

**BALTIMORE COUNTY PUBLIC SCHOOLS**

**DATE:** July 10, 2012

**TO:** **BOARD OF EDUCATION**

**FROM:** S. Dallas Dance, Ph.D., Superintendent

**SUBJECT:** **REPORT ON THE REVIEW OF BOARD OF EDUCATION POLICY 8364, FINANCIAL DISCLOSURE STATEMENTS**

**ORIGINATOR:** Mr. James E. Coleman, Chairman  
Policy Review Committee

**RESOURCE PERSON(S):** Margaret-Ann F. Howie, Esq., General Counsel  
Patricia S. Clark, Policy and Compliance Officer

**INFORMATION**

That the Board of Education receives the report of the Policy Review Committee concerning the review of Policy 8364.

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Attachment I – Policy Analysis  
Attachment II – Policy 8364

**POLICY ANALYSIS FOR  
BOARD OF EDUCATION POLICY 8364  
FINANCIAL DISCLOSURE STATEMENTS**

**Statement of Issues or Questions Addressed**

Mr. Schmidt had asked the Policy Review Committee to review once more Policy 8364 and to advise the Board whether the financial disclosure requirements for employees should differ from those for Board members. The question is again before the Committee through the Board President on behalf of the Council of Administrative and Supervisory Employees (“CASE”). The committee members have again recommended no changes be made to Policy 8364 concerning financial disclosure for employees. The Committee members, at the Board President’s request, discussed this matter in May and again in June of 2012. After discussion of this issue, the Committee’s recommendation has not changed.

**Cost Analysis and Fiscal Impact on School System**

No fiscal impact is anticipated by the readoption of this policy.

**Relationship to Other Board of Education Policies**

1. Ethics Code Policies
2. Policy 4000, *Precepts, Beliefs and Values*
3. Policy 4002, *Obligations of Employees of the Board of Education of Baltimore County*

**Legal Requirements**

1. *Annotated Code of Maryland, State Government Article §5-813, Financial Disclosure*

**Similar Policies Adopted by Other Local School Systems**

1. Anne Arundel County Board of Education, Policy BAF, *Ethics and Conflict of Interest*
2. Charles County Board of Education, Policy 8160, *Ethics*
3. Frederick County Board of Education, Policy 109, *Ethics*
4. Montgomery County Board of Education, Policy BBB, *Ethics*
5. Prince George’s County Board of Education, Policy 0107, *Ethics Regulations*
6. Washington County Board of Education, Policy BBFE, *Financial Disclosure Form*

**Draft of Proposed Policy**

Attached

**Other Alternatives Considered by the Policy Review Committee**

No other alternatives were considered.

INTERNAL BOARD OPERATIONS: Ethics Code

Financial Disclosure Statements

I. Individuals Required to File

This policy applies to the following individuals of the school system:

- A. Members of the Board of Education OF Baltimore County (Board);
- B. Superintendent;
- C. Deputy Superintendent;
- D. Assistant Superintendents;
- E. Superintendent's Staff members;
- F. Office heads in the positions of Executive Director, Director, Manager, and Coordinator;
- G. Principals;
- H. Purchasing Agents;
- I. Any other employees who have authority to make the final decision to commit the school system to the expenditure of public funds;
- J. Other employees so designated by the Board as periodic review would suggest.

II. Each individual listed above shall file the financial disclosure statement required by this policy on a form provided by the panel, under oath or affirmation, with the panel or the office designated by the Board.

III. Deadlines for Filing Statements

- A. Persons required to file in paragraph I shall file a financial disclosure statement annually by no later than April 30 of each year for the preceding calendar year.
- B. An individual who is appointed to fill a vacancy in an office for which a financial disclosure statement is required and who has not already filed a financial disclosure statement shall file a statement for the preceding calendar year within 30 days after appointment.

- C. An individual who, other than by reason of death, leaves an office for which a statement is required shall file a statement within 60 days after leaving the office. The statement shall cover the calendar year immediately preceding the year in which the individual left office, unless a statement covering the year has already been filed by the individual; and the portion of the current calendar year during which the individual held the office.

#### IV. Public Record

- A. The panel or office designated by the Board shall maintain all financial disclosure statements filed under this policy.
- B. The panel or office designated by the Board shall make financial disclosure statements available during normal office hours, for examination and copying by the public subject to reasonable fees and administrative procedures established by the school system. (*See, Superintendent's Rule 2373, Public Information Action Requests: Schedule of Fees*)
- C. If an individual examines or copies a financial disclosure statement, the panel or the office designated by the Board shall record the name and home address of the individual reviewing or copying the statement and the name of the person whose financial disclosure statement was examined or copied.
- D. Upon request by the individual whose financial disclosure statement was examined or copied, the panel or the office designated by the Board shall provide the individual with a copy of the name and home address of the person who reviewed the individual's financial disclosure statement.

#### V. Retention Requirements

- A. The panel or the office designated by the Board shall retain financial disclosure statements for four (4) years from the date of receipt.

#### VI. Contents of the Financial Disclosure Statement

- A. Interests in Real Property
  1. The statement shall include a schedule of all interests in real property wherever located.
  2. For each interest in real property, the schedule shall include:
    - a. The nature of the property and the location by street address, mailing address, or legal description of the property;

- b. The nature and extent of the interest held, including any conditions and encumbrances on the interest;
- c. The date when, the manner in which, and the identity of the person from whom the interest was acquired;
- d. The nature and amount of the consideration given in exchange for the interest or, if acquired other than by purchase, the fair market value of the interest at the time acquired;
- e. If any interest was transferred, in whole or in part, at any time during the reporting period, a description of the interest transferred, the nature and amount of the consideration received for the interest, and the identity of the person to whom the interest was transferred; and
- f. The identity of any other person with an interest in the property.

B. Interests in Corporations and Partnerships

1. The statement shall include a schedule of all interests in any corporation, partnership, limited liability partnership, or limited liability corporation, regardless of whether the corporation or partnership does business with the Board or the school system.
2. For each interest in corporations and partnerships, the schedule shall include:
  - a. The name and address of the principal office of the corporation, partnership, limited liability partnership, or limited liability corporation;
  - b. The nature and amount of the interest held, including any conditions and encumbrances on the interest;
  - c. With respect to any interest transferred, in whole or in part, at any time during the reporting period, a description of the interest transferred, the nature and amount of the consideration received for the interest, and, if known, the identity of the person to whom the interest was transferred; and
  - d. With respect to any interest acquired during the reporting period, the date when, the manner in which, and the identity of the person from whom the interest was acquired; and the nature and the amount of the consideration given in exchange for the interest or, if acquired other than by purchase the fair market value of the interest at the time acquired.
3. An individual may satisfy the requirements to report the amount of the interest held in the entities listed above, by reporting, instead of a dollar amount: for an equity interest in a corporation, the number of

shared held and, unless the corporation's stock is publicly traded, the percentage of equity interest held; or for an equity interest in a partnership, the percentage of the equity interest held.

C. Interests in Business Entities doing Business with the Board of the School System

1. The statement shall include a schedule of all interests in any business entity that does business with the Board or the school system, other than interests reported under paragraph B above.
2. For each interest reported under this paragraph, the schedule shall include:
  - a. The name and address of the principle office of the business entity;
  - b. The nature and amount of the interest held, including any conditions to and encumbrances on the interest;
  - c. With respect to any interest transferred, in whole or in part, at any time during the reporting period, a description of the interest transferred, the nature and amount of the consideration received for the interest, and, if known, the identity of the person to whom the interest was transferred; and
  - d. With respect to any interest acquired during the reporting period, the date when, the manner in which, and the identity of the person from whom the interest was acquired; and the nature and the amount of the consideration given in exchange for the interest or, if acquired other than by purchase the fair market value of the interest at the time acquired.

D. Gifts

1. The statement shall include a schedule of each gift in excess of \$20 in value or a series of gifts totaling \$100 or more received during the reporting period from or on behalf of, directly or indirectly, any one person who does business with the Board or the school system.
2. For each gift reported under this paragraph, the schedule shall include:
  - a. A description of the nature and value of the gift; and
  - b. The identity of the person from whom, or on behalf of whom, directly or indirectly, the gift was received.

E. Employment With or Interest in Entities doing Business with the Board or School System

1. The statement shall include a schedule of all offices, directorships, and salaried employment by the individual or member of the

immediate family of the individual held at any time during the reporting period with entities doing business with the Board or the school system.

2. For each position reported under this paragraph, the schedule shall include:
  - a. The name and address of the principle office of the business entity;
  - b. The title and nature of the office, directorship, or salaried employment held and the date it commenced; and
  - c. The name of each Board or school system unit with which the entity is involved as indicated by identifying one or more of the three categories of “doing business with,” as defined in Board Policy 8360, *Applicability and Definitions*.

F. Indebtedness to Entities doing Business with the Board or School System

1. The statement shall include a schedule of all liabilities, excluding retail credit accounts, to persons doing business with the Board or school system owed at any time during the reporting period, by the individual; or by a member of the immediate family of the individual, if the individual was involved in the transaction giving rise to the liability.
2. For each liability reported under this paragraph, the schedule shall include:
  - a. The identity of the person to whom the liability was owed and the date the liability was incurred;
  - b. The amount of the liability owed as of the end of the reporting period;
  - c. The terms of payment of the liability and the extent to which the principle amount of the liability was increased or reduced during the year; and
  - d. The security given, if any, for the liability.

G. Employment with the Board of School System

1. The statement shall include a schedule of the immediate family members of the individual employed by the Board or school system in any capacity at any time during the reporting period.

H. Sources of Earned Income

1. The statement shall include a schedule of the name and address of each place of employment and of each business entity of which the individual or a member of the individual’s immediate family was a

sole or partial owner and from which the individual or member of the individual's immediate family received earned income at any time during the reporting period.

2. A minor child's employment or business ownership need not be disclosed if the Board of school system does not regulate, exercise authority over, or contract with the place of employment or business entity of the minor child.

- I. The statement may also include a schedule of additional interests or information that the individual making the statement wishes to disclose.

#### VII. Definition of "Interest"

- A. For the purposes of Sections A, B, and C above (interests in real property, corporations and partnerships, and business entities doing business with the Board and school system), the following interests are considered to be the interests of the individual making the statement.
- B. An interest held by a member of the individual's immediate family, if the interest was, at any time during the reporting period, directly or indirectly controlled by the individual.
- C. An interest held by a business entity in which the individual held a 30% or greater interest at any time during the reporting period.
- D. An interest held by a trust or an estate in which, at any time during the reporting period the individual held a reversionary interest or was a beneficiary; or if a revocable trust, the individual was a settlor.

#### VIII. Ethics Panel Review

- A. The panel shall review the financial disclosure statements submitted under this policy for compliance with the provisions of this policy and shall notify an individual submitting the statement of any omissions or deficiencies.
- B. The Board may take appropriate enforcement action to ensure compliance with this policy.

Legal Reference: *Annotated Code of Maryland, State Government Article §15-813, Financial Disclosure*

Related Rule: Superintendent's Rule 2373, *Public Information Act Requests: Schedule of Fees*

Policy  
Adopted: 10/18/96  
Revised: 08/12/97  
Revised: 12/02/08  
Approved by SEC: 04/22/09  
Revised: 12/06/11  
Approved by SEC: 01/19/12  
READOPTED: \_\_\_\_\_

Board of Education of Baltimore County