



# HOUSE BILL 314: Conflicts of Interest Training/LEAs.

2023-2024 General Assembly

<b>Committee:</b>	House Education - K-12. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	April 18, 2023
<b>Introduced by:</b>	Reps. Penny, Wheatley, White, Pike	<b>Prepared by:</b>	Drupti Chauhan, Kara McCraw Staff Attorneys
<b>Analysis of:</b>	PCS to First Edition H314-CSRQ-8		

**OVERVIEW:** House Bill 314 would require local school administrative unit (LEA) employees who are involved in the making or administration of contracts for their LEA to undergo ethics training on conflicts regarding the contracts.

The Proposed Committee Substitute (PCS) would clarify and state that the training would be specifically on conflicts of interest in the making or administering of contracts.

**CURRENT LAW:** Under G.S. 14-234 provides for the following:

- A public officer or employee who is involved in the making or administering of a contract on behalf of a public agency may not derive a benefit from the contract unless an exemption applies.
- A public officer or employee who will derive a direct benefit from a contract with the public agency he or she serves but who is not involved in making or administering the contract may not attempt to influence any other person who is involved in making or administering the contract.
- No public officers or employees can solicit or receive any gift, favor, reward, service, or promise of reward, including a promise of future employment, in exchange for recommending, influencing, or attempting to the influence the award of a contract by the public agency he or she serves.

A violation of G.S. 14-234 is a Class 1 misdemeanor and contracts entered in violation of G.S. 14-234 is void unless a specific exemption applies.

**BILL ANALYSIS:** The PCS for House Bill 314 would require LEA employees who are involved in the making or administering of contracts as provided in G.S. 14-234 to receive a minimum of two hours of conflicts of interest training as follows:

- The training is required once in every odd-numbered year.
- The employee must be given initial training within 90 days of assuming the responsibility of making or administering contracts and then in subsequent odd-numbered years.
- The training must include position-specific education on conflicts of interest and ethical standards of conduct.
- The training may be provided by the School of Government at the University of North Carolina at Chapel Hill or another qualified source at the choice of the local board of education.

**EFFECTIVE DATE:** The bill is effective when it becomes law. All employees of an LEA involved in the making or administering of contracts as of the effective date of this act must receive an initial training within six months of the effective date of the act.

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Director



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