

STATE OF CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION 1102 Q Street • Suite 3050 • Sacramento, CA 95811 (916) 322-5660 • Fax (916) 322-0886

# Second Quarter Update 2025

Ethics - Gifts, Honorarium, Travel and Use of Campaign Funds

### Regulations adopted by the Commission

The following are regulatory changes approved by the Commission during the past quarter concerning gifts, honorarium, travel, and use of campaign funds. To receive updates for all regulations before the Commission, please sign up for our <u>mailing list here</u>.

None.

## Advice Letters

The following are advice letters issued by the Commission's Legal Division during the past quarter concerning questions about gifts, honorarium, travel, and use of campaign funds. To receive the monthly report with all advice letters issued, please sign up for our <u>mailing list here</u>.

### Gifts

#### **Abel Salinas**

#### <u>A-25-032</u>

A payment made by an agency's independent contractor to an employee involved in the contractor's mentoring program does not meet the requirements of the Acts of Human Compassion exception where the contractor has an on-going contract that renews each year, and it is reasonably foreseeable that the employee may participate in the making of the contract.

#### **Adrienne Barnes**

### <u>A-25-041</u>

A charter school administrator may accept a scholarship to attend an educational tour without violating the Act's gift limits. The scholarship is provided by the tour administrator but is not a gift and falls within the bona fide competition gift exception because the scholarship selection process included a large pool of school leaders from across the country, and the recipients all received the same award. However, the value of the scholarship must be reported as income on the official's statement of economic interests.

## **Commission Opinions**

None.

### **Enforcement Matters**

The following are summaries of significant enforcement actions approved by the Commission in the past quarter concerning gifts, honorarium, travel, and use of campaign funds. To receive a monthly report of all enforcement actions, please sign up for our <u>mailing list here</u>.

### Mass Mailing at Public Expense

In the Matter of Cathedral City; FPPC No. 21/156. Staff: Alex Rose, Senior Commission Counsel and Jay Gehres, Special Investigator. The Respondent was represented by Eric S. Vail of Burke, Williams, & Sorensen. Cathedral City sent prohibited campaign-related mass mailings at public expense, in violation of Government Code Section 89001 and Regulation 18901.1 (2 counts); failed to include the proper advertising disclosure on mailers, in violation of Government Code Sections 84502 and 84504.2 (2 counts); failed to timely file an independent expenditure committee campaign statement for the period of January 1, 2021 to June 30, 2021, in violation of Government Code Section 84200, subdivision (b) (1 count); and failed to timely file two 24-Hour Reports, in violation of Government Code Section 84204. (2 counts). Fine: \$31,500.

### Misuse of Campaign Funds

In the Matter of Lysa Ray and Marc Steinorth for Supervisor 2018, FPPC Nos. 19/1802 & 20/1120. Staff: Theresa Gilbertson, Senior Commission Counsel and Lance Hachigian, Supervising Special Investigator. Ray was represented in this matter by Steve Baric of Baric Law. Lysa Ray served as the treasurer for the Committee. Ray and the Committee made an expenditure that was not compliant with the Act's restrictions on the use of campaign funds as the payment had no legislative, governmental, or political purpose and the payment was not consistent with the Act's restrictions on the use of Government Code Sections 89410, 89512, and 89519 (1 count). Ray and the Committee failed to file campaign statements to disclose reportable activity, in violation of Government Code 84200 (1 count). Fine: \$7,500.

### Legislation

### AB 359 (Ramos) – Extension of Local Contracting Authority

**Short Summary**: AB 359 would delete the sunset provision in the statute that authorizes the FPPC to contract with local government agencies, upon mutual agreement, to administer, implement, and enforce the agency's local campaign finance or government ethics laws.

#### **Detailed Summary:**

*Existing law*: Existing law authorizes the FPPC, upon mutual agreement with the governing body of a local government, to assume primary responsibility for the impartial, effective

administration, implementation, and enforcement of a local campaign finance or government ethics law passed by the local government agency. Existing law includes a sunset provision that repeals this section on January 1, 2026, unless other legislation extends or repeals the sunset provision, and required the FPPC to submit a report to the Legislature on January 1, 2025, on the performance of any agreements entered under this section, which was timely submitted by the FPPC.

*Current contracts*: Pursuant to the authority in this section, the FPPC has one current contract with the City of San Bernardino.

*Extend the authority indefinitely*: AB 359 would delete the sunset provision, thereby extending the operation of the section indefinitely. The bill would also delete the expired reporting provision.

*Clarify authority*: Pursuant to the general authority granted to administer, implement, and enforce these local laws, the FPPC has interpreted the section to include authority to audit. For clarity, AB 359 would add explicit authority for the FPPC to conduct audits with regard to the local campaign finance or government ethics laws.

### **SB 827** (Gonzalez) – Ethics Training for Local Agency Officials

**Short Summary**: SB 827 would expand the local agency ethics training requirements to an additional category of individuals and would shorten the deadline for completing the training.

#### **Detailed Summary:**

*Existing law:* Existing law requires local agency officials to complete training on general ethics principles and ethics laws, including ethics requirements in the PRA. A bill effective this year imposed a statutory requirement that the FPPC, in consultation with the AG, create, maintain, and make available to local agency officials an ethics training course that satisfies the training requirements.

*Expansion to additional individuals*: SB 827 would expand those ethics training requirements additionally to "[a] department head or other similar administrative officer of a local agency."

*Training deadline*: Existing law requires that the ethics training must be completed within 1 year from the first day of service with the local agency. SB 827 would instead require local agency officials who commence service with a local agency on or after January 1, 2026, to receive the training no later than six months from the first day of service with the local agency.

*Local agency duty*: Existing law requires a local agency that is subject to the ethics training requirements to maintain certain records of the training. SB 827 would require the local agency, if the local agency has an internet website, to publish those records on its internet website.

*Other changes*: The bill makes additional changes in the Government Code unrelated to the FPPC.