

**Agenda Item VI.B, Board Action on Audit Committee recommendation concerning  
Board Policy 201.1, Employee, Contractor, and Volunteer Ethics**  
General Business Meeting  
May 19, 2015

The Audit Committee discussed Policy 201.3, Employee, Contractor, and Volunteer Ethics and Conflict of Interest (“Policy 201.3”) at its February 3, 2015 meeting. The Audit Committee discussed the Department’s Code of Conduct and applicability of Policy 201.3 to charter schools and the State Public Charter School Commission (“Charter School Commission”). At its March 17, 2015 meeting, the Human Resources Committee considered Policy 201.1, Employee Code of Ethics (“Original Policy 201.1”) and Policy 201.3, Employee, Contractor, and Volunteer Ethics and Conflict of Interest (“Policy 201.3”). The Human Resources Committee took action and recommended that the Board approve combining Original Policy 201.1 and Policy 201.3, renumbering the policy to 201.1, making amendments to the policy and making the policy applicable to charter schools and the Charter School Commission. The resulting policy combining the two policies and making the aforementioned changes will be referred to herein as New Policy 201.1. At its April 7, 2015 meeting, the Board of Education (“Board”) approved the Human Resources Committee’s recommendations and New Policy 201.1.

On May 5, 2015, the Audit Committee considered further amendments to New Policy 201.1 to include a reference to the Department’s Code of Conduct and to clarify that the Charter School Commission and Hawaii State Public Library System must each develop, promulgate, and implement a Code of Conduct for their respective organizations, and to amend the title of the policy. During the meeting there was further discussion regarding amending the policy to clarify within the text of the policy (versus the rationale section) that the State Public Charter School Commission and Hawaii State Public Library System will develop codes of conduct. A redline showing the Audit Committee’s recommended amendments to New Policy 201.1, together with some technical edits, is attached as **Exhibit A**. A clean copy with the amendments accepted is attached as **Exhibit B**. At the meeting, the Audit Committee approved a recommendation that the full Board approve the amendments shown in **Exhibit A**.

**Exhibit A**  
**Redline showing proposed changes to New Policy 201.1**

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~~1200-1.41~~

**POLICY 201.1**

**Employee, Contractor, and Volunteer Ethics and Code of Conduct**

All employees, contractors, and volunteers of the public school system, ~~public library system, Board of Education, charter schools and Charter School Commission~~ shall conduct themselves in an ethical manner and comply with federal and state laws, rules, regulations, ~~and applicable~~ policies, procedures, ~~regulations, rules,~~ and guidance to promote public trust and confidence in public education. All personnel shall strictly adhere to the Hawaii State Code of Ethics and the Code of Ethics for public employees of the State as prescribed in Chapter 84 of the Hawaii Revised Statutes.

~~In implementing and carrying out this policy, each responsible entity shall establish regulations and/or guidelines and the same shall be clearly conveyed to the respective employees, contractors, and volunteers. These regulations and/or guidelines on ethics shall comply with and reflect relevant state and federal laws, rules, and regulations, including applicable system and board policies, procedures, guidelines and directives, and standards of conduct and conflict of interest provisions.~~

Additionally, the Department, State Public Charter School Commission (SPCSC), and Hawaii State Public Library System (HSPLS) will develop, promulgate, and implement a Code of Conduct that will inform and govern its organizations, employees, contractors, and volunteers.

Rationale: The Board of Education recognizes that sound, ethical standards of conduct by employees, contractors, and volunteers of the public school system (including ~~charter schools), public library system, and Board~~ the members of the Board of Education) must be observed at all times in order to effectively carry out ~~their roles and our fiduciary responsibilities in serving the public.~~ It is important for the Board to reinforce its commitment to the State Code of Ethics and to emphasize its importance to all employees of trust and service.

This policy is applicable to charter schools, SPCSC, and HSPLS in terms of ethical compliance and conduct in accordance with all federal and state laws, rules and regulations. SPCSC and HSPLS shall be responsible to develop, promulgate, and implement a Code of Conduct for their respective organizations.

**Exhibit C**  
**Clean copy with changes accepted**

**POLICY 201.1**

**Ethics and Code of Conduct**

All employees, contractors, and volunteers of the public school system shall conduct themselves in an ethical manner and comply with federal and state laws, rules, regulations, policies, procedures, and guidance to promote public trust and confidence in public education. All personnel shall strictly adhere to the Hawaii State Code of Ethics and the Code of Ethics for public employees of the State as prescribed in Chapter 84 of the Hawaii Revised Statutes. Additionally, the Department, State Public Charter School Commission (SPCSC), and Hawaii State Public Library System (HSPLS) will develop, promulgate, and implement a Code of Conduct that will inform and govern its organizations, employees, contractors, and volunteers.

Rationale: The Board of Education recognizes that sound, ethical standards of conduct by employees, contractors, and volunteers of the public school system (including the members of the Board of Education) must be observed at all times in order to effectively carry out our fiduciary responsibilities of trust and service.

This policy is applicable to charter schools, SPCSC, and HSPLS in terms of ethical compliance and conduct in accordance with all federal and state laws, rules and regulations. SPCSC and HSPLS shall be responsible to develop, promulgate, and implement a Code of Conduct for their respective organizations.