



El Camino Charter High School

Special Board Meeting - Board Training

Date and Time

Monday September 12, 2022 at 5:30 PM PDT

Location

Main Campus - Grieb Theater

SPECIAL BOARD MEETING

For meeting materials, please go to the school's main office, or call (818) 595-7500. Some board meeting materials are also posted in the school's website (<https://ecrchs.net> - click the ECR Board tab).

ATTENTION:

WE HAVE RETURNED TO "IN-PERSON" REGULAR AND SPECIAL BOARD MEETINGS AND COMMITTEE MEETINGS.

INSTRUCTIONS FOR PRESENTATIONS TO THE BOARD BY PARENTS AND OTHER MEETING ATTENDEES:

El Camino Real Alliance ("ECRA") welcomes your participation at ECRA's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of ECRA in public.

Your participation assures us of continuing community interest in our charter school. To assist you in the ease of speaking/ participating in our meetings, the following guidelines are provided:

1. Agendas are available to all audience members at the door to the meeting.
2. "Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Public Comments."

"Public Comments" is set aside for members of the audience to raise issues that are not specifically on the agenda.

However, due to public meeting laws, the Board can only listen to your issue, not respond or take action.

These presentations are limited to **two (2) minutes** and total time allotted to non-agenda items will not exceed thirty (30) minutes. A member of the public who requires the use of a translator, in order to receive the same opportunity as others to directly address the Board, shall be permitted twice the allotted time to speak.

The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen-requested item.

3. You may also complete a "Request to Speak" form to address the Board on Agenda items. With regard to such agenda items, you may specify the item(s) on your "Request to Speak" form and you will be given an opportunity to speak for up to three (3) minutes before the item is addressed, and total time allocated to agenda items will not exceed six (6) minutes for a Discussion item and nine (9) minutes per Vote item.

A member of the public who requires the use of a translator, in order to receive the same opportunity as others to directly address the Board, shall be permitted twice the allotted time to speak, and the total allocated time shall be appropriately increased as well.

4. When addressing the Board, speakers are requested to state their name and adhere to the time limits set forth. In order to maintain allotted time limits, the Board Chair may modify speaker time allocations or the total amount of allotted time for an item.

5. Any public records relating to an agenda item for an Open Session of the Board which are distributed to all, or a majority of all, of the Board members shall be available for public inspection at 5440 Valley Circle Blvd., Woodland Hills, California, 91367.

IMPORTANT NOTE REGARDING PUBLIC COMMENTS:

Effective September 2022, public comments presentations at all ECRA Regular and Special Board Meetings and at Committee Meetings must be made in person.

There is no obligation on the part of the school to have a school official read public comments during in-person Board Meetings.

A member of the public is welcome to appear at the Board meeting to make a public comment or make arrangements with another person in attendance to speak on the person's behalf.

Consent Agenda: All matters listed under the consent agenda are considered by the Board to be routine and will be approved/enacted by the Board in one motion or more motions in the form listed below. Unless specifically requested by a Board member for further discussion or removed from the agenda, there will be no discussion of these items prior to the Board vote(s) on the Consent Agenda item(s). The Executive Director recommends approval of all consent agenda items.

In compliance with the Americans with Disabilities Act (ADA) and upon request, El Camino Real Alliance may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Requests for disability related modifications or accommodations shall be made 24 hours prior to the meeting to David Hussey, in person, by email at comment@ecrchs.net, or by calling (818) 595-7500.

Agenda

	Purpose	Presenter	Time
I. Opening Items			5:30 PM
Opening Items			
A.	Call the Meeting to Order	Brad Wright	1 m
B.	Record Attendance and Guests	Kurt Lowry	1 m
C.	Pledge of Allegiance to the United States of America (USA)	David Hussey	1 m
D.	Public Comments	Public	30 m
II. Comprehensive Board Training			6:03 PM
A.	The Brown Act - Conflict of Interest Laws - Best Governance Practices - Board Responsibility for Non-Profits	Discuss Jerry Simmons, Young, Minney & Corr	120 m
III. Closed Session			8:03 PM
A.	CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION	Discuss Brad Wright	20 m
	Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: two (2) potential cases.		
IV. Closing Items			8:23 PM
A.	Adjourn Meeting	Vote Brad Wright	1 m

Coversheet

The Brown Act - Conflict of Interest Laws - Best Governance Practices - Board Responsibility for Non-Profits

Section: II. Comprehensive Board Training
Item: A. The Brown Act - Conflict of Interest Laws - Best Governance Practices - Board Responsibility for Non-Profits
Purpose: Discuss
Submitted by:
Related Material:
El Camino Real Charter High School Board Training Sept 2022 (4870-6813-0354.v1).pptx



YOUNG, MINNEY & CORR, LLP



EL CAMINO REAL CHARTER HIGH SCHOOL GOVERNANCE TRAINING

Presented by:
Jerry W. Simmons
jsimmons@mycharterlaw.com

THE CHARTER LAW FIRM

Overview



Areas Covered:

- ▶ Compliance with the Brown Act and SB 126 (Ed. Code 47604.1) requirements
- ▶ Compliance with conflict of interest laws (Government Code 1090 and Political Reform Act)
- ▶ What Board members need to know about Public Records Act requests
- ▶ Best governance practices
- ▶ Major board duties under nonprofit law
- ▶ Financial issues/use of public funds
- ▶ Q & A

Disclaimer



- ▶ This webinar cannot substitute for personalized legal advice.
- ▶ Presenters may be working from home and apologize in advance for any child or canine interruptions. Thank you for your patience.
- ▶ Our advice is based upon the latest available guidance which is subject to change in this ever-evolving landscape.
- ▶ During the webinar and after we are happy to answer questions as time permits.
- ▶ Sign up for our legal alerts on our website to receive updated information on the topics discussed today:
www.mycharterlaw.com.

Education Code Section 47604.1

Education Code 47604.1



Charter School Transparency Law Effective January 1, 2020

- ▶ Charter schools and entities managing/operating charter schools must comply with Public Records Act, Brown Act, Political Reform Act, and Government Code 1090.

Education Code 47604.1



Location for charter school board meetings:

- ▶ **Single charter school:** shall meet within the boundaries of the county in which the charter school is located.

Education Code 47604.1



- ▶ Allows an employee of a charter school to be on the charter school board as long as they *abstain from voting on or influencing or attempting to influence another member of the governing body regarding, all matters uniquely affecting that member's employment.*
- ▶ But extreme caution required due to vague way that statutory language was crafted and the need to comply with other laws.

Understanding the Brown Act

Purpose of The Brown Act



What Is the Purpose of the Brown Act?

- ▶ To Foster Broad Public Access



“... The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.”

Meetings



Brown Act Applies to Meetings of the Board

- ▶ Basic Definition



When any congregation of a majority of the members of the body meet to hear, discuss, deliberate, or take action on any item of Charter School business

Meetings



Board Committees - Nearly all Committees Must Comply with the Brown Act

Exception

A Committee that is all of the following:

- ▶ Advisory (not decision making)
- ▶ Composed of only Board members
- ▶ Less than a quorum of the Board
- ▶ Must not be a standing committee

Meetings



Serial Meetings

Serial Meetings Are Prohibited

- ▶ Majority of Board members
- ▶ Engaging in a series of communications
- ▶ Outside Board meeting
- ▶ Through direct communications or intermediaries or technology
- ▶ To discuss, deliberate, or take action on any item of business (including relaying comments or position of other Board members)

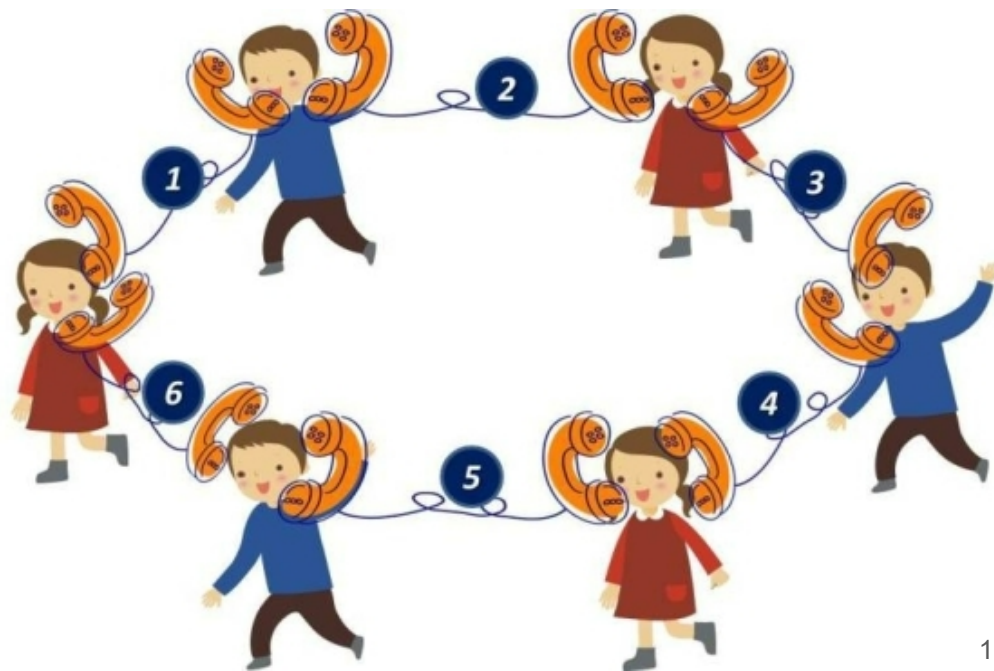


Meetings



Serial Meetings

- ▶ Hub or Chain
- ▶ Technology may result in meetings at times you might not expect
 - ☞ E-mails
 - ☞ Text messages
 - ☞ Social media
 - ☞ Website postings
 - ☞ Online forums
 - ☞ Telephone calls
 - ☞ Faxes



Meetings



Serial Meetings

Limit on One-Way Communications

While an employee or official may engage in separate conversations or communications with other members of the Board in order to answer questions or provide information regarding a matter of Charter School business, that person may not communicate to members of the Board the comments or position of any other member or members of the Board.

Meetings



Teleconference Meetings

Six Additional Requirements:

1. Agenda must be posted at all teleconference locations.
2. Each teleconference location must be identified in the notice and agenda of the meeting.



Meetings



Teleconference Meetings *(cont'd)*

3. All votes taken must be by roll call.
4. Each teleconference location must be accessible to the public. (ADA-compliance required.)
5. Members of the public must be able to hear and must have the right to address the Board directly from each teleconference location.
6. A quorum of the Board must participate from within the Charter School's "jurisdiction." For Visions, this would be Sacramento County.

AB 361



Pursuant to AB 361 (October 1, 2021), a charter school board may continue to hold teleconference meetings without adhering to some of the traditional requirements of the Brown Act. If certain conditions are met, a charter school board may continue to meet virtually with the following flexibilities:

- The agenda does not need to provide notice of each teleconference location nor do agendas need to be posted at each location;
- A quorum of board members do not need to be located within the Charter School's jurisdiction; and
- Governing board members may participate in a teleconference meeting from places that are not publicly accessible.

AB 361



A charter school board may continue to hold teleconference meetings without adhering to all of the traditional requirements of the Brown Act under the following circumstances:

- During a proclaimed state of emergency; *and*
- State or local officials have imposed or recommended measures to promote social distancing; *or*
- The charter school board determines that meeting in person would present imminent risks to the health or safety of attendees.

AB 361



If meeting pursuant to AB 361, the board must:

- Protect the statutory and constitutional rights of the parties and public appearing before the board.
- Give notice and post agendas as otherwise required under the Brown Act.
- Allow members of the public to access the meeting (e.g., Zoom) and describe the manner in which the public can offer public comment.
- Not require members of the public to submit comments in advance of the meeting. The public must be able to participate in real time.
- Provide a timed or a reasonable period for public comment.
- If there is a technical disruption in the meeting broadcast, take no further action on items in the agenda until public access is restored.

AB 361



In order to continue holding meetings pursuant to AB 361, the board must make the following findings by majority vote every 30 days:

- The charter school board has reconsidered the circumstances of the state of emergency.
- Any of the following circumstances exist:
 - The state of emergency continues to directly impact the ability of the members to meet safely in person.
 - State or local officials continue to impose or recommend measures to promote social distancing.

Notice Requirements



Notice and Agendas

General Rule: The agenda shall be posted properly in advance of a meeting and must include a brief description of items to be transacted or discussed.

With a few exceptions, if an item is not on the agenda, the Board cannot discuss it.



Notice Requirements



Contents

- ▶ Brief description = usually not more than 20 words
- ▶ How to request disability-related accommodation
- ▶ Location for inspection of docs distributed to Board

Notice Requirements



When?

- ▶ Regular meetings – 72 hours notice
- ▶ Special meetings – 24 hours notice
- ▶ Emergency meetings – 1 hour notice (rare)

Where to Post?

- ▶ Physically at a publicly accessible location within the jurisdiction during the entire posting period
- ▶ On the website homepage with a prominent, direct link

Rights of the Public



Rights to Enable Access and Participation

- ▶ Give oral testimony at meeting
 - ☞ Time limits
 - ☞ Addressing disruptive speakers
 - ☞ New law (SB 1100)
- ▶ Virtual meetings and best practices (stay in control of your meeting!)
- ▶ Audio record and broadcast



Rights of the Public



Rights to Enable Access and Participation *(cont.)*

- ▶ Limitations on conditions of public attendance
- ▶ Non-discriminatory facilities (reasonable accommodations under ADA)
- ▶ Copies of agendas and other public writings

Closed Sessions



What Are the Permissible Closed Sessions?

- ▶ Pending/Anticipated Litigation (conference with legal counsel)



- ▶ Personnel (appointment, employment, evaluation, discipline, dismissal)
- ☞ Caveat: 24-hour written notice to employee is required if Board will hear complaints and/or charges

Closed Sessions



What Are the Permissible Closed Sessions?

(cont.)

- ▶ Conference with Real Estate Negotiator
- ▶ Conference with Labor Negotiator
- ▶ Public Security
- ▶ Pupil Discipline (Education Code)

Closed Session



Requirements

- ▶ Use “Safe Harbor” agenda language (GC 54954.5)
- ▶ Prior to Closed Session:
 - ✎ Board Must Make a Public Announcement of Reasons for Closed Session Prior to Closed Session
- ▶ Public Must Have an Opportunity to Comment
- ▶ After Closed Session:
 - ✎ Board Must Make a Public Report of Action Taken in Closed Session and Vote or Abstention of Every Board Member
- ▶ Attendance only for necessary personnel
- ▶ Confidentiality is required

Executive Compensation



Executive Compensation

- ▶ Approval of CEO/Executive Director's compensation must occur at a regular (not special) meeting
 - ▶ Govt. Code 54953: Prior to final action, Board must orally report a summary of the recommendation for final action, including the salary, salary schedule, and fringe benefits, during the open meeting where final action will be taken.
 - ▶ Final action in open session



Enforcement



Complaints and Challenges

Notice of Concern

- ▶ Often brought by Charter Authorizer
- ▶ Short turnaround to respond
- ▶ Seek advice from legal counsel on response

Notice and Demand for Cure or Cease and Desist

- ▶ Can be brought by DA or member of the public
- ▶ Board must cure/respond within 30 days
- ▶ Seek advice from legal counsel on response

New Legislation Pending



Additional potentially significant changes to teleconferencing requirements passed by Legislature and on Governor's desk (AB 2449). In some respects they are more lenient than the "normal" rules. In some respects they are more restrictive.

Will update school leaders via our legal alert system if signed by the Governor.

Public Records Act

Public Records Defined



Public Records

“Includes any writing containing information relating to the conduct of the public's business **prepared, owned, used, or retained** by any state or local agency regardless of physical form or characteristics.”

(Govt. Code § 6252)

Public Records Defined



Writing

“Any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored.” (Govt. Code § 6252)



Exceptions to Disclosure



Pending Litigation

(Gov. Code Section 6254(b)):

- ▶ Only During Ongoing Litigation
- ▶ More than Just Privileged Information/ Documents

Exceptions to Disclosure



- ▶ Personnel, Medical, or Similar Files (Gov. Code Section 6254 (c)):
- ▶ Drafts of Memorandum Not Kept for Business (Gov. Code Section 6254(a))



Exceptions to Disclosure



Records Exempted by Federal or State Law
(Gov. Code Section 6254(k)):

- ▶ HIPAA
- ▶ Privileged
- ▶ FERPA

Exceptions to Disclosure



Catchall Exception

(Gov. Code Section 6255(a)):

- ▶ Weighing test: The Public Interest of Disclosure vs. the Importance of Confidentiality

Records Not Exempt



- ▶ Public Employment Contracts
- ▶ Public Employee's Name and Salary
- ▶ Most Email Communication



Waiver of Exemptions



Whenever a local agency discloses a public record which is otherwise exempt from disclosure, to any member of the public, this disclosure shall constitute a waiver of the exemptions specified in Sections 6254, 6254.7, or other similar provisions of law. (Govt. Code § 6254.5)

Response to Public Records Act Request



Timeline

- ▶ Response Within 10 Days from Receipt of the Request
- ▶ 10-Day Deadline Can Be Extended Up to 14 Additional Days in “Unusual Circumstances
- ▶ Must Make Reasonable Effort to Elicit Additional Clarifying Information to Identify Records

Ten-Day Letter



Must Include

- ▶ Whether the Request, in Whole or in Part, Seeks Copies of Disclosable Public Records in the Possession of the School
- ▶ The Date When the Records will be Made Available (Reasonable Time)



Ten-Day Letter



Determining Time Frame

- ▶ Do You Need to Search For and Collect Records?
- ▶ Is There a Large Volume of Records Being Requested?
- ▶ Do You Need to Consult with Attorneys?
- ▶ Do You Need Time to Compile Data?

City of San Jose v. Superior Court (Smith)



Landmark California Supreme Court Opinion In March 2017

“Employees’ communications about official agency business may be subject to the CPRA regardless of the type of account used in their preparation or transmission.”

Relating to the Conduct of the Public's Business



Must relate in some substantive way to the conduct of the public's business. It often depends on the context. The court gave us factors to consider...



Factors



1. Content
2. Context and Purpose
3. Audience to Whom it was Directed
4. Was it Prepared by an Employee Acting or Purporting to Act within the Scope of His or Her Employment?

Board Best Practices

Why is Governance Important in Charter Schools?



- ▶ Charter Schools are overseen by Authorizing School Districts and must be renewed to continue to operate and can be closed down if not operated correctly.
- ▶ Charter Schools must operate at a certain level to be renewed.
- ▶ Charter Schools use public funds to educate students.
- ▶ Despite successes, Charter Schools still receive extreme scrutiny and unfounded criticisms.



Board Duties v. Executive Director Duties



- ▶ The Board of Directors GOVERNS while the Executive Director MANAGES.
- ▶ The purpose of governance is oversight of the Executive Director.
- ▶ The purpose of managing is to make the school perform, on a day-to-day basis, at the highest possible level.
- ▶ How WELL is the school performing? v. How WILL decisions get made?

Case Study



BOARD MEMBER WHO IS AN HR EXPERT VISITS THE SCHOOL SITE AND PROVIDES POINTERS TO TEACHER DURING CLASSROOM VISIT.



An Effective Board



- ▶ The Board uses a single point of delegation and accountability for operations (Executive Director).
- ▶ Board members are independent of the Executive Director and are responsible for oversight.
- ▶ Board members are aware of and adhere to board policies, the bylaws, and the charter.

Case Study



PARENT SUBMITS COMPLAINT ABOUT TEACHER TO INDIVIDUAL BOARD MEMBER.



An Effective Board



- ▶ Recognizes that every Board member is one vote, and no decision is made individually.
- ▶ No Board members' vote is worth more than another's.
- ▶ Chairperson has procedural authority.
- ▶ Every Board member owes a duty of loyalty to the corporation – which means the vote of the majority of the Board.

Case Study



**BOARD MEMBER WHO WAS OUT-VOTED
ON STUDENT UNIFORM POLICY SETS
UP ANTI-UNIFORM PETITION DRIVE IN
FRONT
OF LOCAL MARKET.**



The Board as a Team



- ▶ When is it appropriate for a single Board member to act on behalf of the Board?
- ▶ What do individual Board members say when questioned about the Board's actions?

Utilize Time Effectively and Efficiently



- ▶ How do agendas get prepared?
- ▶ What do you spend most of your time doing at your meetings?
- ▶ How do you prepare for meetings?
- ▶ How do you know if you are a healthy board?



Financial Issues/Use of Public Funds

Money Matters



- ▶ All public funds must be utilized to support a “public purpose”
 - ✓ Reasonably determined and must be of a benefit to your students
 - ✓ Watch out for private inurement
- ▶ LCFF supplemental and concentration grant funds must be spent in accordance with each school’s LCAP plan
- ▶ Charter schools (and their staff and Board members) are held accountable for the use of funds, and misuse can result in serious penalties – possible revocation of charter and in some cases, criminal charges.



Potential Criminal Liability



- ▶ Watch out for potential criminal liability or media/authorizer criticism arising from expenditures of public funds for these types of activities:
 - ✓ First or Business Class Travel
 - ✓ Wine, Beer or Alcohol
 - ✓ Expensive Meals, Hotels, entertainment
 - ✓ Expenditures Not Directly Related to School Purposes



Potential Criminal Liability



- ✓ Travel for Staff or Board Members Not Directly Related To School Purposes
- ✓ Gifts
- ✓ Purchasing Personal Items (Clothes, jewelry)
- ✓ Large employee expense accounts can sometimes lead to trouble
- ✓ Bonuses paid to employees in the form of gift cards
- ✓ Payments to vendors with familial ties to charter school employees

Internal Controls



- ▶ One key to fraud detection and deterrence is proper internal controls
 - ✓ Opportunity is created when internal controls are weak, there is a lack of oversight, or ineffective governance
 - ✓ Consult with your independent auditor regarding best practices
 - ✓ Obtain legal review, as well
 - ✓ Ensure Board knows it is ultimately responsible for everything that happens in the school
 - ✓ Conduct training for Board members and employees

Developing Appropriate Safeguards



The Top Ten Internal Controls Your School Must Have

1. Checks and balances through proper segregation of duties
2. Reconciliation reports should be issued and reviewed/approved timely by management.
3. Do not allow school credit cards, or strictly control them
4. Board of Directors oversight, especially of Executive Director/Principal expenses
5. Fiscal policies and procedures

Developing Appropriate Safeguards



6. Limits on use of school assets
7. Strict controls on petty cash funds and other cash funds
8. Protect checks against fraudulent use
9. Protect cash and check collections through solid internal controls
10. Avoid related party transactions



Understanding Conflict of Interest Laws

Conflicts of Interest



Broad Definition

- ▶ A *conflict of interest* arises when an individual who has a private financial interest in the outcome of a corporate contract or a public decision, participates in the decision-making process or influences or attempts to influence others making the contract or decision.
- ▶ In short, a conflict of interest is a clash between an individual's duty to his or her office and his or her personal interests.

Non-Financial Conflicts-of-Interest



Prohibition Against Conflicts of Interest

- ▶ Public official engaging in transaction or influencing decision.
- ▶ Creating an appearance of impropriety (financial interest not necessarily required)

Doctrine of Incompatible Offices

- ▶ Public official holding two public offices simultaneously
- ▶ Offices are incompatible with each other (creating divided loyalties); overlapping jurisdictions

Financial Interests



Common Types of Financial Interests Regulated by Conflict Laws

- ▶ Ownership or investment in business entity
 - ▶ Investment in real property
 - ▶ Source of income
 - ▶ Source of gifts
 - ▶ Effect on personal finances
- ☞ Financial interests of immediate family members of Board Members and employees typically are covered.

The Los Angeles Times

World | Business | Education | Finance | Travel | Sports
FIRST ADDITION | AUGUST 1, 2019

FORMER L.A. CHARTER SCHOOL LEADER FINED FOR CONFLICT OF INTEREST

A former local charter school operator has agreed to pay a \$16,000 fine for misconduct that includes using public education funds to lease her own buildings.

The Californian

World | Business | Education | Finance | Travel | Sports
FIRST ADDITION | AUGUST 1, 2019

SALINAS CHARTER SCHOOL CONFLICT OF INTEREST CASE INVOLVING \$138K IN PAYMENTS REFERRED TO DA

California regulators referred the conflict of interest case involving a former Salinas charter school administrator who directed over \$138,000 in school payments to her husband's business over to prosecutors for review.

Government Code Section 1090



Elements

1. Public official (officer, board member, or employee)
2. Making a public contract (for sale or purchase)
3. Public official has a financial interest in the contract

Government Code Section 1090



What you need to know about Section 1090

- ▶ If board member has financial interest, the entire board is prohibited from entering into the contract; *even if it is with the best vendor at the best price and the interested board member abstains.* (Unless an exception applies.)
- ▶ Making a public contract is defined very broadly! Applies to earliest discussions, planning, solicitation for bids, etc., not just vote.
- ▶ Thus, this statute is, in most respects, the toughest standard to meet.
- ▶ Violation of GC 1090 is a felony and the contract void!

DECISIONS



Political Reform Act



Big Picture

1. Public official
2. Participating in or attempting to influence a governmental decision
3. Public official has qualifying financial interest
(Includes spouse and children)
4. Financial interest is material

**The Official Must Recuse Him or Herself from
All Parts of the Decision-Making Process**

☞ Lots of very detailed regulations have also been adopted by FPPC.

COI Code



Conflict of Interest Code

- ▶ States who must file the Form 700
- ▶ Assigns disclosure categories



Understanding the Form 700

Types of Form 700 Filings



Assuming Office: File within 30 days of starting employment or being sworn in; includes information for the past 12 months.

Annual Statement: Normally by April 1st; includes information for the prior calendar year. (If you start employment/assume office between October 1 – December 31, you do not need to fill out an Annual Statement until the following year.)

Leaving Office: File within 30 days of your last day; includes YTD information.

Form 700



Form 700 includes:

- ▶ Cover Sheet
- ▶ Schedule A-1 (General Investments)
- ▶ Schedule A-2 (Interest in Business Entities/Trusts)
- ▶ Schedule B (Interest in Real Property)
- ▶ Schedule C (Income and Loans)
- ▶ Schedule D (Gifts)

Political Reform Act



“Financial Interest” for Form 700

- ▶ Investment in business entity of \$2,000 or more
- ▶ Real property investment of \$2,000 or more
- ▶ Income of \$500 or more
- ▶ Business position in entity
- ▶ Gift of \$50 or more



Form 700



SCHEDULE D

- ▶ General rule is that you cannot accept more than \$500 from one source in a calendar year.
- ▶ General rule is that gifts worth more than \$50 must be reported (one gift or aggregate gifts from same source in a calendar year).

NAME OF SOURCE (Not an Acronym)

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
	\$	
	\$	
	\$	

Form 700: Gifts



Many exceptions to both general rules, the most common being:

1. Special Occasions: Birthdays, Holidays:
 - Can be gifts from anyone (other than lobbyists) so long as the gift giving and taking is proportional.
2. Inheritance
3. Family Members:
 - Spouse (or former spouse), child, parent, grandparent, great grandparent, grandchild, brother, sister, current or former parent-in-law, brother-in-law, sister-in-law, aunt, great aunt, uncle, great uncle, niece, great niece, nephew, great nephew, first cousin, or first cousin once removed, or the spouse of any such person. (other than a lobbyist)

Form 700: Gifts



4. “BFF’s”- Long-term friendships:
 - Friends for a “period of time” and gift giving and taking must be proportional. (other than a lobbyist)
5. Dating – “bona fide” relationship (other than a lobbyist)
 - Returning or Donating Gifts vs. Reporting



Form 700: Penalties



Late filers: \$10 a day up to \$100

- ▶ Filing Officer collects fine and deposits in charter school general fund
- ▶ If FPPC brings action, fine goes to the State
- ▶ Filing Officer and FPPC can waive fine if
 - ✓ Late filing was not willful, and
 - ✓ Fine would not further purpose of PRA

New Legislation Pending



If signed, Assembly Bill 2158 will require ethics training for charter school board members.

Currently on Governor's desk.

If signed, training requirement would become effective January 1, 2025.

Duty of Care and Loyalty

Duty of Care and Loyalty



1. Duty of Care
2. Duty of Loyalty



YOUNG, MINNEY & CORR, LLP

916.646.1400 ■ INFO@MYCHARTERLAW.COM ■ WWW.MYCHARTERLAW.COM



QUESTIONS?

THANKS FOR ATTENDING TODAY

SACRAMENTO OFFICE:

655 UNIVERSITY AVENUE
SUITE 150
SACRAMENTO, CA 95825

LOS ANGELES OFFICE:

5200 LANKERSHIM BLVD.
SUITE 370
NORTH HOLLYWOOD, CA 91601

SAN DIEGO OFFICE:

591 CAMINO DE LA REINA
SUITE 910
SAN DIEGO, CA 92108

WALNUT CREEK OFFICE:

500 YGNACIO VALLEY ROAD
SUITE 190
WALNUT CREEK, CA 94596