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Date: July 29, 1994

Code: HR 94-20

To: Presidents

From: June M. Cooper
Vice Chancellor
Human Resources and Operations

Subject: TITLE 5 AMENDMENT: CONFLICT OF INTEREST

The California State University Conflict of Interest Code was amended to update designated positions and disclosure categories to conform to law and to changes that have occurred within the California State University since last amended in 1986. The procedural requisites have now been satisfied with the Fair Political Practices Commission, the Office of Administrative Law, and the Secretary of State, and the amendments proposed to the Board of Trustees in July 1993 have been approved.

Generally speaking, three changes to the Code were approved. The disclosure categories were amended to include "business positions" in business entities as a discloseable interest; this change was required by the Fair Political Practices Commission's standard code. A new disclosure category of "consultants" was also added as required by the Commission.

The designated positions on the various campuses and headquarters of the California State University were also amended. Some campuses deleted positions which no longer existed, or whose decision-making authority no longer required inclusion in the Code; some campuses altered job titles in light of current designations; some campuses added positions, which, in light of their decision-making authority, required inclusion in the Code. Finally, assignments to disclosure categories were amended in light of adjustments in the decision-making responsibility of the positions.

(over)

Distribution: Conflict of Interest Filing Officers w/attachments
Vice Presidents, Academic Affairs w/o attachments
Associate Vice Presidents/Deans, Faculty Affairs " "
Vice Presidents, Administration " "
Vice Presidents, Information Systems " "
Vice Presidents/Deans of Students " "
Business Managers " "
Personnel Officers " "
Payroll Supervisors " "
General Counsel " "
Chancellor’s Office Staff " "
A filing will be required for any employee who currently occupies a newly added position, or a position that had a change in disclosure category. Filings will not be required for employees in positions where no change in disclosure category occurred, nor will filings be required for positions that had only a change in job title. Pursuant to Government Code Section 11346.2, employees in newly designated positions are required to file an initial statement within 30 days from Secretary of State's approval. In that regard, Conflict of Interest Filing Officers are requested to obtain completed statements from affected employees by August 23, 1994.

To complete this action, your campus Conflict of Interest Filing Officer is being provided with the following attachments:

Attachment A: Your campus' amended Designated Position List.
Attachment A-1: A detailed listing which identifies the positions that were added, deleted, or had a change in title or disclosure category at your campus
Attachment B: Conflict of Interest Disclosure Categories
Attachment C: Pertinent sections of Title 5 (Section 43810) and Title 2 (Sections 18730-18731) which comprise the California State University's Conflict of Interest Code.

A copy of the 1993-94 Statement of Economic Interests for Designated Employees Form 730 is also included in your Conflict of Interest Filing Officers' mailing, and should be locally reproduced for the newly designated employees at your campus. Please note that notification to Human Resources of Form 730 filings is no longer necessary.

Your cooperation is appreciated. This action satisfies the immediate filing process required when newly designated positions are incorporated into the Code. The annual reminder sent by the Office of the Chancellor for each April 1 filing will be distributed based upon the amended Code.

Please contact Theresa Hines at (310) 985-2674 if you have any questions or need additional information.

JMC/dth
Attachments
REPEAT Sections 43,810 through 43,820; ADD Section 43,810 to read:

CONFLICT OF INTEREST CODE FOR
CALIFORNIA STATE UNIVERSITY AND COLLEGES

The Political Reform Act, Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Adm. Code Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 Cal. Adm. Code Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the California State University and Colleges.

Pursuant to Section 4(A) of the standard Code, designated employees shall file statements of economic interests with their agencies. Upon receipt of the statements of the Trustees (except ex-officio members who serve as such due to their elected state offices and are excluded by Government Code Section 87302(b)), the agency shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission.
Article 17. Rules of Procedure for Grievance Proceedings for Academic Personnel

§ 43750. Delegation of Authority.
The Chancellor shall prescribe, and may from time to time revise Grievance Procedures for Academic Personnel which meet the requirements of Education Code Section 89542.5. The Chancellor shall consult as appropriate with respect to such procedures. The Chancellor shall report to the Board on procedures issued or revised pursuant to this section. 


§ 43775. Delegation of Authority.
The Chancellor shall prescribe and may from time to time revise grievance procedures for nonacademic and administrative personnel as defined in Section 42700(o) and (m) respectively. The Chancellor shall consult as appropriate with respect to such procedures. These procedures may be utilized for all nonacademic and administrative employees except nonacademic and administrative employees who are temporary employees and shall include nonacademic and administrative employees who are on full or partial leave of absence with or without pay. The Chancellor shall report to the Board on procedures issued or revised pursuant to this section and shall require their publication at the campuses in an appropriate manner. 

Article 19. Amendment

§ 43800. Amendment.

The Trustees retain authority, pursuant to law, to add, amend, or repeal any of their regulations including but not limited to those relating to tenure, layoff, dismissal, demotion, suspension or reinstatement of academic and administrative employees, in whole or in part, at such time as they may choose. 

Article 20. California State University—Conflict of Interest Code

NOTE: It having been found, pursuant to Government Code Section 11409(a), that the printing of the regulations constituting the Calif...
nia State University Conflict of Interest Code is impractical and these regulations being of limited and particular application, these regulations are not published in full in the California Code of Regulations. The regulations are available to the public for review or purchase at cost at the following locations:

THE CALIFORNIA STATE UNIVERSITY
400 GOLDEN SHORE—ROOM 350
LONG BEACH, CALIFORNIA 90840

FAIR POLITICAL PRACTICES COMMISSION
1100 K STREET
SACRAMENTO, CALIFORNIA 95814

ARCHIVES
SECRETARY OF STATE
1020 10TH STREET
SACRAMENTO, CALIFORNIA 95814

The California State University Conflict of Interest Code is designated as Article 20 of Subchapter 7, Chapter 1, Division 5 of Title 5 of the California Code of Regulations and consists of sections numbered and titled as follows:

Article 20. California State University—Conflict of Interest Code

§ 43810. Amendments by Memorandum of Understanding.

This memorandum, made in pursuance of Section 3560. Article 21. Effect of Memorandum of Understanding on Subchapter 8. Environmental Quality

Article 1. General

§ 43850. Authority.

The regulations adopted under this Subchapter implement the requirements of the California Environmental Quality Act of 1970, and the Statewide Guidelines issued by the Resources Agency, pursuant to Public Resources Code Section 21082.


HISTORY

1. New Subchapter 8 (Sections 43850—43854, 43860, 43861) filed 10–12–73; effective thirtieth day thereafter (Register 73, No. 41).

2. Repealer of Subchapter 8 (Sections 43850—43861, not consecutive) and new Subchapter 8 (Sections 43850—43861, not consecutive) filed 4–26–77; effective thirtieth day thereafter (Register 77, No. 18).

3. Amendment of NOTE filed 4–29–77; effective thirtieth day thereafter (Register 77, No. 18).

4. Amendment of NOTE filed 9–20–82; effective thirtieth day thereafter (Register 82, No. 39).

§ 43851. Definitions.

(a) Environmental Documents. “Environmental Documents” means Draft and Final Environmental Impact Reports, Environmental Impact Statements, Initial Studies, Negative Declarations, Notices of Completion, Notices of Determination, and any other studies, reports, or documents required of the Trustees by environmental legislation or applicable administrative rules.

(b) Ministerial Projects. The term “Ministerial Projects” refers to projects in which the Trustees’ actions involve only the use of fixed standards or objective measurements without personal judgment. Ministerial projects are not covered by the Environmental Quality Act of 1970; they therefore do not require an environmental study or the preparation of an Environmental Document.

(c) Project. (1) The term “Project” refers to the whole of an action, which has a potential for resulting in a physical impact on the environment, directly or ultimately, that is any of the following:

(A) An activity directly undertaken by the Trustees including, but not limited to, public works construction or related activities, clearing or grading of land and improvements to existing public structures, which will result in a physical change in the environment and the adoption of a new campus Master Plan or substantial revisions thereof.

(B) An activity undertaken by a person which is supported in whole or in part through contracts, grants, subsidies, loans, or other forms of assistance from the Trustees which will result in a physical change in the environment.

(C) The issuance by the Trustees of a lease, permit, license, or other entitlement for use to a person which use will result in a physical change in the environment.

(2) The term “Project” refers to the activity which is being approved and which may be subject to several discretionary approvals by governmental agencies. The term “Project” does not mean each separate governmental approval.

(3) The term “Project” does not include:

(A) Anything specifically exempted by state law.

(B) Proposals for legislation to be enacted by the state Legislature other than Trustee requests for authorization of funding independently from the Budget Act.

(C) Continuing administrative or maintenance activities such as purchases for supplies, personnel-related actions, emergency repairs to public service facilities, academic and other general policy and procedures making (except as they are applied to specific instances covered above), feasibility or planning studies.

(D) The submission of proposals to a vote of the people of the state or of a particular community.

(E) Personnel actions.

(F) Ministerial projects.

(d) Statewide Guidelines. The term “Statewide Guidelines” means the official regulations on environment applicable to all state agencies including the Trustees, as adopted by the Office of Planning and Research and the Secretary for the Resources Agency pursuant to Public Resources Code Section 21083. These regulations may be found in Chapter 3, Division 6 of Title 14, California Administrative Code, commencing with Section 15000.

(e) Trustees. As used in this subchapter, “Trustees” refers to the Board designated by Education Code Section 66600 and to the Board’s authorized officers acting within the scope of their duties.
2. New subsection (e) filed 6-26-90; operative 7-26-90 (Register 90, No. 35).
3. Renumbering of former section 18726.7 to new section 18944.1 filed 6-22-94; operative 6-22-94 (Register 94, No. 25).

§ 18726.8. Valuation of Gift Tickets to Charitable and Political Fundraisers.

1. New section filed 5-26-87; operative 6-25-87 (Register 87, No. 26).
2. Renumbering of section 18726.8 to section 18946.4 filed 1-25-93; operative 1-25-93 (Register 93, No. 5).

§ 18727. Gifts to Officials: Section 87207(a).

1. Amendment filed 10-11-78; designated effective 1-1-79 (Register 78, No. 41).
2. Repealer filed 1-25-93; operative 1-25-93 (Register 93, No. 5).

§ 18727.5. Travel Costs and Other Payments from Campaign Committees.
(a) Travel costs and reimbursements therefor paid by a "committee" as defined by Government Code Section 82013(a), including a "controlled committee," shall be valued as follows:
1. A reimbursement, advance, or other payment for actual travel expenses (including meals and lodging) or for other actual and legitimate campaign expenses made by such a committee or controlled committee is neither income nor a gift to an official and need not be disclosed on the official's Statement of Economic Interests if the expenditures are reported by the committee in accordance with the provisions of Government Code Sections 84100, et seq.
2. A reimbursement, advance, or other payment for personal travel expenses not covered by subsection (1) shall be reported by the recipient pursuant to Government Code Sections 87207 or 87302.
(b) Any other payment not covered by subsection (a), including a payment for personal services, such as salary, consulting fees, honoraria, etc., from a committee is income or a gift (except as provided in Section 18723) and reported by the recipient pursuant to Government Code Section 87207 or 87302.

§ 18728. Reporting of Income and Gifts; Honoraria and Awards (87207).
COMMENT: For free admission, food, beverages, transportation, lodging, and subsistence provided to an official, or state candidate in connection with a speech, panel, seminar, or similar service, see California Code of Regulations, Title 2, Section 18950.3.

1. New section filed 1-8-86; effective thirtieth day thereafter (Register 86, No. 2).

§ 18729. Leasehold Interests—Value, Disclosure.
(a) When an official is required to disclose a leasehold interest as defined in Government Code Section 82033, the official shall:
1. Identify the interest as a leasehold interest.
2. Disclose the number of years remaining on the lease.
3. Provide the address or other precise location of the leased property.
4. Provide the date upon which the lease became effective or terminated if such date occurred during the period covered by the statement.
5. Disclose the value of the leasehold interest in the manner required by Government Code Section 87206(d).
(b) The value of a leasehold interest is the amount of rent owed during a 12-month period. For purposes of disclosure on a Statement of Economic Interests, the value of a leasehold interest is the amount of rent owed during a 12-month period. The 12-month period shall be computed as follows:
1. In the case of an annual or leaving office statement, the first day of the 12-month period is the first day of the reporting period or the first day of the lease, which occurs later.
2. In the case of an assuming office or candidate's statement, the first day of the 12-month period is the date the statement is due.
(c) If the value of an official's leasehold interest is less than $1,000 when the rent owed is computed under subsection (b), but the official knows that the actual fair market value of the leasehold during the 12-month period exceeds $1,000, the value of the leasehold is the actual fair market value, rather than the rent owed, during the 12-month period.

§ 18730. Provisions of Conflict of Interest Codes.
(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code section 87300 or the amendment of a conflict of interest code within the meaning of Government Code section 87307 if the terms of this regulation are substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code section 87100, and to other state or local laws pertaining to conflicts of interest.
(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:
1. 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 81000, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.
2. Section 2. Designated Employees.
   The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on financial interests.
   This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their financial interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code sections 87200, et seq.
   In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:
   (A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;
(B) The disclosure assigned in the code of the other agency is the same as that required under Article 2 of Chapter 7 of the Political Reform Act, Government Code section 87200; and

(C) The filing officer is the same for both agencies.¹

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of financial interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those financial interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the financial interests set forth in a designated employee's disclosure categories are the kinds of financial interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with...
§ 18730

Title 2

Fair Political Practices Commission

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

1. File a written resignation with the appointing power, and
2. File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making of, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property is required to be reported, the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property exceeds one thousand dollars ($1,000), exceeds ten thousand dollars ($10,000), or exceeds one hundred thousand dollars ($100,000).

(B) Personal Income Disclosure. When personal income is required to be reported, the statement shall contain:

1. The name and address of each source of income aggregating two hundred fifty dollars ($250) or more in value, or fifty dollars ($50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source.

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars ($1,000) or less, greater than one thousand dollars ($1,000), or greater than ten thousand dollars ($10,000);
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made, a description of the gift, the amount or value of the gift, and the date on which the gift was received;
5. In the case of a loan, the annual interest rate and the security, if any, given for the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported, the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;
2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars ($10,000).

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(B) Section 8. State Agency Prohibition on Receipt of Honoraria.

No member of a state board or commission, and no designated employee of a state agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (b), (c), (d), and (e) of Government Code Section 89502 shall apply to the prohibitions in this section.

(8.1) Section 8.1. State Agency Prohibition on Receipt of Gifts of $250 or More.

No member of a state board or commission, and no designated employee of a state agency, shall accept gifts with a total value of more than
two hundred fifty dollars ($250) in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subsections (b), (c), (d), and (e) of Government Code Section 89504 shall apply to the prohibitions in this section.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth one thousand dollars ($1,000) or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth one thousand dollars ($1,000) or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars ($250) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating $250 or more in value provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees. In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property;

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value one thousand dollars ($1,000) or more.

(10) Section 10. Manner of Disqualification.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act must be accompanied by disclosure of the disqualifying interest. In the case of a voting body, this determination and disclosure shall be made in writing to the chair or the appointing authority, and in the case of other designated employees, this determination and disclosure shall be made in writing to the designated employee’s supervisor.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act. Government Code sections 81000–91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code section 91003.