

LUNCH & LEARN – Navigating Workforce Liability in 2026: Employment Law Updates to Know

TUESDAY, FEBRUARY 10, 2026 | 12–1:15 PM



**THANKS FOR
JOINING US
TODAY!**

Host & Moderator

MELISSA KUEHNE
*Director of Enterprise
Programs and Special Projects*
Institute for Local Government



WEBINAR OVERVIEW

About ILG & Setting the Stage

Presentation on Employment Law Updates to Know for 2026

- ◉ Pamela Graham – Senior Counsel at Colantuono, Highsmith & Whatley, PC
 - ◉ Thais P. Alves – Associate Attorney at Colantuono, Highsmith & Whatley, PC
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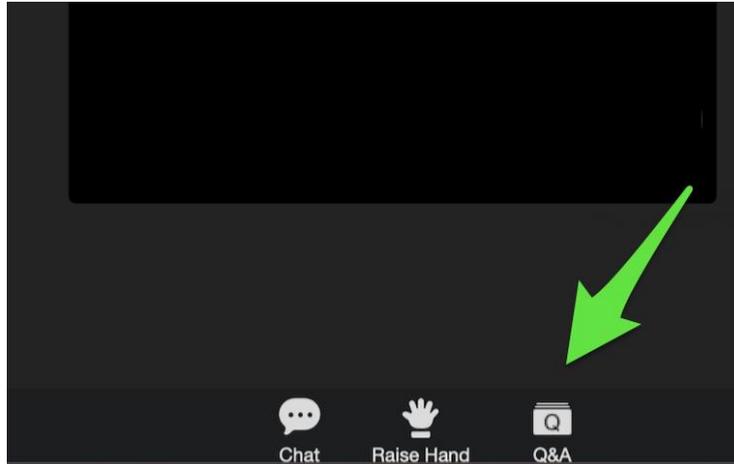
Audience Q&A

Type your questions in Zoom's Q&A feature!

Wrap Up & Adjourn

TECH OVERVIEW & HOUSEKEEPING

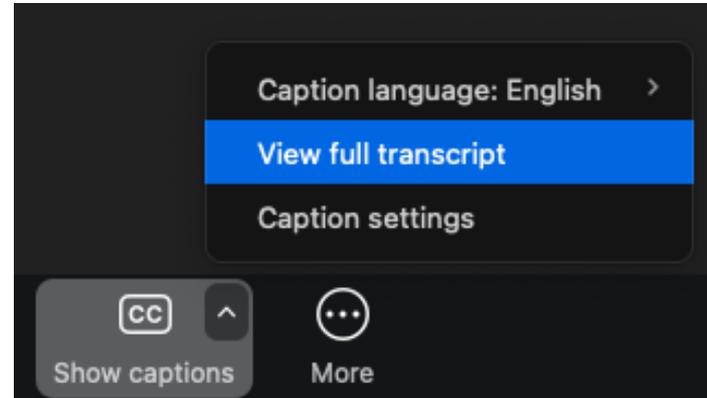
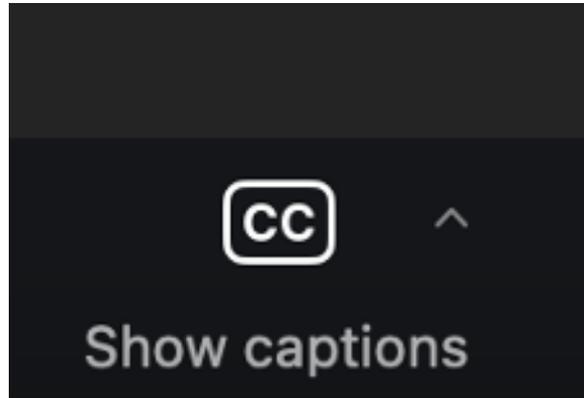
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ABOUT THE INSTITUTE FOR LOCAL GOVERNMENT (ILG)

NON-PROFIT, NON-PARTISAN AND HERE TO HELP

- The Institute for Local Government is the non-profit training and education affiliate of the League of California Cities
- We were founded in 1955, 70 years ago, and our mission is to serve and support local government
- Our target population is the 2,500+ cities, counties, and special districts in California
- We provide practical and easy-to-use resources so local agencies can effectively implement policies on the ground



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Building

Convening

TODAY'S PANELISTS



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2026 Legislative Updates

Presented by:

Pamela K. Graham, Esq. & Thais P. Alves, Esq.
COLANTUONO, HIGHSMITH & WHATLEY, PC

February 10, 2026

COLANTUONO
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We Will Be Reviewing...

Legislative Bills:

- SB 294
- SB 827
- AB 339
- AB 1067
- AB 1388
- AB 692
- SB 513
- SB 707

SB 294: The Workplace Know Your Rights Act

- **New employee notices**

- When: Starting February 1, 2026, annually and upon hire
- Who: Each EE and their bargaining unit reps
- What: Notices on worker's comp rights, right to notice of inspection by immigration agencies, right to unionize, constitutional rights when interacting with law enforcement (use the Labor Commissioner's template available 1/1/26)
- Maintain records of compliance for three years

- **Emergency Contacts**

- Give EEs an opportunity to designate an emergency contact
- Allow the EE to indicate whether the City should notify the emergency contact if the EE is arrested or detained during the performance of work duties

SB 827: Local Agency Officials Training

- Changes to existing law on ethics training AND a new fiscal/financial training requirement
- Changes to existing law on ethics training:
 - BEFORE 2026: ethics training for electeds, legislative body members, and EEs the City designates to receive the training
 - AFTER JANUARY 1: adds department heads to the list (“local agency officials”)
 - BEFORE 2026: ethics training for new hires within one year of starting service, then at least 2 hours every 2 years
 - AFTER JANUARY 1: ethics training for new hires within six months of starting service, then at least 2 hours every 2 years

SB 827: Local Agency Officials Training

- NEW fiscal/financial training:
 - “Local agency official”
 - member of a legislative body
 - elected officer
 - official who makes decisions or recommendations regarding financial administration, budgeting, or use of public resources
 - local agency executives (chief executive officer, deputy/assistant chief executive officer; department head; position held by an employment contract)
 - employee designated to receive the training
 - Local agency officials must receive at least 2 hours of fiscal and financial training within six months of starting service, then at least 2 hours every 2 years
- Maintain records of compliance

AB 339: Local Public Employee Organizations, Notice Requirements

In addition to other MMBA requirements:

- 45 days' written notice to bargaining unit before
 - issuing a request for proposals,
 - request for quotes, or
 - renewing or extending an existing contract,
 - performing services that are within the scope of work of the job classifications represented by the bargaining unit
- Notice includes:
 - anticipated duration of the contract
 - scope of work under the contract
 - anticipated cost of the contract
 - draft solicitation
 - reason the public agency believes the contract is necessary

Exceptions to AB 339

- Emergency or other exigent circumstance preventing the 45 days' notice → must provide as much advance notice as practicable
- AB 339 does NOT apply to these contracts:
 - Public works contracts for construction, alteration, demolition, installation, or repair work.
 - Contracts for highly specialized data, software, or services related to a public works project.
 - Contracts for architectural, landscape architectural, environmental, engineering, land surveying, and construction project management services.
 - Contracts that are related to the planning, design, administration, oversight, review, or delivery of public works or other infrastructure projects subject to adopted uniform codes or standards.

AB 1067: Criminal Investigations

- Public employers must complete investigation of potential criminal conduct even if employee retires
- If criminal conduct found, refer to law enforcement
- A convicted employee loses all accumulated retirement benefits from conviction date (PEPRA existing forfeiture laws apply)
- INTENT → prevent public employees from evading pension forfeiture by retiring before a criminal investigation is finalized

AB 1388: Police Settlements

- Prohibits a law enforcement agency from agreeing with a peace officer for the agency to destroy, remove, or conceal a record of a misconduct investigation
- Prohibits agency from halting or making particular findings in a misconduct investigation
- Declares any such agreements void and unenforceable
- Agreements are subject to disclosure under the California Public Records Act

AB 692: “Stay or Pay”

- Contracts **entered into on or after January 1, 2026** are void if they impose any of the following conditions upon separation of the EE:
 - require a worker to pay the employer, a training provider, or debt collector for a debt
 - authorize the employer, training provider, or debt collector to resume or initiate collection of debt, or
 - Impose a penalty, fee, or cost on a worker.

Exceptions to AB 692

Tuition Repayment. A contract related to the repayment of the cost of tuition for a “transferable credential” that meets all five of the following requirements:

The contract

1. is offered separately from any contract for employment.
2. does not require obtaining the transferable credential as a condition of employment.
3. specifies the repayment amount before the worker agrees, and the repayment amount does not exceed the cost to the employer of the transferable credential.
4. provides for a prorated repayment amount during any required employment period that is proportional to the total repayment amount and length of the required employment period and does not require an acceleration payment schedule if the worker separates from the employment.
5. does not require repayment to the employer if the worker is terminated, except if the worker is terminated for misconduct.

Exceptions to AB 692, Cont'd.

Signing Bonus. A contract for the receipt of a discretionary or unearned monetary payment, including a financial bonus, at the outset of employment that is not tied to specific job performance, provided that all five of the following requirements are met:

1. The terms of repayment obligation are set forth in a separate agreement from the primary employment contract.
2. The employee is notified that they have the right to consult an attorney and is provided with at least five business days to obtain counsel prior to executing the agreement.
3. Any repayment obligation for early separation of employment is not subject to interest accrual and is prorated based on the remaining term of any retention period, which shall not exceed two years from the receipt of payment.
4. The worker has an option to defer receipt of the payment to the end of a fully served retention period without any repayment obligation.
5. Separation from employment prior to the retention period was at the sole election of the employee or at the election of the employer for misconduct.

Exceptions to AB 692, Cont'd.

- Residential Property. A contract related to the lease, financing, or purchase of residential property.
- Government Loan Forgiveness or Repayment Assistance. A contract entered into under any loan repayment assistance program or loan forgiveness program provided by a federal, state, or local government agency.
- Apprenticeship Program. A contract related to enrollment in an apprenticeship program approved by the Division of Apprenticeship Standards.

SB 513: Personnel Records

- Employers must include education and training records in personnel records, and provide access to inspect / copy
- Addition to performance & grievance records
- Records must detail:
 - Employee's name
 - Trainer
 - Date/ duration of training
 - Core competencies
 - Resulting certifications
- Retain for 4 years from creation or employee termination
- Penalties for noncompliance

SB 707: Actions on Executive and Member Salary and Benefits

- Oral report before final action on the salary and benefits of a “local agency executive” (Chief Executive Officer, Deputy/Assistant Chief Executive Officer, department head, and any employees with an employment agreement) →
 - Now also for a “department head **or other similar administrative officer**”
- No special meetings to discuss the salary / benefits of local agency executives →
 - Now extended to salary / benefits of the legislative body itself

SB 707: Teleconferencing for Members with a Disability

- Member of legislative body with a disability as defined under the ADA may participate in a meeting remotely as an accommodation for their disability
- The member must participate through both audio and visual technology, except that they may participate only through audio if a physical condition related to their disability results in a need to participate off camera

We Will Be Reviewing...

Regulations:

- CRD Regulations re Automated Decision Systems

CRD Regulations: Automated Decision Systems

- Unlawful for employers to use an automated-decision system (AI program) that discriminates against a protected class
- Employers must preserve personnel records for 4 years, including automated-decision system data
- Employers will be responsible for third-party vendor's ADS technology – vet your vendors!

We Will Be Reviewing...

Court/PERB Cases:

- *Sandhu v. Bd. of Admin. etc.*
108 Cal. App. 5th 1048 (2025)
- *East Bay Regional Park Dist.*
PERB Dec. No. 2969-M (2025)
- *L.A. Deputy Sheriffs v. County of Los Angeles*
106 Cal.App.5th 982 (2024)
- *Trustees of California State University (Stanislaus)*
PERB Dec. No. 2940-H (2025)
- *Vallejo v. Superior Court*
112 Cal.App.5th 565 (2025)
- *Krug v. Board of Trustees of California State Univ.*
110 Cal. App. 5th 234 (2025)
- *Kruitbosch v. Bakersfield Recovery Services*
114 Cal.App.5th 200 (2025)

Sandhu v. Bd. of Admin.

108 Cal. App. 5th 1048 (2025)

- Sandhu was a CalPERS annuitant employed by Regional Government Services (“RGS”)
- He provided Finance Director-type services for four California cities as an employee of RGS, over a year and a half period
- His contracts said he was an independent contractor, but CalPERS determined he was a “common law employee” of the cities, based upon the “common law test”

Sandhu, Cont'd.

- The court focused on the cities' **control of Sandhu's work**
- Secondary factors included:
 - work tasks were usually performed by city employees
 - usually under a city employee's direction
- The court minimized other secondary factors that favored Sandu:
 - engaged in a "distinct occupation"
 - skill required – neutral because work typically performed by city employees
 - workplace – irrelevant because of intellectual nature of work
 - length of time – neutral because timing determined by length of vacancy
 - belief or intent of parties – disregarded

Sandhu Fixes

- Update indemnity clauses in agreements, so that the consultant firm indemnifies the city for a finding that the EE is a common law employee (for PERS and other purposes)
- For “direct services” agreements or agreements for provision of services normally provided by City employees:
 - Limit the consultant to providing/billing for not more than an average of 19 hours/week
 - Prohibit the consultant from allowing any of its employees who are CalPERS retired annuitants from being assigned to and performing work for the City

East Bay Regional Park Dist.

PERB Dec. No. 2969-M (2025)

- Side letter between East Bay Regional Park District and AFSCME outlining how EEs could request and be approved for telecommuting
 - Side letter stated it was a “pilot” program that would expire on August 30, 2022; but would be automatically extended unless either the District or the Union gives ninety (90) days’ notice to sunset the agreement – that will trigger meet and confer
- 97 days before the expiration date, District gave notice to AFSCME that it intended to sunset the side letter, parties unsuccessfully negotiated until the expiration date

East Bay Regional Park Dist.

PERB Dec. No. 2969-M (2025)

- District informed employees they could continue telework under terms of unrepresented telework policy (similar to District's proposed new policy)
- District gave LBFO
- AFSCME refused to continue bargaining unless District rescinded new policy
- District refused and declared impasse
- District asserted status quo was return to in-person work the next day

East Bay Regional Park Dist.

PERB Dec. No. 2969-M (2025)

- WFH policies are mandatory subjects
 - Directly define hours of work
- District's unlawful unilateral change
 - Side letter terms were status quo
 - Side letter terms continue after expiration – just like CBA terms

East Bay Regional Park Dist.

PERB Dec. No. 2969-M (2025)

- No bona fide impasse
 - Rushed to impasse
 - No opportunity to complete impasse procedures
- District's direct dealing precluded bona fide impasse
 - By offering new telework option directly to employees

L.A. Deputy Sheriffs v. County of Los Angeles **106 Cal.App.5th 982 (2024)**

- Penal Code sections 13670 and 13510.8 (enacted 2022)
 - require law enforcement agencies to maintain a policy that prohibits participation in law enforcement gangs and makes violation of that policy grounds for termination
 - require law enforcement agencies to cooperate with investigations into such gangs by an inspector general or other authorized agency
 - authorizes revocation of a peace officer's certification for participation in a law enforcement gang or failure to cooperate with an investigation into potential police misconduct
- LA OIG ordered 35 Sheriff's deputies to answer gang involvement questions and display gang tattoos
- Sheriff warned that deputies faced discipline for failure to cooperate

L.A. Deputy Sheriffs v. County of Los Angeles **106 Cal.App.5th 982 (2024)**

- Effects bargaining required before police investigatory interviews
 - Decision to implement anti-gang policy required by law and not subject to bargaining
 - Manner and effects of implementation, including requiring investigation interviews required bargaining
- Danger to public did not outweigh irreparable harm to association rights

Trustees of California State University (Stanislaus) PERB Dec. No. 2940-H (2025)

- Dispatcher union requested copy of investigation report finding no harassment by peace officer of different union
- CSU refused, citing Penal Code 832.7

Trustees of California State University (Stanislaus) PERB Dec. No. 2940-H (2025)

- No duty to provide peace officer personnel records to exclusive representative except through Pitchess process
- Exclusive rep's broader right to information does not override Penal Code 832.7
- No right to receive peace officer personnel records outside of litigation, so meeting and conferring about options would be futile

Vallejo v. Superior Court

112 Cal.App.5th 565 (2025)

- Penal Code Section 832.7 requires disclosure of certain police officer personnel records pursuant to a PRA request
- 2020 complaint alleged that certain officers commemorated fatal shootings with “beers, backyard barbecues and by bending the points of their badge . . . each time they killed in the line of duty”
- Independent third-party investigator submitted a 127-page report with 27 exhibits that sustained the allegation of badge bending, but did not sustain the allegation of a practice of celebrating shootings

Vallejo v. Superior Court

112 Cal.App.5th 565, Cont'd.

- During a criminal case where defendant was charged with attempted murder of an officer, a retired officer testified about the badge bending
- The criminal defendant asserted self-defense and brought a *Pitchess* motion to obtain the investigation report
- The trial court denied release of the report
- Six months later, the ACLU requested a copy of the complaint and investigation report
- The Department issued certain records, but did not produce the investigation report and redacted all officer names (confidential peace officer personnel records exempted under *Pitchess*)

Vallejo v. Superior Court

112 Cal.App.5th 565 – Key Issues

- Was the badge investigation report subject to disclosure as a record related to an officer involved shooting?
- If yes, were the investigation documents properly redacted by removing the officers' names?
- Were the City's redactions appropriate under the Pitchess redaction provisions and PRA's catchall exemption?

Vallejo v. Superior Court

112 Cal.App.5th 565 – Decision

- Given the public policy behind Penal Code Section 832.7, disclosure of certain investigation reports of police misconduct should be broadly construed
- The badge bending investigation report is disclosable under Section 832.7(b)
- Remanded to consider potential redaction

Krug v. Board of Trustees of California State Univ. 110 Cal. App. 5th 234 (2025)

- Labor Code Section 2802 requires employers to indemnify employee for expenses incurred as a direct consequence of the discharge of duties or following directions of the employer
- During COVID, instructors were required to provide remote learning from home
- Professor incurred expenses for a computer and other equipment and necessities which CSU declined to reimburse

Krug v. Board of Trustees of California State Univ. 110 Cal. App. 5th 234 (2025)

- “[A]bsent express words or positive indicia to the contrary,” a Labor Code provision does not apply to public employers

Kruitbosch v. Bakersfield Recovery Services, **114 Cal.App.5th 200 (2025)**

- Kruitbosch worked at substance abuse treatment center and was in recovery for his own substance abuse
- He went on a leave of absence due to the death of his long-term partner
- Kruitbosch's co-worker, Lisa Sanders, began sending Kruitbosch multiple unsolicited nude pictures and propositioning him in the week leading up to his return
- Sanders also went to his home uninvited, propositioning him to join her at a hotel to have sex
- When Kruitbosch returned to work, he complained to the program director and HR, who said they couldn't do much

Kruitbosch v. Bakersfield Recovery Services **114 Cal.App.5th 200, Cont'd.**

- Kruitbosch claimed the HR Director posted on social media, depicting two dogs whining that made a veiled reference to his complaint
- Kruitbosch avoided Sanders and eventually resigned out of fear he would have to see her and concern that seeing her would be detrimental to his mental health, grief recovery, and sobriety
- Kruitbosch sued for hostile work environment. BRS's demurrer was granted → Sanders' behavior was not attributable to BRS
- Kruitbosch appealed

Kruitbosch v. Bakersfield Recovery Services **114 Cal.App.5th 200, Court of Appeal**

- Reversed the dismissal of the hostile work environment claim
 - Sanders was a coworker whose direct conduct was not work-related and could not be attributed to BRS.
 - BUT, BRS's failure to act on Kruitbosch's complaint and the social media post mocking him could support a claim for hostile work environment. BRS's failure to take action was ratification through inaction of Sanders' conduct.
 - The Court specifically criticized the failure to investigate, failure to issue Sanders an admonition to stop her conduct, and failure to shield Kruitbosch from future interactions with Sanders.

AUDIENCE Q&A

What questions
do you have
for us?



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