---------- *MEMORANDUM* ----------

TO: Louisiana Board of Ethics

FROM: Kristy Gary

DATE: February 21, 2022

RE: Consideration of an amendment to the proposed rule concerning the food and drink limit in R.S. 42:1115.1.

Section 1115.1 of the Code of Governmental Ethics prohibits persons from whom public servants are prohibited by La. R.S. 42:1111 or 1115(A) from receiving a thing of economic value, from giving public servants food, drink, or refreshment valued at more than $50 per event to which food, drink, or refreshment is given. The total value of the food, drink, or refreshment given to a public servant at an event is not to exceed $50 regardless of the number of persons subject to the statute who are giving food, drink, or refreshment to the public servant at the event.

In addition, the statute also mandates that the Louisiana Board of Ethics develop and promulgate a rule increasing the monetary limit on the receipt of food and drink by a public employee and public servant when there has been an **increase** in the unadjusted Consumer Price Index (CPI-U) for Food and Beverage as published by the United States Department of Labor, Bureau of labor Statistics. The limit of fifty dollars for food, drink or refreshments shall be increased by the same percentage as the percentage by which that price index is increased. **The amount of the increase shall be rounded off to the nearest dollar.**

The Staff has reviewed the United States Department of Labor, Bureau of Labor Statistics information which calculated the average change in 2021 to the unadjusted CPI-U for Food and Beverage. The CPI-U for Food and Beverage increased 7.0% during the 2021 calendar year.

For the past 13 years, the Board has calculated the statutory increase off of the previous years increased food and drink limitation amount. Such an interpretation would mean that the current $65 value amount would be increased by the percentage by which the price index is increased. Therefore, if necessary, the Board would promulgate a rule which increases the $65 value amount by 7%.

The calculation to determine the increase is as follows: $65 \times 0.07 = 4.55$

Any increase for the food and drink limitation amount for the year 2022 would be an increase by $4.55.

Section 1115.1C further provides that the amount of the increase shall be rounded off to the nearest dollar. When rounding to the nearest dollar, there is a $5 increase from the $65 cap. The staff recommends that a rule be promulgated, which increases the current value of the food and drink cap to $70 beginning July 1, 2022.