

1 Adopt 2 Cal. Code Regs., Section 18954 to read:

2 (a) Governmental purpose. For purposes of Chapter 9.5 of the Act, a campaign fund
3 expenditure is made for a governmental purpose if it is for the purpose of influencing,
4 facilitating, or monitoring an agency's action.

5 (b) Directly related to a governmental purpose:

6 (1) Candidate Controlled Committees. A campaign fund expenditure is directly related to
7 a governmental purpose where the benefit flows to the officeholder's agency or facilitates the
8 performance of the officeholder's agency duties, does not offset a regular personal expense or
9 committee expense that would occur regardless of the agency activity, and reflects a fair market
10 value for the expense. Directly related expenditures for a candidate controlled committee include
11 defraying a budgeted agency cost or expenses for trainings, conferences and professional
12 memberships necessary to facilitate the performance of the officeholder's duties.

13 (2) Non-Candidate Controlled Committee. A campaign fund expenditure is directly
14 related to a governmental purpose where it is ordinary and necessary to further the identified
15 primary purpose of the committee, would not occur absent the identified primary political
16 objective of the committee, does not offset a regular personal expense or committee expense that
17 would occur regardless of the agency activity, and reflects a fair market value for the expense.
18 Directly related expenditures include expenses enabling the committee to further the identified
19 primary political purpose of the committee.

20 (c) Reasonably related. Unless otherwise provided for by statute, A campaign fund
21 expenditure is reasonably related to a governmental purpose where the benefit flows to the
22 officeholder's agency or relates to the officeholder's duties and the expenditure does not result in
23 a direct personal benefit, as defined in Regulation 18960, to the candidate or individual with the

1 authority to approve the expenditure of committee campaign funds, including any immediate
2 family member thereof. Reasonably related expenditures include items such as conference fees,
3 trainings, and membership dues related to the officeholder's agency duties.

4 Note: Authority cited: Sections 83112, Government Code. Reference: Sections 89510-89518
5 Government Code.

6