



## GOVERNANCE, TRANSPARENCY AND LABOR RELATIONS POLICY COMMITTEE

Friday, March 17, 2023

10:00 a.m. - 2:00 p.m.

### Register for this meeting:

<https://us06web.zoom.us/join/91JmHdZ7vPBcr2nYFosJVQNTmSI>

Immediately after registering, you will receive a link and confirmation email to join the meeting.

### AGENDA

#### I. Welcome and Introductions

Speakers: Chair Elisa Cox, Assistant City Manager, Rancho Cucamonga  
Vice Chair Frank Yokoyama, Council Member, Cerritos  
Cal Cities President Ali Sajjad Taj, Council Member, Artesia  
Cal Cities Executive Director and CEO Carolyn Coleman

#### II. Public Comment

#### III. General Briefing

#### IV. Workers' Compensation Update

Informational

Speaker: Jason Schmelzer, Lead Advocate, California Coalition on Workers' Compensation and Partner at Shaw Yoder Antwih Schmelzer & Lange

#### V. Cybersecurity Update (Cal OES Invited)

#### VI. Legislative Agenda (Attachment A)

Action

[SB 769 \(Gonzalez\)](#) Local government: fiscal and financial training.

#### VII. Legislative Update

Informational

#### VIII. Adjourn

**Next Meeting:** Friday, June 23, 10:00 a.m. – 2:00 p.m., Pomona

Brown Act Reminder: The League of California Cities' Board of Directors has a policy of complying with the spirit of open meeting laws. Generally, off-agenda items may be taken up only if:

1) Two-thirds of the policy committee members find a need for immediate action exists and the need to take action came to the attention of the policy committee after the agenda was prepared (*Note: If fewer than two-thirds of policy committee members are present, taking up an off-agenda item requires a unanimous vote*); or

2) A majority of the policy committee finds an emergency (for example: work stoppage or disaster) exists.

A majority of a city council may not, consistent with the Brown Act, discuss specific substantive issues among themselves at League meetings. Any such discussion is subject to the Brown Act and must occur in a meeting that complies with its requirements.



**GOVERNANCE, TRANSPARENCY AND LABOR RELATIONS POLICY COMMITTEE**  
**Legislative Agenda**  
**March 2023**

**Staff:** Johnnie Pina, Legislative Affairs, Lobbyist (916) 658-8214

1. **SB 769 (Gonzalez) Local government: fiscal and financial training.**

**Overview:**

SB 769 would require a member of a legislative body, if that local agency provides any type of compensation, salary, stipend, or provides reimbursement for actual and necessary expenses incurred by a member of a legislative body in the performance of official duties, to receive at least two hours of fiscal training every two years, as described.

**Bill Description:**

Training

The fiscal and financial training would include, but not limited to, the following:

- Laws and principles relating to financial administration and short-and long-term fiscal management, including, but not limited to, the role and responsibilities of financial administration, financial policies, municipal budgets and budget processes, and financial reporting and auditing.
- Laws and principles relating to, but not limited to, capital financing and debt management, mechanisms for city revenues, pensions and other postemployment benefits, and cash management and investments.
- General fiscal and financial planning principles and any pertinent laws relevant to the local agency official's public service and role in overseeing the local agency's operations and relevant to the local agency's procurement practices and responsibilities.

Definitions

- A "local agency official" is defined as:
  - Any member of a local agency's legislative body or any elected local agency official who receives any type of compensation, salary, or stipend or reimbursement for actual and necessary expenses incurred in the performance of official duties
  - Any employee designated by a local agency's legislative body to receive the training specified under this article.
- A "legislative body" is as defined in Government Code [Section 54952](#).
- A "local agency" means a city, county, city and county, charter city, charter county, charter city and county, or special district.

Frequency

Every local agency official who is in a local agency's service as of January 1, 2024, and commenced that service prior to January 1, 2024, shall receive the fiscal and financial planning training required by this article before January 1, 2026, unless that official's term

of office ends before January 9, 2026. Thereafter, the local agency official shall receive the training at least once every two years.

Every local agency official who commences service with a local agency on or after January 1, 2024, shall receive the fiscal and financial planning training no later than one year from the first day of service with the local agency. Thereafter, the local agency official shall receive the training at least once every two years.

A local agency official who serves more than one local agency is only required to comply with the training requirements of this article once every two years, regardless of the number of local agencies the official serves. However, the official shall provide a copy of proof of participation to all local agencies that they serve.

### Compliance

A local agency that requires its local agency officials to complete the fiscal and financial planning training shall maintain records indicating the following:

- The dates that local officials satisfied the requirements of this article.
- The entity that provided the training.
- A local agency shall maintain these records for at least five years after local agency officials receive the training. These records are public records subject to disclosure under the California Public Records Act.

A local agency or an association of local agencies may contract with or otherwise collaborate with a provider of a training course to offer one or more training courses, or sets of self-study materials with tests, to its local agency officials to meet the requirements of this article.

Training courses, or the sets of self-study materials with tests, may be taken at home, in-person, or online. These courses and materials shall be developed in consultation with the California State Auditor.

All providers of training courses under this article shall provide participants with proof of participation.

A local agency shall provide information on training available to meet the requirements of this article to its local agency officials at least once annually.

### State Mandate

If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

### **Background:**

#### Proposal Origin

The author wants to mitigate corruption and promote financial understanding among local agency officials. Before drafting the version of the proposal that is before the committee, the Senator's office proposed linking the required training to only those cities

that ranked poorly on the state Auditor's Local High-Risk Dashboard (Dashboard). However, Cal Cities staff advised that this was not the right approach because it would give more credibility to the Dashboard and Cal Cities disagrees with the information presented in the Dashboard.

Cal Cities fully supports transparency and sharing relevant and meaningful data, which the Dashboard does not accomplish. It uses the city's audited financial statements, which usually lag a year behind so does not reflect current conditions. The dashboard also fails to provide the necessary context or analysis to make the information useful.

In response to that feedback, the Senator's office current proposal uses the AB 1234 (Statutes of 2005) ethics training as a model for this proposed training.

From the author's office regarding using the AB 1234 model:

"Cities, counties and special districts in California are required by law (AB 1234, Chapter 700, Stats. of 2005) to provide ethics training to their local officials. The law also provides that if an entity develops criteria for the ethics training required by AB 1234, the Fair Political Practices Commission and the Attorney General must be consulted regarding any proposed course content. Several training options are available to local agencies, including training conducted by commercial organizations, nonprofits, or an agency's own legal counsel. In addition, an online training program has been established that allows local officials to satisfy the requirements of AB 1234 on a cost-free basis.

In addition, current law requires each local agency official, or employee who is so required, to receive at least two hours of sexual harassment prevention training and education within the first six months of taking office or commencing employment, and every two years thereafter."

#### Previous Consideration

The Governance, Transparency, and Labor Relations Committee reviewed a similar proposal from the same author last year. After robust discussion, the committee directed Cal Cities staff to work with Senator Lena Gonzalez and provide her with the committee's extensive feedback. The feedback was generally mixed. Some Committee members expressed concern over specified mandated training for elected officials, while others supported the concept stating that training is important and could be beneficial. Cal Cities staff shared the feedback with the author's office and the Senator decided to not pursue the effort last year.

#### **Fiscal Impact:**

Unknown though the requirements would likely be a reimbursable state mandate.

#### **Existing Cal Cities Policy:**

##### *Transparency*

Public trust and confidence in government is essential to the vitality of a democratic system and is the reason ethics laws hold public officials to high standards.

Laws alone cannot foresee or prevent all actions that might diminish the public's trust in governmental institutions. Transparency laws impose the minimum standards of conduct;

to preserve public trust, public officials should aspire to conduct that exceeds minimum standards.

State revisions to laws governing local agency transparency and ethics should address material and documented inadequacies in those laws and have a reasonable relationship to resolving those problems.

In order to encourage and facilitate compliance with new transparency and ethics requirements, State laws should be internally consistent, avoid redundancy and be mindful of the practical challenges associated with implementation.

State officials and agencies should aspire to conform to the same level of transparency and ethical behavior as is imposed on local officials and agencies.

#### *Elected Officials*

The League supports requiring both elected local and state officials to maintain their place of residence in the jurisdiction they were elected to represent.

#### *Workers' Compensation*

The League is committed to ensuring employees have access to, and are educated in, sexual harassment prevention training and supports the State of California's production of uniform training materials to be used to educate employees on the prevention of sexual harassment in the workplace. As employees move from agency to agency or between public and private employers, it is important that they have a uniform training standard related to sexual harassment prevention.

#### *Police Use of Force*

The League supports basic training requirements and guidelines for agencies and law enforcement officers on use of force, including, but not limited to training on the legal standards for use of force, one's duty to intercede, implicit and explicit bias and alternatives to the use of deadly force.

#### *Appendix A*

The League supports California State Water Resources Control Board conducted training of regional water boards, provided the SWRCB both conducts the training and sets consistent standards statewide.

#### **Staff Comments:**

##### Technical and Clarifying Amendments

The definition of "legislative body" is the same definition that is found in the Brown Act. This is broad and includes planning commissions; committees created by the city council; and board of a non-profit corporation receiving funding from a city if a non-profit board member is a city council member. Policy committee members may wish to consider what boards, committees, and commissions need fiscal and financial training.

The use of "but are not limited to" language describing the training is quite broad and may lead to questions of whether the training is complete and adequate. Deleting the language, "but are not limited to" language may provide clarity.

The language currently states, “fiscal and financial planning principals and any pertained laws” and also references “fiscal and financial training”. These two phrases could lead to confusion and a misinterpretation about which training is relevant to which local agency official. If the measure only used, “fiscal and financial training”, it may provide additional clarity for local agencies.

The language also references a local agency requiring this training. It should be made clear that this is a state mandate and is not being required by the local agency but rather the state.

**Questions for Policy Committee Members to Consider:**

1. Is this new training requirement needed?
2. If so, which local agency officials should be required to take the training?
3. If this applies to local agency officials, should this apply to state officials as well?
4. Is two hours the appropriate length for the training?
5. Who should set the standards for the training?

**Support**

None on file at this time.

**Opposition**

None on file at this time.

**Staff Recommendation**

Cal Cities staff recommends the committee discuss and make a recommendation to the Board of Directors.

**Committee Recommendation:**

**Board Action:**