

Contract Exemption 2026-10

Issued on October 1, 2026, by

The West Virginia Ethics Commission

Opinion Sought

The **Fayette County Board of Education** requests a contract exemption to continue contracting with Rainelle Medical Center, Inc., where James Pat Gray, a BOE member, also serves as a board member.

Facts Relied Upon By the Commission

James Pat Gray serves as an elected member of the Fayette County Board of Education (“BOE”), currently serving as its president. The BOE has been contracting with Rainelle Medical Center, Inc. (“RMC”), a for-profit medical provider that has operated in many locations in southern West Virginia for years. RMC operates health care facilities on the Requester’s school properties, providing medical and mental health services to students and Department of Transportation (“DOT”) required physical examinations for bus drivers.

Before Mr. Gray joined RMC’s board of directors in 2024, the BOE received Contract Exemption 2024-01, allowing it to enter into the recently expired contract with RMC. Under the agreement, parents consent to their children receiving medical treatment at the school-based health center. Then, if a student receives any medical care from RMC Medical, their parents' insurance is billed. The BOE does not pay for student healthcare at the center.

The Requester asserts that RMC’s cost for its physicals is competitive and there are limited options for obtaining these DOT qualified physicals. The contract provides that the BOE will pay \$75 per physical exam for the bus drivers. The only other eligible provider of DOT physicals in the county is New River Health, charging \$95 per exam.

The Ethics Commission granted Contract Exemption 2024-01, which expired in June 2026. The BOE would like to continue the contract with RMC under the same terms and conditions. Mr. Gray serves as a member of RMC's board of directors, which is an unpaid position. His only relationship with RMC would be as a member of its board of directors. Mr. Gray does not have a personal financial interest in RMC or in the profits or benefits of the contracts held by RMC.

Provisions Relied Upon By the Commission

[W. Va. Code § 6B-2-5\(d\)\(1\)](#) states, in relevant part:

[N]o elected or appointed public official or public employee or member of his or her immediate family or business with which he or she is associated may be a party to or have an interest in the profits or benefits of a contract which the official or employee may have direct authority to enter into, or over which he or she may have control. . . .

[W. Va. Code R. § 158-8-4 \(2009\)](#) states, in relevant part:

Public officials or public employees or members of their immediate family are considered to be "associated" with a business if they or their immediate family member are a director, officer or holder of stock which constitutes five percent or more of the total outstanding stocks of any class.

W. Va. Code § 6B-2-5(d)(4) states, in relevant part:

Where the provisions of subdivisions (1) and (2) of this subsection would result in the loss of a quorum in a public body or agency, in excessive cost, undue hardship, or other substantial interference with the operation of a state, county, municipality, county school board or other governmental agency, the affected governmental body or agency may make written application to the Ethics Commission for an exemption. . . .

[W. Va. Code § 61-10-15\(a\)](#) states, in relevant part:

It is unlawful for any member of a county commission, district school officer, secretary of a Board of Education, supervisor or superintendent, principal or teacher of public schools or any member of any other county or district board or any county or district officer to be or become pecuniarily interested, directly or indirectly, in the proceeds of any contract or service or in the furnishing of any supplies in the contract for or the awarding or letting of a contract if, as a member, officer, secretary, supervisor, superintendent, principal or teacher, he or she may have any voice, influence or control. . . .

Opinion

The Ethics Act prohibits contracts between the BOE and a business with which a BOE member is associated, unless the BOE seeks and receives an exemption from the Ethics Commission. W. Va. Code §§ 6B-2-5(d)(1)-(4).¹ A BOE member is associated with a business when he or she, or their immediate family member, is a director or officer of the business. W. Va. Code R. § 158-8-4 (2009). As a member of RMC's board of directors, Mr. Gray is a director of the business. The Commission acknowledges that Mr. Gray does not have a personal financial interest in RMC.²

Exemption

The Ethics Commission may only grant a contract exemption if the prohibition would result in excessive cost, undue hardship, or other substantial interference with the BOE's operations. W. Va. Code § 6B-2-5(d)(4). The county has one other qualified

¹ W. Va. Code §§ 6B-2-5(d)(1) and (2) provide exceptions to the prohibition, but none applies here.

² In addition to the Ethics Act, county officers, such as BOE members, must abide by the prohibitions in W. Va. Code § 61-10-15(a), a statute that imposes criminal penalties against a county official who has a pecuniary interest, either directly or indirectly, in the proceeds of a contract over which the official exercises voice, influence, or control. This statute is only triggered when a board member has an actual pecuniary interest, unlike the Ethics Act. Therefore, the contract would not violate W. Va. Code § 61-10-15(a), and an exemption is unnecessary under this provision.

medical provider, but the Requester states that RMC is the only viable option. The BOE contends that it has taken time to cultivate and develop the relationship with RMC and establish the sites for care in the school system. Starting all over with finding and setting up services with a different provider would be time consuming and logistically cumbersome. Specifically, the BOE asserts that the main clinic where RMC provides services to Fayette County Schools is on one of the BOE's campuses in a building owned by RMC. In the event that RMC ceased to be the provider and an equivalent one had to be found, the BOE may need to spend hundreds of thousands of dollars, possibly even up to \$300,000, building a new facility. Furthermore, it would take at least a year or longer to set up such arrangements, particularly if new construction or expansions to school facilities were required.

The Ethics Commission finds support in its past exemption to Fayette County BOE and its holding in [Advisory Opinion 1989-129](#), to grant the exemption in this case. In that Opinion, the Commission granted an exemption to a board of education to continue its 15-year contract for legal services with a board employee's spouse.³ The Commission stated:

Through his representation of the County Board of Education the attorney has developed an expertise with regard to matters associated with the school system in general and the County Board of Education in particular. If the exemption is not granted the Board would have to go outside the County and obtain legal counsel from another area, which would increase the cost of legal representation to the Board. There are currently an excess of forty separate pending cases concerning the County Board of Education....The Commission finds that excessive cost, undue hardship and substantial interference would result from the enforcement of (d)...

The Commission is also persuaded to grant this exemption because, although Mr. Gray is associated with RMC, he does not have a personal financial interest in RMC or its

³ The language in W. Va. Code § 6B-2-5(d)(1) has been amended since 1989 but the amendment is immaterial to this case.

contracts and will be volunteering his time as a board member. Further, the terms of the new contract will be the same as the recently expired contract terms, which were negotiated prior to Mr. Gray taking a seat on RMC's board of directors.

The Ethics Commission finds that the Fayette County Board of Education will face excessive cost, undue hardship, and substantial interference in its operations if this request is denied. Therefore, the Commission grants the contract exemption with the below limitations.

First, the contract exemption will expire on June 30, 2030, the last day of Mr. Gray's elected term. If Mr. Gray is elected for another term to the BOE and remains on the RMC board, a new contract exemption will be necessary.

Second, Mr. Gray must recuse himself from decisions, discussions, and votes relating to the BOE's contract with RMC or payments for services to RMC. For recusal to be proper, he must first fully disclose on the record his disqualifying interest and leave the room during the discussion, deliberation, and vote on the matter as required by W. Va. Code §§ 6B-2-5(d) and (j)(3). In addition, the minutes or record of the meeting must reflect the basis for the recusal and that Mr. Gray left the room during all consideration, discussion, and vote on the contract and payment for services.

The Commission notes that exemptions must be granted on a case-by-case basis. Therefore, this Contract Exemption is limited to the facts and circumstances of this particular case and may not be relied upon as precedent by other persons or entities.

/s/ Robert J. Wolfe
Robert J. Wolfe, Chairperson
West Virginia Ethics Commission