

COMPENSATION:
TEACHERS:
SCHOOLS:
COLLEGES:

Pursuant to Section 174.140, Senate Bill No. 12 Seventy-Fifth General Assembly, a state college board of regents has the discretionary authority to pay as part of an employee's compensation the premium for hospitalization, health or life insurance.

November 18, 1969

OPINION NO. 440



Dr. Ben Morton
Executive Director
Missouri Commission on
Higher Education
600 Clark Avenue
Jefferson City, Missouri 65101

Dear Doctor Morton:

This letter is in response to your request for an opinion on a question related to Section 174.140, RSMo 1959, as amended by Senate Bill No. 12, Seventy-Fifth General Assembly. Specifically, your inquiry was as follows:

"I have been directed by the Commission to request an interpretation concerning a portion of RSMo. 174.140, relating to the powers of the several state college boards of regents in regard to employees.

"As published, this section reads as follows:

"174.140. Appointment and removal of teachers--retirement plans.--Each such board shall have power to appoint and remove the president or any professor or teacher in any such state college in its district and to fix the duration, terms and conditions of their offices and compensation, and to enter into agreements for and make contributions to both vol-

Dr. Ben Morton

untary and statutory retirement plans for such president, professors and teachers.'

"During the 1969 regular session of the General Assembly an amendment was passed which specifically added the power to provide workman's compensation (Senate Bill 12).

"It is the belief of the colleges and the Commission that types of compensation such as health and life insurance programs, in addition to retirement and workman's compensation provisions, would be beneficial. That is, intelligent implementation of selected programs would assist the colleges in attracting and keeping the qualified people that they need. It is anticipated that such programs, if and when implemented, would be a part of the total compensation package and would not necessarily require additional appropriations per se.

"Therefore, would you please advise us as to whether or not in your opinion reference to compensation in RSMo. 174.140 would allow the state colleges to provide a part of the individual's compensation in such forms as life or health insurance?"

Section 174.140, Senate Bill No. 12, Seventy-Fifth General Assembly, reads as follows:

Each board of regents may appoint and remove the president or any professor or teacher in any state college in its district; may fix the duration, terms and conditions of their offices and compensation; may enter into agreements for and make contributions to both voluntary and statutory retirement plans for the president, professors and teachers; and under rules adopted by the board may extend the provisions of the workmen's compensation law to all employees thereof."

Therefore, we assume that your question is whether state colleges can pay the premium on a life and/or health insurance policy as part of a teacher's compensation.

Prior opinions of this office -- Opinion No. 93 dated September 9,

Dr. Ben Morton

1969 to the Honorable William J. Cason and Opinion No. 452 dated October 23, 1969 to the Honorable Robert H. Branom (copies of which are enclosed herewith) -- have held that a school board, pursuant to Sections 168.101, 168.191, 168.201 and 168.211, RSMo Supp. 1967, may purchase an individual liability insurance policy on an employee to cover his negligence occurring during the normal activities of the school district (Opinion No. 93) and may also pay the premiums for hospitalization and health insurance for its employees as part of their compensation (Opinion No. 452). Both of these opinions are based on a holding that the power to pay "wages" "salaries" and "compensation" granted a school board in Chapter 168 constitutes authority to the school board to purchase liability and/or health and accident insurance as part of an employee's total compensation.

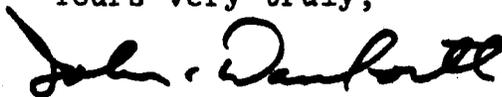
We see no valid reason why "compensation" as used in Section 168.201 should be interpreted differently than "compensation" as used in Section 174.140. Furthermore, we see no meaningful distinction between purchasing life insurance as part of an employee's compensation and purchasing hospitalization and health insurance as part of an employee's compensation.

CONCLUSION

It is the opinion of this office that pursuant to Section 174.140, Senate Bill No. 12 Seventy-Fifth General Assembly, a state college board of regents has the discretionary authority to pay as part of an employee's compensation the premium for hospitalization, health or life insurance.

The foregoing opinion, which I hereby approve, was prepared by my Assistant, D. Brook Bartlett.

Yours very truly,



JOHN C. DANFORTH
Attorney General

Enclosures:

Op. No. 93,
Cason, 9-9-69

Op. No. 452,
Branom, 10-23-69