

Regular Session, 2014

HOUSE BILL NO. 870

BY REPRESENTATIVE RICHARD

ETHICS: Prohibits certain transactions involving charter schools

1 AN ACT

2 To amend and reenact R.S. 42:1113(B) and to enact R.S. 42:1113(E), relative to prohibited
3 transactions; to prohibit certain contracts, subcontracts, and other transactions
4 involving charter schools and certain related entities; to provide for penalties; and
5 to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 42:1113(B) is hereby amended and reenacted and R.S. 42:1113(E)
8 is hereby enacted to read as follows:

9 §1113. Prohibited contractual arrangements; exceptions; reports

10 * * *

11 B.(1) Other than a legislator, no appointed member of any board or
12 commission, member of his immediate family, or legal entity in which he has a
13 substantial economic interest shall bid on or enter into or be in any way interested
14 in any contract, subcontract, or other transaction which is under the supervision or
15 jurisdiction of the agency of such appointed member.

16 (2) For purposes of this Subsection, "board or commission" shall include
17 without limitation the board of a legal entity that is responsible for the supervision,
18 management, or operation of a charter school established pursuant to Chapter 42 of
19 Title 17 of the Louisiana Revised Statutes of 1950.

20 * * *

- 1 E.(1) No legal entity that is responsible for the supervision, management, or
 2 operation of a charter school established pursuant to Chapter 42 of Title 17 of the
 3 Louisiana Revised Statutes of 1950 shall enter into a contract or subcontract related
 4 to the supervision, management, or operation of the charter school with an affiliate.
- 5 (2) For purposes of this Subsection, "affiliate" means a parent of, subsidiary
 6 of, or an entity that controls, is controlled by, or is under common control with the
 7 legal entity that is responsible for the supervision, management, or operation of the
 8 charter school.
- 9 (3) If any provision of this Subsection is found to conflict with any other
 10 provision of this Section, the more restrictive provision shall govern.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Richard

HB No. 870

Abstract: Prohibits the members of a board of a legal entity that is responsible for the supervision, management, or operation of a charter school from bidding on or entering into or being in any way interested in certain transactions under the supervision or jurisdiction of the board and prohibits the board from entering into a contract or subcontract related to the supervision, management, or operation of the charter school with an affiliate.

Present law (Chapter 42 of Title 17) provides for the establishment, organization, and approval process for charter schools. Provides that except for a Type 4 charter school (which is a charter between BESE and a local school board), a charter school approved and established in accordance present law shall be organized as a nonprofit corporation under applicable state and federal laws. Provides that if a charter school is established with a governing or management board, the members of such shall receive no compensation other than reimbursement of actual expenses incurred while fulfilling duties as a member of such a board.

Present law (R.S. 17:3996) provides that present law (Code of Governmental Ethics, ethics code) is applicable to a charter school and the school's officers and employees.

Present law (ethics code, R.S. 42:1113(B)) prohibits an appointed board or commission member, member of his immediate family, or legal entity in which he has a substantial economic interest from bidding on or entering into or being in any way interested in any contract, subcontract, or other transaction which is under the supervision or jurisdiction of the agency of such appointed member.

Proposed law (ethics code) further specifies that for the purposes of present law (R.S. 42:1113(B)) "board or commission" includes without limitation the board of a legal entity that is responsible for the supervision, management, or operation of a charter school established pursuant to present law (Chapter 42 of Title 17).

Proposed law (ethics code) further prohibits a legal entity responsible for the supervision, management, or operation of a charter school established pursuant to present law from entering into a contract or subcontract related to the supervision, management, or operation of the charter school with an affiliate. Defines "affiliate" as a parent of, subsidiary of, or an entity that controls, is controlled by, or is under common control with the legal entity that is responsible for the supervision, management, or operation of the charter school. Proposed law specifies that if any provision of proposed law (ethics code) is found to conflict with any other provision of present law (ethics code), the more restrictive provision shall govern.

(Amends R.S. 42:1113(B); Adds R.S. 42:1113(E))