**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 5 TO CHAPTER 19, TITLE 59 SO AS TO DEFINE NECESSARY TERMINOLOGY, TO PROVIDE REQUIREMENTS FOR LOCAL SCHOOL BOARD GOVERNANCE AND BOARD MEMBER CONDUCT, TO PROVIDE THE STATE BOARD OF EDUCATION SHALL ADOPT A MODEL CODE OF ETHICS FOR LOCAL SCHOOL BOARD MEMBER CONDUCT, TO PROVIDE LOCAL SCHOOL BOARDS SHALL ADOPT CODES OF ETHICS BASED ON THIS MODEL CODE, TO PROVIDE LOCAL SCHOOL BOARDS SHALL ADOPT NEPOTISM POLICIES THAT MEET CERTAIN MINIMUM REQUIREMENTS, TO PROHIBIT CONFLICTS OF INTEREST BY SCHOOL BOARD MEMBERS, TO PROVIDE FOR THE REFERRAL OF CONFLICT OF INTEREST ALLEGATIONS TO THE STATE ETHICS COMMISSION UPON A TWO‑THIRDS VOTE OF SCHOOL BOARD MEMBERS PRESENT FOR SUCH A VOTE, TO REQUIRE NOTICE TO THE STATE BOARD OF EDUCATION WHEN A PUBLIC SCHOOL ACCREDITING BODY PLACES A DISTRICT OR SCHOOL ON A LEVEL OF ACCREDITATION THAT IMMEDIATELY PRECEDES ACCREDITATION LOSS FOR GOVERNANCE REASONS, TO PROVIDE THE STATE BOARD OF EDUCATION SHALL CONDUCT A HEARING ON THE MATTER AND MAY RECOMMEND SUSPENSION OF A BOARD TO THE GOVERNOR, AND TO PROVIDE THE GOVERNOR MAY SUSPEND AN ENTIRE BOARD AND APPOINT A TEMPORARY BOARD; BY ADDING SECTION 59‑19‑55 SO AS TO PROVIDE SCHOOL BOARD TRUSTEES AND SCHOOL OFFICIALS SHALL COMPLY WITH CERTAIN ETHICS PROVISIONS APPLICABLE TO PUBLIC OFFICERS AND EMPLOYEES; BY ADDING SECTION 8‑13‑810 SO AS TO PROVIDE THE STATE BOARD OF EDUCATION SHALL NOTIFY THE STATE ETHICS COMMISSION OF ANY SCHOOL BOARD TRUSTEE WHO FAILS TO COMPLETE REQUIRED ETHICS TRAINING, TO PROVIDE FAILURE OF A SCHOOL BOARD MEMBER TO COMPLETE THIS TRAINING CONSTITUTES A VIOLATION OF THE STATE ETHICS ACT AND SUBJECTS THE MEMBER TO CERTAIN CIVIL AND CRIMINAL PENALTIES, TO PROVIDE THE COMMISSION ALSO MAY IMPOSE ORAL OR WRITTEN WARNINGS OR REPRIMANDS, AND TO PROVIDE TRUSTEES MUST BE PROVIDED NOTICE AND OPPORTUNITY FOR A HEARING BEFORE THEIR POSITION ON THE SCHOOL BOARD MAY BE TERMINATED FOR VIOLATIONS OF THE STATE ETHICS ACT; AND TO AMEND SECTION 59‑19‑45, RELATING TO MANDATORY ORIENTATION FOR SCHOOL BOARD MEMBERS, SO AS TO PROVIDE THE STATE BOARD OF EDUCATION SHALL ADOPT A MODEL TRAINING PROGRAM FOR SCHOOL BOARD MEMBERS WHICH DISTRICTS SHALL ADOPT, TO PROVIDE SCHOOL DISTRICTS SHALL ADOPT LOCAL TRAINING PROGRAMS, AND TO PROVIDE SCHOOL DISTRICTS SHALL PROVIDE SUCH TRAINING TO BOARD MEMBERS WITHIN ONE YEAR AFTER TAKING OFFICE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 19, Title 59 of the 1976 Code is amended by adding:

“Article 5

Local School Governance

Section 59‑19‑710. The purpose of this article is to enhance local school governance by promoting the highest standards of ethical behavior and to provide an automatic procedure for addressing instances of deficient local school governance impacting the success of a school district.

Section 59‑19‑720. For purposes of this article:

(1) ‘Anything of value’ or ‘a thing of value’ has the same meaning as in Section 8‑13‑100(1).

(2) ‘Economic interest’ has the same meaning as in Section 8‑13‑100(11).

(3) ‘Family member’ has the same meaning as in Section 8‑13‑100(15).

(4) ‘Public official’ has the same meaning as in Section 8‑13‑100(27).

(5) ‘School official’ includes the superintendent, assistant superintendent, chief finance official or employee, and chief purchasing official or employee of a school district.

(6) ‘Nepotism’ means the employment, appointment, promotion, transfer, or advancement of a family member to a position in the school district that a school board member manages or supervises. A school board member may not participate in an action relating to the discipline of a family member.

Section 59‑19‑730. (A) The State Board of Education shall adopt a model code of ethics for local school board members before July 1, 2020. This model code of ethics also shall include appropriate consequences for violations of provisions of the model code. The state board periodically may adopt revisions to the model code as it considers necessary.

(B)(1) A local school board shall adopt a local code of ethics applicable to that board within three months after adoption of the model code by the state board. A local code must include, at a minimum, the model code of ethics.

(2) If the state board adopts a revision to the model code, a local school board shall adopt and incorporate the revision into its local code within three months of the adoption of the revision by the state board.

(3) A local school board only may adopt its local code of ethics or any changes to that local code at a regularly scheduled meeting.

(4) A local school board may not adopt or follow a code of ethics that prevents its members from discussing freely the policies and actions of the board outside of a board meeting, excluding matters discussed in executive session or that are exempt from disclosure under the Freedom of Information Act.

(5) A local school board shall submit a copy of its local code of ethics and subsequent revisions to the State Department of Education within thirty days of adoption.

Section 59‑19‑740. (A) A local school board shall adopt policies regarding nepotism which, at a minimum, must include the provisions of this section.

(B) After June 30, 2020, a person who has a family member serving on a local school board, as the district school superintendent, as a principal or assistant principal of a school in the district, or as a member of the district administrative staff is not eligible to serve as a member of the board if the family member’s employment with the district begins after December 31, 2020. This provision does not affect the employment of a person employed by the district before June 30, 2020, or who is employed by the district when his family member becomes a member of that local school board.

(C)(1) For a district with a full‑time enrollment of fewer than three thousand students in the initial fall enrollment of 2019, the State Board of Education may waive the provisions of subsection (B) at the request of the local school board or an individual attempting to qualify to run for a seat on that board, provided the local school board shall, before submitting a waiver request, provide thirty days’ notice of the individual’s intent to run for the office and conduct a public hearing for the purpose of providing an opportunity for full discussion and public input on the issue of potential nepotism problems and other concerns regarding the waiver. The public hearing may be conducted in conjunction with a regular or called meeting of the local school board.

(2) A local school board that seeks a waiver pursuant to this subsection shall submit a written waiver request to the State Board of Education that:

(a) identifies the specific laws, rules, regulations, policies, procedures, or provisions that are requested for the waiver;

(b) describes the laws, rules, policies, and procedures that the board will substitute for the waived laws, rules, regulations, policies, procedures, or provisions;

(c) describes any familial relationship that is the subject of the waiver request and the policy for recusal;

(d) describes how the waiver will improve student performance;

(e) describes the students who will be affected by the proposed waiver, including their estimated number, current performance, grade level, and any common demographic traits;

(f) lists by name the schools that will be affected by the proposed waiver, and a description of each school, including current performance, grade levels, and demographic traits of the students of each school;

(g) describes the methods for collecting data, and for measuring and evaluating any change in student performance resulting from the proposed waiver;

(h) provides the period of time for which the proposed waiver is requested and the proposed starting date;

(i) provides a resolution adopted by the local school board to approve or disapprove the waiver request, and outlining the reasons for its approval or disapproval; and

(j) describes any public comment received at the public hearing held pursuant to item (1).

(3) The State Board of Education may grant or deny a waiver request, or grant a waiver request subject to specific modifications in the waiver request.

(4) The State Board of Education shall grant or deny a waiver request no later than forty‑five days after receipt of the request, taking into consideration whether the benefit to the public would justify approval of the waiver.

(D) After June 30, 2020, a person who has a family member serving on a local school board, hired or promoted as a principal or assistant principal of a school in the district, or hired as a member of the district administrative staff is not eligible to serve as the superintendent of the district if the family member’s employment with the district begins after December 31, 2020. This provision does not affect the employment of a person employed by the district before June 30, 2020, or who is employed by the district when his family member becomes a member of that local school board.

Section 59‑19‑750. (A) To avoid a conflict of interest, a local school board member or school official may not:

(1) use or attempt to use his official position to secure unwarranted privileges, advantages, or employment for himself, his family members, or any others;

(2) act in his official capacity in any matter where he, his family member, or a business organization in which he or his family member has an economic interest that reasonably could be expected to impair his objectivity or independence of judgment;

(3) solicit or accept, or knowingly allow his family member or a business organization in which he or his family member has an economic interest to solicit or accept a gift, favor, loan, political contribution, service, promise of future employment, or other thing of value based upon an understanding that the gift, favor, loan, political contribution, service, promise of future employment, or other thing of value was given or offered for the purpose of influencing the board member in the discharge of his official duties; provided this item does not apply to the solicitation or acceptance of contributions to the campaign of an announced candidate for elective public office if the board member has no knowledge or reason to believe that the campaign contribution, if accepted, was given with the intent to influence the board member in the discharge of his official duties;

(4) use, or knowingly be allowed to use, his official position or any information not generally available to the general public which he receives or acquires in the course of and by reason of his official position for the purpose of securing financial gain for himself, his family member, or a business organization with which he is associated;

(5) represent, either in his individual capacity or through a business organization in which he has an interest, a person or party, other than the local school district or its board, with any cause, proceeding, application, or other matter pending before the district in which he serves or in a proceeding involving the district he represents;

(6) be prohibited from making an inquiry for information on behalf of a constituent if no fee, reward, or other thing of value is promised to, given to, or accepted by the board member or his family member in return;

(7) disclose or discuss any information which is subject to attorney‑client privilege belonging to the local school board to any person except for other board members, an attorney representing the board, the district superintendent, or any other person designated by the district superintendent for receipt of such disclosures unless the privilege has been waived by a two‑thirds vote of the membership of the board then serving;

(8) serve also as an officer of any organization that sells goods or services to the district, excluding not‑for‑profit organizations; and

(9) be considered in conflict with the provisions of this subsection if, by reason of his participation in a matter required to be voted upon, no material or monetary gain accrues to him as a member of a profession, occupation, or group to any greater extent than reasonably could be expected to accrue to another member of that profession, occupation, or group.

(B) Upon a motion supported by a two‑thirds vote of the members present, a local school board shall request that the State Ethics Commission conduct a hearing concerning the violation by a board member of a conflict of interest provision in subsection (A).

Section 59‑19‑760. (A) The State Department of Education or another public school accrediting agency shall notify the State Board of Education upon placing any district or school on the level of accreditation that immediately precedes the loss of accreditation for school governance reasons. This notice shall include the reason or reasons for the decision of the accrediting agency.

(B) Notwithstanding another provision of law, if a school district or school is placed on the level of accreditation that immediately precedes the loss of accreditation for school governance by an accrediting agency, the local board shall notify the State Board of Education, in writing, within three business days of the placement. This notice shall include the reason or reasons for the decision of the accrediting agency.

(C) The State Board of Education shall conduct a hearing no less than ten days before, but no more than ninety days after, it receives or gives the notice provided in subsections (A) and (B), and shall recommend to the Governor whether he should suspend all eligible members of the local board without pay. A majority of the members of a local board of education may petition the State Board of Education to continue any hearing scheduled under this subsection. Upon a showing of good cause, the state board may in its sound discretion continue any such hearing. Notwithstanding another provision of law, deliberations held by the State Board of Education pursuant to this subsection to formulate its recommendation to the Governor may not be open to the public and are not subject to the Freedom of Information Act; provided, however, that testimony must be taken in an open meeting and a vote on the recommendation must be taken in an open meeting following the hearing or at the next regularly scheduled meeting. If the State Board of Education makes a recommendation to suspend, the Governor may, in his discretion, suspend all eligible members, but not selective individual members, of the local board of education with pay and, in consultation with the State Board of Education, appoint temporary replacement members who are otherwise qualified to serve as members of the board. A temporary replacement member appointed pursuant to this subsection must serve until the completion of the suspension or until the seat becomes vacant, whichever occurs first.

(D) All hearings pursuant to subsection (B) must be conducted by the State Board of Education, a committee of the state board, or a hearing officer appointed by the state board. In conducting a hearing:

(1) the presiding officer shall notify the parties of the time and place of the hearing;

(2) all witnesses shall testify under oath and are subject to cross‑examination;

(3) the presiding officer shall require the testimony and other evidence to be transcribed by a court reporter or recorded by other appropriate means;

(4) the strict rules of evidence prevailing in courts of law are not applicable; and

(5) at the conclusion of the hearing, or within fifteen days thereafter, the State Board of Education shall notify the Governor and the parties of its decision in writing.

(E) The provisions of this section apply only to a local school district or school which is placed on the level of accreditation immediately preceding loss of accreditation after July 1, 2020. This section applies only to local board of education members who were serving on the local board at the time the accrediting agency placed the local school system or school on the level of accreditation immediately preceding loss of accreditation.”

SECTION 2. Article 1, Chapter 19, Title 59 of the 1976 Code is amended by adding:

“Section 59‑19‑55. Trustees and school officials shall comply with the provisions of Articles 1, 7, 11, and 13, Chapter 11, Title 8. For purposes of this section, ‘school official’ has the same meaning as in Section 59‑19‑720(5).”

SECTION 3. Article 7, Chapter 13, Title 18 of the 1976 Code is amended by adding:

“Section 8‑13‑810. (A) By July first of each year, the State Board of Education shall notify the State Ethics Commission of any local school board member who has not complied with the provisions of Section 59‑19‑45. Local school board members who fail to successfully complete the training program must be considered to be in violation of the State Ethics Act and must be assessed a civil penalty as follows:

(1)(a) a fine of one hundred dollars if the training is not completed as provided by law in this chapter; and

(b) after notice has been given by the State Board of Education by certified or registered mail that the training has not been completed, a fine of ten dollars per calendar day for the first ten days after notice has been given, and one hundred dollars for each additional calendar day in which the training is not completed, not exceeding five thousand dollars; and

(2) after the maximum civil penalty has been levied and the required statement or report has not been filed, the person is:

(a) for a first offense, guilty of a misdemeanor triable in magistrates court and, upon conviction, must be fined not more than five hundred dollars or imprisoned not more than thirty days;

(b) for a second offense, guilty of a misdemeanor triable in magistrates court and, upon conviction, must be fined not less than two thousand five hundred dollars nor more than five thousand dollars or imprisoned not less than a mandatory minimum of thirty days; and

(c) for a third or subsequent offense, guilty of a misdemeanor triable in magistrates court and, upon conviction, must be fined not more than five thousand dollars or imprisoned for not more than one year, or both.

(B) In addition to existing remedies for breach of the ethical standards of this chapter or regulations promulgated hereunder, the State Ethics Commission may impose an oral or written warning or reprimand.

(C) Before a trustee’s position with a local school district board may be terminated for a violation of the provisions of this chapter, notice and an opportunity for a hearing must be provided to the trustee.”

SECTION 4. Section 59‑19‑45 of the 1976 Code is amended to read:

“Section 59‑19‑45. (A) Within one year of taking office, all persons elected, reelected, or appointed as members of a school district board of trustees ~~after July 1, 1997~~, regardless of the date of their election, reelection, or appointment, shall complete successfully ~~an orientation~~ a training program in the powers, duties, and responsibilities of a board member including, but not limited to, topics on policy development, personnel, superintendent and board relations, instructional programs, district finance, school law, ethics, nepotism, conflict of interest, and community relations. This program must be offered by a district and completed by a board member within one year after his election, reelection, or appointment. This program also must be offered by a district and completed by a member serving on the effective date of this act within one year after the effective date of this act.

(B)(1) ~~The orientation shall be approved by the State Board of Education and conducted by public or private entities approved by the State Board of Education such as the South Carolina School Boards Association.~~ By December 31, 2019, the State Board of Education shall adopt a model training program for training local school board members on the provisions of this article and local polices adopted pursuant to it. The program must include initial and continuing training. The State Board of Education periodically may adopt revisions to the training program as it considers necessary.

(2)(a) A local school board shall adopt a local training program applicable to that board within three months after adoption of the model training program by the State Board of Education. A training program must include, at a minimum, the model training program.

(b) If the State Board of Education adopts a revision to the training program, a local school board shall adopt and incorporate the revision into its local training program within three months of the adoption of the revision by the State Board of Education.

(c) A local school board only may adopt its local training program or any changes to that local training program at a regularly scheduled meeting.

(d) A local school board shall submit a copy of its local code of ethics and subsequent revisions to the State Department of Education within thirty days of adoption.

(C) ~~The provisions of this section also apply to members of county boards of education appointed or elected after July 1, 1997, in the same manner the provisions of this section apply to members of school district boards of trustees.~~

~~(D)~~ ~~The provisions of this section do not apply to a school board trustee or county board of education member who was serving in such office on July 1, 1997, and who is continuously reelected or reappointed to office thereafter.~~ In addition to meeting other requirements provided by law, a person serving on a school board shall:

(1) sign a statement asserting that he understands the applicable local code of ethics and policy on nepotism; and

(2) annually disclose compliance with the State Board of Education policy on training for local school boards, the applicable local code of ethics, the nepotism policy, and the conflict of interest provisions applicable to local school boards.

(~~E~~D) The State Department of Education shall reimburse a school district or county board of education conducting ~~an orientation~~ training for a new board member as required by this section at the rate of eighty dollars for a member, provided that the total reimbursements by the department in one fiscal year must not exceed ten thousand dollars. If the total projected cost of these reimbursements for a year as determined by the department exceeds ten thousand dollars, the eighty‑dollar reimbursement for each new member must be reduced proportionately. If funds are not available for these reimbursements, the board member ~~orientation~~ training is not required but may be conducted at the option of a school district or county board of education. The State Board of Education shall establish guidelines and procedures for these reimbursements.

(~~F~~E) The State Department of Education must keep a record of the school board trustees who complete the ~~orientation~~ training program for a period of at least five years.”

SECTION 5. This act takes effect upon approval by the Governor.

‑‑‑‑XX‑‑‑‑