS Board of Trustees' denial of benefits was reinstated, and the judgment was affirmed on cross-appeal.

CASES CITED

- Byrd v. Pub. Employees' Ret. Sys., 774 So. 2d 434, 437 (Miss. 2000)
- Sprouse v. Miss. Employment Sec. Comm'n, 639 So. 2d 901, 902 (Miss. 1994)
- Freeman v. Pub. Employees' Ret. Sys., 822 So. 2d 274, 278, 280-81 (Miss. 2002)
- Pub. Employees' Ret. Sys. v. Dishmon, 797 So. 2d 888, 891, 893 (Miss. 2001)
- Mississippi State Board of Accountancy v. Gray, 674 So. 2d 1251, 1257 (Miss. 1996)
- Fulce v. Pub. Employees' Ret. Sys., 759 So. 2d 401, 404 (Miss. 2000)

- Doyle v. Pub. Employees' Ret. Sys., 808 So. 2d 902, 907 (Miss. 2002)
- Richardson v. APAC-Miss., Inc., 631 So. 2d 143 (Miss. 1994)
- Georgia-Pacific Corp. v. McLaurin, 370 So. 2d 1359 (Miss. 1979)
- Brinston v. Pub. Employees' Ret. Sys., 706 So. 2d 258, 260 (Miss. Ct. App. 1998)
- Richardson v. Perales, 402 U.S. 389, 91 S. Ct. 1428, 28 L. Ed. 2d 842 (1971)
- Central Freight Lines, Inc. v. United States, 669 F.2d 1063, 1068 (5th Cir. 1982)
- United Cement Co. v. Safe Air for the Environment, Inc., 558 So. 2d 840, 842 (Miss. 1998)
- Miss. Pub. Serv. Comm'n v. Miss. Power & Light Co., 593 So. 2d 997, 1000 (Miss. 1991)
- Miss. Pub. Serv. Comm'n, 418 So. 2d 784
- Gannett River States Publ'g. Corp. v. City of Jackson, 866 So. 2d 462, 469 (Miss. 2004)
- Bd. of Trustees of the State Institutions of Higher Learning v. Miss. Publishers Corp., 478 So. 2d 269, 278 (Miss. 1985)
- Delta Drilling Co. v. Cannette, 489 So. 2d 1378, 1380-81 (Miss. 1986)
- State Oil & Gas Bd. v. McGowan, 542 So. 2d 244, 248 (Miss. 1989)
- Dean v. Pub. Employees' Ret. Sys., 797 So. 2d 830, 837 (Miss. 2000)
- McFadden v. Miss. State Bd. of Med. Licensure, 735 So. 2d 145, 158 (Miss. 1999)
- Harrison County Sch. Bd. v. Morreale, 538 So. 2d 1196, 1202 (Miss. 1989)
- Dampier v. Lawrence County Sch. Dist., 344 So. 2d 130, 132-33 (Miss. 1977)

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