



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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To: Chair Germond, Commissioners Cardenas, Hatch, and Hayward

From: Loressa Hon, Acting Executive Director
Dave Bainbridge, General Counsel

Subject: Regulation Projects and Schedule for 2019

Date: February 11, 2019

Introduction

Commission staff proposes for approval by the Commission the following schedule for regulatory changes by the Commission in 2019. The general topic for each regulation project and the proposed dates it would be presented to the Commission are listed below.

The proposed projects are based on prior direction from Commissioners, as well as recommendations from FPPC staff. Commissioners are encouraged to provide input on the proposed plan including the topics chosen, suggestions for alternative topics, the timing of each regulation project, etc. The schedule may require revision during the year in the event of circumstances requiring immediate Commission action, changes in Commission priorities, legislative actions, staffing changes, or other unforeseen circumstances. The 11 remaining regulation projects represent a full workload for the Legal Division so additions to the calendar may require removal of other items.

In most instances, a regulation project will be presented to the Commission at a meeting for pre-notice to allow for Commission discussion and public input. Based on that input, the regulation will be revised and presented again two months later for final consideration and adoption by the Commission. This process allows ample time so that finalized language that has been thoroughly reviewed and vetted is presented for adoption.

If the proposed regulation schedule is adopted, staff encourages interested parties to provide input, preferably in writing, as early in the process as possible so that staff can consider that input during the drafting process. The schedule does not include Interested Persons meetings because the pre-notice meeting provides an opportunity for public comment, and recent Interested Persons meetings have resulted in very little public participation. But if the Commission or staff believes an Interested Persons meeting on a project would be beneficial, staff will schedule one.

2019 Regulation Projects

- (1) Streamline (18360.1, 18360.2) – codified and revised the Enforcement streamline penalty program. (completed)
- (2) Real property materiality standard (18702.2) – revised the existing regulation for improved clarity and to address interpretation and application issues. (completed)
- (3) Audit standards – adopt basic standards and practices applicable to audits and investigations conducted by FPPC staff. (pending)
- (4) Ticket policy (18944.1) – revise ticket policy regulation to encourage agencies to adopt policies that address potential areas of abuse, and improve clarity of existing regulation. (pending)
- (5) Advice letter process (18329) – revise review process for advice letter requests. (proposed)
- (6) Business interest materiality standard (18702.1) – revise the existing regulation for improved clarity and to address interpretation and application issues. (proposed)
- (7) Source of income materiality standard (18702.3) – revise the existing regulation for improved clarity and to address interpretation and application issues. (proposed)
- (8) Source of gift materiality standard (18702.4) – revise the existing regulation for improved clarity and to address interpretation and application issues. (proposed)
- (9) Personal financial effect materiality standard (18702.5) – revise the existing regulation for improved clarity and to address interpretation and application issues. (proposed)
- (10) Clean-up – minor amendments to various regulations to clarify ambiguous language, correct inaccurate cross references, etc. (proposed)
- (11) Multipurpose organization record keeping (18422) – clarify record-keeping requirements for multi-purpose organizations to ensure compliance with 84222 and 84222.5 (proposed)
- (12) Sponsored committees (18419) – various changes to the sponsored committee regulation including establishing time periods for analyzing whether a committee qualified as sponsored; revising the naming requirements to ensure sponsors are adequately identified; and revising to harmonize with section 84222. (proposed)
- (13) Disclose Act – address issues of interpretation and application of the Disclose Act. The specifics of this regulation will depend largely on legislative changes made during 2019 and may include regulations related to advertising, mass mailings, earmarking, and any other topic related to the Disclose Act. (proposed)

Pre-notice and Adoption Schedule

Commission Meeting Date	Pre-notice	Adoption
January 17 th		Streamline, Real property materiality
February 21 st	Audit standards, Ticket policy	
March 21 st		Audit standards
April 11 th	Advice letter process	Ticket policy
May 16 th	Materiality standards (2) ¹	
June 13 th	Clean-up	Advice letter process
July 18 th	Multipurpose organizations	Materiality standards (2)
August 15 th	Sponsored committees	Clean-up
September 19 th	Disclose Act	Multipurpose organizations
October 17 th	Materiality standards (2)	Sponsored committees
November 21 st		Disclose Act
December 19 th		Materiality standards (2)

¹ Staff will present two conflict of interest materiality standard regulations at a time. When staff determines the order in which those will be presented, it will provide an updated schedule in the monthly Legal Division report.