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Attorney General

1275 WEST WASHINGTON

Phoenix, Arizona 85007

Robert R. Corbin

July 17, 1984

Ms. Candyce Beumler  
Deputy Gila County Attorney  
1400 East Ash Street  
Globe, AZ 85501

Re: I84-102 (R84-086)

Dear Ms. Beumler:

We have reviewed your opinion of May 3, 1984, addressed to Nolan Blake, Gila County Superintendent of Schools. We concur with your conclusion that the county and the county school districts may enter into an intergovernmental agreement ("IGA") to contract for the services of an insurance company to provide health insurance for employees of the school districts and the county as members of a common group. The following is a revision of your opinion.

A.R.S. § 11-952.A specifies the type of contracts which may qualify as intergovernmental agreements:

[T]wo or more public agencies by direct contract or agreement may contract for services or jointly exercise any powers common to the contracting parties and may enter into agreements with one another for joint or cooperative action.

Thus, when each agency has the power to perform the action contemplated in the agreement and the capacity for joint exercise of powers has been established, the public agencies may jointly exercise those powers.

A.R.S. § 15-502, which will become effective August 4, 1984, authorizes the governing board of a school district to provide for employee fringe benefits for the

Ms. Candyce Beumler  
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following school year. Similar authority is granted to the board of supervisors of each county under A.R.S. § 11-263. Since each agency has the statutory authority to obtain employee health insurance coverage, each is authorized, pursuant to A.R.S. § 11-952, to jointly exercise this common power. See also A.R.S. § 15-342(14).

Utilizing an IGA to provide for a larger pool of employees to be eligible for health insurance coverage from a single carrier is consistent with the underlying policy reasons for permitting agencies to join together when performing the same duties. The larger pool of eligible employees will enable insurance carriers to propose a lower rate for the desired coverage, thus reducing the premium cost to both the county and the school district.

Sincerely,



BOB CORBIN  
Attorney General

BC/WJW/pd



BB

Robert Duber, II

# Gila County Attorney

1100 East Ash Street  
Globe, Arizona 85501

Telephone (602) 425-3231 Ext. 298

CRIMINAL DEPUTIES  
CATHERINE M. HUGHES  
ROY R. WADDELL  
DEANIS OMOTO (171-1502)

CIVIL DEPUTY  
CANDYCE BEUMLER

CRIMINAL INVESTIGATOR  
TOMMIE RASMUSSEN

R84- 086

## O P I N I O N

EDUCATION OPINION  
ISSUE NO LATER THAN  
7/5/84

TO: NOLAN BLAKE  
SUPERINTENDENT OF SCHOOLS

FROM: CANDYCE C. BEUMLER  
DEPUTY COUNTY ATTORNEY

RE: Intergovernmental Agreements  
Between School Districts in the  
County Concerning Insurance

DATE: May 3, 1984

You requested an opinion as to whether the county school district employees and Gila County employees would be able to be members of a common group for purposes of health insurance coverage. It is the opinion of this office that they may.

School districts, under A.R.S. §15-342(14), may enter into intergovernmental agreements and contracts with other school districts or with other governing bodies as provided in A.R.S. §11-952. That section concerning intergovernmental agreements provides that two or more public agencies may, by direct contract or agreement, contract for services but such contract shall specify its duration, purpose or purposes, the manner of financing the joint or cooperative undertaking, permissible methods to be employed in accomplishing the termination of agreement and any other necessary or proper matters. I, therefore, believe it would be possible for the school districts and the county to enter into an intergovernmental agreement to contract for the services of the insurance company to provide health insurance for members of the school districts and the county in a common group. Such intergovernmental agreement would need to specify the duration of the insurance term and methods of paying for the premium from each of the groups.

Nolan Blake  
Page 2  
May 3, 1984

The Gila County Board of Supervisors has already approved of negotiations between the county and the school districts which would care to participate in intergovernmental agreements for health insurance benefits.

A copy of this opinion is being sent to the Attorney General for his review pursuant to A.R.S. §15-253. If no action is taken by that office within 60 days, the opinion will be deemed confirmed.

*Sandra L. Beardslee*