

COMMISSION ON STATE MANDATES

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December 5, 2006

Mr. Allan P. Burdick
MAXIMUS
4320 Auburn Blvd., Suite 2000
Sacramento, CA 95841

And Affected Parties and State Agencies (See Enclosed Mailing List)

Re: **Proposed Parameters and Guidelines**
Fifteen Day Close of Voter Registration, 01-TC-15
County of Orange, Claimant
Elections Code Sections 2035, 2102, 2107, 2119, 2154, 2155, 2187, 9094, 13300, 13303,
and 13306
Statutes 2000, Chapter 899 (AB 1094)

Dear Mr. Burdick:

The Commission on State Mandates received the above-named proposed parameters and guidelines on November 28, 2006. Staff reviewed the proposal and deemed it to be complete and timely filed.

Review and Comments. All state agencies and interested parties in receipt of this letter are invited to comment on the proposed parameters and guidelines. Recommendations and comments must be submitted to the Commission by **December 20, 2006**. The claimant and interested parties may file rebuttals with the Commission by **January 4, 2007**. The claimant, state agencies, and interested parties are required to submit an original and two (2) copies of written responses or rebuttals to the Commission and to simultaneously serve copies on the test claimant, state agencies, and interested parties on the mailing list.

Hearing. If requested, Commission staff will conduct a prehearing conference. A hearing on this matter will be set when the record closes.

Please contact Victoria Soriano at (916) 323-8213 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Nancy Patton".

NANCY PATTON
Assistant Executive Director

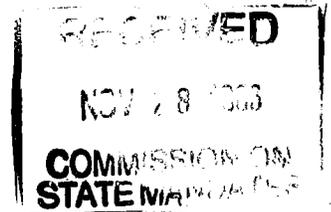
Enc.: Claimant's Proposed Parameters and Guidelines

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CHRON: _____ FILE:
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PROPOSED PARAMETERS AND GUIDELINES

Fifteen Day Close of Voter Registration
(01-TC-15)



Elections Code Sections 2035, 2102, 2107, 2119, 2154, 2155, 2187, 9094, 13300
13303 and 13306

Statutes 2000, Chapter 899 (AB 1094)

County of Orange, Claimant

I. SUMMARY OF THE MANDATE

This test claim deals with changes in the deadline for voter registration prior to an election in California. Prior law allowed voters to newly register to vote, reregister, or change their address with county elections officials until the 29th day prior to an election. After that time, the voter registration closed until the conclusion of the upcoming election. Statutes 2000, chapter 899 was chaptered on September 29, 2000, and amended Elections Code Sections 2035, 2102, 2107, 2119, 2154, 2155, 2187, 9094, 13300 13303 and 13306. These amendments allow new registrations or changes to voter registrations through the 15th day prior to an election.

On October 4, 2006, the Commission on State Mandates found that the above referenced test claim constituted a partially reimbursable mandate for the following one time new activities:

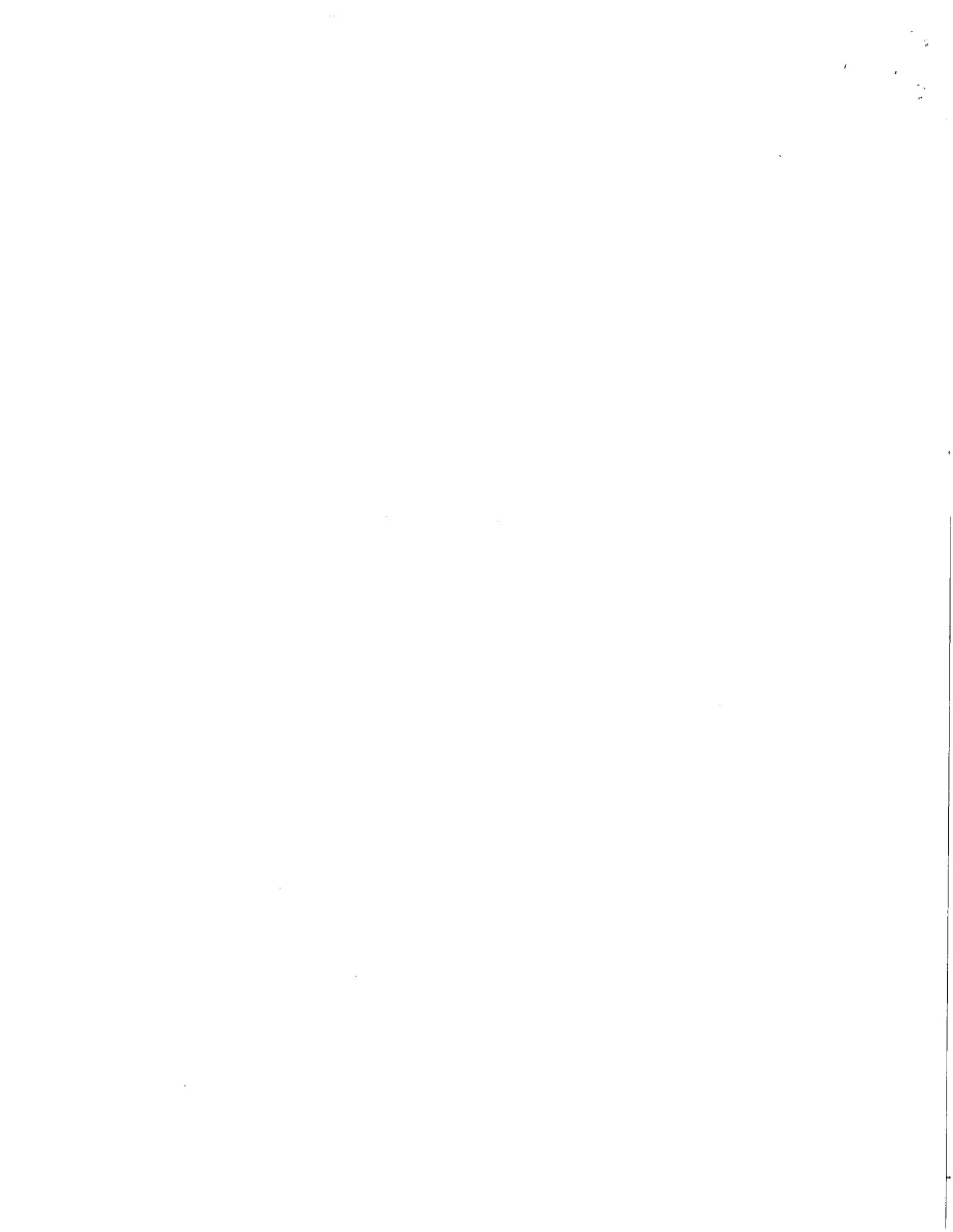
- Amend the polling place notice sent to each voter who registered after the 29th day prior to the election, to include the following”: information as to where the voter can obtain a sample ballot and a ballot pamphlet prior to the election, a statement indicating that those documents will be available at the polling place at the time of the election, and the address of the Secretary of State’s website and, if applicable, of the county website where a sample ballot may be viewed. (Elec. Code, § 13303, subd. (c).)

II. ELIGIBLE CLAIMANTS

Any county, or city and county that incurs increased costs as a result of this reimbursable state-mandated program is eligible to claim reimbursement of those costs.

III. PERIOD OF REIMBURSEMENT

Government Code section 17557 states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for reimbursement for that



fiscal year. The test claim for this mandate was filed by the test claimant, County of Orange, on April 18, 2002. Therefore, the period of reimbursement begins September 29, 2000, the date of enactment.

Pursuant to Government Code section 17561, subdivision (d)(1)(A), all claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the claiming instructions.

If the total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

IV. REIMBURSABLE ACTIVITIES

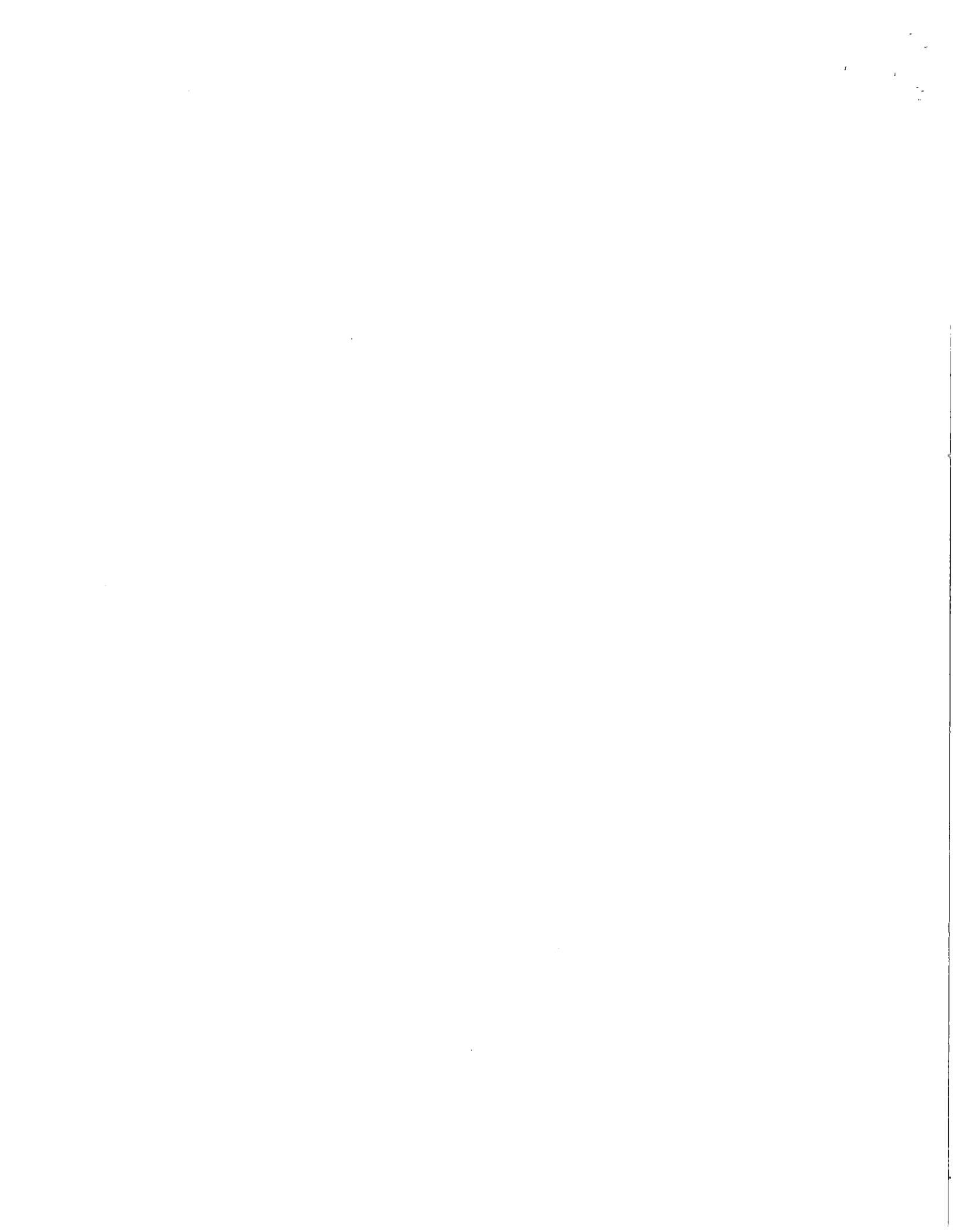
To be eligible for mandated cost reimbursement for any given fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, calendars, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise reported in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below.

For each eligible claimant, the following activities are eligible for reimbursement on a one time basis:

1. Redesign and republish the sample ballot and absentee voter application
2. Redesign and implement new election software
3. Notify every voter who registered from 28 days prior to the election through 15 days prior to the election via a post card, the location of their polling place and where they can obtain a sample ballot.
4. Provide all sample ballots for each ballot type and the poll site locations
5. Hire additional staff to process registration forms and absentee ballot requests due to the fact that the time period for close of registration was reduced by



fourteen days and increased overtime to process all registration forms between the original cut off of 28 days prior to the election to 15 days prior to the election.

6. Modification of Registrar of Voters website.
7. Provide an increased amount of official and sample ballots.

V. CLAIM PREPARATION AND SUBMISSION

Each of the following cost elements must be identified for the reimbursable activities identified in section IV of this document. Each reimbursable cost must be supported by source documentation as described in section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

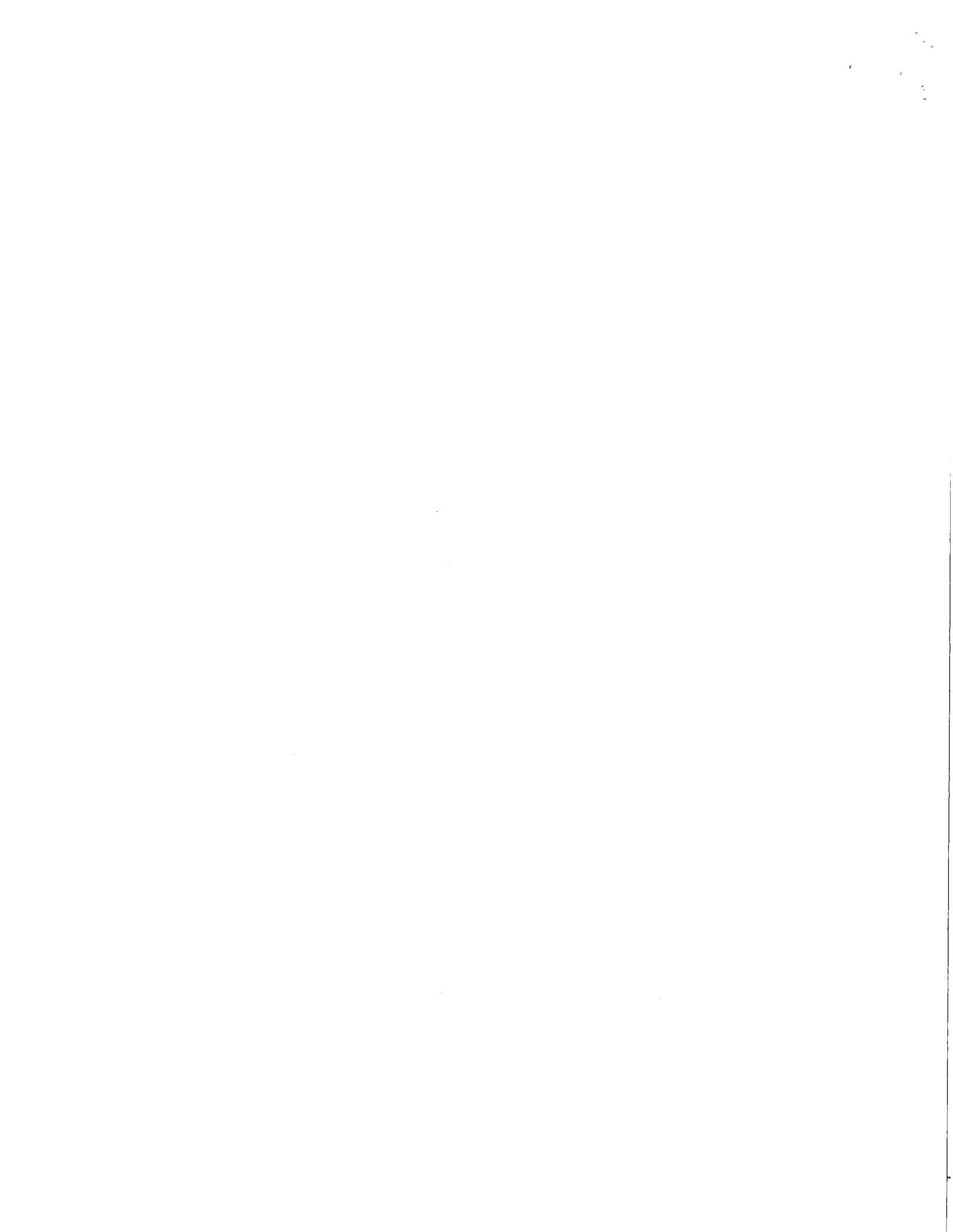
2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the services that were performed during the period covered by the reimbursement claim. If the contract services were also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be claimed. Submit contract consultant and invoices with the claim and a description of the contract scope of services.

4. Fixed Assets and Equipment



Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

B. Indirect Cost Rates

Indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include (1) the overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan.

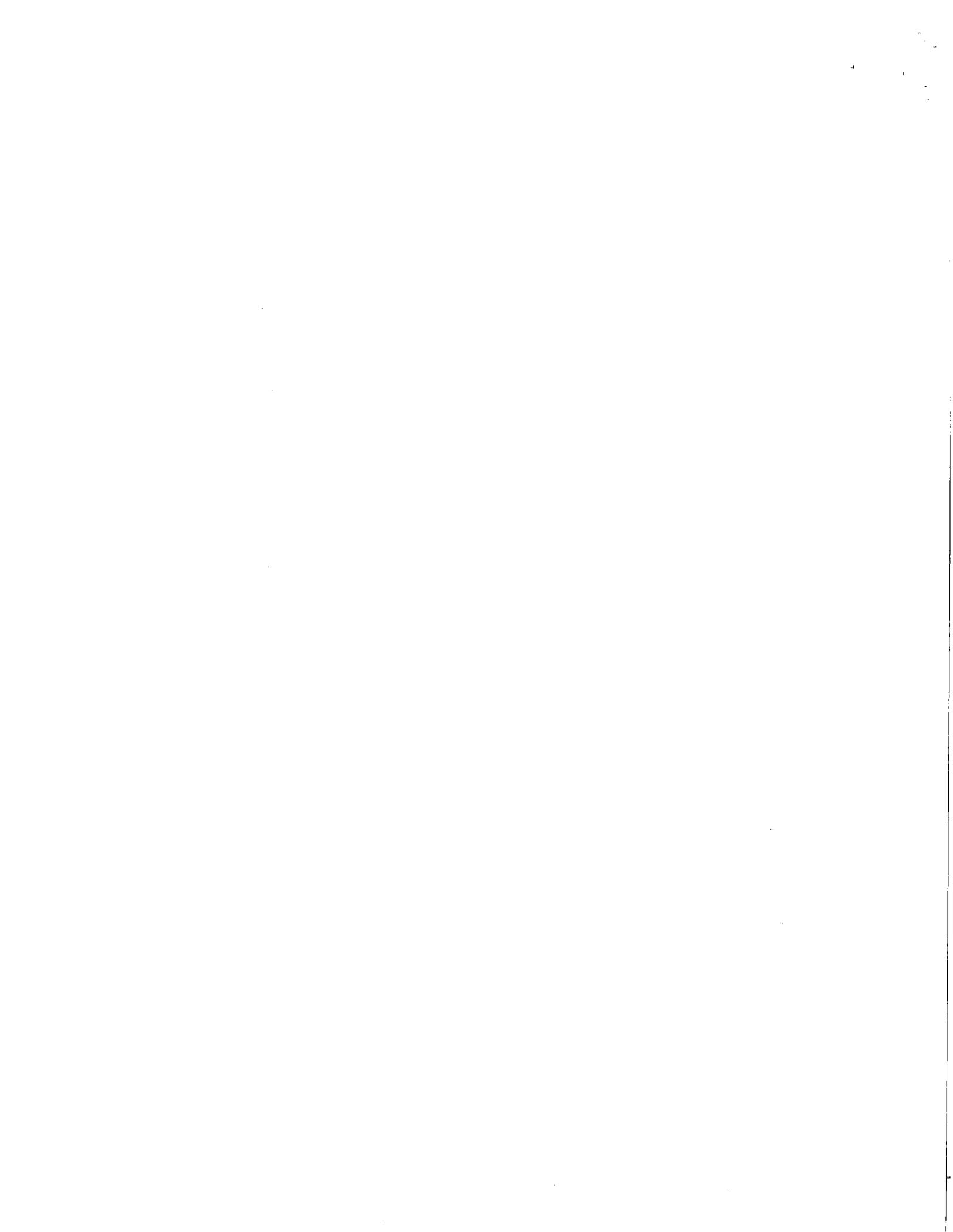
Compensation for indirect costs is eligible for reimbursement utilizing the procedure provided in the Office of Management and Budget (OMB) Circular A-87. Claimants have the option of using 10% of labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate claimed exceeds 10%.

If the claimant chooses to prepare an ICRP, both the direct costs (as defined and described in OMB Circular A-87 Attachments A and B) and the indirect shall exclude capital expenditures and unallowable costs (as defined and described in OMB A-87 Attachments A and B.) However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.

The distributions base may be (1) total direct costs (excluding capital expenditures and other distorting items, such as pass-through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.

In calculating an ICRP, the claimant shall have the choice of one of the following methodologies:

1. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) classifying a department's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of



applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected; or

2. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) separate a department into groups, such as divisions or sections, and then classifying the division's or section's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate that is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected.

VI. RECORDS RETENTION

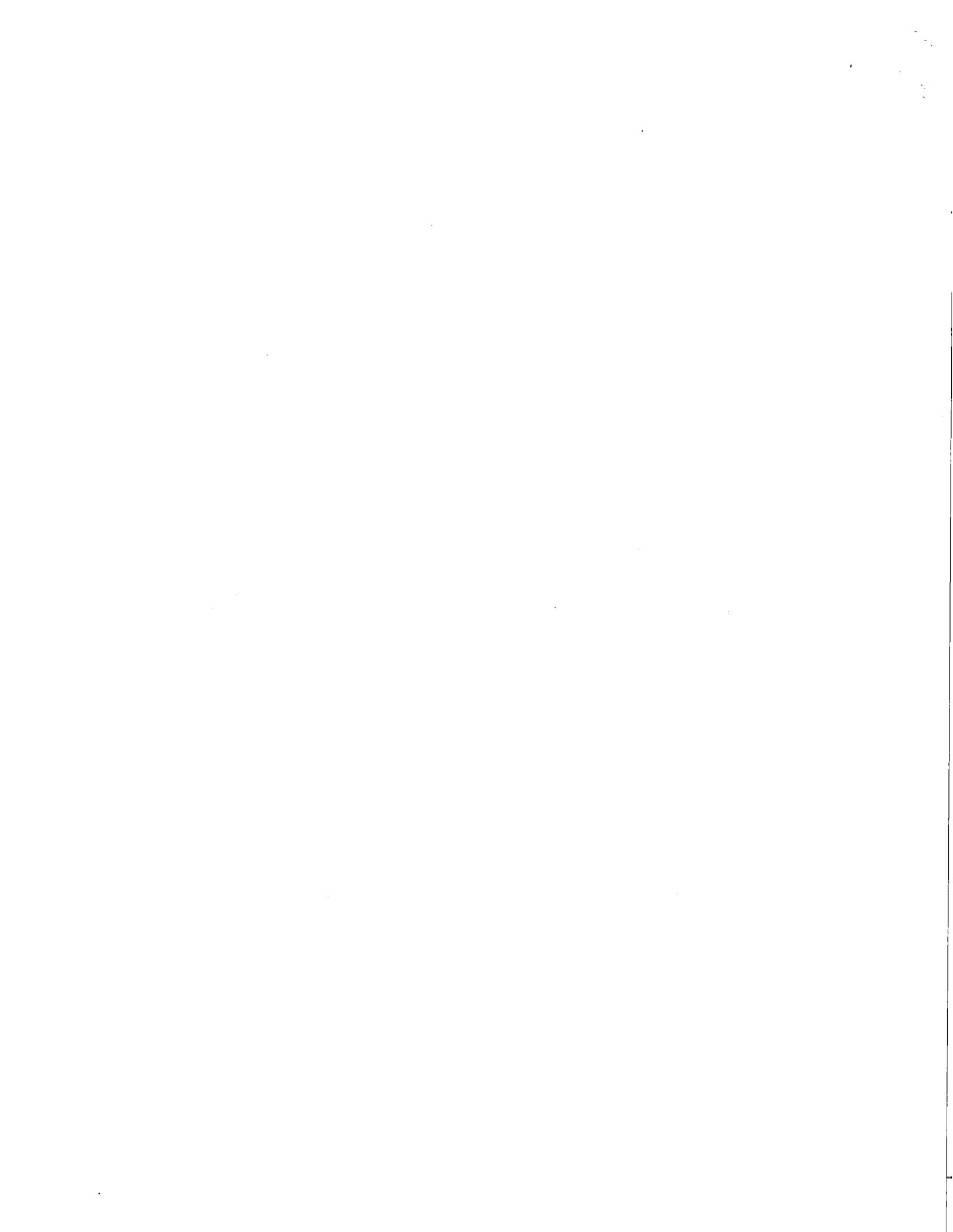
Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter¹ is subject to the initiation of an audit by the State Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING SAVINGS AND REIMBURSEMENTS

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any of the following sources shall be identified and deducted from this claim:

1. Fees authorized to be charged and collected by the Legislature. Presently, the fees that are authorized to be collected are: 1) \$0 for facilities which serve six or fewer persons; 2) \$50 for facilities with a capacity to serve seven to 25 persons; and 3) \$100 for facilities with a capacity to serve 26 or more persons. In the event that the Legislature shall enact legislation which either increases or decreases the fee authority, such legislation shall control and will not necessitate an amendment to these parameters and guidelines unless the activities to be performed are amended as well.

¹ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.



2. Any other reimbursement received from the federal or state government, or other non-local source.

Pursuant to Government Code section 17558, subdivision (c), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the parameters and guidelines from the Commission, to assist local agencies in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(2), issuance of the claiming instructions shall constitute a notice of the right of local agencies to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.

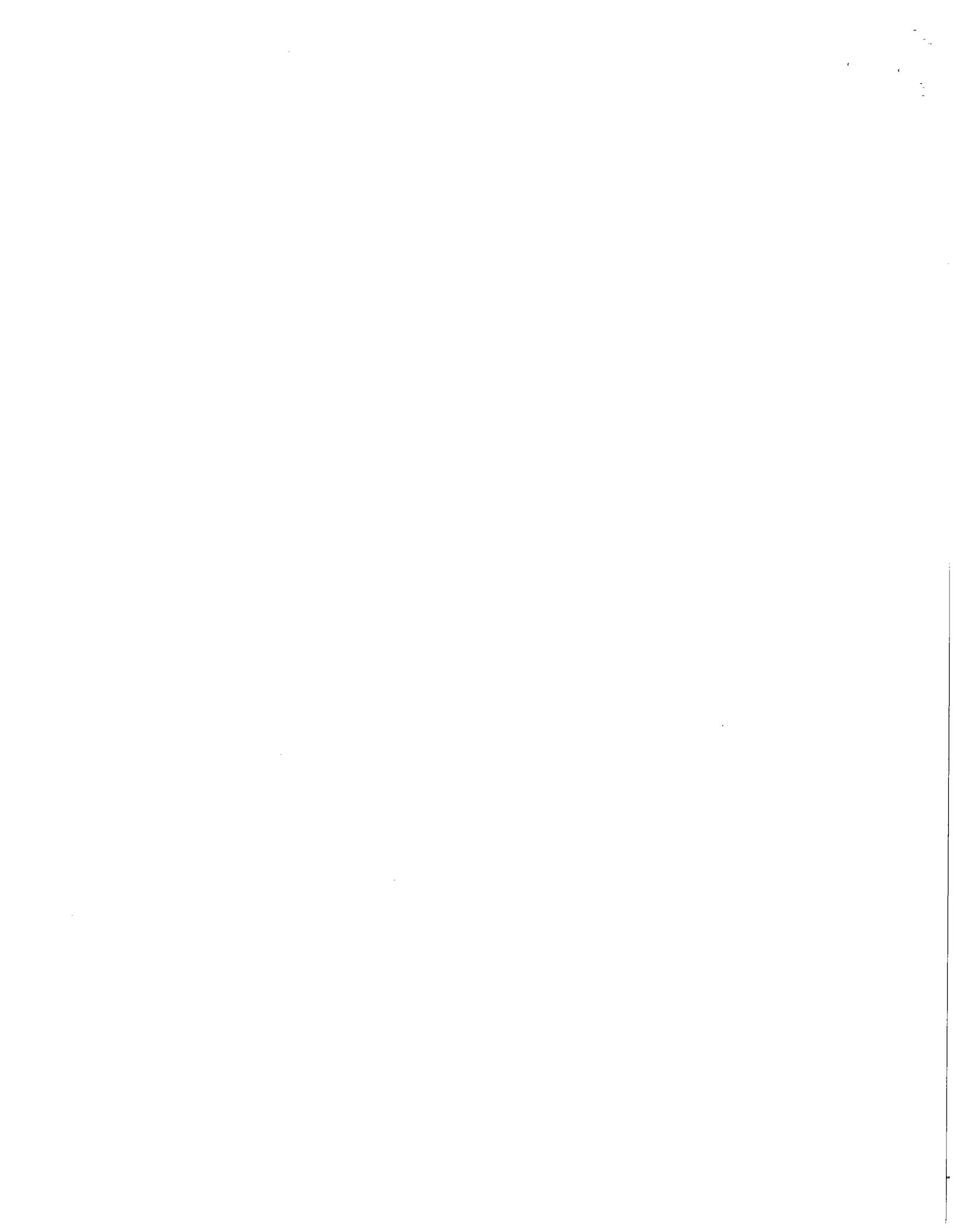
IX. REMEDIES BEFORE THE COMMISSION

Upon the request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (a), and California Code of Regulations, title 2, section 1183.2.

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.



A. One-Time Activities

1. Conducted meetings in order to obtain information from the Secretary of State as to which political parties allowed voters who have not designated their political party to vote in primary elections of given political parties.
2. Had meetings with the elections department in order to ascertain what activities were necessary to implement the legislation.
3. Developed new internal policies and procedures.
4. Redesigned and republished the sample ballot and absentee voter application.
5. Redesigned and implemented new election software.
6. Informed and trained poll workers regarding the voting options for the decline to state voter.
7. Provided specialized official ballots for the decline to state voter at each poll site.

B. On-Going Activities

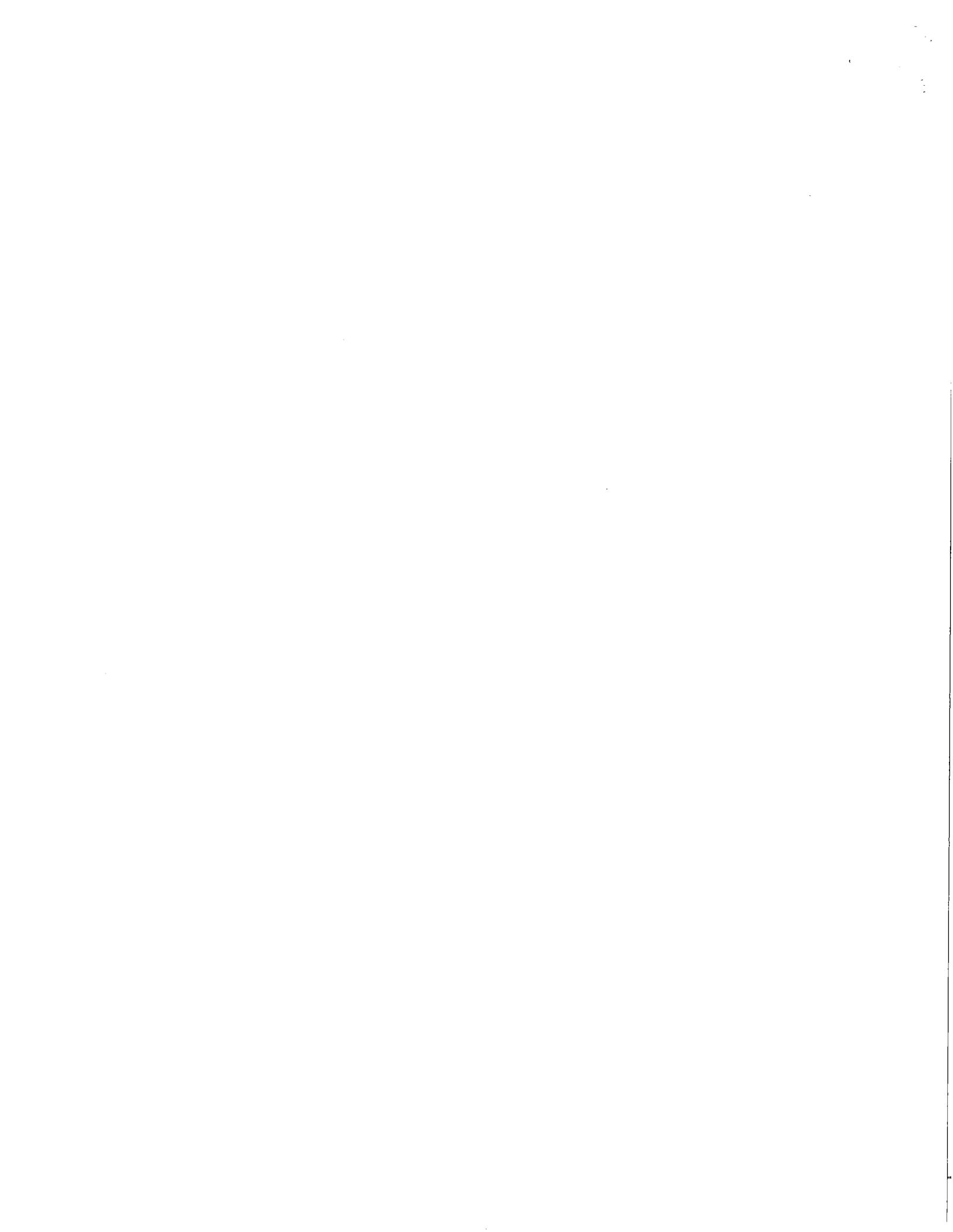
1. Notify every permanent voter who is registered as a decline to state voter that they have an option to vote a partisan ballot as long as that political party has agreed.
2. Hand process absentee voter requests.
3. Provide postage paid post card for the permanent absent voter decline to state voter to indicate which partisan absentee ballot they would like sent to them.
4. Enter the requested partisan ballot information from the post card into the computer software database.
5. Send to each voter a sample ballot containing the information regarding the options available to the decline to state voters.
6. Inform and train poll workers regarding the options for the decline to state voter.
7. Provide specialized official ballots for the decline to state voter at each poll site.

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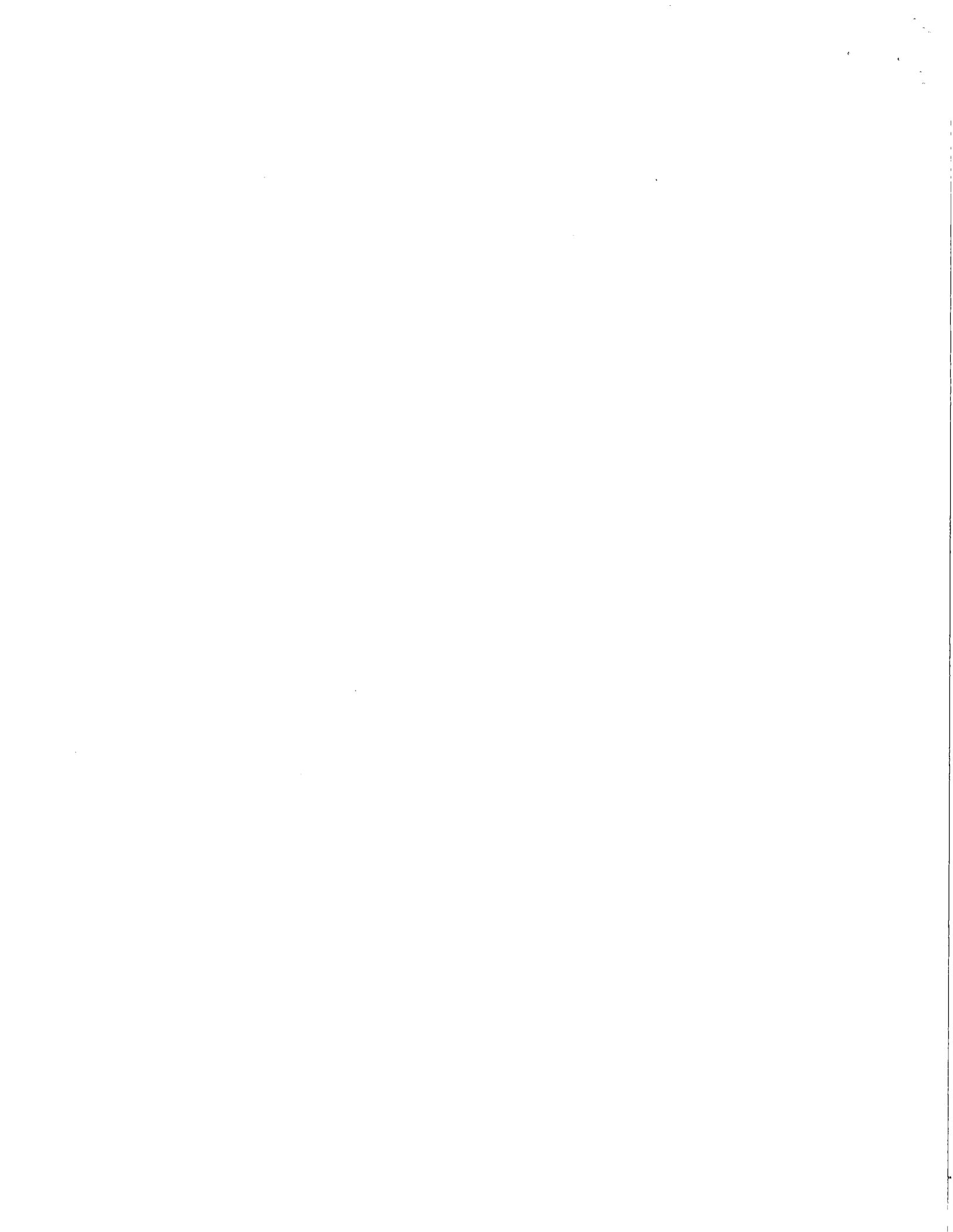
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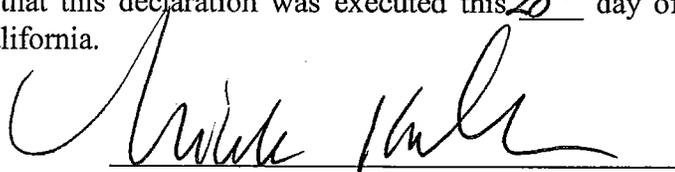
PROOF OF SERVICE BY MAIL

I, the undersigned, declare as follows:

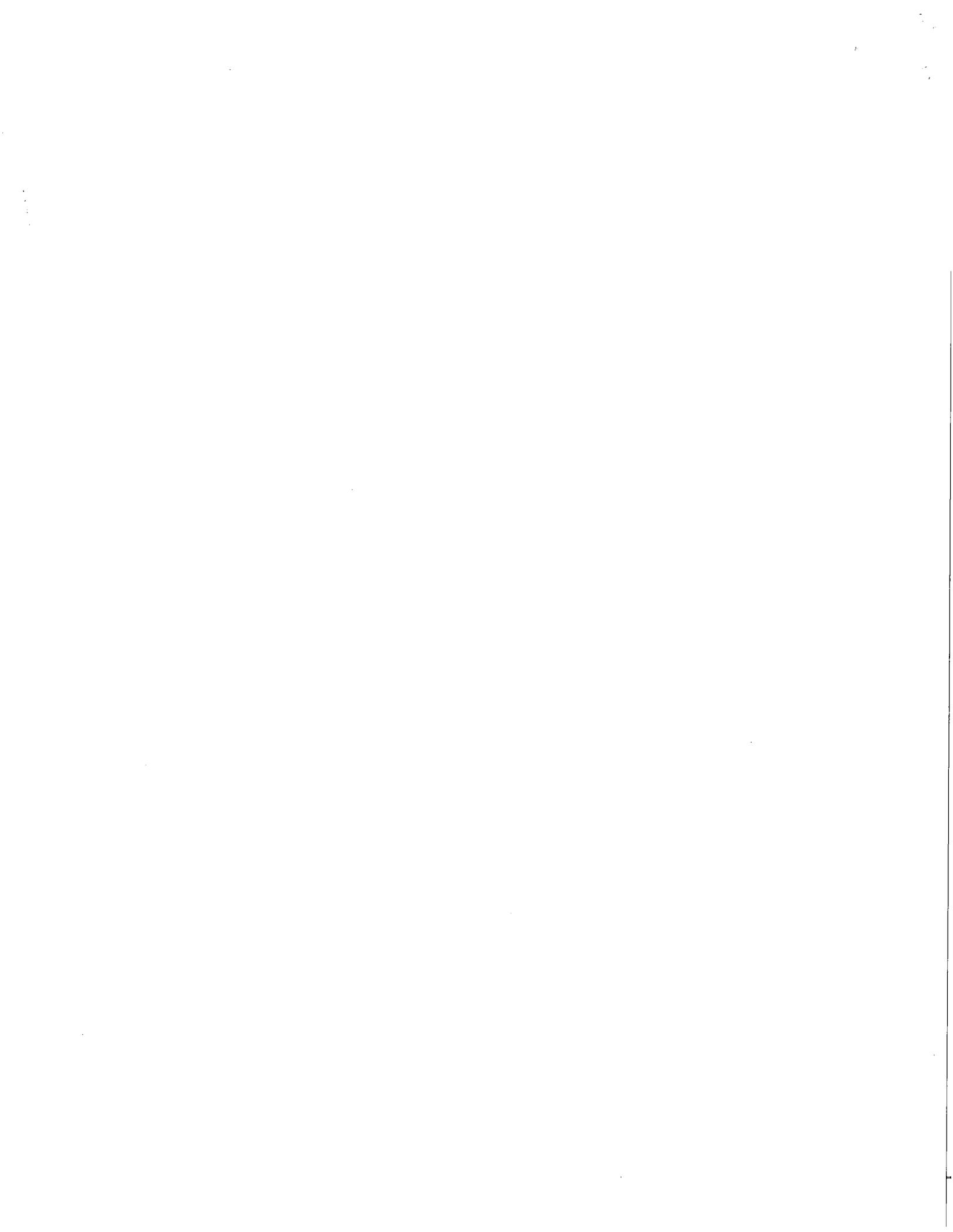
I am a resident of the County of Sacramento, and I am over the age of 18 years and not a party to the within action. My place of employment is 4320 Auburn Blvd., Suite 2000, Sacramento, CA 95841.

On November 28, 2006, I served Proposed Parameters and Guidelines, *15 Day Close of Voter Registration*, by placing a true copy thereof in an envelope addressed to each of the persons listed on the mailing list attached hereto, and by sealing and depositing said envelope in the United States mail at Sacramento, California, with postage thereon fully prepaid.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed this 28th day of November, 2006, at Sacramento, California.



Declarant



Mr. Leonard Kaye, Esq.
County of Los Angeles
Auditor-Controller's Office
500 W. Temple Street, Room 603
Los Angeles, CA 90012

Mr. Glen Everroad, Revenue Manager
City of Newport Beach
P. O. Box 1768
Newport Beach, CA 92659-1768

Mr. Neal Kelley
Acting Registrar of Voters
1300 South Grand Ave.
Santa Ana, CA 92705

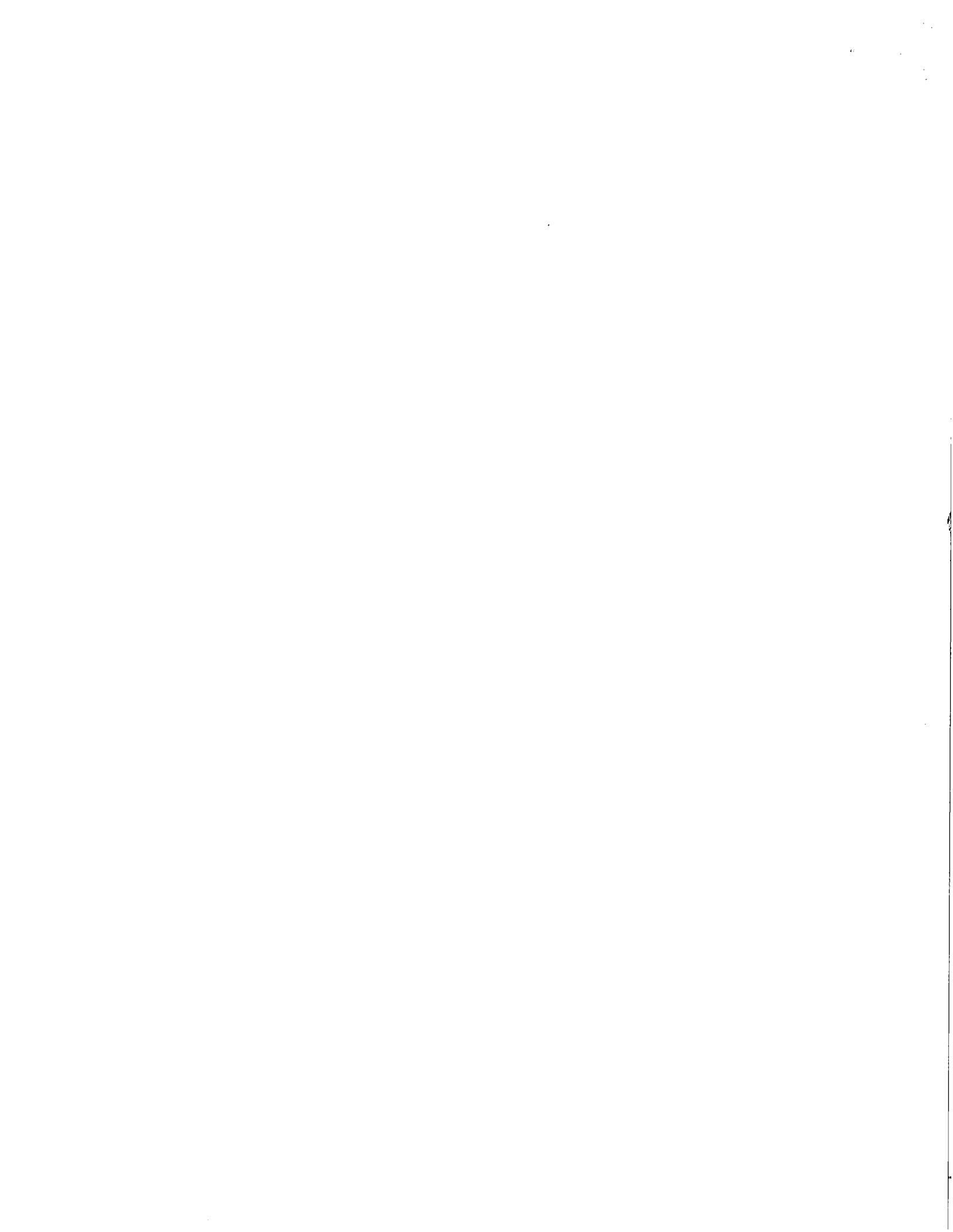
Mr. Jim Jagers
PO Box 1993
Carmichael, CA 95609

Mr. John Mott-Smith
Secretary of State's Office (D-15)
1500 11th St.
Sacramento, CA 95814

Ms. Carla Castaneda
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Wellhouse & Associates
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Sacramento, CA 95816

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Roseville, CA 95661

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San Bernardino, CA 92415-0018

Mr. Jm Spano
State Controller's Office (B-08)
Division of Audits
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Sacramento, CA 95814

