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MSBA/MASA Model Policy 210.1 Charter
Orig. 2001 (as ISD Policy)
Orig. 2022 (as Charter Policy)
Rev. 2024

210.1 CONFLICT OF INTEREST – CHARTER SCHOOL BOARD MEMBERS

I. PURPOSE

The purpose of this policy is to observe state statutes regarding conflicts of interest for charter school board members and to engage in charter school 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 charter school board is to conform with statutory conflict of interest laws and act in a manner that will avoid any conflict of interest or the appearance thereof.

III. CONFLICTING BUSINESS RELATIONSHIPS

A. An individual is prohibited from serving as a member of the board of directors of a charter school if the individual, an immediate family member, or the individual's partner is a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities. An individual is prohibited from serving as a board member if an immediate family member is an employee of the school. A violation of this prohibition renders a contract voidable at the option of the Commissioner of Education (Commissioner) or the charter school board of directors. A member of a charter school board of directors who violates this prohibition is individually liable to the charter school for any damage caused by the violation. An individual may serve as a member of the board of directors if no conflict of interest under this paragraph exists.

B. No member of the board of directors, employee, officer, or agent of a charter school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict exists when: (1) the board member, employee, officer, or agent; (2) the immediate family of the board member, employee, officer, or agent; (3) the partner of the board member, employee, officer, or agent; or (4) an organization that employees, or is about to employ, any individual in clauses (1) to (3), has a financial or other interest in the entity with which the charter school is contracting. A violation of this provision renders the contract void.

C. Any employee, agent, or board member of the authorizer of a charter school who participates in the initial review, approval, ongoing oversight, evaluation, or the charter school renewal or nonrenewal process or decision is ineligible to serve on the board of directors of a school chartered by that authorizer.

D. The charter school board member conflict of interest provisions do not apply to compensation paid to a teacher employed as a teacher by the charter school or a teacher who provides instructional services to the charter school through a cooperative formed under Minnesota Statutes chapter 308A when the teacher also serves on the charter school board of directors.

E. A charter school board member, employee, or officer is a local official with regard to the receipt of gifts as defined under Minnesota Statutes, section 10A.071, subdivision 1,

paragraph (b). A board member, employee, or officer must not receive compensation from a group health insurance provider.

F. No charter school employee or board member may serve on the board or decision-making committee of the school's authorizer. An employee or school board member must disclose to the school's board of directors any paid compensation they receive from the school's authorizer.

IV. LIMITS ON CHARTER SCHOOL AGREEMENTS

A. A school must disclose to the Commissioner of the Minnesota Department of Education any potential contract, lease, or purchase of service from the school's authorizer or a current board member, employee, contractor, volunteer, or agent of the school's authorizer. The contract, lease, or purchase must be accepted through an open bidding process and be separate from the charter contract. The school must document the open bidding process. An authorizer must not enter into a contract to provide management and financial services to a school it authorizes, unless the school documents receiving at least two competitive bids. This paragraph does not apply to a charter school or an authorizer when contracting for legal services from a lawyer that provides professional services to the charter school or authorizer and who is subject to the Minnesota Rules of Professional Conduct.

B. An authorizer must not condition granting or renewing a charter on:

1. the charter school being required to contract, lease, or purchase services from the authorizer; or

2. the bargaining unit status of school employees.

Legal References: Minn. Stat. § 10A.071, Subd. 1 (Certain Gifts by Lobbyists and Principals Prohibited)
Minn. Stat. § 124E.07 (Board of Directors)
Minn. Stat. § 124E.14 (Conflicts of Interest)
Minn. Stat. § 471.895 (Certain Gifts by Interested Persons Prohibited)

Cross References: None