

**STATE BOARD OF EDUCATION
DECEMBER 13, 2002**

SUBJECT

FIRST READING-GOVERNING POLICIES AND PROCEDURES

Section I.G. Conflict of Interest

BACKGROUND AND DISCUSSION

It has come to the attention of the Board that its conflict of interest policy is stricter than certain provisions in Idaho law. This policy change is intended to align Board policy with Idaho law.

BOARD ACTION

A motion to approve for first reading the changes to Board Governing Policy and Procedures, Section I.G., relating to conflict of interest.

Moved by _____, Seconded by _____. Carried Yes ___ No ___

STATE BOARD OF EDUCATION
DECEMBER 13, 2002

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: I. GENERAL GOVERNING POLICIES AND PROCEDURES

SUBSECTION: M. Annual Planning and Reporting

April 2002

G. Conflict of Interest

1. Policy

Members of the Board and administrators and employees of the institutions, agencies and school serve a public-interest role and have a clear obligation to conduct all affairs of the institution, school and agency in a manner consistent with that role. All decisions of the Board, administrators, and employees are to be made solely on the basis of a desire to promote the best interests of the institution, school or agency and the public good.

2. Procedure

a. The policy of the Board requires that in the event the Board, administrators, or employees must consider any transaction for an institution, school or agency that also involves (a) a member of the Board, an administrator, or employee or (b) a member of his or her immediate family or close relative ("immediate family" means the employee's spouse, parent, step-parent, guardian, brother, sister, mother-in-law, father-in-law, child, or stepchild; "close relative" means the employee's grandmother, grandfather, aunt, uncle, niece, nephew, brother-in-law, sister-in-law, first cousin, or grandchild.), or (c) an organization with which a member of the Board, an administrator, or employee is affiliated, such Board member, administrator, or employee, at the first knowledge of such transaction, must ~~disqualify himself or herself from any involvement~~ disclose such real or potential conflict. Board members disclose to the Board and administrators or employees disclose to his or her supervisor.

ab. Such disclosure is further required of Board members, administrators, or employees concerning all relationships and business affiliations that reasonably could give rise to a conflict of interest involving an institution, school or agency. For the purpose of this procedure, affiliation is understood to exist if the Board member, administrator, employee, or a member of the family is:

(1) an officer, director, trustee, partner, employee, or agent of such organization;
or

(2) either the actual or beneficial owner of more than five percent (5%) of the voting stock or controlling interest of such organization; or

**STATE BOARD OF EDUCATION
DECEMBER 13, 2002**

(3) has any other direct or indirect dealings with such organization from which he or she knowingly benefited (e.g., through receipt directly or indirectly of cash or other property in excess of \$500 a year exclusive of dividends or interest).

~~b.c.~~ Board members, administrators, and other employees who have ~~declared or have been found to have a~~ a real or potential conflict of interest in any matter before the Board or the institution, school or agency administration will ~~refrain from participating in consideration of the proposed transaction unless the Board or the institution, school or agency administration requests information from the person or persons involved. The person or persons involved are not entitled to vote or make any recommendation on such matters~~ comply with all applicable statutes and rules governing conflicts of interest including, but not limited to, the Bribery and Corrupt Influences Act, Idaho Code § 18-1351 *et seq.* and the Ethics in Government Act of 1990, Idaho Code § 59-701 *et seq.*