
AGENDA ITEM 7A

Action

August 27, 2015 Commission Teleconference

Modifications to the
Proposed Amended Conflict of Interest Code

Summary: At the August 27, 2015 meeting the Mental Health Services Oversight and Accountability Commission (MHSOAC or Commission) will consider adopting modifications to the proposed amended Conflict of Interest Code (Code).

Under the Political Reform Act, all public agencies are required to adopt a Code. A Code designates positions required to file a Statement of Economic Interests (Form 700) and assigns disclosure categories specifying the types of interests to be reported. The Form 700 is a public document intended to alert public officials and members of the public to the types of financial interests that may create conflict of interests.

The current Code for the MHSOAC was issued when the Commission was still a part of the Department of Mental Health and therefore needed to be updated. The Commission at its November 20, 2014 meeting adopted proposed amendments to the Conflict of Interest Code to align it with the MHSOAC's revised statutory authority, staffing structure, and the "model" Conflict of Interest Code issued by the Fair Political Practices Commission (FPPC).

In January 2015, upon completion of the statutorily required 45-day public comment period, the MHSOAC submitted the amended Code to the FPPC. The FPPC had a 45-day public comment period on the Commission's proposed amended Code. Based upon public comment, the FPPC provided the MHSOAC with revised language to the Appendix B Disclosure Categories of the Code. The new language for the disclosure categories that was written and approved by the FPPC was made available for a 15-day public comment period that ended on July 10, 2015. Enclosed is a copy of the 15-day Notice of Modifications to the Code showing the suggested changes by the FPPC, which are indicated by strikethrough for deleted text and underline for new text.

The Commission received one public comment. A copy of that comment is enclosed. The comment made the following two points: (1) Commissioners should be required to disclose interest in real property and (2) Commissioners and key staff should be required to disclose their paid consultant relationships. Staff's response to the commenter's points are as follows:

- (1) Disclosure of real property interest: Government Code section 87300 provides for the disclosure of interest in real property only if that interest in real property "may foreseeably be affected materially by any decision." The FPPC agreed with the Commission's decision not to require disclosure of interest in real property because the decisions of the MHSOAC do not affect interest in real property.
- (2) Disclosure of paid consultant relationships: The proposed amended Code already requires the disclosure of consultation fees. Disclosure Category 1 of the Code requires disclosure of "all income from sources that operate a program of the type approved by the MHSOAC." The term "all income" includes consultant fees as long as the fees are from a source that may foreseeably be affected materially by the Commission's decision (i.e. the source of the fees operates a program of the type approved by the MHSOAC). The Commission has worked closely with the FPPC in drafting the amendments to the Code and the current language was suggested by the FPPC.

At its August 27, 2015 meeting, the Commission will decide whether to adopt the amended Code as modified in the 15-day Notice of Modification issued June 25, 2015.

Enclosures: (1) 15-day Notice of Modifications to Amended Conflict of Interest Code of the Mental Health Services Oversight and Accountability Commission; and (2) Public Comment received from Mary Ann Bernard.

Handouts: None.

Recommended Action: Accept Staff's recommendations.

Presenter: Filomena Yeroshek, Chief Counsel

Proposed Motion:

The Commission adopts the amended Conflict of Interest Code as modified in the 15-day Notice of Modifications issued June 25, 2015.