

SUMMARY STATEMENT
Labrador v. Idaho Board of Education
Docket No. 51580

This case concerned the Idaho Open Meetings Law and the scope of its exceptions that permit a governing body to meet in private executive sessions. Idaho Code sections 74-201 through 208 require that meetings of governing bodies “be open to the public and all persons” unless a specific exception applies. The exception at issue here allows a governing body to meet in executive session when necessary “to consider *preliminary negotiations* involving matters of trade or commerce in which the governing body *is in competition with* governing bodies in other states or nations[.]” I.C. § 74-206(1)(e) (emphasis added). Notwithstanding this exception, the legislature mandated that “[t]he exceptions to the general policy in favor of open meetings shall be *narrowly construed.*” I.C. § 74-206(2) (emphasis added).

On May 18, 2023, the State Board of Education and Board of Regents of the University of Idaho (the “Board”) unanimously approved terms for the University of Idaho to acquire the University of Phoenix for \$550 million, funded by a total bond of \$685 million. Prior to the Board’s announcement of the acquisition at the May 18, 2023, public meeting, there were three executive sessions held in March, April, and May that were closed to the public. Pursuant to the enforcement provisions of the Idaho Open Meetings Law, Attorney General Raúl Labrador sued, seeking to void the Board’s approval of the proposed acquisition. He argued the executive sessions were not permitted under the Open Meetings Law because (1) they consisted of more than just “preliminary negotiations” and (2) the Board was not actually in competition with another state governing body during the last two meetings.

In response to the Board’s motion to dismiss his original complaint, the Attorney General attempted to amend it by adding additional grounds for voidance and nullification of the actions taken by the Board. The district court barred the additional claims, concluding that they did not relate back to the original complaint; thus, they were filed past the 30-day deadline for bringing a claim under the Open Meetings Law. After the district court granted partial summary judgment against the Attorney General on the issue of whether the negotiations were “preliminary,” a bench trial was held on the remaining issue of whether the executive sessions were permissible because the Board was in competition with another state’s (Arkansas) entity at the time. The district court again found in favor of the Board, concluding that the Attorney General had not shown grounds for declaring the May 18, 2023, actions of the Board null and void. The Attorney General appealed.

The Idaho Supreme Court reversed, holding that the district court erred in concluding that there was no violation of the Open Meetings Law. Instead of narrowly construing the law as written, the Court concluded that the district court failed to adhere to the plain language of Idaho Code section 74-206(1)(e) in two ways. First, the Court held by a vote of 4 to 1 that the district court erred by broadly interpreting the exception for “preliminary negotiations” to mean “all negotiations prior to the public approval of a contract.” Therefore, the Attorney General was

improperly precluded from conducting discovery into the details of the secret negotiations. As the Court explained:

Contrary to the Open Meetings Law's preference for sunshine, the district court's reading of the preliminary negotiation clause effectively cloaks all negotiations and actions taken prior to a final public vote in shadow by broadening the very exceptions that the legislature required be narrowly construed.

Second, the Supreme Court unanimously held (5 to 0) that the district court erred by interpreting the phrase "is in competition with governing bodies in other states" as implying that the Board only had to "reasonably believe" they were in competition. The Court concluded that the plain language of the Act requires that a governing board possess evidence that it "is in competition with" another governing body on the date it met in each of the executive sessions.

The Supreme Court's opinion focused on the proper interpretation of the exceptions to the Open Meetings Law and the legal standards that should be applied to actions to enforce that law. It ultimately concluded that a remand was necessary because "the legal standards applied by the district court erroneously shaped its rulings limiting the scope of discovery, granting partial summary judgment to the Board, and entering a judgment of dismissal following the subsequent bench trial." The Court noted that its ruling does not end the case:

To be clear . . . we have not concluded that the Open Meetings Law was violated by the Board. We merely hold that the district court applied the wrong legal standard on summary judgment due to a misinterpretation of the relevant statute. Thus, we remand this matter for complete discovery and further consideration on summary judgment or at trial to determine whether the parties improperly held executive sessions after the negotiations advanced beyond the preliminary stage.

The Supreme Court reversed, in part, the ruling of the district court that denied the Attorney General's motion to amend the complaint. The Court also vacated the district court's award of over \$230,000 in attorney fees against the Attorney General because the "prevailing party" in the case has yet to be established.

******This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public.******