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| Agenda Item: | IV K: Action Item |
| Date: | September 12, 2024 |
| To: | Magnolia Educational & Research Foundation dba Magnolia Public Schools (“MPS”) Board of Directors (the “Board”) |
| From: | Alfredo Rubalcava, CEO & Superintendent |
| Staff Lead(s): | Alfredo Rubalcava, CEO & Superintendent Jennifer Lara, Board Secretary |
| RE: | Approval of Current Conflict of Interest Code & Policy & Submission of 2024 Multi-County Agency Biennial Notice to FPPC |

Action Proposed:

I move that the Board approve the current Magnolia Educational & Research Foundation (MERF) Conflict of Interest Code approved by the Fair Political Practices Commission (FPPC) on November 1, 2017 and to approve the current Conflict of Interest Policy with no changes. Furthermore, to submit the 2024 Multi-Agency Biennial Notice to the FPPC.

Purpose:

Submit to FPPC that the MERF Conflict of Interest Code remains the same with no changes through the Biennial Notice which is due October 1, 2024.

Background:

The FPPC approved Magnolia Educational & Research Foundation dba Magnolia Public Schools Conflict of Interest Code on November 1, 2017. Since then, MPS has been following this code. MPS and legal reviewed and identified that MPS’s current Conflict of Interest Code is compliant and there are no identifiable areas that needs to be amended. The FPPC will retain the 2017 version for their records.

If the Code is deemed to be modified in the future, it will require FPPC approval.



Analysis:

As the means of proactive governance, the Conflict of Interest Code and Policy will always be taken to the Board for review before any submissions of amendments are taken to the FPPC for approval. As there are no immediate amendments required, MPS will submit the 2024 Biennial Notice to inform the FPPC that MPS current Conflict of Interest Code still stands.

Exhibits:

- Magnolia Educational & Research Foundations (MERF) Conflict of Interest Code
- Conflict of Interest Policy
- 2024 Multi-County Agency Biennial Notice

MAGNOLIA EDUCATIONAL & RESEARCH FOUNDATION
CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations §18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict of interest code for the **Magnolia Educational & Research Foundation. (MERF)**

Individuals holding designated positions shall file statements of economic interests with the **MERF**, which will make the statements available for public inspection and reproduction (Government Code § 81008). All statements will be retained by **MERF**.

**APPENDIX A
DESIGNATED POSITIONS**

| <u>Designated Positions</u> | <u>Disclosure Category</u> |
|--|----------------------------|
| Members of the Governing Board | 1, 2 |
| Corporate Officers (e.g., CEO/President, CFO/Treasurer, Secretary) | 1, 2 |
| Chief External Officer | 1, 2 |
| Regional Director – South | 1, 2 |
| Regional Director – North | 1, 2 |
| Chief Operations Officer | 1, 2 |
| Chief Academic Officer | 1, 2 |
| Chief Accountability Officer | 1, 2 |
| Principals | 3 |
| Consultants/New Positions | * |

*Consultants/New Positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation:

The CEO/President or designee may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The CEO/President or designee’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code (Government Code § 81008).

**APPENDIX B
DISCLOSURE CATEGORIES**

Category 1

Designated positions assigned to this category must report:

- a. Interests in real property located in whole or in part within a two-mile radius of:
 - The Los Angeles Unified School District, the Santa Ana Unified School District, or the San Diego Unified School District, or
 - Any facility utilized by MERF's charter schools, or
 - A proposed site for a MERF facility.
- b. Investments and business positions in business entities, or sources of income (including gifts, loans, and travel payments) that engage in the purchase or sale of real property or are engaged in building construction or design.

Category 2

Designated positions assigned to this category must report:

- a. Investments and business positions in business entities or sources of income (including receipt of gifts, loans, and travel payments) that are contractors engaged in the performance of work or services, or sources that manufacture, sell, repair, rent or distribute school supplies, books, materials, school furnishings or equipment of the type to be utilized by MERF.

Category 3

Designated positions assigned to this category must report:

- a. Investments and business positions in business entities or sources of income (including receipt of gifts, loans, and travel payments) that are contractors engaged in the performance of work or services, or sources that manufacture, sell, repair, rent or distribute school supplies, books, materials, school furnishings or equipment of the type to be utilized by the designated position's department. For the purpose of this category a Principal's department is his/her entire school.

This is the last page of the conflict of interest code for **Magnolia Educational & Research Foundation**.



CERTIFICATION OF FPPC APPROVAL

Pursuant to Government Code Section 87303, the conflict of interest code for **Magnolia Educational & Research Foundation** was approved on 11/11 2017. This code will become effective on 12/1 2017.

A handwritten signature in blue ink, appearing to be "B. Lau", written over a horizontal line.

Brian G. Lau
Senior Commission Counsel
Fair Political Practices Commission

MAGNOLIA EDUCATIONAL & RESEARCH FOUNDATION
CONFLICT OF INTEREST POLICY

I. PURPOSE

The purpose of this Conflict of Interest Policy (“Policy”) is to protect Magnolia Educational & Research Foundation’s (“Charter School”) interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Charter School. This Policy is intended to supplement, but not replace, (i) any applicable state and federal laws governing conflicts of interest applicable to California public charter schools; and (ii) the Charter School’s Conflict of Interest Code, adopted pursuant to the Political Reform Act (Government Code Section 81000 *et seq.*), including the exhibits attached thereto.

II. DESIGNATED EMPLOYEES

Employees of this Charter School, including members of the Board of Directors (“Board”) and candidates for election and/or appointment to the Board, who hold positions that involve the making or participation in the making, of decisions that may foreseeably have a material effect on any financial interest, shall be “designated employees.” The designated positions are listed in “Appendix A,” which is hereby incorporated by reference, attached to the Charter School’s Conflict of Interest Code.

III. DISQUALIFICATION

No designated employee shall make, participate in making, or try to use his/her official position to influence any Charter School decision which he/she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family.

IV. MANNER OF DISQUALIFICATION

A. Non-Board Member Designated Employees

When a non-Board member designated employee determines that he/she should not make a decision because of a disqualifying interest, he/she should submit a written disclosure of the disqualifying interest to his/her immediate supervisor. The supervisor shall immediately reassign the matter to another employee and shall forward the disclosure notice to the Charter School Principal who shall record the employee’s disqualification. In the case of a designated employee who is head of an agency, this determination and disclosure shall be made in writing to his/her appointing authority.

B. Board Member Designated Employees

Board members shall disclose a disqualifying interest at the meeting during which consideration of the decision takes place. After disclosure of the disqualifying interest and all material facts, he/she shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members shall decide if a conflict of interest exists.

This disclosure shall be made part of the Board's meeting minutes. The Board meeting minutes shall include the names of the persons who disclosed or otherwise were found to have a disqualifying interest in connection with an actual or possible conflict of interest, the nature of the disqualifying interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.

The Board member shall refrain from participating in the decision in any way (i.e. the Board member with the disqualifying interest shall refrain from voting on the matter and influencing or attempting to influence the vote on the matter) and comply with any applicable provisions of the Charter School bylaws.

2024 Multi-County Agency Biennial Notice

Name of Agency: _____

Mailing Address: _____

Contact Person: _____ Phone No. _____

Email: _____ Alternate Email: _____

Counties within Jurisdiction, or for Charter Schools, Counties in which the School is Chartered:
(if more space is needed, include an attachment):

No. of Employees* _____ No. of Form 700 Filers* _____

**Including board and committee members*

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

Please identify which statement accurately describes your agency's status.

- This agency has reviewed its conflict of interest code. The current code designates all positions which make or participate in making governmental decisions. The designated positions are assigned accurate disclosure categories that relate to the job duties of the respective positions. The code incorporates FPPC regulation 18730 so that all relevant Government Code Sections are referenced.
- This agency has reviewed its conflict of interest code and has determined that an amendment is necessary. An amendment may include the following:
- New positions which involve the making or participating in the making of decisions which may foreseeably have a material impact on a financial interest
 - Current designated positions need renaming or deletion
 - Statutorily required provisions of the code need to be addressed
 - Disclosure categories need revision

Verification (to be completed if no amendment is required)

This multi-county agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.

Signature of Chief Executive Officer

Date

All multi-county agencies must complete and return this notice, including those agencies whose codes are currently under review. Please return this notice no later than **October 1, 2024** to the FPPC at biennialnotice@fppc.ca.gov or 1102 Q Street, Suite 3050, Sacramento, CA 95811.