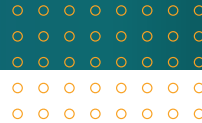


Health Care District Reminders for 2024



Best Best & Krieger LLP is a full-service law firm with nearly 250 attorneys in offices across the West Coast and Pacific Northwest, and in Washington, D.C. We deliver timely and service-oriented solutions to complex legal issues facing California healthcare districts. Our experienced healthcare and public agency attorneys regularly counsel healthcare districts about governance and operations matters, as well as a wide range of transactions. Here are standard and new healthcare district public agency governance reminders that may be helpful in 2024.

Nov. 5, 2024 General Election (Elections Code §§10510 and 10403)

The election of successor board members (for directors whose terms will expire in December after the general election) will be at large within the district and consolidated with the presidential general election on **Nov. 5, 2024**. The 25-day filing period for board candidate applications will open on **July 15, 2024** (113 days before the election) and close on **Aug. 9, 2024** (88 days before the election). **Aug. 9, 2024** is also the deadline for the board to pass resolutions to place measures on the ballot to be consolidated with the general election. Contact your [local county elections office](#) to obtain additional information about district election procedures and confirm specific county deadlines.

Open Meeting Laws and Social Media (Govt. Code §54952.2)

Board members may communicate with the public outside of a meeting on social media platforms to

answer questions, provide information, or solicit information from the public regarding district business, **provided that** a board member may not (a) respond directly to another board member’s communication, comment, or post if the topic concerns district business or (b) discuss district business with a majority of members of the board. This includes communicating, posting, sharing, commenting, or using digital icons (i.e., a thumbs-up or an emoji).

Public Agency Roster (Govt. Code §53051)

Districts must have a Statement of Facts — Roster of Public Agencies Filing form on file with the Secretary of State and county clerk. The filing must be updated within 10 days after any change (e.g., new board member).

Oath of Office (Govt. Code §1363)

Every board member must have an Oath of Office on file with the district, with copies given to the county clerk if required. (The county elections department usually provides the form.)

Form 700 Financial Disclosure

New board members, and possibly new district officers (depending on who is required to file by the district’s adopted Conflict of Interest Code), must file Form 700 financial disclosures **within 30 days of taking office**. Every board member and member of senior management must file an annual update (typically **due by April 2**). Another update is required **within 30 days of leaving office**.



Compensation Reports (Govt. Code §§53891, 53893, and 53908)

Annual compensation disclosure reports for the previous year covering officials and employees must be filed online with the State Controller ***no later than April 30*** of every year. The reports must be posted on the district's website in a "conspicuous" location or by providing a link to the Controller's compensation website.

Reimbursement Reports (Govt. Code §53065.5)

Reports disclosing each reimbursement to officials and employees for an "individual charge" of \$100 or more (e.g., one meal, one day's lodging, transportation, a registration fee) must be published and made available for public inspection at least annually by a date determined by the district.

Financial Transaction Reports (Govt. Code §§53891 and 53893)

Districts must file annual financial transaction reports with the State Controller ***within seven months after close of the fiscal year***. Reports must be available as hard copies or posted on the website in a "conspicuous" location. (Govt. Code §53891.1 allows healthcare districts that are required to file reports with the California Health Facilities Commission to use those reports to help satisfy this requirement.)

Ethics Training (Govt. Code §53235 and FPPC Regulation §18371)

Board members must have two hours of ethics training every two years. The district must provide information about available training annually. The board may elect to require particular district employees to receive training. New board members (and new employees, if required) must receive the training within one year. The district should update its records as needed (attendance dates, trainer) and maintain the records for at least five years, because they are subject to public disclosure. The Fair Political Practices Commission offers an online training course and BBK offers [ethics training](#) in person, via webinar or video conference.

Sexual Harassment Training (Govt. Code §12950.1 and §53237)

Most public employees — supervisory (which includes board members) and nonsupervisory — must receive sexual harassment training every two years. New nonsupervisory employees are required to undergo such training within six months of hire, and new supervisory employees are required to undergo such training within six months of assuming such a position. Board members and supervisory employees must receive two hours of training and nonsupervisory employees must receive one hour of training. The district should update its records as needed (attendance dates, trainer) and maintain the records for at least five years, because they are subject to public disclosure. BBK offers sexual harassment avoidance training in person, via webinar or video conference, and the recording from the firm's annual Labor & Employment Update webinar can be found [here](#).

Salary Approval (Govt. Code §§54953(c) (3) and 54956(b))

Before final approval regarding salaries, salary schedules, or fringe benefits for specified executive staff, the board must provide an oral summary during the open regular meeting in which final action will be taken. Final action regarding such compensation cannot occur in a special meeting. However, a special meeting still can be used to discuss the budget.

Grant Policies (Health & Safety Code §32139(c))

Districts are required to adopt annual policies for providing assistance or grant funding. (This implies needing annual review and re-approval.) If a district provides assistance or grants, the policy must include:

- Nexus between the assistance or grant funding and the district's mission;
- Requirements that a grant recipient must meet, such as grant contract terms and conditions, fiscal and programmatic monitoring by the district, and reporting to the district;



- District’s plan for distributing grant funds for each fiscal year; and
- Process for providing, accepting, and reviewing grant applications, and a prohibition against individual meetings regarding grant applications between a grant applicant and a district board member, officer, or staff member outside of the district’s established awards process

Guidelines for all of the following must be included:

- Awarding grants to underserved individuals and communities and the organizations that serve them;
- Evaluating the financial need of applicants;
- Considering the types of programs eligible for funding;
- Considering the circumstances under which grants may be provided to prior grant recipients; and
- Funding other government agencies and awarding grants to, and limiting funds for, foundations that are associated with separate grant recipients

Annual Budget Details (Health & Safety Code §32139(a))

This statute requires districts to adopt an annual budget in a public meeting **by Sept. 1** that conforms to “generally accepted accounting and budgeting procedures for special districts.”

Website Details (Health & Safety Code §32139(b))

This statute requires districts to list all of the following on their websites:

- Annual budget;
- List of current board members;
- Information regarding public meetings;
- Recipients of grant funding or assistance provided by the district;
- Policy for providing grants or assistance; and
- Audits, financial reports, and municipal service reviews or LAFCO studies, if any, or a link to

another government website containing this information.

Annual Increases in Board Compensation (Health & Safety Code §32103)

Existing law authorizes a hospital district’s board of directors to approve a resolution to compensate its members no more than \$100 to attend a board meeting for no more than five meetings per month. However, this statute also authorizes the board — by resolution adopted pursuant to the procedures set forth in Chapter 2 of Division 10 of the Water Code — to compensate its members for up to six meetings in a calendar month and to increase that compensation by up to 5% annually. In addition, if a district compensates its members for more than five meetings per month, it must adopt a written policy annually describing, based on a finding supported by substantial evidence, why more than five meetings per month are necessary.

Agenda Posting (Govt. Code §54954.2)

Board agendas not only have to be posted online; they must be available via a “prominent, direct” link on the home page. A number of technical requirements apply to the online posting.

ADA Compliance for Board Meetings (Govt. Code §§54953.2, 54954.1, 54954.2, and 54957.5)

Board agendas should include a statement similar to the following to satisfy Americans with Disabilities Act requirements: *“In compliance with the Americans with Disabilities Act, if you require special accommodations to participate in a board meeting, please contact the District at (---) --- ---- at least 48 hours before the meeting.”*

Website ADA Compliance (Govt. Code §53087.8)

Federal and state laws require that the website work with accessibility assistance systems (e.g., screen readers, magnifiers). Online software can be used to test your website for compliance and identify needed improvements (search for “ADA checker”). Work with your website adviser to determine the standards that apply.



Official Correspondence (Govt. Code §§7525, et seq., and §900, et seq.)

Note that a district should use its full, legal name in official correspondence and advertisements, or it might not receive the benefit of the tort claims presentation timelines. A court could find that a district’s use of a trade name as opposed to its full, legal name might have contributed to a plaintiff’s delay in filing a claim and relieve the plaintiff from the claim presentation requirements.

Surplus Land Act (Govt. Code §54220 et seq.)

The Surplus Land Act requires that when local agencies sell or lease their land, they must prioritize it for affordable housing development. This statute expands the number of agencies subject to the Act’s requirements to include all districts, and requires that the board declare the land as either “surplus land” or “exempt surplus land” at a regular public meeting before its disposition. “Surplus land” means land owned in fee simple by the agency that is declared as surplus and is not necessary for the **agency’s use**.

However, districts have some flexibility in meeting the Act’s requirements, given the statute’s definition of “agency’s use” as applied to districts. In the case of a local agency that is a district, agency’s use **might** include commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development, or be for the sole purpose of investment or generation of revenue, if the board takes action in a public meeting declaring that the use of the land will directly further the **express purpose of the agency work or operations**.

Open Meeting Laws and Teleconferences (AB 2449; Govt. Code §54953 and 54954.2)

The Brown Act provides two possible “routes” for remote participation for members of public bodies:

- the traditional, pre-COVID, teleconference rules; and
- relaxed teleconference rules for “just cause” or “emergency circumstances” (AB 2449).

Under the **traditional** teleconference rules, if a board member is aware before a meeting that they will need to participate remotely, they can do so by ensuring that their remote participation location is indicated on the agenda, a copy of the agenda is posted at the location the member is calling in from, and the location is accessible to members of the public to attend from.

Alternatively, under the **AB 2449 rules**, if a board member only becomes aware of a need to participate remotely shortly before the meeting due to “just cause” or “emergency circumstances” (as defined in Gov. Code §54953), then after following certain steps (the member provides a general description of the circumstances and participates via both audio and video, and members of the public are also allowed to attend remotely), and subject to certain limitations, the board member may participate remotely.

For more information about these requirements or assistance with implementing them, please contact the individuals listed below.



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