

March 1, 2024

The Honorable City Council
c/o Holly Wolcott, City Clerk
200 North Spring Street
City Hall—3rd Floor
Los Angeles, CA 90012

**Re: Charter § 803(c) Adjustments to LAUSD Contribution Limits
FOR COUNCIL CONSIDERATION**

Action Required by April 30, 2024

Dear Councilmembers:

Every four years, the Ethics Commission is required to review whether contribution limits in Los Angeles Unified School District Board of Education (LAUSD) elections should be adjusted to reflect changes in the Consumer Price Index (CPI). Los Angeles City Charter (Charter) § 803(c). A review is required this year, and the Ethics Commission voted unanimously on February 21, 2024, to recommend that the contribution limits be adjusted.

The recommended adjustments require your approval to become effective, and your action is required by April 30, 2024. Charter § 803(c). The Ethics Commission urges you to approve the recommended limits identified below in Section B.

A. Background

Charter § 803(b) limits the amount of money that a single person may contribute to a single LAUSD candidate in a single election. Additional limits apply to per-person loans, per-person cash contributions, and aggregate anonymous contributions. Charter § 803(b)(3), (b)(6), (d).

Every four years, the Ethics Commission is required to review whether these limits should be “adjusted to reflect changes in the consumer price index.” Charter § 803(c). The first review was required in 2012. *See* Council File No. 12-0302. Reviews have been conducted—and limits have been adjusted—every four years since. *Id.*

The Ethics Commission must transmit its recommendations to the City Council by March 1 following each review. Charter § 803(b)(3). Within 60 days after the Ethics Commission transmits its recommendations, the City Council is required to hold a public hearing and act to either approve or disapprove the recommendations. *Id.* If the City Council does not disapprove the recommendations within 60 days, they must be presented to the Mayor, who then has 10 days

to approve or veto. *Id.*; Charter § 250(b). If the City Council disapproves or the Mayor vetoes and is not overridden, the current limits will remain in effect until the next review.

The recommendations have the force of law if the Mayor approves them, if the Mayor fails to act, or if the City Council overrides a veto. *Id.* Resulting changes to the contribution limits take effect with the next election for which the fundraising window has not yet opened. *Id.*

B. Analysis

When the LAUSD limits were originally adopted in 2007, the per-person limit on contributions and loans was \$1,000 per election, the per-person limit on cash contributions was \$25 per election, and the cumulative limit on anonymous contributions was \$200 per election. In each of the three previous reviews, the per-person limits on contributions and loans were increased by \$100. The limit on cash contributions was increased by \$5 in 2016, and the limit on anonymous contributions was increased by \$100 in 2020.

The most recent data from the United States Bureau of Labor Statistics (BLS) shows that the CPI has increased by approximately 17.4 percent since the last review. *See* Consumer Price Index for All Urban Consumers, Los Angeles-Long Beach-Anaheim, CA (data.bls.gov/timeseries/CUURS49ASA0). To reflect the CPI changes, the Ethics Commission recommends an increase to the per-person limits on contributions, cash contributions, and loans.

Because Charter § 803 is silent regarding rounding methods, the Ethics Commission's practice has been to apply the methods provided by the City's Campaign Finance Ordinance (CFO) for CPI adjustments to the contribution limits in City elections. The CFO requires that the CPI-adjusted limits on per-person contributions and loans be rounded to the nearest \$100, while the limits on cash contributions be rounded to the nearest \$10. Los Angeles Municipal Code § 49.7.3(B)(3)(a)-(b).

Applying the rounding methods in the CFO to the CPI changes since the last adjustments, the Ethics Commission recommends that the limit on anonymous contributions remain the same, that the per-person limits on contributions and loans be increased to \$1,500, and that the limit on cash contributions be increased to \$40.

	Recommended Limit	Current Limit
Contributions (per person, per election)	\$1,500	\$1,300
Loans (per person, per election)	\$1,500	\$1,300
Cash Contributions (per person, per election)	\$40	\$30
Anonymous Contributions (in total, per election)	\$300	\$300

C. Conclusion

In accordance with Charter § 803(c), the Ethics Commission recommends that the per-person limits on contributions, cash contributions, and loans in LAUSD elections be increased in accordance with Section B, to reflect CPI changes since the last adjustment four years ago. Action to approve or disapprove the recommendation is required by April 30, 2024. If the recommended limits are not disapproved, they will first apply when the fundraising window opens for the regular 2026 LAUSD elections (or for an earlier special election if one is called after the recommended limits are approved).

We would be happy to discuss this recommendation with you at any time. If you have questions, please do not hesitate to contact me or Policy Director Tyler Joseph.

Sincerely,



David Tristan
Executive Director

