HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2785 DATE: February 19, 2008

Version: First engrossment

Authors: Gardner and others

Subject: Certain school district contracts excepted from conflict of interest law

Analyst: Lisa Larson

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

A school district attorney has argued that a newly elected school board member has a conflict of interest in serving on the school board because the board member's spouse is (1) a custodian at a district school, (2) a member of the district's custodial union, and (3) serves on the bargaining team that negotiates the custodians' contract with the school board. The attorney thinks that this circumstance may violate a statute (MS, section 471.87) that prohibits a public official such as a school board member from participating in making contracts where the official has a personal financial interest in or benefits from the contract.

This bill proposes to clarify an exception to this prohibition under specific circumstances: (1) the employee spouse receives no special monetary or other benefit that is substantially different from the benefits that other members of the group of employees receive under the contract; (2) a majority of school board members vote to approve the contract; (3) the school board member spouse refrains from voting; and (4) the school board publicly establishes the facts of the contract at the board meeting where the contract is approved.

Section

Contract with no bids required. Allows a school board to contract with a group of employees such as teachers and custodians where the spouse of a school board member is a member of the group of employees that is contracting with the school board if the employee spouse receives no special monetary or other benefit that is substantially different from the

H.F. 2785 Version: First engrossment February 19, 2008 Page 2

Section

benefits that other members of the group receive under the contract. Requires a school board applying this exception to have a majority of disinterested school board members vote to approve the contract, have the school board member spouse refrain from voting, and publicly establish the facts of the contract at the board meeting where the contract is approved.

Makes this section immediately effective.