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## DIGEST

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Geymann

HB No. 277

**Abstract:** Provides for additional ethical standards for members and former members of the State Board of Elementary and Secondary Education, the state superintendent of education and the former state superintendent of education, and immediate family members of such persons and specified related legal entities.

Present law (Code of Governmental Ethics) provides for ethical standards for elected officials, public employees, and certain other persons including prohibited conflicts of interest involving payments from nonpublic sources, prohibited participation in transactions, prohibited contractual arrangements, prohibited gifts, abuse of office, nepotism, financial disclosure, and post public service restrictions. Provides definitions and exceptions.

Proposed law retains present law, and proposed law further provides for additional ethical standards applicable to members and former members of the State Board of Elementary and Secondary Education (BESE), the state superintendent of education and the former state superintendent of education, and immediate family members and specified legal entities as follows:

- (1) Prohibits a member of BESE or member of his immediate family, the state superintendent of education or member of his immediate family, or legal entity in which such a person has a substantial economic interest from bidding on, entering into, or being in any way interested in any contract, subcontract, or other transaction which is under the supervision or jurisdiction of BESE or the Dept. of Education. Specifies that this proposed law prohibition shall not be construed to prohibit employment of a member of BESE or an immediate family member of a BESE member by a nonpublic school.
- (2) Prohibits an immediate family member of the state superintendent of education or of a BESE member and any legal entity of which such an immediate family member is an officer, director, trustee, partner, or employee, or in which an immediate family member has a substantial economic interest, from receiving or agreeing to receive any thing of economic value for assisting a person in a transaction, or in an appearance in connection with a transaction, with BESE or the Dept. of Education.
- (3) Prohibits a member of BESE and the state superintendent of education from participating in a transaction in which he has a personal substantial economic interest involving BESE or the Dept. of Education.

- (4) Prohibits a member of BESE and the state superintendent of education from participating in a transaction involving BESE or the Dept. of Education in which any of the following persons has a substantial economic interest: (a) any member of his immediate family; (b) any person in which he has a substantial economic interest; (c) any person of which he is a member or an officer, director, trustee, partner, or employee; (d) any person of which his immediate family member is a member or an officer, director, trustee, partner, or employee; (e) any person with whom he is negotiating or has an arrangement concerning prospective employment; and (f) any person who is a party to an existing contract with such public servant or his immediate family member or with any legal entity in which the public servant or his immediate family member owns a controlling interest (defined by present law as any ownership in any legal entity or beneficial interest in a trust, held by or on behalf of an individual or a member of his immediate family, either individually or collectively, which exceeds 25% of that legal entity).
- (5) Prohibits a former member of BESE or former state superintendent of education for a period of two years following the termination of his public service in such position, from performing the following activities for compensation: engaging in a transaction, assisting another person in a transaction, or making an appearance in connection with a transaction involving BESE or the Dept. of Education or from rendering any service on a contractual basis to or for BESE or the Dept. of Education.
- (6) Prohibits a legal entity in which a former member of BESE or former state superintendent of education is an officer, director, trustee, partner, or employee, for compensation, for a period of two years following the termination of the member's or superintendent's public service in such position, from engaging in a transaction, assisting another person with a transaction, or making an appearance in connection with a transaction involving the BESE or the Dept. of Education.
- (7) Prohibits a BESE member, former BESE member, state superintendent, and former state superintendent of education from sharing in any thing of economic value received by another person for any activity, action, or assistance which such public servant or former public servant is prohibited from performing by present law and proposed law (Code of Governmental Ethics).

Proposed law provides that if any provision of proposed law conflicts with any other provision of present law (Code of Governmental Ethics), the more restrictive provision shall govern.

Violations of proposed law would be subject to the penalties in present law for violation of the ethics code and certain other laws within the ethics board's jurisdiction. For public servants and other persons those penalties include censure and/or a fine of up to \$10,000 per violation and for public employees and other persons include removal, suspension, reduction in pay, or demotion and/or a fine of up to \$10,000 per violation.

(Adds R.S. 42:1118.2)

## Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on House and Governmental Affairs to the original bill.

1. Specifies that the proposed prohibition on certain transactions under the supervision or jurisdiction of BESE or the Dept. of Education shall not be construed to prohibit employment of BESE members or immediate family members of BESE members by a nonpublic school.

### House Floor Amendments to the engrossed bill.

1. Changes the proposed post service prohibitions from applying for a period of four years following termination of public service to applying for a period of two years following termination of public service.
2. In the post service prohibitions, provides that the prohibitions apply only when prohibited activities are performed for compensation.