



DEPARTMENT OF LAW
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Phoenix, Arizona 85007

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ATTORNEY GENERAL

Wright

September 2, 1977

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ARIZONA ATTORNEY GENERAL

Mr. Thomas L. Palmer
Deputy Coconino County Attorney
Courthouse
Flagstaff, Arizona 86001

Re: 77-172 (R77-138)

Dear Mr. Palmer:

I have reviewed your April 6, 1977 opinion to Dr. Thomas B. Caldwell, Superintendent of the Grand Canyon Unified School, concluding that a school district board of trustees may provide more than 50% of the premium cost for individual employee's health, accident and life insurance coverage, but that it may not pay the premium costs of such coverage for employees' dependents. We concur in your conclusion that more than 50% of the premium costs can be paid for employees' insurance coverage, but we conclude that insurance coverage may be provided for employees' dependents.

Your conclusion that dependent insurance coverage may not be provided is based primarily upon Atty.Gen.Op. No. 69-19-L. That opinion is an interpretation of A.R.S. § 11-263, which limits a county board of supervisors to expending public funds for health, life, accident and disability insurance for the benefit of county elected officials and employees. Also see Atty.Gen.Op. No. 76-288.

School district boards of trustees are primarily governed by provisions of Title 15, instead of those contained in Title 11. A.R.S. § 15-443.A generally authorizes a board of trustees to employ and fix the salaries of its employees. This section also is applicable to boards of trustees other than those for common schools. See A.R.S. §§ 15-496 and 15-545.A. As you correctly pointed out in your opinion, boards of trustees generally have broad powers to fix fringe benefits for their employees, as analyzed in Atty.Gen.Op. No. 60-24. Generally see the discussion of school district powers in Atty.Gen.Op. No. [R77-192].¹⁸⁻¹⁸ Because of these broad general powers, we conclude that a school district has the authority to provide

Mr. Thomas L. Palmer
September 2, 1977
Page Two

insurance coverage for its employees' dependents as a benefit for its employees. Such coverage would not constitute a gift, but would form a part of the compensation earned by the employee and bargained for as a part of the employee's contract with the school district.

If you have any questions, please call me.

Sincerely,

BRUCE E. BABBITT
Attorney General



DAVID RICH
Assistant Attorney General

DR:jrs