

TO: Workforce Investment Board

DATE: March 28, 2002

- For Action**
- For Information**
- Meeting Notes**

FROM: Planning, Policy Development and Legislation Committee

SUBJECT: Conflict of Interest

PROPOSED MOTION(S): Adopt the attached Conflict of Interest Code, declare that it shall govern the Board in all cases to which it is applicable and in which they are not inconsistent with the Board's bylaws, and direct that the code be submitted to the Merced County Board of Supervisors (the "code reviewing body" for this jurisdiction) for approval.

DISCUSSION: The Political Reform Act of 1974 (Gov. Code Section 81000 et seq.) requires most state and local government officials and employees to publicly disclose their personal assets and income. They also must disqualify themselves from participating in decisions which may affect their personal financial interests.

Persons required to provide a written disclosure fall into two categories. The first includes those individuals enumerated in Government Code Section 87200 who must provide "full disclosure" of their personal assets and income. The second group includes all other officials and employees (known as "designated employees", "code filers" or "local code filers"). The disclosure obligation of these individuals (and the degree and nature of that disclosure) arises from the fact that they are listed in a local conflict of interest code. Members of the Workforce Investment Board of Merced County fall into this second group.

Conflict of interest and disclosure are currently addressed in Section I of the Board's Bylaws. For a variety of reasons, the language in the Bylaws fails to satisfy the requirements of the Political Reform Act of 1974 (specifically Government Code Section 87302) and the regulations of the Fair Political Practices Commission (specifically, California Code of Regulations, Title II, Section 18730).

Through staff, the Committee consulted County Counsel who recommended that the Board adopt a separate code which complies with the above laws and regulations and modify the Bylaws accordingly.

**ATTACHMENT(S): Proposed Conflict of Interest Code
Proposed Bylaws – Section I**

Workforce Investment Board of Merced County

Conflict of Interest Code

Section 1. Definitions

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18100, et seq.), and any amendments to the Act or regulations, are incorporated herein by reference.

Section 2. Designated Individuals

This code shall apply to all members of the Workforce Investment Board of Merced County and its committees.

Section 3. Disclosure Categories

Designated Individuals shall disclose those economic interests which it can be reasonably foreseen will be materially effected financially by the individual making, participating in making, or using or attempting to use his or her official position to influence a Board or other governmental decision.

Section 4. Statements of Economic Interests: Place, Time and Form of Filing

Disclosures pursuant to these rules shall be submitted to the County of Merced on Form 700 of the California Fair Political Practices Commission. Designated Individuals shall submit a disclosure within thirty (30) days of their appointment to the Board and annually thereafter within ninety (90) days of the end of the period covered in the disclosure. Persons who leave designated positions shall file statements within 30 days after leaving office.

Bylaws – Section I

All members of the Board and of committees are subject to (a) the Political Reform Act of 1974 [California Government Code Section 81000 et seq.], (b) the regulations of the Fair Political Practices Commission [2 Cal. Code of Regs. section 18100, et seq.], (c) California Government Code Section 1090 et seq. and (d) the Board's rules covering conflict of interest and disclosure of economic interests, and any amendments thereto.

As appropriate and required by law, a Board member having a conflict of interest shall be either disqualified from further Board membership or from participating in any Board action or decision in order that actual or perceived conflicts by a Board member may be avoided.

When a member is disqualified from Board membership or from participating in any decision making because of a conflict of interest, the reason for the disqualification shall be announced at the Board meeting.

In addition, unless specifically allowed by statute, each member shall discharge his or her duties with integrity and fidelity and may not let private interests influence his or her public decisions.