

WORKFORCE SERVICES
INFORMATION NOTICE

Number: WSIN14-40

Date: April 15, 2015

Expiration Date: 05/15/17

69:175:df:17408

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: LOCAL BOARD CONFLICT OF INTEREST CODE REQUIREMENTS

The California Workforce Investment Board has received concerns from Local Workforce Development Board (local board) members that are being required to regularly recuse themselves from participating in local board actions due to a preconceived conflict of interest. To ensure local board decisions are made in a transparent and ethical manner and consistent with federal and state laws governing such activity, below is some additional guidance on the development of a Conflict of Interest Code (COIC).

Federal law and the [California Unemployment Insurance Code](#) describe mandatory and discretionary appointments that comprise local board membership. One of the functions of members is to provide valued input and representation on the responsibilities addressed by the local board. As such, COICs should provide clear guidance on when it is appropriate for members to recuse themselves from voting on issues that may represent a conflict of interest.

The [California Fair Political Practices Commission](#) (FPPC) also adopts and amends regulations and provides oversight and education to state and local agencies in the development and enforcement of COICs. In the instance of members recusing themselves from voting on actions, Local Workforce Development Areas (local areas) are advised to consult FPPC Regulations Index, Section [18707.4](#). This section identifies exemptions for members of boards and commissions appointed to represent a specific economic interest (e.g., small and large business, community based organizations, and labor).

The FPPC Regulations Index, Section [18705.5](#) further clarifies when a governmental decision has material effect on a public official's personal finances or economic interest that may represent a conflict of interest. A personal financial effect does not include changes to employment or retirement benefits if "the financial effort of the decision applies equally to all employees in the same bargaining unit or other representative unit."

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

Therefore, COICs should not hinder a member from fulfilling their duties to speak on behalf of the constituencies they are specifically appointed to represent. If technical assistance is required, local areas are encouraged to contact the [FPPC](#).

Local boards are encouraged to consult their local office of legal counsel to ensure the COICs reflect current regulatory guidance and that its provisions are applied accurately and equitably.

/S/ JOSÉ LUIS MÁRQUEZ, Chief
Central Office Workforce Services Division