

# Liberty Union High School District

## Board Policy

Classification: Bylaws of the Board

Policy No. BP9270

Page 1 of 11

Effective: 9/21/96

Subject: Conflict of Interest

Revised: 10/20/10

---

### **Conflict Of Interest**

The Governing Board desires to maintain the highest ethical standards and help ensure that decisions are made in the best interest of the district and the public. Accordingly, no Board member, district employee, or other person in a designated position shall participate in the making of any decision for the district when the decision will or may be affected by his/her financial, family, or other personal interest or consideration.

(cf. 9005 - Governance Standards)

Even if a prohibited conflict of interest does not exist, a Board member shall abstain from voting on personnel matters that uniquely affect his/her relatives. However, a Board member may vote on collective bargaining agreements and personnel matters that affect a class of employees to which his/her relative belongs. Relative means an adult who is related to the Board member by blood or affinity within the third degree, as determined by the common law, or an individual in an adoptive relationship within the third degree. (Education Code 35107)

A relationship within the third degree includes an individual's parents, grandparents, great-grandparents, children, grandchildren, great-grandchildren, brothers, sisters, aunts, uncles, nieces, nephews, and the similar family of the individual's spouse/registered domestic partner unless the individual is widowed or divorced.

The Board shall adopt for the district a conflict of interest code that incorporates the provisions of 2 CCR 18730 by reference, specifies the district's designated positions, and provides the disclosure categories required for each position. The conflict of interest code shall be submitted to the district's code reviewing body for approval, in accordance with Government Code 87303 and within the deadline for submission established by the code reviewing body. (Government Code 87303)

Upon direction by the code reviewing body, the Board shall review the district's conflict of interest code and submit any changes to the code reviewing body or, if no change is required, the Board shall submit a written statement to that effect. (Government Code 87306.5)

When a change in the district's conflict of interest code is necessitated due to changed circumstances, such as the creation of new designated positions, changes to the duties assigned to existing positions, amendments, or revisions, the amended code shall be submitted to the code reviewing body within 90 days after the changed circumstances necessitating the amendments have become apparent. (Government Code 87306)

When reviewing and preparing the district's conflict of interest code, the Superintendent or designee shall provide officers, employees, consultants, and members of the community adequate notice and a fair opportunity to present their views. (Government Code 87311)

(cf. 9320 - Meetings and Notices)

Board members and designated employees shall annually file a Statement of

# Liberty Union High School District

## Board Policy

Classification: Bylaws of the Board

Policy No. BP9270

Page 2 of 11

Effective: 9/21/96

Revised: 10/20/10

Subject: Conflict of Interest

---

Economic Interest/Form 700 in accordance with the disclosure categories specified in the district's conflict of interest code. A Board member who leaves office or a designated employee who leaves district employment shall, within 30 days, file a revised statement covering the period of time between the closing date of the last required statement and the date of leaving office or district employment. (Government Code 87302, 87302.6)

(cf. 4117.2/4217.2/4317.2 - Resignation)

(cf. 9222 - Resignation)

### Conflict of Interest under the Political Reform Act

A Board member, designated employee, or other person in a designated position makes a governmental decision when he/she, acting within the authority of his/her office or position, authorizes or directs any action on a matter, votes or provides information or opinion on it, contacts or appears before a district official for the purpose of affecting the decision, or takes any other action specified in 2 CCR 18704.

However, a Board member shall participate in the making of a contract in which he/she has a financial interest if his/her participation is required by the rule of necessity or legally required participation pursuant to Government Code 87101 and 2 CCR 18705.

### Conflict of Interest under Government Code 1090 - Financial Interest in a Contract

Board members, employees, or district consultants shall not be financially interested in any contract made by the Board on behalf of the district, including in the development, preliminary discussions, negotiations, compromises, planning, reasoning, and specifications and solicitations for bids. If a Board member has such a financial interest in a contract made by the Board, the contract is void. (Government Code 1090)

A Board member shall not be considered to be financially interested in a contract in which he/she has only a "remote interest," as specified in Government Code 1091, if the interest is disclosed during a Board meeting and noted in the official Board minutes. The affected Board member shall not vote or debate on the matter or attempt to influence any other Board member or district official to enter into the contract. (Government Code 1091)

In addition, a Board member shall not be considered to be financially interested in a contract in which his/her interest is a "noninterest" as defined in Government Code 1091.5. Noninterest includes a Board member's interest in being reimbursed for his/her actual and necessary expenses incurred in the performance of his/her official duties, in the employment of his/her spouse/registered domestic partner who has been a district employee for at least one year prior to the Board member's election or appointment, or in any other applicable circumstance specified in Government Code 1091.5.

### Common Law Doctrine Against Conflict of Interest

A Board member shall abstain from any official action in which his/her private or personal interest may conflict with his/her official duties.

# Liberty Union High School District

## Board Policy

Classification: Bylaws of the Board

Policy No. **BP9270**

Page 3 of 11

Effective: 9/21/96

Subject: Conflict of Interest

Revised: 10/20/10

---

### **Incompatible Offices and Activities**

Board members shall not engage in any employment or activity or hold any office which is inconsistent with, incompatible with, in conflict with, or inimical to the Board member's duties as an officer of the district. (Government Code 1099, 1126)

(cf. 4136/4236/4336 - Nonschool Employment)

### **Gifts**

Board members and designated employees may accept gifts only under the conditions and limitations specified in Government Code 89503 and 2 CCR 18730.

The limitation on gifts does not apply to wedding gifts and gifts exchanged between individuals on birthdays, holidays, and other similar occasions, provided that the gifts exchanged are not substantially disproportionate in value. (Government Code 89503)

In addition, the limitation on gifts does not apply to informational materials such as books, reports, pamphlets, calendars, and periodicals. (Government Code 82028)

Gifts of travel and related lodging and subsistence shall be subject to the current gift limitation, except when: (Government Code 89506)

1. The travel is in connection with a speech given by a Board member or designated employee, provided the lodging and subsistence expenses are limited to the day immediately preceding, the day of, and the day immediately following the speech and the travel is within the United States.

2. The travel is provided by a person or agency specified in Government Code 89506, including a government, governmental agency or authority, bona fide public or private educational institution, as defined in Revenue and Taxation Code 203, or nonprofit organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code.

Gifts of travel exempted from the gift limitation, as described in items #1 and 2 above, shall nevertheless be reportable on the recipient's Statement of Economic Interest/Form 700 as required by law.

A gift of travel does not include travel provided by the district for Board members and designated employees. (Government Code 89506)

### **Honoraria**

Board members and designated employees shall not accept any honorarium, which is defined as any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering. (Government Code 89501, 89502)

The term honorarium does not include: (Government Code 89501)

1. Earned income for personal services customarily provided in connection with a bona fide business, trade, or profession, unless the sole or predominant activity of

# Liberty Union High School District

## Board Policy

Classification: Bylaws of the Board

Policy No. **BP9270**

Page 4 of 11

Effective: 9/21/96

Revised: 10/20/10

Subject: Conflict of Interest

---

the business, trade, or profession is making speeches

2. Any honorarium which is not used and, within 30 days after receipt, is either returned to the donor or delivered to the district for donation into the general fund without being claimed as a deduction from income for tax purposes

### Legal Reference:

#### EDUCATION CODE

1006 Qualifications for holding office

35107 School district employees

35230-35240 Corrupt practices, especially:

35233 Prohibitions applicable to members of governing boards

41000-41003 Moneys received by school districts

41015 Investments

#### FAMILY CODE

297.5 Rights, protections, and benefits of registered domestic partners

#### GOVERNMENT CODE

1090-1099 Prohibitions applicable to specified officers

1125-1129 Incompatible activities

81000-91014 Political Reform Act of 1974, especially:

82011 Code reviewing body

82019 Definition, designated employee

82028 Definition, gift

82030 Definition, income

82033 Definition, interest in real property

82034 Definition, investment

87100-87103.6 General prohibitions

87200-87210 Disclosure

87300-87313 Conflict of interest code

87500 Statements of economic interests

89501-89503 Honoraria and gifts

89506 Ethics; travel

91000-91014 Enforcement

#### PENAL CODE

85-88 Bribes

#### REVENUE AND TAXATION CODE

203 Taxable and exempt property – colleges

#### CODE OF REGULATIONS, TITLE 2

18110-18997 Regulations of the Fair Political Practices Commission, especially:

18700-18707 General prohibitions

18722-18740 Disclosure of interests

18750.1-18756 Conflict of interest codes

#### COURT DECISIONS

McGee v. Balfour Beatty Construction, LLC, et al. (4/12/16, No. B262850)

Davis v. Fresno Unified School District (2015) 237 Cal.App.4th 261

Klistoff v. Superior Court, (2007) 157 Cal.App.4th 469

Thorpe v. Long Beach Community College District, (2000) 83 Cal.App.4th 655

Kunec v. Brea Redevelopment Agency, (1997) 55 Cal.App.4th 511

#### ATTORNEY GENERAL OPINIONS

92 Ops.Cal.Atty.Gen. 26 (2009)

92 Ops.Cal.Atty.Gen. 19 (2009)

89 Ops.Cal.Atty.Gen. 217 (2006)

86 Ops.Cal.Atty.Gen. 138(2003)

85 Ops.Cal.Atty.Gen. 60 (2002)

# Liberty Union High School District

## Board Policy

Classification: Bylaws of the Board

Policy No. **BP9270**

Page 5 of 11

Effective: 9/21/96

Subject: Conflict of Interest

Revised: 10/20/10

---

82 Ops.Cal.Atty.Gen. 83 (1999)  
81 Ops.Cal.Atty.Gen. 327 (1998)  
80 Ops.Cal.Atty.Gen. 320 (1997)  
69 Ops.Cal.Atty.Gen. 255 (1986)  
68 Ops.Cal.Atty.Gen. 171 (1985)  
65 Ops.Cal.Atty.Gen. 606 (1982)  
63 Ops.Cal.Atty.Gen. 868 (1980)

### Management Resources:

#### CSBA PUBLICATIONS

Conflict of Interest: Overview of Key Issues for Governing Board Members, Fact Sheet, July 2010

#### FAIR POLITICAL PRACTICES COMMISSION PUBLICATIONS

Can I Vote? A Basic Overview of Public Officials' Obligations Under the Conflict-of-Interest Rules, 2005

#### INSTITUTE FOR LOCAL GOVERNMENT PUBLICATIONS

Understanding the Basics of Public Service Ethics: Personal Financial Gain Laws, 2009

Understanding the Basics of Public Service Ethics: Transparency Laws, 2009

#### WEB SITES

CSBA: <http://www.csba.org>

Fair Political Practices Commission: <http://www.fppc.ca.gov>

Institute of Local Government: <http://www.ca-ilg.org>

(7/10) 5/16

### **~~Incompatible Activities and Offices~~**

~~Governing Board members shall not engage in any employment or activity which is inconsistent with, incompatible with, in conflict with, or inimical to the Board member's duties as an officer of the district.~~

~~Governing Board members shall not simultaneously hold another public office that is incompatible with Board membership. Offices generally are incompatible when any of the following circumstances are present: (1) either of the offices may audit, overrule, remove members of, dismiss employees of, or exercise supervisory powers over the other office or body; (2) based on the powers and jurisdiction of the offices, there is a possibility of a significant clash of duties or loyalties between the offices; or (3) public policy considerations make it improper for one person to hold both offices.~~

~~If a Governing Board member holds another public office that is incompatible with Board membership, then the Board member will be deemed to have forfeited the first office upon taking the second office.~~

### **~~Conflict of Interest Code~~**

~~Designated employees of the district, including Board members, shall adhere to the district's conflict of interest code adopted pursuant to the provisions of Government Code 87300.~~

~~The district's conflict of interest code shall comprise the terms of the California Code of Regulations, Title 2, Section 18730, and any amendments to it adopted by the Fair Political Practices Commission, together with a district attachment specifying designated positions and the specific types of disclosure statements required for each position.~~

# Liberty Union High School District

## Board Policy

Classification: Bylaws of the Board

Policy No. **BP9270**

Page 6 of 11

Effective: 9/21/96

Revised: 10/20/10

Subject: Conflict of Interest

~~When a change in the district's conflict of interest code is necessitated by changed circumstances such as the creation of new positions, amendments or revisions shall be submitted to the code reviewing body within 90 days.~~

~~Upon receiving the statements of employees designated in Category 1, the district shall make and retain copies and shall forward the originals to the code reviewing body. Statements for all other designated employees shall be retained by the district.~~

~~The Board shall review the district's conflict of interest code in even-numbered years and send the code reviewing body either an amended code or, by October 1 of that year, a statement to the effect that no change is necessary.~~

~~When reviewing and preparing conflict of interest codes, the district shall provide officers, employees, consultants and members of the community adequate notice and a fair opportunity to present their views.~~

~~Statements of economic interests submitted to the district by designated employees in accordance with the conflict of interest code shall be available for public inspection and reproduction.~~

### **Financial Interest**

~~Board members and designated employees shall not be financially interested in any contract made by the Board or in any contract they make in their capacity as Board members or designated employees.~~

~~A Board member shall not be considered to be financially interested in a contract if any of the exceptions set forth in Government Code 1091.5 apply.~~

~~A Board member shall not be deemed to be financially interested in a contract if he/she has only a remote interest in the contract and if the remote interest is disclosed during a Board meeting and noted in the official Board minutes. The affected Board member shall not vote or debate on the matter or attempt to influence any other Board member to enter into the contract. Remote interests are specified in Government Code 1091(b); they include the interest of a parent in the earnings of his/her minor child.~~

~~If a Board member or designated employee determines that he/she has a financial interest in a decision, this determination shall be disclosed and made part of the Board's official minutes. In the case of a designated employee, this announcement shall be made in writing and submitted to the Board.~~

~~A Board member shall abstain from voting on personnel matters that uniquely affect a relative of the Board member. A Board member may vote, however, on collective bargaining agreements and personnel matters that affect a class of employees to which the relative belongs.~~

### **Gifts**

~~Board members and designated employees shall not accept from any single source in any calendar year any gifts in excess of the prevailing gift limitation specified in law.~~

~~The above limitations on gifts do not apply to wedding gifts and gifts exchanged between individuals on birthdays, holidays and other similar occasions, provided that the gifts exchanged are not substantially disproportionate in value.~~

# Liberty Union High School District

## Board Policy

Classification: Bylaws of the Board

Policy No. **BP9270**

Page 7 of 11

Effective: 9/21/96

Subject: Conflict of Interest

Revised: 10/20/10

~~Gifts of travel and related lodging and subsistence shall be subject to the above limitations except as described in Government Code 89506.~~

~~A gift of travel does not include travel provided by the district for Board members and designated employees.~~

### **Honoraria**

~~Board members and designated employees shall not accept any honorarium, which is defined as any payment made in consideration for any speech given, article published, or attendance at any public or private gathering.~~

The term "honorarium" does not include:

- ~~1. Earned income for personal services customarily provided in connection with a bona fide business, trade, or profession unless the sole or predominant activity of the business, trade, or profession is making speeches~~
- ~~2. Any honorarium which is not used and, within 30 days after receipt, is either returned to the donor or delivered to the district for donation into the general fund without being claimed as a deduction from income for tax purposes.~~

#### Legal Reference:

##### EDUCATION CODE

~~1006 Qualifications for holding office~~

~~35107 School district employees~~

~~35230-35240 Corrupt practices~~

~~35233 Prohibitions applicable to members of governing boards~~

##### GOVERNMENT CODE

~~1090-1099 Prohibitions applicable to specified officers; incompatible offices~~

~~1125-1129 Incompatible activities~~

~~81000-91015 Political Reform Act of 1974, especially:~~

~~82011 Code reviewing body~~

~~82019 Definition of "Designated Employee"~~

~~82028 Definition of "Gifts"~~

~~82030 Definition of "Income"~~

~~82033 Definition of "Interest in real property"~~

~~82034 Definition of "Investment"~~

~~87100-87103.6 General prohibitions~~

~~87200-87210 Disclosure~~

~~87300-87313 Conflict of interest code~~

~~87500 Statements of economic interests~~

~~89501-89503 Honoraria and gifts~~

~~89506 Travel payments, advances, and reimbursements~~

~~91000-91015 Enforcement~~

##### PENAL CODE

~~85-88 Bribes~~

##### CODE OF REGULATIONS, TITLE 2

~~18100 et seq. Regulations of the Fair Political Practices Commission~~

##### COURT DECISIONS

~~Klistoff v. Superior Court, (2007) 157 Cal.App.4th 469~~

~~Thorpe v. Long Beach Community College District, (2000) 83 Cal.App.4th 655~~

~~Kunec v. Brea Redevelopment Agency, (1997) 55 Cal.App.4th 511~~

##### ATTORNEY GENERAL OPINIONS

~~92 Ops. Cal. Atty. Gen. 26 (2009)~~

~~92 Ops. Cal. Atty. Gen. 19 (2009)~~

~~89 Ops. Cal. Atty. Gen. 217 (2006)~~

# Liberty Union High School District

## Board Policy

Classification: Bylaws of the Board

Policy No. **BP9270**

Page 8 of 11

Effective: 9/21/96

Revised: 10/20/10

Subject: Conflict of Interest

---

86 Ops. Cal. Atty. Gen. 138 (2003)

85 Ops. Cal. Atty. Gen. 60 (2002)

82 Ops. Cal. Atty. Gen. 83 (1999)

81 Ops. Cal. Atty. Gen. 327 (1998)

80 Ops. Cal. Atty. Gen. 320 (1997)

69 Ops. Cal. Atty. Gen. 255 (1986)

68 Ops. Cal. Atty. Gen. 171 (1985)

65 Ops. Cal. Atty. Gen. 606 (1982)

63 Ops. Cal. Atty. Gen. 868 (1980)

Management Resources:

**CSBA PUBLICATIONS**

Conflict of Interest: Overview of Key Issues for Governing Board Members, Fact Sheet, July 2010

**FAIR POLITICAL PRACTICES COMMISSION PUBLICATIONS**

Can I Vote? A Basic Overview of Public Officials' Obligations Under the Conflict-of-Interest Rules, 2005

**INSTITUTE FOR LOCAL GOVERNMENT PUBLICATIONS**

Understanding the Basics of Public Service Ethics: Personal; Financial Gain Laws, 2009

Understanding the Basics of Public Service Ethics: Transparency Laws, 2009

**WEB SITES**

CSBA: <http://www.csba.org>

Fair Political Practices Commission: <http://www.fppe.ca.gov>

Institute for Local Government: <http://www.ca-ilg.org>

(10/95 6/96 2/97 9/98 9/08) 10/10

## **APPENDIX - Revised 8/8/12**

### **Disclosure Categories**

#### **1. Category 1: A person designated Category 1 shall disclose:**

a. Interests in real property located entirely or partly within district boundaries, or within two miles of district boundaries, or of any land owned or used by the district.

b. Investments or business positions in or income from sources which are engaged in the acquisition or disposal of real property within the district, are contractors or subcontractors which are or have been within the past two years engaged in work or services of the type used by the district, or manufacture or sell supplies, books, machinery, or equipment of the type used by the district.

#### **2. Category 2: A person designated Category 2 shall disclose:**

a. Investments or business positions in or income from sources which are contractors or subcontractors engaged in work or services of the type used by the department which the designated person manages or directs.

b. Investments or business positions in or income from sources which manufacture or sell supplies, books, machinery, or equipment of the type used by the department which the designated person manages or directs. For the purposes of this category, a principal's department is his/her entire school.



# Liberty Union High School District

## Board Policy

Classification: Bylaws of the Board

Policy No. **BP9270**

Page 9 of 11

Subject: Conflict of Interest

Effective: 9/21/96

Revised: 10/20/10

---

### Designated Positions

#### Designated Position and Disclosure Category

Governing Board Members 1  
Superintendent of Schools 1  
Assistant/Associate Superintendent 1  
Chief Business Officer 1

Director 2  
Principal 2  
Assistant Principal 2  
Facilities Director 2  
Program Coordinator 2  
Project Specialist 2  
Supervisor 2

#### Disclosures for Consultants

Consultants are designated employees who must disclose financial interests as determined on a case-by-case basis by the Superintendent or designee. The Superintendent or designee's written determination shall include a description of the consultant's duties and a statement of the extent of disclosure requirements based upon that description. All such determinations are public records and shall be retained for public inspection along with this conflict of interest code.

A consultant is an individual who, pursuant to a contract with the district, makes a governmental decision whether to: (2 CCR 18700.3)

1. Approve a rate, rule, or regulation
2. Adopt or enforce a law
3. Issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement
4. Authorize the district to enter into, modify, or renew a contract that requires district approval
5. Grant district approval to a contract that requires district approval and in which the district is a party, or to the specifications for such a contract
6. Grant district approval to a plan, design, report, study, or similar item
7. Adopt or grant district approval of district policies, standards, or guidelines

A consultant is also an individual who, pursuant to a contract with the district, serves in a staff capacity with the district and in that capacity participates in making a governmental decision as defined in 2 CCR 18704, subsections (a) and (b), or performs the same or substantially all the same duties for the district that would otherwise be performed by an individual holding a position specified in the district's conflict of interest code. (2 CCR 18700.3)

# Liberty Union High School District

## Board Policy

Classification: Bylaws of the Board

Policy No. **BP9270**

Page 10 of 11

Effective: 9/21/96

Subject: Conflict of Interest

Revised: 10/20/10

(7/10) 5/16

### **Designated Positions and Disclosure Requirements**

1. ~~Persons occupying the following positions are designated employees in Category 1:~~

~~Governing Board Members  
Superintendent of Schools  
Assistant/Associate Superintendent  
Chief Business Officer~~

~~Designated persons in this category must report:~~

~~a. Interests in real property located entirely or partly within district boundaries, or within two miles of district boundaries or of any land owned or used by the district. Such interests include any leasehold, beneficial or ownership interest or option to acquire such interest in real property.~~

~~b. Investments or business positions in or income from sources which:~~

~~(1) Are engaged in the acquisition or disposal of real property within the district;~~

~~(2) Are contractors or subcontractors which are or have been within the past two years engaged in work or services of the type used by the district, or~~

~~(3) Manufacture or sell supplies, books, machinery or equipment of the type used by the district.~~

2. ~~Persons occupying the following positions are designated employees in Category 2:~~

~~Director  
Principal  
Assistant Principal  
Maintenance and Operations Director~~

~~Designated persons in this category must report investments or business positions in or income from sources which:~~

~~a. Are contractors or subcontractors engaged in work or services of the type used by the department which the designated person manages or directs, or~~

~~b. Manufacture or sell supplies, books, machinery or equipment of the type used by the department which the designated person manages or directs. For the purposes of this category, a principal's department is his/her entire school.~~

3. ~~Consultants are designated employees who must disclose financial interests as determined on a case-by-case basis by the Superintendent or designee. The Superintendent or designee's written determination shall include a description of the consultant's duties and a statement of the extent of disclosure requirements based upon that description. All such determinations are public records and shall be retained for public inspection along with this conflict of interest code.~~

# Liberty Union High School District

## Board Policy

Classification: Bylaws of the Board

Policy No. **BP9270**

Page 11 of 11

Effective: 9/21/96

Subject: Conflict of Interest

Revised: 10/20/10

---

~~A consultant is an individual who, pursuant to a contract with the district, makes any of several specified governmental decisions or serves in a staff capacity with the district, performing the same or substantially the same duties for the district that would otherwise be performed by an individual holding a position specified in the district's conflict of interest code. Consultants are individuals who decide whether to: (Code of Regulations, Title 2, Section 18700)~~

- ~~a. Approve a rate, rule or regulation;~~
- ~~b. Adopt or enforce a law;~~
- ~~c. Issue, deny, suspend or revoke a permit, license, application, certificate, approval, order or similar authorization or entitlement;~~
- ~~d. Authorize the district to enter into, modify or renew a contract that requires district approval;~~
- ~~e. Grant district approval to a contract or contract specifications which require district approval and in which the district is a party;~~
- ~~f. Grant district approval to a plan, design, report, study or similar item; or~~
- ~~g. Adopt or grant district approval of district policies, standards or guidelines.~~

~~A consultant is also an individual who, pursuant to a contract with the district, serves in a staff capacity with the district and in that capacity participates in making a governmental decision as defined in 2 CCR 18702.2 or performs the same or substantially all the same duties for the district that would otherwise be performed by an individual holding a position specified in the district's Conflict of Interest Code. (2 CCR 18701)~~

~~(10/94 6/95 2/97 9/98)~~