



CONFLICT OF INTEREST – SCHOOL BOARD MEMBERS

POLICY:	210
ADOPTED:	10/05/98
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I. Purpose

The purpose of this policy is to observe state statutes regarding conflicts of interest and to engage in school district business activities in a fashion designed to avoid any conflict of interest or the appearance of impropriety.

II. General Statement of Policy

The policy of the school board is to contract for goods and services in conformance with statutory conflict of interest laws and, in addition, in a manner that will avoid any conflict of interest or the appearance thereof.

III. General Prohibitions and Recognized Statutory Exceptions

- A. A school board member who is authorized to take part in any manner in making any sale, lease, or contract in their official capacity shall not voluntarily have a personal financial interest in that sale, lease, or contract or personally benefit financially therefrom.
- B. In the following circumstances, however, the school board may as an exception, by ~~majority~~unanimous vote, contract for goods or services with a school board member of the school district:
 1. In the designation of a bank or savings association, in which a school board member is interested, as an authorized depository for school district funds and as a source of borrowing, provided such deposited funds are protected in accordance with Minnesota Statutes chapter Minn. Stat. Ch. 118A. Any school board member having said interest shall disclose that interest and the interest shall be entered upon the school board minutes~~of the school board~~. Disclosure ~~shall~~must be made when such bank or savings association is first designated as a depository or source of borrowing, or when such school board member is elected, whichever is later. Disclosure serves as notice of the interest and ~~need~~must only be made once;
 2. The designation of an official newspaper, or publication of official matters therein, in which the school board member is interested when it is the only newspaper complying with statutory requirements relating to the designation or publication;

3. A contract with a cooperative association of which the school board member is a shareholder or stockholder but not an officer or manager;
4. A contract for which competitive bids are not required by law. A contract made under this exception will be void unless the following procedures are observed;
 - a. The school board ~~shall~~must authorize the contract in advance of its performance by adopting a resolution setting out the essential facts and determining that the contract price is as low as or lower than the price at which the goods or services could be obtained elsewhere.
 - b. In the case of an emergency when the contract cannot be authorized in advance, payment of the claims must be authorized by a like resolution wherein the facts of the emergency are also stated.
 - c. Before a claim is paid, the interested school board member ~~shall~~must file with the clerk of the school board an affidavit stating:
 - i. The name of the school board member and the office held;
 - ii. An itemization of the goods or services furnished;
 - iii. The contract price;
 - iv. The reasonable value;
 - v. The interest of the school board member in the contract;
and
 - vi. That to the best of the school board member's knowledge and belief, the contract price is as low as, or lower than, the price at which the goods or services could be obtained from other sources.
5. Since the school district's population is over 1,000 students, a school board member may not contract with the school district to provide construction materials or services, or both, when the sealed bid process is used.

6. A school board member may rent space in a public facility at a rate commensurate with that paid by other members of the public.
- C. In the following circumstances, the school board may as an exception by majority vote at a meeting ~~at which~~where all school board members are present, contract for services with a school board member of the school district: A school board member may be newly employed or may continue to be employed by the school district as an employee ~~only if~~where there is a reasonable expectation on July 1, or at the time the contract is entered into or extended, that the amount to be earned by that school board member under that contract or employment relationship, will not exceed \$208,000 in that fiscal year. If the school board member does not receive ~~majority~~-unanimous approval to continue in employment at a meeting ~~at which~~where all school board members are present, that employment ~~is~~must be immediately terminated and that school board member ~~has~~will have no further rights to employment while serving as a school board member in the school district.
 - D. The school board may contract with a class of school district employees, such as teachers or custodians, ~~when~~where the spouse of a school board member is a member of the class of employees contracting with the school board and the employee spouse receives no special monetary or other benefit that is substantially different from the benefits that other members of the class receive under the employment contract. ~~In order for~~For the school board to invoke this exception, it must have a majority of disinterested school board members vote to approve the contract, direct the school board member spouse to abstain from voting to approve the contract, and publicly set out the essential facts of the contract at the meeting ~~in which~~where the contract is approved.

IV. Limitations on Related Employees

- A. The school board ~~must~~can hire or dismiss teachers only at duly called meetings. ~~When~~Where a husband and wife, brother and sister, or two brothers or sisters, constitute a quorum, no contract employing a teacher may be made or authorized except upon the ~~majority~~ unanimous vote of the full school board.
- B. The school board may not employ any teacher related by blood or marriage to a school board member as within the fourth degree, computed by the civil law, except by a ~~majority~~ unanimous vote of the full school board.

V. Conflicts Prior to Taking Office

A school board member with personal financial interest in a sale, lease, or contract with the school district that was entered before the school board member took office and presents an actual or potential conflict of interest, shall immediately notify the school

board of such interest. It shall thereafter be the responsibility of the school board member to refrain from participating in any action relating to the sale, lease, or contract. At the time of renewal of any such sale, lease, or contract, the school board may enter into or renew such sale, lease, or contract only if it falls within one of the enumerated exceptions for contracts relating to goods or services provided above and if the procedures provided in this policy are followed.

VI. Determination as to Whether a Conflict of Interest Exists

The determination as to whether a conflict of interest exists is to be made by the school board. Any school board member who has an actual or potential conflict shall notify the school board of such conflict immediately. The school board member shall thereafter cooperate with the school board as necessary for the school board to make its determination.

Legal References: Minn. Stat. § 122A.40, Subd. 3 ~~Employment; Contracts, Termination~~
~~Teacher Hiring, Dismissal~~
Minn. Stat. § 123B.195 Board Member’s Right to Employment
Minn. Stat. § 471.87 Public Officers; Interest in Contract; Penalty
Minn. Stat. § 471.88, Subds. 2, 3, 4, 5, 12, 13, and 21 (Exceptions)
Minn. Stat. § 471.89 (Contract, When Void)
Op. Atty. Gen. 437-A-4, March 15, 1935
Op. Atty. Gen. 90-C-5, July 30, 1940
Op. Atty. Gen. 90-A, August 14, 1957

Cross References: Policy 101 - Legal Status of the School Board
Policy 209 - Code of Ethics
~~MSBA Service Manual, Chapter 1 School District Governance Powers and Duties~~



CRIMINAL OR CIVIL ACTION AGAINST SCHOOL DISTRICT,
SCHOOL BOARD MEMBER, EMPLOYEE OR STUDENT

POLICY:	211
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I. Purpose

The purpose of this policy is to provide guidance ~~aboutas to~~ the school district’s position, rights, and responsibilities when a civil or criminal action is pending against the school district, or a school board member, school district employee or student.

II. General Statement of Policy

- A. The school district recognizes that, when civil or criminal actions are pending against a school board member, school district employee, or student, the school district may be requested or required to take action.
- B. In responding to such requests and/or requirements, the school district will take such measures as are appropriate to its primary mission of providing for the education of students in an environment that is safe for staff and students and is conducive to learning.
- C. The school district acknowledges its statutory obligations with respect to providing assistance to school board members and teachers who are sued in connection with performance of school district duties. Collective bargaining agreements and school district policies may also apply.

III. Civil Actions

- A. Pursuant to Minnesota Statutes section Minn. Stat. § 466.07, ~~subdivision Subd. 1~~, the school district shall defend and indemnify any school board member or school district employee for damages in school-related litigation, including punitive damages, claimed or levied against the school board member or employee, provided that they were acting in the performance of the duties of the position and was not guilty of malfeasance, willful neglect of duty, or bad faith.
- B. Pursuant to Minnesota Statutes section Minn. Stat. § 123B.25 (b), ~~Subd. 2~~, with respect to teachers employed by the school district, upon written request of the teacher involved, the school district ~~must~~ shall provide legal counsel for any school teacher against whom a claim is made or action is brought for recovery of damages in any tort action involving physical injury to any person or property or for wrongful death arising out of or in connection with the employment of the teacher with the school district. The school district will choose legal counsel after consultation with the teacher.

C. Data Practices

Educational data and personnel data maintained by the school district may be sought as evidence in a civil proceeding. The school district will release the data only pursuant to the Minnesota Government Data Practices Act, Minnesota Statutes chapter Minn. Stat. Ch. 13, and to the Family Educational Rights and Privacy Act, 20 United States Code section U.S.C. § 1232g, and related regulations. When an employee is subpoenaed and is expected to testify regarding educational data or personnel data, ~~the employee will~~they are to inform the building administrator or designated supervisor, who shall immediately inform the superintendent or designee. No school board member or employee may release data without consultation in advance with the school district official ~~who is~~ designated as the responsible authority ~~responsible~~ for the collection, use and dissemination of data.

D. Service of Subpoenas

~~School district The policy of the school district is that its~~ officers and employees will normally not be involved in providing service of process for third parties in the school setting.

E. Leave to Testify

Leave for employees appearing in court, either when sued or under subpoena to testify, will be considered in accordance with school district personnel policies and applicable collective bargaining agreements.

IV. Criminal Charges or Conduct

A. Employees

1. The school district expects that its employees serve as positive role models for students. As role models for students, employees have a duty to conduct themselves in an exemplary manner.
2. If the school district receives information relating to activities of a criminal nature, by an employee, the school district will investigate and take appropriate disciplinary action, which may include discharge discharge, subject to school district policies, statutes and provisions of applicable collective bargaining agreements.
3. Pursuant to Minnesota Statutes section Minn. Stat. § 123B.02, subdivision Subd. 20, if reimbursement for a criminal defense is requested by a school district employee, the school board may, after consulting with its legal counsel, reimburse the employee for any costs and reasonable

attorney fees incurred by the employee to defend criminal charges brought against the employee arising out of the performance of duties for the school district. The decision ~~as to~~ whether to reimburse shall be made in the school board's discretion. ~~of the school board~~. A school board member who is a witness or an alleged victim in the case may not vote on the reimbursement. If a quorum of the school board is disqualified from voting on the reimbursement, the reimbursement must be approved by a judge of the district court.

B. Students

The school district has an interest in maintaining a safe and healthful environment and in preventing disruption of the educational process. To promote ~~In order to further~~ that interest, the school district will take appropriate action regarding students convicted of crimes that relate to the school environment.

C. Criminal Investigations

1. The policy of the school district is to cooperate with law enforcement officials. The school district will make all efforts, however, to encourage law enforcement officials to question students and employees outside of school hours and off school premises unless ~~there are~~ extenuating circumstances exist, ~~or~~ the matter being investigated is school-related, or as otherwise provided by law.
2. If ~~such~~ questioning at school is unavoidable, the school district will attempt to maintain confidentiality, to avoid embarrassment to students and employees and to avoid disruption of the educational program. The school district will attempt to notify parents of a student under age 18 that police will be questioning their child. Normally, the superintendent, principal, or other appropriate school official will be present during the interview, except as otherwise required by law (Minnesota Statutes section 260E.22 ~~Minn. Stat. § 626.556, Subd. 10~~), or as otherwise determined in consultation with the parent and/or guardian.

D. Data Practices

The school district will release to juvenile justice and law enforcement authorities educational and personnel data only in accordance with Minnesota Statutes chapter Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act) and 20 United States Code section U.S.C. § 1232g (FERPA).

V. **Statements When Litigation is Pending**

The school district recognizes that when a civil or criminal action is commenced or pending, parties to the lawsuit have particular duties in reference to persons involved or named in the lawsuit, as well as insurance carrier(s). Therefore, school board members or school district employees shall make or release statements in that situation only in consultation with legal counsel.

Legal References: Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)
Minn. Stat. §§ 121A.40-121A.56 (Pupil Fair Dismissal Act)
Minn. Stat. § 123B.02, Subd. 20 (Legal Counsel; Reimbursement)
Minn. Stat. § 123B.25 (b) (Legal Actions Against Districts and Teachers)
Minn. Stat. § 260E.22 (Interviews)
Minn. Stat. § 466.07, Subd. 1 (Indemnification)
20 U.S.C. § 1232g (Family Educational Rights and Privacy Act)
42 U.S.C. § 1983 (Civil Action for Deprivation of Rights)
Op. Atty. Gen. 169 (Minn, Mar. 7, 1963);
Op. Atty. Gen. 169 (Minn, Nov. 3, 1943).
Dypress v. School Committee of Boston, 446 N.E.2d 1099 (Mass. App. Ct. 1983)
Wood v. Strickland, 420 U.S. 308, ~~95 S.Ct. 992, 43 L.Ed.2d 214~~ (1975)

Cross References: Policy 403 - Discipline, Suspension and Dismissal of School District Employees
Policy 406 - Public and Private Personnel Data
Policy 408 - Subpoena of a School District Employee
Policy 414 - Mandated Reporting of Child Neglect or Physical or Sexual Abuse
Policy 506 - Student Discipline
Policy 515 - Protection and Privacy of Student Records



OUT-OF-STATE TRAVEL BY SCHOOL BOARD MEMBERS

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I. Purpose

The purpose of this policy is to control out-of-state travel by school board members as required by law.

II. General Statement of Policy

School board members have an obligation to become informed on the proper duties and functions of a school board member, to become familiar with issues that may affect the school district, to acquire a basic understanding of school finance and budgeting, and to acquire sufficient knowledge to comply with federal, state and local laws, rules, regulations and school district policies that relate to their functions as school board members. Occasionally, it may be appropriate for school board members to travel out of state to fulfill their obligations.

III. Appropriate Travel

Travel outside the state is appropriate when the school board finds it proper for school board members to acquire knowledge and information necessary to allow them to carry out their responsibilities as school board members. ~~Travel to regional or national meetings of the National School Boards Association is presumed to fulfill this purpose.~~ Travel to other out-of-state meetings for which the member intends to seek reimbursement from the school district should be pre-approved by the school board.

IV. Reimbursable Expenses

Expenses to be reimbursed may include transportation, meals, lodging, registration fees, required materials, parking fees, tips, and other reasonable and necessary school district-related expenses.

V. Reimbursement

- A. Requests for reimbursement must be itemized on the official school district form and are to be submitted to the designated administrator. Receipts for lodging, commercial transportation, registration, and other reasonable and necessary expenses must be attached to the reimbursement form.
- B. Automobile travel shall be reimbursed at the mileage rate set by the school board. Commercial transportation shall reflect economy fares and shall be reimbursed only for the actual cost of the trip.

- C. Amounts to be reimbursed shall be within the school board’s approved budget allocations, including attendance at workshops and conventions.

VI. Establishment of Directives and Guidelines

The superintendent and Director of Business Services shall develop a schedule of reimbursement rates for school district business expenses, including those expenses requiring advance approval and specific rates of reimbursement. The superintendent and Director of Business Services shall also develop directives and guidelines to address methods and times for submission of requests for reimbursement.

Legal References: Minn. Stat. § 123B.09, Subd. 2 School Board Member Training
Minn. Stat. § 471.661 Out-of-State Travel
Minn. Stat. § 471.665 Mileage Allowances
Minn. Op. Atty. Gen. No. 1035 August 23, 1999)(Retreat Expenses)
Minn. Op. Atty. Gen. No. 161b-12 August 4, 1997) (Transportation Expenses)

Cross References: Policy 212 - School Board Member Development
Policy 412 - Expense Reimbursement