



California Political Attorneys Association

June 17, 2025

Sent Via E-mail

Chair Adam Silver
Commissioners Wilson, Ortiz and Brandt
Fair Political Practices Commission
428 J Street, Suite 620
Sacramento, CA 95814
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RE: **Agenda Item 9: Request for Commission Opinion**

Dear Chair Silver and Commissioner:

The executive committee of the California Political Attorneys Association ("CPAA") writes to you to comment on the Request for Opinion found in Agenda Item 9 of the June 19, 2025 Commission meeting. The Opinion Request raises an important issue that we feel would greatly benefit from carefully considered Commission action.

A significant portion of our work as political attorneys is to provide advice to public officials across the State on compliance with conflict of interest laws, regulations and advice letters. These rules are complex, with many areas that would benefit from clearer standards and advice. The In Re: Winuk Opinion presents just such an issue and gives the Commission an opportunity to provide greater clarity. In our experience, where there is greater clarity in the conflict of interest rules, there is also greater compliance and more confidence by the public in the actions of their public officials.

The issue raised by the In Re: Winuk Opinion request involves the determination of financial interests under Government Code Section 87100. As you are aware, a financial interest can be found under Section 87100 where a public official receives \$500 or more in income from a person or entity, including a nonprofit entity. When a potential decision comes before the public official and the nonprofit financial interest is directly named in the decision, the analysis is fairly straightforward under the Regulations. However, where there are nonprofits that are affiliated and it is an affiliated nonprofit that is involved in the decision, the Regulations are silent on the topic.

This is the specific issue raised by the Opinion Request – when should nonprofit entities be affiliated for purposes of Section 87100. We believe the Commission should

adopt the approach suggested by the requestors of the Opinion – that the Commission look to the standard found in FPPC Regulation 18700.2(b), which applies to for-profit entities, to help craft a similar standard for nonprofit entities.

Public officials and the regulated community have grown familiar with the standard of one entity “directing and controlling” another entity. This standard is found in the campaign context and in the conflict of interest context. Therefore, applying the standard to the question of when to affiliate nonprofits is consistent with other Regulations and is one that is already familiar to public officials and the regulated community. Specifically, adopting a standard where two nonprofits do not share a majority of the same board members would provide clear guidance and greatly facilitate understanding of the rule and compliance with it.

We also believe that the facts, as articulated in the Opinion request for the specific situation regarding the Palo Alto City Manager do not support a finding that Stanford University and Stanford Healthcare are affiliated nonprofits. According to the facts presented, the two entities do not share a majority of board members and have separate controls over their decisions and assets.

CPAA appreciates the Commission’s willingness to pro-actively consider this issue. Please do not hesitate to contact us if we may be of service.

Very truly yours,



Matthew C. Alvarez
CPAA President