GOVERNANCE, TRANSPARENCY & LABOR RELATIONS POLICY COMMITTEE
Friday, March 29, 2019
10:00 a.m. – 3:00 p.m.
Hilton Orange County/Costa Mesa, Pacific Ballroom 2, 3050 Bristol Street, Costa Mesa

AGENDA

SPECIAL ORDER: State Budget and Issues Briefing for all policy committee members
10:00 – 10:45 a.m., Catalina II Room

Upon adjournment of the general briefing session, the members of the Governance, Transparency and Labor Relations Committee will join the Revenue and Taxation Committee to receive a special presentation on the details of the recent California Supreme Court pension decision (Cal Fire Local 2881 v. California Public Employees’ Retirement System)

I. (11:00 a.m.) Special Briefing: Impacts of Cal Fire Local 2881 v. California Public Employees’ Retirement System

Speaker: Jonathan Holtzman, Renne Public Law Group

CA Cities Advocate Article: California Supreme Court Finds Airtime Was Not a Vested Pension Benefit in Cal Fire Local 2881 v. CalPERS; Declines to Address the “California Rule” on Pension Modification (Attachment A)

II. Welcome and Introductions

III. Public Comment

IV. Brown Act Clarification (Page 9): Use of Social Media by Local Elected Officials: Update

Speakers: Alison Leary, Deputy General Counsel, League of California Cities
Dane Hutchings, Legislative Representative, League of California Cities

• AB 992 (Mullin) Open meetings: local agencies: social media

V. 2019 Legislative Agenda (Attachment B)

• AB 17 (Salas) Elections: vote by mail ballots
• AB 220 (Bonta) Political Reform Act of 1974: campaign funds: childcare costs
• SB 523 (McGuire) Elections: vote by mail ballots.

VI. GTLR Work Plan and Strategic Goal Update

Next Meeting: Friday, June 14, Sacramento Convention Center, Sacramento

NOTE: Policy committee members should be aware that lunch is usually served at these meetings. The state’s Fair Political Practices Commission takes the position that the value of the lunch should be reported on city officials’ statement of economic interests form. Because of the service you provide at these meetings, the League takes the position that the value of the lunch should be reported as income (in return for your service to the committee) as opposed to a gift (note that this is not income for state or federal income tax purposes—just Political Reform Act reporting purposes). The League has been persistent, but unsuccessful, in attempting to change the FPPC’s mind about this interpretation. As such, we feel we need to let you know about the issue so you can determine your course of action.

If you would prefer not to have to report the value of the lunches as income, we will let you know the amount so you may reimburse the League. The lunches tend to run in the $30 to $45 range. To review a copy of the FPPC’s most recent letter on this issue, please go to www.cacities.org/FPPCletter on the League’s Website.
California Supreme Court Finds Airtime Was Not a Vested Pension Benefit in Cal Fire Local 2881 v. CalPERS; Declines to Address the “California Rule” on Pension Modification

March 4, 2019

The California Supreme Court issued a unanimous decision today in Cal Fire Local 2881 v. California Public Employees’ Retirement System. The League filed an amicus brief in the case, and has been monitoring the case closely.

As the League anticipated, the Court found that employees enrolled as classic members of CalPERS did not have a “vested” right to purchase up to five years of service credit (commonly known as “airtime”) to add to their pension benefit, and therefore upheld the Legislature’s elimination of airtime as part of the Public Employees’ Pension Reform Act. The Court’s conclusion is consistent with the arguments the League made in its amicus brief.

“The League applauds today’s California Supreme Court decision upholding a key provision which amended the law governing the state’s public employee retirement system,” said Carolyn Coleman, executive director, League of California Cities. “While today’s decision lets stand reforms important to the fiscal health of the system, more work must be done to address the challenge of escalating pension costs for local governments. The League stands ready to partner with the Administration, Legislature and stakeholders to ensure a strong defined benefit retirement system for California’s public sector workers and retirees.”

In reaching its conclusion that airtime was not a vested pension benefit, the Court noted that there was no evidence to clearly demonstrate that the Legislature intended to create a vested right when it enacted the airtime statute. Furthermore, the Court found that airtime could not be considered to be vested as “deferred compensation” because it was not meaningfully tied to actual public service. It noted that the same amount of airtime was available to all employees who had completed the five years necessary to qualify to receive a pension in the first place.

Additionally, the Court explained that even if airtime was viewed as a contractual offer, there were two things employees had to do to accept the offer – (1) file a written election with the employee’s pension board and (2) make appropriate payments to the retirement system – and therefore the Legislature was entitled to revoke that offer for all employees, including plaintiffs, who had yet to make the written election and the payments.

Since the Court concluded the benefit was not vested, it had no occasion to address prior precedent now commonly referred to as the “California rule,” which provides that modifications to vested pension benefits must bear some material relation to the successful operation of a pension system and any resulting disadvantages to pensioners must be offset by comparable new advantages.

The League is working on a full analysis of the case, and more information on the case and its impact on cities will be forthcoming. In the meantime, you can access the opinion online.
1. **AB 17 (Salas) Elections: vote by mail ballots.** *(Full Bill Text Here)*

**Bill Summary:**
This bill would make it unlawful for a public or private employer to request or require their employees to either bring their vote by mail ballot (VBM) into the workplace or to request or require their employees to vote on their vote by mail ballot in the workplace.

**Bill Description:**
AB 17 seeks to prevent any employer (Public and Private) from influencing how an employee votes by requesting or requiring their employees to either bring their vote by mail ballot into work or vote on their vote by mail ballot in the workplace. If an employer violates this law they can be subject to a civil fine, brought by the Secretary of State or the local public prosecutor, of up to $10,000 per election.

**Background:**
Under current law, the practice of an employer requesting or requiring an employee to either bringing in their vote by mail ballot to work or actually vote on the vote by mail ballot at work is not explicitly unlawful. However, existing state and federal laws include a variety of safeguards to protect against VBM ballot intimidation or coercion. State law includes extensive penalties for misconduct in connection with VBM ballots.

**Fiscal Impact:**
Unknown: A fiscal analysis has not yet been prepared on this measure. However, this bill may lead to undo costs associated with lawsuits brought upon an employer due to the unclear definitions within the law and fines as a result of a violations.

**Existing League Policy:**
The League currently does not have explicit existing policy relating to this topic. The only policy relating to this topic is:

- *The League supports mail ballot elections.*
- *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.

Comments:
Staff Comments:
The bill’s factsheet states that if an employer requests or requires their employees to either bring their VBM ballot into the workplace or to vote on their vote by mail ballot in the workplace, it would undermine the integrity of the election. It would do so by interfering with a voter’s right to a free and unconstrained vote because the employer could be explicitly or implicitly persuading the employee to vote in a way that is favorable to the employer.

This practice is currently not explicitly banned under current law and could potentially take place. However, the Assembly Elections Committee analysis states, “According to the California Secretary of State’s office, over the past two years the Election Fraud Investigation Unit has not received any formal complaints of voter intimidation or other election violations from the public regarding their employer or employers in general.” The analysis goes onto say that the Committee has not been provided any information that indicates this is current practice by any employer. This bill is attempting to prevent a hypothetical practice and it is unclear how much of a problem this is.

A major flaw with this bill is the definitions of terms. The definition of “Request” and “Requirement” are unclear. A city may be accused of making a “request” for employees to bring in their vote by mail ballot when encouraging employees to vote. This uncertainty could potentially lead to confusion and undo harm to employers. It is also unclear what evidence would be required in order to bring civil charges against an employer.

For example, if a manager says to an employee, “You should bring your vote by mail ballot in tomorrow so you can drop it off when you get time.” Does that statement constitute a violation for the employer that could lead to a fine? This needs to be clarified so this law does not interfere with any effort on the part of an employer to encourage employees to vote.

Finally, it is unclear how an employer could explicitly or implicitly influence an employer’s vote by requesting or requiring an employee to bring in a vote by mail ballot that is already filled out and sealed. This bill does not differentiate between bringing in complete and sealed vote by mail ballots or open incomplete vote by mail ballots.

This bill passed out of the Assembly Elections Committee on a five to one vote and will next be heard in the Assembly Appropriations Committee.

Support-Opposition: (As of 3/13/2019)
Support:
California Conference Board of the Amalgamated Transit Union
California Conference of Machinists
California Secretary of State
California Teachers Association
California Teamsters Public Affairs Council
Engineers and Scientists of CA, IFPTE Local 20, AFL-CIO
Inlandboatmen’s Union of the Pacific
Professional and Technical Engineers, IFPTE Local 21, AFL-CIO
SAG-AFTRA
UNITE-HERE, AFL-CIO
United Farm Workers
Utility Workers of America

Opposition:
None on File

Staff Recommendation:
League staff recommends an Oppose Unless Amended position. League staff recommends the following amendments.

- Clarifying what constitutes a “Request” and a “Requirement” in the context of this law.
- Clarify what evidence needs to be present in order to bring civil action against an employer.
- Distinguish between a filled out and sealed vote by mail ballot versus a blank unsealed vote by mail ballot.
- Or propose as an alternative, limiting this bill to disallow employers from “Requesting” or “Requiring” employees to vote on their vote by mail ballot at work.

Committee Recommendation:

Board Action:

   (Full Bill Text Here)

Bill Summary:
This bill would authorize the use of campaign funds to pay for child care expenses resulting from a candidate or officeholder engaging in campaign activities or performing official duties.

Bill Description:
Section 89513 of the Government Code governs the use of campaign funds for specific expenditures. This bill would amend Section 89513 of the Government Code to explicitly state that this section does not prohibit the use of campaign funds to pay or reimburse a candidate or officeholder for child care expenses resulting from the candidate or officeholder engaging in campaign activities or performing official duties.
The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act’s purposes upon a 2/3 vote of each house of the Legislature and compliance with specified procedural requirements.

**Background:**
The Political Reform Act of 1974 provides for the comprehensive regulation of campaign financing, including the use of campaign funds for specific expenditures. The act prohibits the use of campaign funds to pay for professional services not directly related to a political, legislative, or governmental purpose.

This discussion around whether or not campaign funds should be allowed to be used for childcare is happening around the country and is currently allowed in several states including Alabama, Louisiana, Kentucky, New York and others. In May 2018, the Federal Election Commission ruled that federal candidates can use campaign funds to pay for child care costs that result from time spent running for office.

**Fiscal Impact:**
Unknown: A fiscal analysis has not yet been prepared on this measure.

**Existing League Policy:**
The League currently does not have explicit existing policy relating to this topic.
The only policy relating to this topic is:
- *The League supports legislation and regulations that establish sound practices and principles related to political campaigns. Regulations and legislation that restrict or preempt local authority will be opposed.*

**Comments:**
**Staff Comments:**
The author has characterized the use of campaign funds to pay for child care expenses as a way to encourage more women to run for elected office. According to the author, candidates have been uncertain about whether they can use campaign funds to pay for childcare and this uncertainty has been a barrier to all parents considering public office.

Additionally, the author has stated that, “California’s campaign finance law expressly allows candidates to use campaign funds for unusual expenses like parking fines, home security systems and even specialty clothes. That means a male candidate could rent a tuxedo, but a female candidate may not be able to use funds to pay for extra child care expenses incurred because of campaigning.”

**Support-Opposition: (as of 3/21/2019)**
**Support:**
None on File

**Opposition:**
None on File
Staff Recommendation:
League staff recommends the Committee discuss AB 220 to determine a position.

Committee Recommendation:

Board Action:

3. **SB 523 (McGuire) Elections: vote by mail ballots.**
   (Full Bill Text Here)

Bill Summary:
This measure would align the time allowed for voters to correct a missing signature on a vote by mail ballot (VBM) with the time currently allowed to correct a mismatching signature on a vote by mail ballot. This bill also adds translation and notification requirements, imposing additional duties on local election officials.

Bill Description:
This bill allows a voter who receives a notification that their signature on an identification envelope when submitting a vote by mail ballot does not match the signature on file to submit a completed signature verification statement to a polling place within the county or a ballot drop off box before the close of the polls on election day.

Current law requires election officials to notify voters whose signatures do not match what is on file. This bill amends this law to require the notification must also be translated in all languages as required by Section 14201 and Section 203 of the federal Voting Rights Act of 1965 (52 U.S.C. Sec. 10503). This section states that before August 6, 2032, no State or political subdivision shall provide voting materials only in the English language. Additionally, whenever any State or political subdivision provides any registration or voting notices, forms, instructions, assistance, or other materials or information relating to the electoral process, including ballots, it shall provide them in the language of the applicable minority group as well as in the English language.

This bill also changes the timeline for submitting an unsigned ballot statement if a vote by mail voter did not sign their ballot. In this situation a voter may now sign the identification envelope at the office of the elections official during regular business hours no later than 5 pm two days prior to the certification of the election. Current law states that a voter may sign it before the eighth day after election. They can also submit an unsigned ballot statement no later than 5pm two days prior to the certification of the election. Current law states they could do so before 5pm on the eight day after the election.

This bill also adds a notification requirement. Under this bill, election officials would have to provide notice at least eight days prior to the certification of the elections to all voters who submitted a vote by mail ballot with no signature on the identification
envelop. The notified voter then has until 5pm two days prior to the certification of the election to provide a signature. If this signature does not match the signature on file, election officials must give notice pursuant to the above process.

The notification to a voter who did not sign the identification envelop must be in all languages as required by Section 14201 and Section 203 of the federal Voting Rights Act of 1965 (52 U.S.C. Sec. 10503).

Because the bill would impose additional duties on a local elections official, the bill would impose a state-mandated local program.

Background:
Current law states a mismatch signature must be corrected before 5pm two days before the certification of the election and a missing signature must be corrected before 5pm on the eighth day after an election.

The author’s office has stated that the intent of the bill is to align the amount of time a voter has to correct either a mismatched signature or a missing signature on a vote by mail ballot. This measure is sponsored by the California Secretary of State’s Office.

AB 477 (Mullin) of 2015 allowed for a voter who failed to sign his or her vote by mail (VBM) identification envelope to complete and sign an unsigned ballot statement up to eight days after the election, as specified, in order to have his or her ballot counted.

According to the author of AB 477, California has one of the highest ballot rejection rates in the country and it is imperative the state do everything possible to minimize the number of discarded legitimate ballots. He goes onto say 69,000 ballots were rejected in the 2012 general election. About one-quarter of vote-by-mail ballots were thrown out because the signature on the ballot envelope did not match the signature on record. In addition, about 17 percent of ballots are not counted because the voter failed to sign his or her ballot envelope altogether.

Fiscal Impact:
Unknown: A fiscal analysis has not yet been prepared on this measure. However, this bill would impose duties onto local election officials and provide that if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Existing League Policy:
- The League supports legislation that reduces any unnecessary and costly procedures for conducting a municipal election. The League opposes legislation that mandates costly and unnecessary procedures related to the election process.
- The League supports mail ballot elections.
Comments:

Staff Comments:
This bill brings parity for both the process of correcting a mismatched signature and correcting a missing signature. This bill would require a notification to go out to the voter who made either mistake at least eight days before the certification of the election and allow for a correction no later than 5pm two days prior to an election.

The concern here is the shorter timeline associated with the missing signature. If a voter receives the notice that their ballot does not have a signature at least eight days before the certification of the election, they can correct it up to two days before the certification of the election. If a voter does make the correction two days before the certification of the election and their signature does not match the signature on file, it requires local election officials to now notify the voter that there is a mismatched signature on their unsigned ballot statement at least eight days prior to the certification of the elections. The voter would then have until two days before the certification of the election to correct their mismatched signature. However, if they turned in their unsigned ballot statement two days before the certification of the election there would be no time for the notification to go out or for the voter to correct the mistake. The timeline outlined in the bill seems flawed and difficult if not impossible to implement.

Questions the Committee May Want to Consider:
- Is the timeline proposed workable?
  - If not, what would be a more realistic timeline?
- How would this impact a city’s ability to conduct their election?
- How much cost do you think this could add to the election?
  - Specifically, which aspects of the bill would be the most challenging to implement?
    - The translation requirements?
    - The new notification requirements?
    - The timeline?
    - Other?

Support-Opposition: (as of 03/22/2019)

Support:
California Secretary of State (Sponsor)

Opposition:
None on File

Staff Recommendation:
League staff recommends the Committee discuss SB 523 to determine a position.

Committee Recommendation:

Board Action:
4. **AB 992 (Mullin) Open meetings: local agencies: social media**  

*(Full Bill Text Here)*

**Bill Summary:**
This bill states that the Ralph M. Brown Act does not apply to the posting, commenting, liking, interaction with, or participation in, internet-based social media platforms that are ephemeral, live, or static, by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

**Bill Description:**
This bill would add the following as exceptions to the Brown Act:

(7) (A) The posting, commenting, liking, interaction with, or participation in, internet-based social media platforms that are ephemeral, live, or static, by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(B) For purposes of this paragraph, all of the following definitions shall apply:
(i) “Ephemeral” means sharing a video, photo, or other content that is temporary in nature, including, but not limited to, Snapchat Stories, Facebook Stories, or Instagram Stories.
(ii) “Live” means a video or commenting post that is synchronous and happens live, including, but not limited to, Reddit Ask Me Anything (AMA) or Facebook Live.
(iii) “Static” means a post in the form of a video, photo, or text that is viewable by members of the public, including, but not limited to, a Twitter status update, YouTube video, Facebook post, or Instagram post.

**Background:**
League staff brought a proposal to the GTLR policy committee in January which discussed the topic of social media and the Brown act related to local elected officials. The Committee recommended that staff work with the League’s City Attorney Department Brown Act Committee, to discuss and prepare a more specific recommendation. This bill was introduced while League staff was working with the Brown Act Committee to work on bill proposed bill language. The introduction of this bill has taken this conversation out of the abstract and provides an opportunity for this committee to shape the policy in a way that is workable for all cities.

**Fiscal Impact:**
Unknown: A fiscal analysis has not yet been prepared on this measure.

**Existing League Policy:**
The League currently does not have explicit existing policy relating to this topic. The only policy relating to this topic is:
• The League supports legislation that recognizes the need to conduct the public’s business in public. To this end, the League supported and was a co-sponsor of the original Ralph M. Brown Act and supports legislation that conforms to the intent of the Act. The League also supports the regulation of the state and other public agencies to ensure conformance to the principles of the open meetings provision in the Ralph M. Brown Act.

• The League opposes legislation claiming to enhance open and public meetings that in practice unnecessarily complicates the ability of a local governing body to properly communicate with the public and that discourages communications among governing body members through unproductive restrictions and inappropriate activities.

Comments:
Staff Comments:

Since January, League staff has hosted several conference calls with the Brown Act Committee to discuss this issue. The shared goal of the Policy Committee, Brown Act Working Group as well as the Author of the measure is to simply provide direction to local agencies in how to comply with the Brown Act in a time when social media has become a virtual requirement for local elected officials in dealing with the public.

Additionally, the Brown Act Working Group felt that the use of social media as well as direct interaction with other council members should fall under the same rules and restrictions as outlined in section 54952.2 of the Government code. League staff feels the language moves in the right direction. After all, in today’s digital age having a “virtual” gathering is in some cases, more common than attending a traditional conference, an open and publicized meeting, or a purely social gathering, as defined in the Brown Act. Why not take this opportunity to modernize the act to take this into account?

The proposed language below reflects that shared goal by providing clarity on the following:

• How social media is defined. More specifically not limiting social media to one specific platform.
• What actions can take place with social media without violation of the serial meeting provisions in the Brown Act
• How to modify the Brown Act in a way that reflects the digital age of how council members interact with the public.
THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1.
Section 54952.2 of the Government Code is amended to read:

54952.2.
(a) As used in this chapter, “meeting” means any congregation of a majority of the members of a legislative body at the same time and location, including teleconference location as permitted by Section 54953, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body.

(b) (1) A majority of the members of a legislative body shall not, outside a meeting authorized by this chapter, use a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body.

(2) Paragraph (1) shall not be construed as preventing an employee or official of a local agency, from engaging in separate conversations or communications outside of a meeting authorized by this chapter with members of a legislative body in order to answer questions or provide information regarding a matter that is within the subject matter jurisdiction of the local agency, if that person does not communicate to members of the legislative body the comments or position of any other member or members of the legislative body.

(c) Nothing in this section shall impose the requirements of this chapter upon any of the following:

(1) Individual contacts or conversations between a member of a legislative body and any other person that do not violate subdivision (b).

(2) The attendance of a majority of the members of a legislative body at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies of the type represented by the legislative body, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specified nature that is within the subject matter jurisdiction of the local agency. Nothing in this paragraph is intended to allow members of the public free admission to a conference or similar gathering at which the organizers have required other participants or registrants to pay fees or charges as a condition of attendance.

(3) The attendance of a majority of the members of a legislative body at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than the local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.
(4) The attendance of a majority of the members of a legislative body at an open and noticed meeting of another body of the local agency, or at an open and noticed meeting of a legislative body of another local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(5) The attendance of a majority of the members of a legislative body at a purely social or ceremonial occasion, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(6) The attendance of a majority of the members of a legislative body at an open and noticed meeting of a standing committee of that body, provided that the members of the legislative body who are not members of the standing committee attend only as observers.

(d) The following shall not be determined to be a violation of subdivision (b):

(1) The participation in, internet-based social media platforms by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(a) (2) For purposes of this subdivision (d), all of the following definitions shall apply: “Discuss among themselves” means communications made, posted, or shared on an internet-based social media platform or account between members of a legislative body. “Discuss among themselves” shall not mean individual communications made, posted, or shared by one or more members of a legislative body on an internet-based social media platform or account provided the communications do not respond directly to communications made, posted, or shared by any other member. In addition, “discuss among themselves” excludes communications made through the use of digital icons that express reactions to information, ideas, or opinions by others.

(b) “Internet based social media platform” means an online service that is generally open and available to the public.

(c) Internet based social media account means an individually hosted page on an internet based social media platform.

(d) “Internet based social media platform provider” means an entity that hosts or otherwise makes an internet based social media platform available to the public.

(e) "Generally open and available to the public" means that members of the general public within the jurisdiction of the agency have the ability to
participate in the social media platform, and are not blocked from doing so by a member of the legislative body.

(f) “Participation” means the act of publicizing information, ideas, or opinions electronically according to the protocols or rules of an internet-based social media platform provider.

**Support-Opposition: (as of 03/22/2019)**

**Support:**
None on File

**Opposition:**
None on File

**Staff Recommendation:**
League staff recommends a Support in Concept position while staff continues to work with the Authors office on amending the measure with the GTLR and Brown Act Committee amendments.

**Committee Recommendation:**

**Board Action:**