

Arkansas Department of Education  
 Checklist for the Promulgation  
 Of Rules and Regulations

<u>Action</u>	<u>Date</u>
1. Initial policy discussion with SBE (with copy of proposed rule and regulation to attorney)	<u>07/09/01</u>
2. Initial review by SBE (with copy of proposed rule and regulation to attorney)	<u>08/13/01</u>
3. Develop fiscal impact statement	_____
4. Develop financial impact statement	_____
5. File regulation and financial and fiscal impact statements with Secretary of State. NOTE: Must be 35 days prior to final SBE approval.	_____
6. Notice of public hearing published in paper. NOTE: Must be 30 days before SBE approval.	<u>09/17/01 to 09/23/01</u>
7. File regulation, fiscal and financial impact statements with ALC NOTE: Must be 30 days before SBE action.	_____
8. Public Hearing	<u>10/19/01</u>
9. Final approval by SBE	<u>11/12/01</u>
10. ALC review of regulation, fiscal and financial impact statements	_____
11. File regulation, fiscal and financial impact statements with SOS	_____
12. File with State Library	_____

Arkansas Department of Education  
Checklist for the Promulgation  
Of Emergency Rules and Regulations

<u>Action</u>	<u>Date</u>
1. Initial policy discussion with SBE (with copy of proposed rule and regulation to attorney)	_____
2. Initial review by SBE (with copy of proposed rule and regulation to attorney)	_____
3. Develop financial and fiscal impact statements	_____
4. File regulation and impact statements with Secretary of State. NOTE: Must be 35 days prior to final SBE approval.	_____
5. Final approval by SBE	_____
6. ALC review of regulation, fiscal and financial impact statements	_____
7. File regulation, fiscal and financial impact statements with SOS	_____
8. File with State Library	_____

QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS  
WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE

DEPARTMENT/AGENCY Arkansas Department of Education  
DIVISION Internal Administration  
DIVISION DIRECTOR Dr. Bobbie Davis  
CONTACT PERSON Dr. Bobbie Davis  
ADDRESS #4 Capitol Mall, Room 103B, Little Rock, AR 72201  
PHONE NO. 501-682-1297 FAX NO. 501-682-4487

INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after  Short Title of this Rule  below.
- D. Submit two (2) copies of this questionnaire attached to the front of two (2) copies of your proposed rule and mail or deliver to:

Donna K. Davis  
Subcommittee on Administrative Rules and Regulations  
Arkansas Legislative Council  
Bureau of Legislative Research  
Room 315, State Capitol  
Little Rock, AR 72201

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- 1. What is the short title of this rule?  
Rules and Regulations Governing Ethical Guidelines and Prohibitions for Educational Administrators, Employees, and Board Members.
- 2. What is the subject of the proposed rule?  
The rules and regulations outline the disclosure and reporting requirements to be used when an administrator, employee, or board member has an interest in a contract with a public educational entity.
- 3. Is this rule required to comply with federal statute or regulations?  
Yes \_\_\_\_\_ No X  
  
If yes, please provide the federal regulation and/or statute citation.
- 4. Was this rule filed under the emergency provisions of the Administrative Procedures Act?  
Yes \_\_\_\_\_ No X  
If yes, what is the effective date of the emergency rule?  
  
When does the emergency rule expire?

Will this emergency rule be promulgated under the regular provisions of the Administrative Procedure Act? Yes \_\_\_\_\_ No \_\_\_\_\_

5. Is this a new rule? Yes  No \_\_\_\_\_

Does this repeal an existing rule? Yes \_\_\_\_\_ No

If yes, please provide a copy of the repealed rule.

Is this an amendment to an existing rule? If yes, please attach a markup showing the changes in the existing rule and a summary of the substantive changes.

6. What state law grants the authority for this proposed rule? If codified, please give Arkansas Code citation.

A.C.A. 6-11-105 and A.C.A. 6-24-101 through 119.

7. What is the purpose of this proposed rule? Why is it necessary?

The rules establishes the conditions under which an administrator, employee, or board member must disclose an interest in a contract with a public educational entity and then outlines the procedures required for the disclosure process.

8. Will a public hearing be held on this proposed rule? Yes  No \_\_\_\_\_

If yes, please give the date, time, and place of the public hearing.

October 19, 2001, 1:00 p.m. in ADE Auditorium.

9. When does the public comment period expire?

October 19, 2001.

10. What is the proposed effective date of this proposed rule?

December 14, 2001.

11. Do you expect this rule to be controversial? Yes \_\_\_\_\_ No

If yes, please explain.

12. Please give the names of persons, groups, or organizations which you expect to comment on these rules. Please provide their position (for or against) if known.

Arkansas Association of Educational Administrators, Arkansas School Boards Association, Arkansas Rural Educators.

PLEASE ANSWER ALL QUESTIONS COMPLETELY

July 28, 1995

DEPARTMENT Arkansas Department of Education  
 DIVISION Internal Administration  
 PERSON COMPLETING THIS STATEMENT Dr. Bobbie Davis  
 TELEPHONE NO. 501-682-1297 FAX NO. 501-682-4487

FINANCIAL IMPACT STATEMENT

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Rules and Regulations Governing Ethical Guidelines and Prohibitions for Educational Administrators, Employees, and Board Members.

1. Does this proposed, amended, or repealed rule or regulation have a financial impact?  
 Yes \_\_\_\_\_ No X
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation.

<u>2001-02 Fiscal Year</u>	<u>2002-03 Fiscal Year</u>
General Revenue _____	General Revenue _____
Federal Funds _____	Federal Funds _____
Cash Funds _____	Cash Funds _____
Special Revenue _____	Special Revenue _____
Other _____	Other _____
Total <u>-0-</u>	Total <u>-0-</u>

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?

<u>2001-02 Fiscal Year</u>	<u>2002-03 Fiscal Year</u>
-0-	-0-

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

<u>2001-02 Fiscal Year</u>	<u>2002-03 Fiscal Year</u>
-0-	-0-

July 28, 1995

DEPARTMENT OF EDUCATION  
FISCAL IMPACT STATEMENT  
OF PROPOSED REGULATION  
(In compliance with Acts 884 and 1253 of 1995)

Regulation Title:

Rules and Regulations Governing Ethical Guidelines and Prohibitions for Educational Administrators, Employees, and board members.

Summary Description of Regulatory Proposal:

These rules outline the disclosure and reporting requirements to be used when an administrator, employee, or board member has an interest in a contract with a public educational entity.

Cite Statutory Authority for this Regulatory Proposal:

A.C.A. 6-11-105, A.C.A. 6-24-101 through 119.

- I. Fiscal Impact on the Department: (include whether impacts are non-recurring or recurring)
  - A. Resources Required - Personnel, equipment, office space.  
The Department designates one staff member part-time to handle the disclosure statements and resolutions required by the act. The Department has to prepare and execute public notice of the public hearing and handle recording the hearing and input from participants. No office space is currently specifically assigned to this task. Copies of the proposed rules and regulations, procedures, and flowcharts were provided by the Department print shop.
  - B. Time Required for Implementation.  
It will take the Department approximately five months to implement the regulations.
  - C. Procedural Changes.  
The Department will not be changing any existing procedures. These regulations establish new procedures for disclosure and reporting of contracts which fall under the act.
  - D. Other.  
None.
- II. Fiscal Impact on Local School District or Others? (Include whether impacts are non-recurring or recurring)
  - A. Resources Required - Personnel, equipment, office space.  
School districts do not have to add additional staff or dedicate any specific resources other than time to attend training sessions and time to handle the required disclosure and resolution.  
  
The contracts can be approved for up to two years. So the impact is recurring either annually or every two years.

B. Time Required for Implementation.

Schools apply for approval of contracts which require disclosure under the act. The Department Director reviews and makes a decision for approval or disapproval. Contracts that require Director approval are not valid until the Director approves. A written approval letter is sent to the district within ten working days or the contract may be considered approved. This approval process is recurring each time the contract with the public educational entity is reviewed. Local board can request a two-year approval.

C. Procedural Changes.

Districts are required now to disclose contracts and have the local board pass a resolution approving a contract. All approvals must take place in an open meeting after full disclosure. These regulations establish new procedures for the disclosure and resolution process.

D. Other.  
None.

III. Additional Comments.

None.

Prepared by: (Name) Dr. Bobbie Davis  
(Title) Assistant Director, Internal Administration  
(Date) 9/25/01

(The following paragraph should be used in running your advertisement in the newspaper for your public hearing on rules and regulations. Replace blanks and italicized language with appropriate information to make the Notice of Rulemaking comply with the purpose of the particular rule and regulation that is being implemented. The ad should run consecutively for 7 days.)

### Notice of Rulemaking

Pursuant to Arkansas Code Annotated § 25-15-201 et seq., notice is hereby given that the Arkansas State Board of Education and the Arkansas Department of Education is considering *implementing new additions or proposed revisions (whatever the case may be)* to its Rules and Regulations. A public hearing will be held on \_\_\_\_\_, 2001 at \_\_\_\_\_ at #4 Capitol Mall, Room \_\_\_\_\_, Little Rock, AR 72201. Written comments should be mailed to the Office of \_\_\_\_\_, at #4 Capitol Mall, Room \_\_\_\_\_, Little Rock, AR 72201. The proposed Rules and Regulations include, but are not limited to: *Purpose, Definitions, Exemptions, Organization of the Board, Hearing Procedures, License and Permit Requirements, and Fees Schedules (whatever the case may be)*. Copies of the proposed revisions may be obtained at the Arkansas Department of Education, Office of Legal Counsel, #4 Capitol Mall, Room 404-A, Little Rock, AR 72201.

**ARKANSAS DEPARTMENT OF EDUCATION**  
**RULES AND REGULATIONS GOVERNING ETHICAL GUIDELINES AND**  
**PROHIBITIONS FOR EDUCATIONAL ADMINISTRATORS, EMPLOYEES, BOARD**  
**MEMBERS AND OTHER PARTIES**

**1.00 REGULATORY AUTHORITY**

1.01 These rules and regulations shall be known as the Arkansas Department of Education Rules and Regulations Governing Ethical Guidelines and Prohibitions for Educational Administrators, Employees, Board Members and other parties.

1.02 These rules and regulations are enacted pursuant to the Arkansas State Board of Education=s authority under Ark. Code Ann. ' 6-11-105 and Act 1599 of 2001.

**2.00 PURPOSE**

2.01 The purpose of these rules and regulations is to set forth certain ethical guidelines and prohibitions for educational administrators, employees, board members and other parties which involve contracts, transactions or agreements with Arkansas public school districts, charter schools, educational cooperatives or any publicly supported entity having supervision over public educational entities excluding institutions of higher education.

**3.00 DEFINITIONS**

Unless otherwise specifically stated herein, the term:

3.01 Administrator means any superintendent, assistant superintendent or his/her equivalent, school district treasurer, business manager, or other individual directly responsible for entity-wide purchasing;

3.02 Board means local school boards or other governing bodies of public educational entities;

3.03 Board Member means any board member, director, or other member of a governing body of a public educational entity;

3.04 Board of Education means the State Board of Education;

3.05 Commodities means all supplies, goods, material, equipment, computers, software, machinery, facilities, personal property, and

services, other than personal and professional services, purchased for or on behalf of a public educational entity;

3.06 AContract@ means any transaction or agreement for the purchase, lease, transfer, or use of real property or personal property and personal or professional services, including but not limited to, motor vehicles, equipment, commodities, materials, services, computers or other electronics, construction, capital improvements, deposits, and investments;

3.07 "Contract disclosure form" means the form herein incorporated and attached to these rules and regulations as Appendix Form E.

3.08 "Day" means a working day in which the Arkansas Department of Education is open to transact official governmental business.

3.09 "Department" means the Arkansas Department of Education.

3.10 ADirectly@ or Adirectly interested@ means receiving compensation or other benefits personally or to a business or other entity in which the individual has a financial interest;

3.11 ADirector@ means the Director of the Arkansas Department of Education or his/her designee;

3.12 AEmergency purchase@ means purchases mandated by unforeseen and unavoidable circumstances in which human life, health, or public property is in immediate jeopardy; and the expenditure is necessary to preserve life, health, or public property;

3.13 AEmployee@ means a full-time or part-time employee of a public educational entity;

3.14 "Employment contract" means any contract issued to a public educational entity employee or other transaction with a public educational entity employee for the performance of teaching or other related duties, including but not limited to, bus driving, substitute teaching, sponsorship of clubs or activities, or working at school-sponsored events.

3.15 AFamily@ or Afamily members@ means:

- (A) An individual=s spouse;
- (B) Children of the individual or spouse;
- (C) A child=s spouse;
- (D) Parents of the individual or the spouse;

- (E) Brothers and sisters of the individual;
- (F) Anyone living or residing in the same residence or household with the individual or the spouse; or
- (G) Anyone acting or serving as an agent of the individual.

3.16 "Financial interest" in a business or other entity means:

- (A) Ownership of more than a five percent (5) interest; or
- (B) Holding a position as an officer, director, trustee, partner, or other top level management; or
- (C) Being an employee, agent, independent contractor, or other arrangement where the individual's compensation is based in whole or in part on transactions with the public educational entity; or
- (D) Financial interest does not mean the ownership of stock or other equity holdings in any publicly held company. or
- (E) Financial interest does not mean clerical or other similar hourly compensated employees.

3.17 A Gratuity means a payment, loan, subscription, advance, deposit of money, travel, services or anything having a present market value of one hundred dollars (\$100) or more, unless consideration of substantially equal or greater value is received;

3.18 A Indirectly or A indirectly interested means receiving compensation or other benefits personally, to a family member, or to a business or other entity in which the individual or a family member has a financial interest;

3.19 A Public educational entity means Arkansas public school districts, charter schools, educational cooperatives, or any publicly-supported entity having supervision over public educational entities. Public educational entity does not include institutions of higher education.

3.20 "Written resolution" means the form herein incorporated and attached to these rules and regulations as Appendix Form F.

#### **4.00 GENERAL PROHIBITION**

4.01 No board member, administrator, or employee of a public educational entity shall knowingly use or attempt to use his/her official position to secure unwarranted privileges or exemptions for himself/herself or others.

4.02 No board member, administrator, or employee of a public educational entity shall accept employment, contract, or engage in any professional activities for which a reasonable person might be expected in exchange to disclose confidential information acquired by the board member, administrator or employee by reason of his/her official position with the public educational entity.

4.03 No board member, administrator, or employee shall knowingly disclose any confidential information gained by reason of his/her position or use such confidential information for his/her personal gain or benefit.

## **5.00 TECHNOLOGY PROHIBITION**

5.01 All transactions are prohibited involving the purchase, lease, acquisition or other use of computers, software, copiers or other electronic devices from family members of an employee responsible for establishing specifications or approving purchases of such equipment for the public educational entity which unless approved according to the public disclosure requirements regarding contracts with employees of a public educational entity which have a direct interest in such contracts as provided for in Section 12.00 of these rules and regulations.

## **6.00 GENERAL ETHICAL STANDARDS FOR NON-EMPLOYEES**

6.01 No person shall attempt by any effort to influence any public educational entity board member, administrator, or employee to knowingly violate any provisions of these rules and .

6.02 Any person attempting to influence a public educational entity board member, administrator, or employee to knowingly violate the provisions of these rules and regulations may be subject to the criminal penalties provided for in Act 1599 of 2001 and the Arkansas criminal code.

## **7.00 EMPLOYMENT RESTRICTIONS OF ADMINISTRATORS**

7.01 Unless the Director of the Arkansas Department of Education provides written approval otherwise, administrators are prohibited from being or becoming the employee, agent or independent contractor of any party contracting with the public educational entity they serve while serving as an administrator for that public educational entity.

7.02 Unless the Director of the Arkansas Department of Education provides written approval otherwise, administrators are prohibited from engaging in selling or attempting to sell commodities or services to the public

educational entity which employs him/her as an administrator for one (1) year following the termination of his/her employment as an administrator for the public educational entity.

## **8.00 GRATUITIES AND KICKBACKS**

8.01 No person may offer, give or agree to give any board member, administrator, or employee of a public educational entity a gratuity or an offer of employment in connection with any contract or transaction with a public educational entity.

8.02 No board member, administrator or employee may solicit, demand, accept, or agree to accept from another person or entity a gratuity or an offer of employment in connection with any contract or transaction with a public educational entity.

8.03 No person may induce the award of a contract or transaction with a public educational entity by offering any payment, gratuity, or offer of employment to be made by or on behalf of a person or entity directly or indirectly interested in the contract or transaction with a public educational entity.

## **9.00 EMERGENCY PURCHASE**

9.01 Any emergency purchases or contracts with a public educational entity shall be exempt from the prohibitions of these rules and regulations.

9.02 Emergency purchases shall be only those contracts for the preservation of life, health or public property and shall not be used to substantially improve the condition of an asset of the public educational entity, the board member, administrator or employee of the public educational entity prior to the emergency.

9.03 Each public educational entity shall maintain records and copies of all documentation relating to and supporting a determination that the transaction qualifies as an emergency purchase for three (3) years from the date of the emergency purchase.

9.04 Any person attempting to use emergency purchase to avoid the intent of these rules and regulations shall be guilty of violating these rules and regulations and shall be subject to the penalties provided for in Section 17.00 of these rules and regulations.

## **10.00 BOARD MEMBERS**

- 10.01 Board members and family members of board members may not contract with the public educational entity the board member serves except as allowed by Act 1599 of 2001 and these rules and regulations.
- 10.02 In unusual and limited circumstances, family members of a board member may contract with the public educational entity the board member serves after submitting complete and full disclosure of all relevant facts in a contract disclosure form (Form E) at an open meeting and a majority of the board members determine that the contract is in the best interest of the public educational entity and approves a written resolution (Form F) explaining the unusual circumstances necessitating and justifying the contract and explaining the restrictions and limitations of the contract.
- 10.03 In unusual and limited circumstances, board members may contract with the public educational entity they serve after submitting complete and full disclosure of all relevant facts in a contract disclosure form (Form E) in an open scheduled meeting of the board and a majority of the board determines that the contract is in the best interests of the public educational entity and approves a written resolution (Form F) explaining the unusual circumstances necessitating and justifying the contract and explaining the restrictions and limitations of the contract.
- 10.04 No board member may participate in the discussion or vote on a contract in which they have a direct or indirect interest and the board member shall leave the board meeting room until the discussion and vote on the issue or contract is concluded.
- 10.05 If a contract with a board member or board member's family member totals \$5,000 or more, the superintendent of the public educational entity or chief administrator shall seek independent review and approval of the contract from the Director of the Department in the following manner:
- a. The written resolution (Form F) along with the contract disclosure form (Form E) shall be fully and accurately completed and shall be forwarded to the Director by certified mail to the address listed on the contract disclosure form (Form E) provided by the Department of Education.
  - b. The Director or his designee shall review the contract information and either approve or disapprove the contract or request additional information and/or time by responding to the public educational entity within the initial ten (10) day time period of receipt of the resolution.

- c. If approved, the Director shall issue an approval letter stating all relevant facts and circumstances considered and establish any restrictions or limitations pertaining to the contract.
- d. In no event shall a contract be approved by the Director for a time period greater than two (2) years.
- e. No contract shall be valid until written approval has been issued by the Director of the Department or the Director fails to respond to a request for independent review and approval within the time period of ten (10) days of receipt of a resolution or at a later time specified by the Director if the Director requests additional data or time in order to respond to the request for independent review.

## **11.00 ADMINISTRATORS**

- 11.01 Administrators shall not contract with the public educational entity which employs him/her.
- 11.02 Administrators may not contract with any public educational entity except as allowed for by Act 1599 of 2001 and these rules and regulations.
- 11.03 Administrator family members may not contract with the public educational entity that employs the administrator except as allowed for by Act 1599 of 2001 and these rules and regulations.
- 11.04 Beginning July 1, 2002 no member of an administrator's immediate family or former spouse may be initially employed as a dispersing officer of the public educational entity where the administrator is employed unless the Division of Legislative Audit has submitted a written report on its review of the internal controls, including the segregation of duties of the public educational entity, to the Director of the Department and after review of the report, the Director issues written approval of the initial hiring of the administrator's family member or former spouse as a dispersing officer of the public educational entity.
- 11.05 In unusual and limited circumstances, an administrator may contract with a public educational entity other than the entity employing him/her or an administrator's family member may contract with the public educational entity employing the administrator but only after:
  - a. The administrator makes full and complete disclosure of all relevant facts, circumstances, interests and relations associated with the contract to the board of the public educational entity at a scheduled

open meeting; and

- b. The administrator leaves the meeting room after disclosure and is not present for the discussion or vote of a contract or related issues; and
- c. The board determines that the contract with the administrator or administrator's family member is in the best interests of the public educational entity; and
- d. A majority of the board adopts a written resolution (Form F) approving the contract and the resolution specifies all relevant facts and circumstances and states the unusual and limited circumstances justifying and necessitating the contract and sets forth any restrictions and limitations on the contract; and
- e. The board forwards the written resolution (Form F) and the contract disclosure form (Form E) with all relevant facts to the Director of the Department pursuant to the procedures set forth in Section 11. 06 of these rules and regulations.

11.06 When the board of a public educational entity approves any contract with an administrator or the family member of an administrator employed at that public educational entity and the board has complied with the requirements of Section 11.05 of these rules and regulations, the entity shall then seek independent review and approval of such contract from the Director in the following manner:

- a. A written resolution (Form F) of approval along with the contract disclosure form (Form E) shall be forwarded to the Director by certified mail to the address listed on the contract disclosure forms (Form E) by the Department; and
- b. The Director or his designee shall review the written resolution (Form F) and contract disclosure form (Form E) and either approve or disapprove the contract or request additional data and/or time by responding to the public educational entity within the initial ten (10) days of receipt of the resolution; and
- c. If the contract is approved, the Director shall issue an approval letter stating all relevant facts and circumstances considered and shall state any restrictions or limitations pertaining to the contract.
- d. In no event shall a contract be approved by the Director for a time

period greater than two (2) years.

e. No contract shall be valid until written approval has been issued by the Director or the Director fails to respond to a request for independent review and approval within the time period of ten (10) days of receipt of the resolution or a later specified time period if additional data or time is required by the Director for an independent review.

11.07 The Department and public educational entity shall maintain a record and copy of all documentation relating to any contracts between an administrator and a public educational entity or any contracts between a family member of an administrator and a public educational entity that employs the family member administrator.

11.08 For purposes of these rules and regulations, the term "contract" does not apply to employment contracts issued to an administrator of a public educational entity for administrative or other duties such as, but not limited to, teaching, bus driving, sponsorship of clubs or activities and officiating school-sponsored athletic activities.

11.09 Administrators are not prohibited from receiving compensation for conducting seminars or making presentations to public educational entities other than the public educational entity employing them.

11.10 Any administrator that knowingly furnishes false information or knowingly fails to fully disclose all relevant information as required by Act 1599 of 2001 or these rules and regulations is in violation of these rules and regulations and shall be subject to the sanctions and penalties provided for in Section 17.00 of these rules and regulations.

## **12.00 EMPLOYEES**

12.01 Employees are prohibited from contracting with the public educational entity which employs them except as allowed for by Act 1599 of 2001 and these rules and regulations.

12.02 In unusual and limited circumstances, employees may contract with the public educational entity which employs them after submitting complete and full disclosure of all relevant facts in a contract disclosure form (Form E) in an open scheduled meeting of the board and a majority of the board determines that the contract is in the best interest of the public

educational entity and approves a written resolution (Form F) explaining

the unusual circumstances necessitating and justifying the contract and explaining the restrictions and limitations of the contract.

12.03 If a contract with an employee totals \$5,000 or more, the superintendent of the public educational entity shall seek independent review and approval of the contract from the Director of the Department in the following manner:

- a. The written resolution (Form F) along with the contract disclosure form (Form E) shall be fully and accurately completed and shall be forwarded to the Director by certified mail to the address listed on the contract disclosure form (Form E).
- b. The Director or his designee shall review the contract information and either approve or disapprove the contract or request additional information and/or time by responding to the public educational entity within the initial ten (10) day time period of receipt of the written resolution (Form F).
- c. If approved, the Director shall issue an approval letter stating all relevant facts and circumstances considered and establish any restrictions or limitations pertaining to the contract.
- d. In no event shall a contract be approved by the Director for a time period greater than two (2) years.
- e. No contract shall be valid until written approval has been issued by the Director of the Department or the Director fails to respond to a request for independent review and approval of the resolution within the time period of ten (10) days of receipt of the resolution or a later time period specified by the Director if additional data or time is requested to review the resolution.

### **13.00 EXEMPTION**

13.01 For purposes of these rules and regulations, the term "contract" does not mean "employment contracts" (or other transactions) issued to public educational entity employees for the performance of teaching or other related duties including, but not limited to, bus driving, substitute teaching, sponsorship of clubs or activities, or working at school sponsored events.

13.02 "Employment contracts" issued to public educational entity employees are exempt from the requirements of these rules and regulations; regardless of the relation of that employee to a board member, administrator, or other employee, as long as the contract between the public educational entity

and the employee is solely for the performance of teaching or other related duties including, but not limited to, bus driving, substitute teaching, sponsorship of clubs or activities, or working at school sponsored events.

13.03 Any administrator or employee knowingly attempting to avoid the requirements of these rules and regulations with regard to contracting with a public educational entity by falsely claiming an "employment contract" as described in Section 13.01 and 13.02 shall be subject to the sanctions and penalties provided for in Section 17.00 of these rules and regulations.

#### **14.00 EDUCATIONAL AWARDS, RECOGNITIONS AND GIFTS**

Public educational administrators or employees of public educational entities are not prohibited from receiving monetary or other awards, grants or benefits based upon exceptional skills or exemplary contributions to education as allowed for by Ark. Code Ann. § 21-8-101 et seq. and Act 1599 of 2001.

#### **15.00 REGISTRATION, TRAVEL, CONVENTIONS AND SEMINARS**

15.01 Board members, administrators and employees of a public educational entity are prohibited from receiving any payment or reimbursement from a public educational entity for any registration, travel, lodging, food, entertainment or other expenses not directly associated with an educational interest or business interest of the public educational entity.

15.02 Board members, administrators and employees of a public educational entity are prohibited from receiving any trip or attending any convention or seminar which is paid for by a public educational entity when the purpose for the trip or attendance at the convention or seminar is not directly associated to an educational interest or business interest of the public educational entity.

15.03 Family members of board members, administrators and employees of a public educational entity are prohibited from receiving payment or reimbursement for any travel, lodging, food, registration, entertainment or other expenses from the public educational entity unless they meet the requirements of Sections 15.01 and 15.02 of these rules and regulations.

15.04 Board members, administrators and employees of a public educational entity are prohibited from receiving any gift or award from any public educational entity except as allowed for by Ark. Code Ann. ' 21-8-101 et seq. and Act 1192 of 2001.

15.05 All public educational entities shall maintain a record and copy for at least

three (3) years of all documentation relating to payments or reimbursements made by a public educational entity on behalf of a board member, administrator or employee for travel, lodging, food, registration, entertainment or other expenses when the payments or reimbursements total \$300.00 or more per individual board member, administrator or employee.

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15.06 Any board member, administrator or employee of a public educational entity that violates any provisions of these rules and regulations may be subject to the penalties and sanctions provided for in Section 17.00 of the rules and regulations.

### **16.00 FILING STATEMENT OF FINANCIAL INTEREST (FORM I)**

16.01 Every board member, superintendent, or director of a public school or educational cooperative shall timely file a financial statement of interest (Form I) as required by Ark. Code Ann. § 21-8-701 and Act 1599 of 2001.

16.02 Any public educational entity employee, administrator or board member required to file a financial statement of interest (Form I) as required under Arkansas law who fails to file said financial statement of interest (Form I) shall be in violation of the provisions of these rules and regulations and may be subject to the sanctions and penalties provided for in Section 17.00 of these rules and regulations.

### **17.00 ADMINISTRATIVE SANCTIONS AND PENALTIES**

17.01 The Department may consider and review any alleged violations of the provisions of these rules and regulations or the provisions of Act 1599 of 2001.

17.02 If the Director or his designee determines that there is adequate evidence of a violation of these rules and regulations, the Director may refer the allegations and evidence to the Board of Education for administrative review.

17.03 Upon State Board of Education approval of the request for administrative review of any alleged violations of these rules and regulations, the State Board of Education shall issue a thirty (30) day written notice to all parties of an administrative hearing to determine if any person has knowingly violated any provisions of these rules and regulations or provisions of Act 1599 of 2001 governed by these rules and regulations.

17.04 After giving reasonable notice thereof and conducting an administrative hearing whereby the State Board of Education considered the presentation of evidence by all parties, the State Board of Education upon determining that an administrator or employee knowingly violated provisions of Act 1599 of 2001 or provisions of these rules and regulations may administer any of the following administrative remedies:

- (1) Issue a letter of reprimand; and/or
- (2) Suspend or revoke an administrator or teacher's license for a specified or permanent time period; and/or
- (3) Issue a letter of recommendation to a local board of a public educational entity recommending the local board take administrative action as provided for pursuant to Act 1599 of 2001; and/or
- (4) Require the Director of the Department to request that the appropriate prosecuting attorney review the contract to determine whether there has been criminal violation of any provisions of Act 1599 of 2001; and/or
- (5) Any other administrative remedies allowed the State Board of Education pursuant to Arkansas law.

17.05 Upon a final administrative decision by the State Board of Education, a party may seek an appeal of the administrative decision pursuant to the Arkansas Administrative Procedures Act. Ark. Code Ann. § 25-15-201 et seq.

## **18.00 OTHER LAWS OR REGULATIONS**

Nothing in these rules and regulations alters or diminishes any other statutory or regulatory requirements regarding purchasing, contracting, bidding, disposition of property, or other contracts or transactions with public educational entities.

## **19.00 FORM PROCEDURES AND REQUIREMENTS**

19.01 For purposes of these rules and regulations the following attached Forms A - I are herein incorporated into these rules and regulations as Appendix Forms A - I and supporting documents.

19.02 A public educational entity shall use Forms A - I when such form is specifically required by any section of these rules and regulations.

19.03 A public educational entity seeking independent review and approval from the Director shall submit a separate contract disclosure form (Form E) and written resolution (Form F) of approval for each contract involving a different party or entity.

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