



# IN BRIEF

## BOARD/EMPLOYMENT CONFLICT OF INTEREST

**Question:** Can someone serve on a charter school board if that person works for (or has a substantial economic interest in) a company that does business with that charter school?

**Answer:** Potentially, yes – if *all* of the following criteria are met:

1. The board member must be a salaried or wage-earning employee;
2. The board member's salary must remain substantially unaffected by the contractual relationship between the board member's employer and the charter school;
3. The board member must own less than a "controlling interest" in the company; *and*
4. The board member cannot be an officer, director, trustee, or partner in the company.

*-La. Ethics Board Docket No. 82-02D; La. Ethics Board Docket No. 2012-149*

**Recusal:** Even if the above criteria are met, a board member is still prohibited from participating in any transaction involving the school and any company that the board member works for or has a substantial economic interest in:

- The board member may participate in discussion and debate concerning the matter, if he or she first verbally discloses the nature of the conflict or potential conflict of interest.
- The board member must recuse him or herself from voting or otherwise acting upon any transaction involving a conflict of interest.
- The board member must file a financial disclosure statement as to the income he/she receives from his/her employer that does business with the charter school.

*-La. R.S. 42:1111, 42:1112, 42:1114, 42:1120*

### **Example: Board of Ethics' Opinion, re: Kira Orange Jones & BESE**

La. Ethics Board Docket No. 2012-149

- The Board of Ethics ruled that Kira Orange Jones met the (above) four-part test that permits her to serve as a BESE Board Member while her employer, Teach For America (TFA), has a business contract with BESE to do business in Louisiana.
- The Board of Ethics also acknowledged that per La. R.S. 42:1114, Kira Orange Jones must file a financial disclosure statement each year disclosing the income she receives from TFA.

### **More Information**

- La. Ethics Board Docket No. 82-02D: <http://ethics.la.gov/EthicsOpinion/DocView.aspx?id=65556&searchid=1bd9d69b-9b09-4608-8564-a10b94aabc31&dbid=0>
- La. Ethics Board Docket No. 2012-149: <http://ethics.la.gov/EthicsOpinion/DocView.aspx?id=86720&searchid=ce9556e6-e309-4ea2-896d-8c8b9bd817a3&dbid=0>
- R.S. 42:1111: <http://www.legis.la.gov/Legis/Law.aspx?d=99215>
- R.S. 42:1112: <http://www.legis.la.gov/Legis/Law.aspx?d=99216>
- R.S. 42:1114: <http://www.legis.la.gov/Legis/Law.aspx?d=99218>

**Please note:** LAPCS In Briefs are merely reference guides that summarize the law and are *not* legal advice. LAPCS strongly encourages all charter schools to read laws and policies in full and to always check with your school's attorney and authorizer.

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