



Plan Governance & Administrative Issues Committee (Committee) Report 21-04

Date: November 18, 2021

To: Committee

From: Staff

Subject: Board of Deferred Compensation Administration Elections

Committee Members

Joshua Geller
Chairperson

Thomas Moutes
Baldemar J. Sandoval

Recommendation:

That the Committee recommend that the Board of Deferred Compensation Administration (Board) adopt the following improvements to the publication of Board candidate and member information on LA457.com:

- (a) Create a candidate information page on the DCP elections website providing:
 - Name of the candidate
 - Photo of the candidate if the candidates chooses to provide one
 - Email address of the candidate if candidate chooses to provide one
 - Candidate statement identical to that submitted for voter materials (if the candidate did not submit a candidate statement to the City Clerk, indicate “No candidate statement was submitted”)

- (b) Create a Board members information page on the DCP website providing:
 - a) Name of the Board member
 - b) Period of term
 - c) Short Board member biography

Discussion:

A. Background

Per City of Los Angeles Administrative Code Section 4.1407, Deferred Compensation Plan (DCP) Board members include directly elected employee participant representatives from the Los Angeles City Employees’ Retirement System (LACERS), Los Angeles Fire and Police Pensions (LAFPP), and the Water and Power Employees’ Retirement Plan (WPERP); and a retiree participant representative. At its **May 18, 2021** meeting, the Board requested that staff report

back regarding options for providing more candidate information to voters in future Board elections. Around that time, in the course of conducting the election for the Retiree Representative Board seat in May 2021, staff also received feedback from some DCP voters regarding candidate information, qualifications, and statements of qualifications. A summary of that feedback is provided below:

- Candidate Information
 - There is insufficient information on the DCP website regarding candidates running for Board seats, since all that's provided are candidate statements of qualifications printed in voting materials and sent with the election ballot.
- Candidate Qualifications
 - Eligibility requirements should be set beyond being a member of the DCP and having an account balance.
- Candidate Statement of Qualifications
 - Information provided by candidates in their statements of qualifications should be verified for accuracy before statements are printed in voting materials and sent with election ballots.

Subsequently, at its **June 15, 2021** meeting, the Board directed the Plan Governance and Administrative Issues Committee (Committee) to review and assess the role of the DCP in providing candidate information to DCP voters and provide recommendations to the Board for further action. This report addresses these issues and provides a set of staff recommendations for the Committee's consideration.

B. Discussion

When conducting a Board election, staff currently makes the following information available on the DCP website:

- Overview of the Board and duties/responsibilities of a Board member.
- Information on why an eligible participant should run for the Board.
- Notice of Upcoming Election including election calendar.
- Notice of filing period for running for a Board seat, including instructions on how to complete and submit the documents to qualify to be placed on the Ballot.
- Notice of Election and Sample Ballot.
- Voting instructions for current and newly eligible participants.
- Unofficial election results based on the counting of ballots by the City Clerk.
- Official election results once certified by the City Clerk.

As part of its analysis, staff consulted with various City departments including the City Clerk, LACERS, LAFPP, and WPERP regarding their election processes, summarized as follows:

- The City Clerk conducts elections for the City’s Neighborhood Councils (NCs). Similar to the DCP, the City Clerk posts on its website information on how to run, how to vote, the election calendar, and general information regarding the election process.
- The City Clerk’s elections website provides a link to the Department of Neighborhood Empowerment (DONE) website to view candidate statements. DONE’s website includes candidate statements, a photo of the candidate (if available), and the type of documentation submitted by the candidate and certified by DONE qualifying the candidate to run in the election for the NC seat.
- Staff also consulted with LACERS, LAFPP, and WPERP staff regarding their election processes. All are similar to the DCP in that they provide the same type of information on their websites regarding an election and do not currently post any candidate information separate from the candidate statements mailed with election ballots. All three websites have a board/commission members information page including names of the board/commission member (once elected), their terms, and other information.

Staff will next present its analysis of potential changes to the conduct of elections with respect to (1) vetting candidate information and statements of qualification and (2) establishing candidate qualifications.

(1) Vetting Candidate Information and Statements of Qualification

Presently, the information provided by candidates in their statements of qualifications is not verified for accuracy by the Board, staff, or the City Clerk in accordance with the Board Election Policies and Procedures Section E(7): *“The statement of qualifications shall include a disclaimer stating that neither the Board nor the City Clerk has verified the accuracy of the information contained in the candidates’ qualification statements.”* This provision, when approved by the Board, was intended to maintain objectivity and neutrality and avoid the appearance of bias with respect to candidates.

Staff continues to support this perspective and would add two points. First, if the Board and staff took a larger role in policing candidate statements, it could introduce process risks when particularly contentious disputes arise in the course of an election. Process risks could undermine the successful and timely conduct of elections. In addition, taking a larger role could also open the Board to concerns on the part of voters that the Board and staff, by vetting, would be influencing outcomes or interfering with the opportunity for voters to make their own independent judgments.

(2) Candidate Experience/Education Qualifications

Per the Board’s Election Policies and Procedures, the following minimum qualifications are required to run for a Board seat:

Board Member Seat Type	Nominating Petitions Signature Requirement	Board Election Policies and Procedures Reference
Active LACERS Representative	Minimum 50, maximum 100 signatures	Section E(3)
Active LAFPP Representative	Minimum 50, maximum 100 signatures	Section E(3)
Active WPERP Representative	Minimum 50, maximum 100 signatures	Section E(3)
Retiree Representative	N/A – No signature requirement	Section E(3)

No experience/education minimum qualifications are currently required. LACERS, LAFPP, and WPERP do not set such qualifications to run for their seats.

Staff’s perspective is that setting minimum experience/education qualifications would be problematic because they could be challenged as inappropriate, inadequate, unfair, or barriers to entry, eliminating otherwise capable and interested candidates. It would also likely require City Council action, as such limitations are not provided for in the Los Angeles Administrative Code. The City Council may be skeptical, as such limitations would be inconsistent with electoral requirements for federal, state, or local offices. Given these considerations, staff does not find a basis to recommend creating candidate experience/education qualifications.

(3) Improving Website Content

There are steps the Board could make to improve the display of candidate and Board information, modeled on what the City Clerk, LACERS, LAFPP, and WPERP provide. Staff recommends that the Committee recommend that the Board adopt the following improvements to the publication of Board candidate and member information on LA457.com:

- (a) Create a candidate information page on the DCP elections website providing:
 - Name of the candidate
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C. Conclusion

The elected Board positions are a vital component of effective governance because they provide direct accountability of decision-making to DCP constituents. These recommended

improvements, though modest, improve transparency and the quality of communication without creating process risks or potential barriers to participation in the election process.



Submitted by:

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