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POLICY & LEGISLATION UPDATE

April 2009

FULL PUBLIC FINANCING OF CITY CAMPAIGNS

CF # 05-1536	Status: Pending with Rules Committee and Budget Committee.
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On November 14, 2006, the Commission approved a detailed full public financing proposal, which was transmitted to the City Council on December 14, with a request for additional input. It was heard by the Rules & Elections Committee on April 11 and May 9, 2007. The office of the Chief Legislative Analyst (CLA) prepared a committee report, which identifies the commission's proposal as one option for a system of full public financing.

On August 21, 2007, we and the California Clean Money Campaign (CCMC) participated in a training session for the field staff in the Department of Neighborhood Empowerment (DONE). The CCMC is in the process of conducting neighborhood council workshops, to solicit their feedback regarding full public financing within the City. DONE has been asked to report to the Rules & Government Committee regarding any feedback received from the neighborhood councils through this process. Pursuant to a 2005 City Council policy adopted through Council File No. 05-0553, this file will expire on May 8, 2009.

FINANCIAL DISCLOSURE BY NEIGHBORHOOD COUNCILS

CF # 08-0351 CF # 08-0351-S1	Status: Pending with Education & Neighborhoods Committee.
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On January 15, 2008, the City Council adopted a two-year pilot project, which authorizes neighborhood councils to place business before the City Council by creating up to three neighborhood council files (NCFs) per year. As part of that project, the City Council adopted a motion (Smith-Garcetti) to require neighborhood council board members to file the California Statement of Economic Interests (Form 700) if their boards either introduce or second an NCF.

Following the adoption of that motion, Councilmembers Alarcón (CD 7), Greuel (CD 2), and Hahn (CD 15) asked the Commission for input regarding the Form 700 requirement. The Commission considered the requirement on February 12 and noted a number of unintended consequences associated with Form 700, as well as the fact that the Administrative Code currently exempts neighborhood councils from having to file it. Also on February 12, a second motion (Smith-Garcetti) was introduced, asking the City Attorney to draft an ordinance eliminating the Administrative Code exemption.

The Education & Neighborhoods Committee considered the first motion on February 19 and indicated unanimous support for less financial disclosure than Form 700 requires. The Ethics

Commission considered both motions on March 11 and adopted CEC Form 52 as an alternative to Form 700 that would be filed only when a neighborhood council participates in creating an NCF.

The matter was referred to the Education & Neighborhoods Committee, which informally discussed it on April 22. Councilmember Alarcón then created a form that mirrors Form 700 and must be filed by all neighborhood council board members, regardless of whether their boards participate in creating NCFs. On June 10, the Commission declined to adopt Councilmember Alarcón's form.

At its August 12 meeting, the Education & Neighborhoods Committee asked the Commission to revise Form 52 by making it an annual filing required of all neighborhood council board members. On September 5, the Commission declined to revise Form 52 and, instead, adopted Form 53 as an alternative annual filing document. In a transmittal dated September 8, the Commission urged the City Council to require the use of Form 52 if it determines that NCFs should trigger disclosure and to require the use of Form 53 if it determines that all neighborhood council board members should provide disclosure on an annual basis.

On September 9, the Education & Neighborhoods Committee considered both forms and ultimately recommended against requiring any financial disclosure of neighborhood council board members. On September 23, Councilmember Garcetti sent a letter to the Board of Neighborhood Commissioners (BONC), raising the question of whether sufficient time had been given to properly disseminate information about Forms 52 and 53 to neighborhood councils and asking BONC to weigh in on the issue. BONC held a series of town hall meetings and distributed a survey to solicit feedback from neighborhood councils about financial disclosure. On November 10, BONC discussed the feedback it received and voted to recommend to the City Council that neighborhood council board members be required to file a modified version of Form 52.

The Commission discussed BONC's recommendation on December 16 and reaffirmed its support for the current version of Form 52. The City Council adopted its own form, Form 54, on January 13, 2009. On February 20, Councilmember Hahn introduced a motion asking the Ethics Commission to report on the feasibility of using a form other than Form 54; and the Commission determined on March 10 to await further input from the Education & Neighborhoods Committee.

CPI REVIEW & AMENDMENT TO LAMC § 49.7.1.2

CF # 08-1056

Status: Pending with Rules Committee.

In March and April 2008, the Ethics Commission conducted the first mandatory review of certain campaign finance limits, in light of changes in the Consumer Price Index (CPI). Based on an analysis of actual contribution and expenditure patterns in City campaigns and by City officeholders, the Commission determined that no adjustments should be made to the limits at this time. However, the Commission did recommend that Los Angeles Municipal Code § 49.7.1.2 be amended to improve the process for conducting future CPI reviews. A letter was transmitted to the City Council on April 25. The matter has been referred to the Rules & Government Committee.

INSTANT RUNOFF VOTING	
CF # 09-1100-S1 CF # 09-1100-S4	Status: Pending with Rules Committee.

On September 23, 2008, a motion (Huizar-Rosendahl) was introduced to ask the City Attorney to prepare the documents necessary to place instant runoff voting (IRV) on the March 2009 ballot. The motion also asked the Chief Legislative Analyst (CLA) and the City Administrative Officer to report on the feasibility of dedicating any savings realized from IRV in a special fund to support full public financing.

On October 7, 2008, another motion (Rosendahl-Huizar-Reyes) was introduced to ask the City Attorney to prepare the documents necessary to place IRV on the March 2009 ballot, with the provision that IRV would only be implemented when certified equipment/software are available.

The CLA submitted a report that cautioned against placing IRV on the ballot before affected City agencies, the Los Angeles Unified School District, and the Los Angeles Community College District have an opportunity to fully evaluate the issues surrounding IRV. The report also recommended that a working group of different agencies, including the Ethics Commission, be established to identify and evaluate those issues.

The Rules & Government Committee considered the motions on October 22 and informally agreed that more information is needed before moving forward with IRV. The committee moved the matter to the full City Council without recommendation. The City Council considered the motions on October 29, adopted the CLA's recommendation to create a working group, and directed the working group to report to the Rules & Government Committee by July 4, 2009.

On December 3, we met with representatives of the New American Foundation, a proponent of IRV. The foundation offered to provide data regarding the effect that IRV has had on San Francisco's partial public financing program.

The working group held its first meeting on January 22, 2009, and has been gathering information regarding IRV, including the effect it could have on the City's matching funds program. The working group includes representatives from a number of City and county agencies, as well as a professor from Caltech, who specializes in voting systems. The group will meet bi-weekly until July.

HORIZON SNAPSHOT

April 2009

Ideal Timeline For Commission Consideration

April 2009	May 2009	June 2009	July 2009	August 2009
• Fundraising and Category #5 of lobbying proposal.	• Ordinance language for lobbying proposal. • Recusal analysis.	• Ordinance language for lobbying proposal.	• Ex parte communications. • Opinions/advice regulations.	• Independent expenditures, in light of Measure R. • Financial disclosure.

Work Underway

Issue	Target Date	Subject Area
Fundraising and Category #5 of lobbying proposal (enforcement and miscellaneous).	Apr 2009	Lobbying
AB 491 comments (defacing election materials).	Apr 2009	Campaign Finance
Conflict of interests code for the zoo.	Apr 2009	Governmental Ethics
Ordinance language for lobbying proposal.	May 2009	Lobbying
Commissioner recusal analysis.	May 2009	Governmental Ethics
Ordinance language for lobbying proposal.	Jun 2009	Lobbying
IRV issues (CF #s 09-1100-S1, 09-1100-S4).	Jun 2009	Campaign Finance
Transmittal regarding lobbying proposal.	Jun 2009	Lobbying
Ex parte communications policy (CF # 07-3294).	Jul 2009	Lobbying
Regulations that govern Commission opinions and advice.	Jul 2009	Miscellaneous
Independent expenditure laws, in light of Measure R.	Aug 2009	Campaign Finance
Financial disclosure by City officials.	Aug 2009	Governmental Ethics
Regulations regarding gifts of travel (currently housed in CAO Rule 6).	Sep 2009	Governmental Ethics
GEO regulations regarding gifts (CF # 06-3216).	Sep 2009	Governmental Ethics
GEO regulations regarding current City officials (CF # 05-1425).	Sep 2009	Governmental Ethics
GEO regulations regarding former City officials (CF # 07-3732).	Oct 2009	Governmental Ethics
GEO regulations regarding contracts/contractors.	Oct 2009	Governmental Ethics
Officeholder accounts.	Nov 2009	Campaign Finance
Disgorgement and infractions policies.	Dec 2009	Campaign Finance
Transparent processes for personal services contracts (CF #s 08-1110, 08-1398).	Dec 2009	Governmental Ethics
Financial disclosure for neighborhood councils other than Form 54 (CF # 08-0351-S1).	Pending w/council	Governmental Ethics
Ordinance that establishes a Citywide gift policy (CF # 07-3727).	Pending w/city atty	Governmental Ethics
Revised conflict-of-interests codes for City agencies.	Ongoing	Governmental Ethics