

April 7, 2015

Julie McCarthy
Brisbane School District
1 Solano Street
Brisbane CA 94005

Re: Your Request for Advice
Our File No. A-15-036

Dear Ms. McCarthy:

This letter responds to your request for follow-up advice in connection with the advice provided to you on December 15, 2014 in the *McCarthy* Advice Letter, No. A-14-193. That letter concerned your responsibilities as a Business Manager of the Brisbane School District and a board member/alternate of the San Mateo County School Insurance Group JPA (SMCSIG) under the conflict of interest disclosure provisions of the Political Reform Act (the “Act”).¹

In *McCarthy* Advice Letter, No. A-14-193, you asked if a settlement payment was reportable on your Statement of Economic Interests (“Form 700”). You stated that your spouse had filed a lawsuit against his former employer and reached an out-of-court settlement.

We advised that you have a 50 percent interest in your spouse receives in his settlement based on community property laws and Section 82030. If your community property share of the settlement was \$500 or more, you may need to report the source of the income on your Form 700.

We also advised that the true source of the income from the settlement was the defendant employer school district (the “District”)² and the District would be the reportable source. Finally we advised that whether a school district needed to be reported on your Form 700 was dependent on your disclosure category in your conflict of interest code.

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

² Generally, the source of a multiparty payment is the one who exercises control over the payments. Since the defendant District is ultimately liable for the settlement payment they would be the source of the payment. (*Gordan* Advice Letter, No. A-09-240.)

In connection with your request for follow up advice you asked us to consider your reporting obligations as a Business Manager of the Brisbane School District. Under the Brisbane School District Conflict of Interest code, you are required to report all interests in disclosure categories 1-4.

- *Disclosure Category 1:* Persons designated in this category must disclose business entities in which they have an investment or hold a business position, or which are sources of income to them if such entities or sources of income filed claims, or have such claims pending, against any member jurisdiction of the San Mateo County Schools Insurance Group during the reporting period.
- *Disclosure Category 2:* Persons designated in this category must disclose business entities in which they have an investment or hold a business position, or which are sources of income to them if such business entities are of the type in which the San Mateo County Schools Insurance Group is empowered to invest its funds.
- *Disclosure Category 3:* Persons designated in this category must disclose business entities in which they have an investment or hold a business position, or which are sources of income to them if the business entities are of the type that contract with the San Mateo County Schools Insurance Group, or its managing agency, to supply goods, services, materials, supplies or leased space.
- *Disclosure Category 4:* Persons designated in this category must disclose investments in business entities in which they have an investment or hold a business position, or which are sources of income that are insurance companies, carriers, holding companies, underwriters, agents, solicitors, or brokers.

As we discussed, none of these categories would appear to include another public school district and therefore, you would not be required to disclose the school district as a source of income on your Form 700.

If you have other questions on this matter, please contact me at (916) 322-5660.

Sincerely,

Hyla P. Wagner
General Counsel

By: John W. Wallace
Assistant General Counsel,
Legal Division

JWW:jgl