

#### Public Comment on Draft FPPC Opinion No. O-25-001 (August 21, 2025)

From DEAN GETZ <dean@deangetz.com>Date Wed 8/20/2025 7:48 AMTo CommAsst <CommAsst@fppc.ca.gov>

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**EXTERNAL EMAIL** 

important

Dear Commissioners,

Re: Public Comment on Draft Opinion No. O-25-001 (August 21, 2025 Agenda, General Item #5)

I appreciate the Commission's thoughtful analysis in Draft Opinion No. O-25-001 regarding City Manager Shikada and Stanford Health Care (SHC). The recognition that control over one nonprofit by another can create a source of income interest under the Political Reform Act (PRA) is a critical principle for ensuring disinterested, transparent governance.

I respectfully submit a parallel example that underscores the broader applicability of this reasoning: the California Special Districts Association ("CSDA") and the El Dorado Hills Community Services District ("EDHCSD"). On July 23, 2025, EDHCSD Director Noelle Mattock cast the deciding vote to authorize financing through the CSDA Finance Corporation ("CSDA-FC"), an affiliate of CSDA. Director Mattock has served on CSDA's Board for over 14 years, including as Chair of the Legislative Committee, and CSDA

Board policies require members to actively promote CSDA programs, including CSDA-FC.

This dual role, which she has held for nearly 15 years, places Director Mattock in a position of governance over the counterparty to the EDHCSD lease, creating a material financial interest under Government Code §§ 87100 and 87103. Participation in that decision may also implicate §1090, given her fiduciary and contractual oversight responsibilities.

## **Indirect and Non-Monetary Financial Considerations**

Beyond direct financial benefits, public officials may also gain indirect economic advantages—including board titles, institutional influence, professional access, prestige, and reputational enhancement. These benefits, while often not reported on Form 700, are reasonably foreseeable and materially connected to the official's decisions.

Director Mattock's leadership and high-profile roles within CSDA confer significant institutional authority and professional influence, giving her real economic and reputational value. These indirect benefits function similarly to the control and influence factors the Commission considered in O-25-001 regarding Stanford University's relationship to SHC.

## **Application of Draft Opinion Principles**

The Commission's reasoning in O-25-001—piercing organizational boundaries when one entity exerts substantive control over another—applies directly here. CSDA exerts operational, policy, and programmatic control over CSDA-FC. Director Mattock's vote demonstrates participation in a decision where her governance role creates a material financial interest, analogous to the draft opinion's treatment of SHC and Stanford University.

### <u>Request</u>

I respectfully urge the Commission to:

- Affirm that nonprofit board members with governance duties over affiliated entities may have a source of income interest when those entities engage in financial transactions with public agencies.
- Publicly recognize that indirect financial benefits—titles, prestige, influence, and related perks—can constitute material financial interests for purposes of §§ 87100 and 87103, even if not disclosed on Form 700.
- Consider issuing clarifying guidance to ensure public officials serving on nonprofit boards understand recusal obligations

# when these boards interact financially with their public agencies.

Applying these principles consistently will reinforce the PRA's purpose of preventing conflicts of interest, preserving public trust, and ensuring that nonprofit-public relationships are transparent and accountable.

Thank you for your consideration.

Sincerely,



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