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## POLICY & LEGISLATION UPDATE

*February 2009*

### FULL PUBLIC FINANCING OF CITY CAMPAIGNS

CF # 05-1536	<b>Status:</b> 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.

### ASSEMBLY BILL 1430 (MEMBER COMMUNICATIONS)

CF # 07-0002-S123	<b>Status:</b> Enacted; FPPC rulemaking pending.
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Assembly Bill (AB) 1430 was introduced in the California state legislature in February 2007 and raised the question of a local agency's ability to regulate member communications within its jurisdiction. In May 2007, the Commission voted to urge the City to oppose AB 1430. Letters were sent to both the Mayor and the City Council, and the matter was referred to the then Intergovernmental Relations Committee. The office of the Chief Legislative Analyst urged opposition to AB 1430; and in July 2007, a City Council resolution (Garcetti-Rosendahl) in opposition to the bill was also referred to the Intergovernmental Relations Committee.

In July 2007, the Senate Elections, Reapportionment and Constitutional Amendments Committee heard testimony in opposition to the bill from our office, the San Diego Ethics Commission, Common Cause, and the League of Women Voters. The committee voted in favor of the bill, and the legislature adopted it. The new law became effective on January 1, 2008.

The Fair Political Practices Commission (FPPC) held an interested persons meeting in November 2007. We participated in the meeting, along with the San Diego Ethics Commission, attorneys for the Republican and Democratic parties, and groups such as the League of Women Voters, Common Cause, and the Center for Governmental Studies. The FPPC has not yet proposed a draft regulation.

<b>FINANCIAL DISCLOSURE BY NEIGHBORHOOD COUNCILS</b>	
CF # 08-0351 CF # 05-0894-S3	<b>Status:</b> Pending with City Council.

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 board 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. However, the City Council adopted its own form, Form 54, on January 13, 2009. A separate agenda item provides more detail.

<b>CPI REVIEW &amp; AMENDMENT TO LAMC § 49.7.1.2</b>	
CF # 08-1056	<b>Status:</b> 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.

<b>INSTANT RUNOFF VOTING</b>	
CF # 09-1100-S1 CF # 09-1100-S4	<b>Status:</b> 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 and formally determined that additional information is needed before IRV is placed before the voters. They 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 identified a number of issues to address in its report to the City Council. Among those issues is the effect of IRV 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

February 2009

### Ideal Timeline For Commission Consideration

<b>February 2009</b>	<b>March 2009</b>	<b>April 2009</b>	<b>May 2009</b>	<b>June 2009</b>
<ul style="list-style-type: none"> <li>• Category #2 of lobbying proposal</li> <li>• 2009 matching funds allocation</li> <li>• NC financial disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Category #3 of lobbying proposal</li> </ul>	<ul style="list-style-type: none"> <li>• Category #4 of lobbying proposal</li> </ul>	<ul style="list-style-type: none"> <li>• Category #5 of lobbying proposal</li> </ul>	<ul style="list-style-type: none"> <li>• Ordinance language for lobbying proposal</li> <li>• Ex parte communications</li> </ul>

### Work Underway

<b>Issue</b>	<b>Target Date</b>	<b>Subject Area</b>
Category #2 of lobbying proposal (registration).	Feb 2009	Lobbying
Matching funds allocation for 2009 elections.	Feb 2009	Campaign Finance
City Council action regarding financial disclosure by neighborhood councils.	Feb 2009	Governmental Ethics
Category #3 of lobbying proposal (limits and prohibitions).	Mar 2009	Lobbying
Category #4 of lobbying proposal (disclosure).	Apr 2009	Lobbying
Requiring clients of lobbyists to notify the City of lobbying activity (CF # 07-3005-S1).	Apr 2009	Lobbying
CFO issues surrounding IRV (CF #s 07-1100-S12, 09-1100-S1, and 09-1100, S4).	Apr 2009	Campaign Finance
Category #5 of lobbying proposal (enforcement and other issues).	May 2009	Lobbying
Enforcement procedures and pending enforcement actions related to lobbying (CF # 05-1425).	May 2009	Lobbying
Ordinance language for lobbying proposal.	Jun 2009	Lobbying
Ex parte communication policies (CF # 07-3294).	Jun 2009	Lobbying
City laws that govern former City officials (CF # 07-3732).	Jul 2009	Governmental Ethics
Independent expenditure laws, in light of Measure R.	Jul 2009	Campaign Finance
Officeholder accounts.	Aug 2009	Campaign Finance
Proposed disclosure of gifts to neighborhood council members (CF # 06-3216).	Aug 2009	Governmental Ethics
Disgorgement and infractions policies.	Sep 2009	Campaign Finance
Ordinance that establishes a Citywide gift policy (CF # 07-3727).	Sep 2009	Governmental Ethics
FPPC regulations regarding AB 1430 (member communications).	Sep 2009	Campaign Finance
Recommendations for a transparent personal services contracting process (CF #s 08-1110, 08-1398).	Sep 2009	Governmental Ethics
Regulations regarding gifts of travel (currently housed in CAO Rule 6).	Oct 2009	Governmental Ethics
Regulations that govern Commission opinions and advice.	Oct 2009	Miscellaneous
Revised conflict-of-interests codes for City agencies.	Ongoing	Governmental Ethics