

Opinion No. 87**State Board of Education, Powers of—Group Insurance**

- Held:**
- 1. The State Board of Education has the authority and power to enter into contracts for group insurance of staff members of the University of Montana and expend state funds to pay premiums as part of the salaries and compensation of staff members of the university units.**
 - 2. Presidents of the university units may enter into contracts for group insurance only if the such action is taken with the approval and under the rules of the State Board of Education.**

December 9, 1958

Dr. R. R. Renne
President
Montana State College
Bozeman, Montana

Dear Dr. Renne:

You requested my opinion as to whether the State Board of Education has authority to authorize presidents of university units to enter into contracts for group hospitalization, term life insurance and accident insurance for staff members.

In a recent opinion of this office, Opinion No. 49, Volume 27, Report and Official Opinions of the Attorney General, it was held:

"The Board of Trustees of school districts and the trustees of county high schools have the authority and power to expend school funds for group insurance for teachers and employees as part of the salaries and compensation of the teachers and employees."

The above opinion was based on statutes which grant to the trustees of school districts and the trustees of county high schools the power to fix the compensation of teachers and employees. Several cases from other jurisdictions were cited which held that group insurance for teachers paid for in part by school districts constituted a part of the compensation or wages and the power to make such contracts by the governing bodies came within the statutes.

Section 75-107, RCM, 1947, grants to the Board of Education general control and supervision of the university units. Subsection 12 of this statute makes it the duty of the Board of Education "To choose and appoint a president and faculty for each of the various state institutions named herein, and to fix their compensation." Under Section 75-403, RCM, 1947, the State Board of Education must prescribe

the powers and duties of the presidents and adopt rules and regulations for the proper government of university units. From the above statutes it must be concluded that the presidents of the university units may exercise powers relating to the compensation of staff members under the supervision and according to the rules of the State Board of Education.

It is, therefore, my opinion that the State Board of Education has the authority and power to enter into the contract for group insurance of staff members of the units of the university of Montana and expend state funds to pay premiums as a part of the salaries and compensation of staff members of university units.

It is also my opinion that the presidents of the university units may enter into such contracts for group insurance only if such action is taken with the approval and under the rules of the State Board of Education.

Very truly yours,
FORREST H. ANDERSON
Attorney General