

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

~~January 2002~~

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, 6-24-101 et. Seq. and Act 1381 of the 85th Arkansas General Assembly. ~~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 responsible for entity-wide purchasing. *The determining factor for being considered an "administrator" for the purposes of these regulations and compliance with Act 1599 of 2001 is the actual or implied authority of an individual to make purchases on behalf of the entire organization. This definition excludes many building principals (whose purchasing authority is often limited to their own school), but could include athletic directors or others. Classified employees serving in food services, business/accounting or other capacities may also be considered "administrators" under Act 1599 when they exercise autonomous system-wide purchasing authority.*
- 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 “Contract” 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 “Directly” or “directly interested” means receiving compensation or other benefits personally or to a business or other entity in which the individual has a financial interest. *See 3.16 “Financial interest.” A direct interest exists even when a management position or ownership interest is merely “on paper,” and is not dependent on the exercise of actual authority or the receipt of actual financial benefits from a business or entity;*
- 3.11 “Director” means the Director of the Arkansas Department of Education or his/her designee;
- 3.12 “Emergency 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 “Employee” 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.~~ Means an agreement or contract between an employer and an employee in which the terms and conditions of the employment are provided.

3.15 “Family” or “family members” means:

- (A) An individual’s spouse;
- (B) Children of the individual or the individual’s spouse;
- (C) ~~A child’s spouse~~ The spouse of a child of the individual or the spouse of a child of the individual’s spouse;
- (D) Parents of the individual or the spouse;
- (E) Brothers and sisters of the individual or the spouse;
- (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 or the spouse.

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 “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 “Indirectly” or “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 Initially employed” means:

(A) Employed in either an interim or permanent position for the first time or following a severance in employment with the school district; or

(B) A change in the terms and conditions of an existing contract, excluding:

(i) Any renewal of a teacher contract under Ark. Code Ann. § 7-17-1506; or

(ii) Renewal of a non-certified employee’s contract that is required by law.

~~3.19~~20 “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~~1 “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 regulations.
- 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~~ Commissioner 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~~ Commissioner 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

General Contracts

- 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~~ Commissioner 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~~ Commissioner by certified mail to the address listed on the contract disclosure form (Form E) provided by the Department of Education.
 - b. The ~~Director~~ Commissioner 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~~ Commissioner 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~~ Commissioner for a time period greater than two (2) years.
 - e. No contract shall be valid until written approval has been issued by the ~~Director~~ Commissioner of the Department or the ~~Director~~ Commissioner 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~~ Commissioner if the ~~Director~~ Commissioner requests additional data or time in order to respond to the request for independent review.

Employment Contracts with Family Members

- 10.06 A board member's family member may not be initially employed by the public educational entity the member serves during the member's tenure of service on the local board for compensation in excess of five thousand dollars (\$5,000)

unless the Commissioner of the Department of Education issues a letter of exemption and approves the employment contract based on unusual and limited circumstances.

- (a) The determination of unusual and limited circumstances shall be at the sole discretion of the Commissioner of the Department of Education and may be further defined by rule of the State Board of Education.
- (b) The Commissioner of the Department of Education's approval of an employment contract may include restrictions and limitations that are by this subsection incorporated as terms or conditions of the contract.
- (c) No employment contract that is prohibited under this section is valid or enforceable by any party to the employment contract until approved in writing by the Commissioner of the Department of Education.

10.07 A family member of a school board member who was employed by the public educational entity during the school year immediately preceding the election of the board member may continue employment with the public educational entity under the same terms and conditions of the previously executed contract and any renewal of the contract under Ark. Code Ann. § 6-17-1506.

10.08 Subject to the local board's written policy, a qualified family member of a board member may be employed as a substitute teacher, substitute cafeteria worker or substitute bus driver for a period of time not to exceed a total of thirty (30) days per fiscal year for the public educational entity served by the board member.

10.09 Excluding any renewal of a contract under Ark. Code Ann. § 6-17-1506, any change in the terms or conditions of an employment contract, a promotion, or a change in employment status for a family member of a school board member employed by a public educational entity that will result in an increase in compensation of more than two thousand five hundred dollars (\$2,500) must be approved in writing by the Commissioner of the Department of Education before any change in the terms or conditions of the employment contract or promotion or changes in employment status are effective, valid or enforceable.

- (a) The determination of unusual and limited circumstances shall be at the sole discretion of the Commissioner of the Department of Education and may be further defined by rule of the State Board of Education.
- (b) The Commissioner of the Department of Education's approval of an employment contract may include restrictions and limitations that are by this subsection incorporated as terms or conditions of the contract.

- (c) No employment contract that is prohibited under this section is valid or enforceable by any party to the employment contract until approved in writing by the Commissioner of the Department of Education.
- 10.10 If an employment contract with a board member's family member totals \$5,000 or more and the local board of the public educational entity or chief administrator wish to seek independent review and approval of the contract from the Commissioner of the Department, they should do so 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~~ Commissioner by certified mail to the address listed on the contract disclosure form (Form E) provided by the Department of Education.
 - b. The ~~Director~~ Commissioner 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~~ Commissioner 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~~ Commissioner for a time period greater than two (2) years.
 - e. No contract shall be valid until written approval has been issued by the ~~Director~~ Commissioner of the Department or the ~~Director~~ Commissioner 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~~ Commissioner if the ~~Director~~ Commissioner 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~~ Commissioner of the Department and after review of the report, the ~~Director~~ Commissioner 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 board determines that the contract with the administrator's family member is in the best interest of the public educational entity; and
 - c. 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
 - d. The board forwards the written resolution (Form F) and the contract disclosure form (Form E) with all relevant facts to the ~~Director~~ Commissioner 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 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~~ Commissioner by certified mail to the address listed on the contract disclosure forms (Form E) by the Department; and
 - b. The ~~Director~~ Commissioner 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~~ Commissioner 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~~ Commissioner for a time period greater than two (2) years.
 - e. No contract shall be valid until written approval has been issued by the ~~Director~~ Commissioner or the ~~Director~~ Commissioner 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~~ Commissioner 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 a family member of an administrator and a public educational entity that employs the family member of an 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~~ Commissioner 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~~ Commissioner by certified mail to the address listed on the contract disclosure form (Form E).
 - b. The ~~Director~~ Commissioner 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~~ Commissioner 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~~ Commissioner for a time period greater than two (2) years.
 - e. No contract shall be valid until written approval has been issued by the ~~Director~~ Commissioner of the Department or the ~~Director~~ Commissioner 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~~ Commissioner 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" 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 vendor 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 vendor 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 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 Arkansas law.
- 15.04 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 vendor 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 fiscal year per individual board member, administrator, or employee.
- 15.05 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~~ Commissioner or his designee determines that there is adequate evidence of a violation of these rules and regulations, the ~~Director~~ Commissioner 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~~ Commissioner 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~~ Commissioner 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.

QUESTIONNAIRE FOR FILING PROPOSED RULES 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 Room 103B Arch Ford Building
PHONE NO. 682-1297 FAX NO. 682-4487 E-MAIL bdavis@arkedu.k12.ar.us

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 & financial impact statement attached to the front of two (2) copies of your proposed rule and required documents. 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

- 1. What is the short title of this rule? Rules Governing Ethical Guidelines and Prohibitions for Educational Administrators, Employees, Board Members, and Other Parties
- 2. What is the subject of the proposed rule? The rule establishes the ethical guidelines and of Board Members and other parties and restricts the hiring of relatives of board members
- 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 permanent provisions of the Administrative Procedure Act? Yes _____ No _____

5. Is this a new rule? Yes _____ No If yes, please provide a brief summary explaining the regulation.

Does this repeal an existing rule? Yes _____ No If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does.

Is this an amendment to an existing rule? Yes No _____ If yes, please attach a markup showing the changes in the existing rule and a summary of the substantive changes. **NOTE: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

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

A.C.A. §§ 6-11-101, 6-24-101 et seq, and Act 1381 of 2005

7. What is the purpose of this proposed rule? Why is it necessary?
The amendment prohibits the hiring of family members of board members. Only through exemption by commissioner of Education can they be hired.

8. Will a public hearing be held on this proposed rule? Yes No _____
If yes, please complete the following:

Date: June 23, 2005
Time: 9:00 a.m.
Place: ADE Auditorium

9. When does the public comment period expire for permanent promulgation? (Must provide a date.) July 1, 2005

10. What is the proposed effective date of this proposed rule? (Must provide a date.)
August 16, 2005

11. Do you expect this rule to be controversial? Yes No _____ If yes, please explain.
Since this amendment limits the ability to hire family members of board members, it will be controversial

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

Arkansas Education Association
Arkansas Association of School Administrators
Arkansas School Boards Association

FINANCIAL IMPACT STATEMENT

DEPARTMENT Arkansas Department of Education
DIVISION Internal Administration
PERSON COMPLETING THIS STATEMENT Dr. Bobbie Davis
TELEPHONE NO. 682-1297 FAX NO. 682-4487 EMAIL bdavis@arkedu.k12.ar.us

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

SHORT TITLE OF THIS RULE

Rules Governing Ethical Guidelines and Prohibitions for Educational Administrators, Employees, Board Members, and Other Parties

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes X No _____

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. Please indicate if the cost provided is the cost of the program.

Current Fiscal Year

General Revenue \$12,000
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total \$12,000

Next Fiscal Year

General Revenue \$12,000
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total \$12,000

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation? Identify the party subject to the proposed regulation and explain how they are affected.

Current Fiscal Year

\$ -0-

Next Fiscal Year

\$ -0-

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

Current Fiscal Year

\$12,000

Next Fiscal Year

\$12,000

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

Regulation Title: Rules Governing Ethical Guidelines and Prohibitions for Educational Administrators, Employees, Board members, and Other Parties

Summary Description of Regulatory Proposal:

The amended rules are required due to the passage of Act 1381, 2005 which prohibits the local school board from hiring family members of the local school board

Cite Statutory Authority for this Regulatory Proposal:

Act 1381 of 2005 which amends A.C.A. 6-24-101 et seq

- I. Fiscal Impact on the Department: (include whether impacts are non-recurring or recurring)
 - A. Resources Required - Personnel, equipment, office space.
Part-time staff for research, follow-up, preparation of documentation
 - B. Time Required for Implementation.
Minimal for rule, implementation, and notification. Staff time for research and notification could be extensive depending upon number of requests.
 - C. Procedural Changes.
 - D. Other.

- II. Fiscal Impact on Local School District or Others? (Include whether impacts are non-recurring or recurring)
 - A. Resources Required - Personnel, equipment, office space. None
 - B. Time Required for Implementation. Documentation and preparing evidence to present for exemption request might require minimal time
 - C. Procedural Changes. Limits their hiring of board family members
 - D. Other.

- III. Additional Comments.
This amendment is Act 1381 adds another type of approval under ethical guidelines. The first implemented in Act 1599 related to general transactions and contracts.

Prepared by: (Name) Dr. Bobbie Davis
(Title) Assistant Director, Internal Administration
(Date) May 23, 2005