
DIGEST

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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))