

COUNTY AUDITOR-CONTROLLER'S FISCAL IMPACT STATEMENT - MEASURE E

County of Los Angeles Ethics Commission and Community Investment Charter Amendment Measure

This measure amends the Charter of the County of Los Angeles (County) to provide greater independence and structure for the County Ethics Commission, Office of Ethics Compliance, and Ethics Compliance Officer, including appointment processes, duties, responsibilities, and authority. It also establishes annual funding requirements for the Ethics Commission and Office of Ethics Compliance. In addition, this measure maintains the County's existing budget allocation of at least ten percent (10%) of the County's locally generated unrestricted revenues in the General Fund for community investment and alternatives to incarceration funding. This continues an existing budget allocation and does not alter current County revenues or expenditures.

This measure may impact County revenues by authorizing the Ethics Commission and Office of Ethics Compliance to impose penalties involving violations of laws, rules, or regulations for which they have enforcement authority. Penalties are paid to the General Fund and limited to \$15,000 per violation, with annual cost-of-living adjustments, or three times the amount involved in the violation, whichever is greater. The measure also authorizes the Ethics Commission and Office of Ethics Compliance to receive grants and appropriations to support their functions. The County has no prior experience or historical data regarding penalties and grants of this nature, and accordingly, there is no means to predict the total impact on County revenue.

This measure requires the County Board of Supervisors (Board) to appropriate a minimum of \$14.3 million for the Ethics Commission's and Office of Ethics Compliance's annual operating budget, beginning in Fiscal Year 2027-28. The measure also requires annual increases to the operating budget based on cost-of-living or per capita income growth, unless the Board finds exigent circumstances warrant foregoing the increase for that fiscal year. The measure does not identify a funding/revenue source for these expenditures. Therefore, to satisfy these funding requirements, the County will need to identify additional revenue sources, reallocate funding from existing programs or services in the County's budget, or some combination of both to implement the measure.

In accordance with Elections Code Section 9160, the scope of this fiscal impact statement has been limited to the measure's effect on revenues and expenditures.

OSCAR VALDEZ

County Auditor-Controller