



## **Chico Unified School District**

1163 East Seventh Street, Chico, CA 95928-5999  
(530) 891-3000

**Board Bylaws:**

**#9270**

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### **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 "District Official," defined as a Board member, district employee, or other person in a designated or position designated in the district's conflict of interest code, shall participate in the making of any decision for the district when the decision will or may be affected by the District Official's financial, family, or other personal interest or consideration, as defined by law.

Additionally, a Board member shall abstain from voting on personnel matters that uniquely affect the Board member's relatives. However, a Board member may vote on collective bargaining agreements and personnel matters that affect a class of employees to which the Board member's 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.

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

The Board shall adopt a conflict of interest code for the district that incorporates the provisions of 2 CCR 18730 by reference, delineates the District Officials, 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.

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 District Officials or changes to the duties of District Officials, the Board shall amend the code, which shall then 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)

#### **Conflict of Interest under the Political Reform Act**

A district official shall not make, participate in making, or in any way use or attempt to use an official position to influence a governmental decision in which the District Official knows or has reason to know that there is a disqualifying conflict of interest. A disqualifying conflict of interest exists if the decision will have a "reasonably foreseeable material financial effect" which is distinguishable from the effect on the public generally, on the District Official's immediate family, or any financial interest described in 2 CCR 18700. (Government Code 87100, 87101, 87103; 2 CCR 18700-18709)

A District Official makes a governmental decision when, acting within the authority of the office or position, the District Official authorizes or directs any action on a matter, votes or provides information or opinion on it, contacts or appears before other District Officials for the purpose of affecting the decision, or takes any other action specified in 2 CCR 18704.

Bylaw adopted: 11/16/05; 05/04/11; 08/24/16; 10/20/21; 06/28/23; 05/14/25



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However, a District Official is not prohibited in participating in the making of a contract in which the District Official has a financial interest if such participation is required by the rule of necessity or legally required participation pursuant to Government Code 87101 and 2 CCR 18705.

### **Conflict of Interest from Campaign Contributions**

Prior to the district rendering a decision in a proceeding before the district involving a contract, license, permit, or other entitlement for use, as defined by Government Code 84308, a Board member whose campaign committee received a contribution of more than \$500 from any party or participant to the proceeding, or from an agent of such a party or participant, in the prior 12 months, and the party who made such a contribution, shall both publicly disclose that fact on the record of the proceeding. Additionally, if a Board member willfully or knowingly received a contribution to the Board member's campaign committee of more than \$500 from any party or participant to such a proceeding, or from an agent of a party or participant, in the prior 12 months, and knows or has reason to know that the participant has a financial interest in the district's decision, the Board member shall not make, participate in making, or in any way attempt to use the Board member's official position to influence the district's decision in the proceeding. However, a Board member may make, participate in making, or attempt to use the Board member's official position to influence the decision if the contribution is returned within 30 days after the decision was made or after the Board member knows or should have known about the contribution and the proceeding, whichever is later.

All Board members and the Superintendent are prohibited from accepting, soliciting, or directing a contribution of more than \$500 to a candidate or ballot measure campaign committee from any party or participant to a proceeding before the district involving a contract, license, permit, or other entitlement for use, as defined by Government Code 84308, or from an agent of a party or participant, while the proceeding is pending before the district and for 12 months following the date the district renders a final decision in the proceeding, if the Board member or Superintendent knows or has reason to know that the participant has a financial interest in the district's decision. However, if a Board member or the Superintendent does accept, solicit, or direct such a contribution during those 12 months but did not do so knowingly or willingly, the Board member or the Superintendent may cure the violation by ensuring that the contribution, or the portion exceeding \$500, is returned within 30 days of accepting, soliciting, or directing the contribution. The Board member or Superintendent shall maintain records of curing the violation. (Government Code 84308)

For a Board member or the Superintendent, a proceeding becomes "pending" when an item involving the contract, license, permit, or other entitlement for use, as defined by Government Code 84308, is placed on a Board agenda for discussion or decision or when it is reasonably foreseeable that the proceeding will come before the district for a decision. For a party or participant, and the agent of a party or participant, a proceeding becomes "pending" when an application is filed with the district, or, if the proceeding process does not require an application, when the proceeding is before the district for a decision or other action. (Government Code 84308)

The contributions disclosure requirements and restrictions above do not apply to contracts that are required to be competitively bid, labor contracts, personal employment contracts, contracts valued under \$50,000, contracts where no party receives financial compensation, or contracts with another governmental agency. (Government Code 84308)

### **Form 700**

Each District Official shall annually file a Statement of Economic Interest/Form 700 in accordance with the disclosure categories specified in the district's conflict of interest code. An individual who ceases to be a District



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Official 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 the individual ceased to be a District Official. (Government Code 87302)

### **Additional Requirements for Boards that Manage Public Investments**

Any Board member, district employee, or district consultant who manages public investments, as defined by Government Code 87200, and who has a financial interest in a decision shall, upon identifying a conflict or potential conflict of interest and immediately prior to the consideration of the matter, do all of the following: (Government Code 87105; 2 CCR 18707)

1. Publicly identify each financial interest that gives rise to the conflict or potential conflict of interest in detail sufficient to be understood by the public, except that disclosure of the exact street address of a residence is not required
2. Not discuss or vote on the matter, or otherwise act in violation of Government Code 87100

For a Board member, the Board member shall not be counted toward achieving a quorum while the item is discussed.

3. Leave the room until after the discussion, vote, and any other disposition of the matter is concluded

However, the Board member, district employee, or district consultant who manages public investments, as defined by Government Code 87200, may speak on the issue during the time that the general public speaks on it. Additionally, for a Board member, if the matter has been placed on the consent calendar, the Board member shall abstain from voting on the consent calendar or, if the Board removes the item from the consent calendar, the Board member shall abstain from voting on the item. In any event, the Board member shall refrain from discussing or voting on the item. However, the Board member is not required to leave the room during consideration of the consent calendar.

4. If a decision is made during closed session, disclose the interest orally during the open session preceding the closed session

This disclosure shall be limited to a declaration that the recusal is because of a conflict of interest pursuant to Government Code 87100. The Board member, district employee, or district consultant who manages public investments, as defined by Government Code 87200, shall not be present when the item is considered in closed session and shall not knowingly obtain or review a recording or any other nonpublic information regarding the decision.

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

A District Official shall not be financially interested in any contract made by the district, including in the development, internal discussions, negotiations, modifications, planning, deliberation of issues, and specifications and solicitations for bids. If a District Official has such a financial interest in a contract made by the district, the contract is void. (Government Code 1090)

### **Remote Interest Exception to Government Code 1090**

A Board member shall not be considered to be financially interested in a contract in which there is 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 to enter into the contract. (Government Code 1091)



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### **Noninterest Exception to Government Code 1090**

A District Official shall not be considered to be financially interested in a contract if the interest is reimbursement for actual and necessary expenses incurred in the performance of official duties, in the employment of a 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 "noninterest" specified in Government Code 1091.5.

### **Common Law Doctrine Against Conflict of Interest**

A District Official shall abstain from any official action in which the District's Official's private or personal interest may conflict with official duties pursuant to the common law doctrine against conflict of interest.

### **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)

### **Gifts**

District Officials may accept gifts only under the conditions and limitations specified in law including, but not limited to, Government Code 89503 and 2 CCR 18730.

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

1. The travel is in connection with a speech given by a District Official, 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 District Officials. (Government Code 89506)

### **Honoraria**

District Officials 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 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

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### **Advice**

Any District Official, who, in good faith, believes that they may be subject to the requirements of this Bylaw and has questions, is unclear, or is unsure regarding the application of the requirements of this Bylaw to any particular instance or situation, may seek advice from the district's legal counsel with the permission of the Superintendent, Board President, or majority of the Board.

### **Training**

Unless a Board member's term expires prior to January 1, 2026, each Board member shall complete ethics training in accordance with Government Code 53234-53235.2 by January 1, 2026, and at least once every two years thereafter as specified in Board Bylaw 9240 - Board Training.



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### **APPENDIX DESIGNATED POSITIONS/DISCLOSURE CATEGORIES**

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

- a. Superintendent of Schools
- b. Deputy/Assistant/Associate Superintendent
- c. Purchasing Agent
- d. Board of Education Members

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

- a. Director
- b. Principal
- c. Assistant Principal
- d. Maintenance and Operations Director
- e. Program Coordinator
- f. Supervisor

Designated persons in this category must report 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, or 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.

3. Full Disclosure: Because it has been determined that the district's Board members and/or Superintendent "manage public investments," they and other persons designated for "full disclosure" shall disclose, in accordance with Government Code 87200:

- 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, business positions, and sources of income, including gifts, loans, and travel payments.





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### 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 18701)

- 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
- 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 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)

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**Policy Reference Disclaimer:** These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

State	Description
2 CCR 18110-18997	<u><a href="#">Regulations of the Fair Political Practices Commission</a></u>
2 CCR 18438.1-18438.8	<u><a href="#">Campaign contribution-based conflicts of interest</a></u>
2 CCR 18700-18760	<u><a href="#">Conflicts of Interest</a></u>
2 CCR 18722-18740	<u><a href="#">Disclosure of interests</a></u>
2 CCR 18753-18756	<u><a href="#">Conflict of interest codes</a></u>
2 CCR 18940.2	<u><a href="#">Gift limit amount</a></u>
Ed. Code 1006	<u><a href="#">Prohibition against school district employees serving on county board of education</a></u>
Ed. Code 35107	<u><a href="#">School district employees</a></u>
Ed. Code 35230-35240	<u><a href="#">Corrupt practices</a></u>
Ed. Code 35233	<u><a href="#">Prohibitions applicable to members of governing boards</a></u>
Ed. Code 41000-41003	<u><a href="#">Moneys received by school districts</a></u>

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<b>State</b>	<b>Description</b>
Ed. Code 41015	<u>Investments</u>
Fam. Code 297.5	<u>Rights, protections, and benefits of registered domestic partners</u>
Gov. Code 1090-1099	<u>Prohibitions applicable to specified officers</u>
Gov. Code 1125-1129	<u>Incompatible activities</u>
Gov. Code 53234-53235.2	<u>Ethics training</u>
Gov. Code 81000-91014	<u>Political Reform Act</u>
Gov. Code 82011	<u>Code reviewing body</u>
Gov. Code 82019	<u>Definition; designated employee</u>
Gov. Code 82028	<u>Definition; gift</u>
Gov. Code 82030	<u>Definition; income</u>
Gov. Code 82033	<u>Definition; interest in real property</u>
Gov. Code 82034	<u>Definition; investment</u>
Gov. Code 84308	<u>Campaign Disclosure</u>
Gov. Code 87100-87505	<u>Political Reform Act; conflict of interest</u>
Gov. Code 89501-89503	<u>Honoraria and gifts</u>
Gov. Code 89506	<u>Ethics; travel</u>
Gov. Code 91000-91014	<u>Enforcement</u>
Pen. Code 85-88	<u>Bribes</u>
Pub. Cont. Code 6102	<u>Bribery of public official; voidable contract</u>
Rev. & Tax Code 203	<u>Taxable and exempt property - colleges</u>

<b>Management Resources</b>	<b>Description</b>
Attorney General Opinion	<u>105 Ops.Cal.Atty.Gen.69 (2022)</u>
Attorney General Opinion	<u>63 Ops.Cal.Atty.Gen. 868 (1980)</u>
Attorney General Opinion	<u>65 Ops.Cal.Atty.Gen. 606 (1982)</u>
Attorney General Opinion	<u>68 Ops.Cal.Atty.Gen. 171 (1985)</u>
Attorney General Opinion	<u>69 Ops.Cal.Atty.Gen. 255 (1986)</u>
Attorney General Opinion	<u>80 Ops.Cal.Atty.Gen. 320 (1997)</u>
Attorney General Opinion	<u>81 Ops.Cal.Atty.Gen. 327 (1998)</u>
Attorney General Opinion	<u>82 Ops.Cal.Atty.Gen. 83 (1999)</u>
Attorney General Opinion	<u>85 Ops.Cal.Atty.Gen. 60 (2002)</u>
Attorney General Opinion	<u>86 Ops.Cal.Atty.Gen. 138(2003)</u>

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Attorney General Opinion	<u><a href="#">89 Ops.Cal.Atty.Gen. 217 (2006)</a></u>
Attorney General Opinion	<u><a href="#">92 Ops.Cal.Atty.Gen. 19 (2009)</a></u>
Attorney General Opinion	<u><a href="#">92 Ops.Cal.Atty.Gen. 26 (2009)</a></u>
Court Decision	<u><a href="#">Davis v. Fresno Unified School District (2015) 237 Cal.App.4th 261</a></u>
Court Decision	<u><a href="#">Klistoff v. Superior Court (2007) 157 Cal.App.4th 469</a></u>
Court Decision	<u><a href="#">Kunec v. Brea Redevelopment Agency (1997) 55 Cal.App.4th 511</a></u>
Court Decision	<u><a href="#">McGee v. Balfour Beatty Construction, LLC, et al. (2016) 247 Cal. App. 4th 235</a></u>
Court Decision	<u><a href="#">Thorpe v. Long Beach Community College District (2000) 83 Cal.App.4th 655</a></u>
CSBA Publication	<u><a href="#">Conflict of Interest: Overview of Key Issues for Governing Board Members, Fact Sheet, July 2010</a></u>
Fair Political Practices Commission Publication	<u><a href="#">Advice Letter: A-96-314 (December 18, 1996)</a></u>
Fair Political Practices Commission Publication	<u><a href="#">Can I Vote? A Basic Overview of Public Officials' Obligations Under the Conflict-of-Interest Rules, 2005</a></u>
Institute For Local Government Publication	<u><a href="#">Understanding the Basics of Public Service Ethics: Personal Financial Gain Laws, 2009</a></u>
Institute for Local Government Publication	<u><a href="#">Understanding the Basics of Public Service Ethics: Transparency Laws, 2009</a></u>
Website	<u><a href="#">CSBA District and County Office of Education Legal Services</a></u>
Website	<u><a href="#">Institute for Local Government</a></u>
Website	<u><a href="#">Fair Political Practices Commission</a></u>
Website	<u><a href="#">CSBA</a></u>
Cross References	

Code	Description
1340	Access To District Records
1700	Relations Between Private Industry And The Schools
3230	Federal Grant Funds
3300	Expenditures And Purchases
3311	Bids
3400	Management Of District Assets/Accounts
3430	Investing
3470	Debt Issuance And Management
3600	Consultants
4112.8	Employment Of Relatives

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4117.2	<i>Resignation</i>
4136	<i>Nonschool Employment</i>
4212.8	<i>Employment Of Relatives</i>
4217.2	<i>Resignation</i>
4236	<i>Nonschool Employment</i>
4312.8	<i>Employment Of Relatives</i>
4317.2	<i>Resignation</i>
4336	<i>Nonschool Employment</i>
6161.1	<i>Selection And Evaluation Of Instructional Materials</i>
7140	<i>Architectural And Engineering Services</i>
7214	<i>General Obligation Bonds</i>
9000	<i>Role Of The Board</i>
9005	<i>Governance Standards</i>
9140	<i>Board Representatives</i>
9200	<i>Limits Of Board Member Authority</i>
9220	<i>Governing Board Elections</i>
9222	<i>Resignation</i>
9230	<i>Orientation</i>
9240	<i>Board Training</i>
9320	<i>Meetings And Notices</i>
9321	<i>Closed Session</i>
9323	<i>Meeting Conduct</i>