

Amended: July 28, 2005

Adopted: September 21, 1989 9/21/89

PARAMETERS AND GUIDELINES AMENDMENT

As Added or Amended by
Statutes 1981, Chapter 1013; Statutes 1982, Chapter 218;
Statutes 1985, Chapter 896; Statutes 1986, Chapters 188 and 667;
Statutes 1987, Chapters 2, 84, and 1083, Statutes 2004, Chapter 206

~~CHAPTER 1013, STATUTES OF 1981; CHAPTER 218; STATUTES OF 1982~~
~~CHAPTER 896, STATUTES OF 1985; CHAPTERS 188 AND 667, STATUTES OF 1986;~~
~~CHAPTERS 2, 84, AND 1083, STATUTES OF 1987~~

LOCAL ELECTIONS: CONSOLIDATION
04-PGA-21 (CSM- 4317)

I. SUMMARY OF THE MANDATES

The test claim legislation authorizes city councils and the governing boards of school districts and community college districts and the members of county boards of education to request that counties consolidate elections for city officials and board members with the statewide primary or general election or the general municipal election in the area. The county board of supervisors may deny such a request only if the ballot style, voting equipment, or computer capacity is such that additional elections or materials cannot be handled at the election for which the consolidation request has been made. County boards of supervisors are first required to obtain a report on the cost-effectiveness of such consolidation requests.

On April 27, 1989, the Commission on State Mandates (Commission) adopted the Statement of Decision for this program, finding that the test claim legislation constituted a new program or higher level of service and imposed a reimbursable state-mandated program upon counties that do not approve an election consolidation request, within the meaning of article XIII B, section 6, of the California Constitution and Government Code section 17514.

On September 21, 1989, the Commission adopted parameters and guidelines for this program, finding that (1) conducting a public board of supervisors meeting to consider a consolidation request and noticing that public meeting; (2) conducting an impact analysis to determine if the county's voting systems are capable of accommodating a consolidated hearing; (3) conducting an analysis to determine the cost-effectiveness of the proposed consolidation, and (4) submitting the report on cost-effectiveness to the board of supervisors prior to approval or denial of the request for consolidation, are reimbursable activities.

On July 27, 2004, the Governor enacted Statutes 2004, chapter 206 (AB 2854, Laird) to make optional the requirement that counties conduct an analysis to determine the cost-effectiveness of a consolidation request and submit the cost-effectiveness report to the

board of supervisors. On November 8, 2004, the State Controller's Office requested that the Commission amend the parameters and guidelines for the *Local Elections: Consolidation* program to clarify that the above activities are no longer eligible for reimbursement. On July 28, 2005, the Commission adopted the parameters and guidelines amendment to clarify that conducting a cost-benefit analysis and submitting a cost-effectiveness report to the board of supervisors are not eligible for reimbursement effective July 27, 2004.

~~Chapter 1013, Statutes of 1981, added Section 36503.5 of the Government Code, Chapter 278, Statutes of 1982, amended Section 36503.5 of the Government Code, Chapter 896, Statutes of 1985, added Section 5010.7 to the Education Code, Chapter 188, Statutes of 1986, added Section 23302.1 to the Education Code, Chapter 667, Statutes of 1986, added 5000.5 to the Education Code, and Chapters 2, 84, and 1083, Statutes of 1987 amended the Government, Elections, and Education Code.~~

~~The legislation provides that School Districts, Special Districts, Community College Districts, and Cities, by resolution, may request that their regularly scheduled election dates for electing governing board members/city officials be consolidated with a Primary or General Election.~~

~~The Board of Supervisors, within 60 days from the date of submission, shall approve the resolution unless it finds that the ballot style, voting equipment or computer capacity is such that additional elections or materials cannot be handled. Prior to the adoption of a resolution to either approve or deny a consolidation request, the Board of Supervisors shall obtain from the elections official a report on the cost effectiveness of the proposed action.~~

H. COMMISSION ON STATE MANDATES' DECISION

~~On April 27, 1989, the Commission on State Mandates determined that Chapter 1013, Statutes of 1981, Chapter 218, Statutes of 1982, Chapter 896, Statutes of 1985, Chapters 188 and 667, Statutes of 1986, Chapters 2, 84, and 1083, Statutes of 1987 contained reimbursable state mandated costs.~~

III.II. ELIGIBLE CLAIMANTS

Counties ~~that who~~ do not approve an election consolidation request are eligible for reimbursement.

IV.III. PERIOD OF REIMBURSEMENT

The period of reimbursement for this amendment begins on July 27, 2005.¹

Pursuant to Government Code section 17560, reimbursement for state-mandated costs may be claimed as follows:

1. A local agency or school district may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the

¹On July 27, 2005, the activities of conducting a cost-benefit analysis and submitting a cost-effectiveness report to the board of supervisors was made optional (Stats. 2004, ch. 206). Therefore, effective July 27, 2004, these activities are not eligible for reimbursement.

costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b).

2. A local agency or school district may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
3. In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between October 15 and January 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

Reimbursable actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561 (d)(1), all claims for reimbursement of initial years' costs shall be submitted within 120 days of the issuance of the State Controller's claiming instructions. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

~~Section 17557 of the Government Code (GC) states that a test claim must be submitted on or before December 31 following a given fiscal year to establish eligibility for the year. Since San Bernardino County's test claim was filed on September 2, 1988, all costs incurred on or after July 1, 1987 are reimbursable. Actual costs for one fiscal year should be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Section 17561 (d)(3) of the Government Code, all claims for reimbursement shall be submitted within 120 days of notification by the State Controller of the enactment of the claims bill.~~

~~If the total costs for a given fiscal year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code Section 17564.~~

V.IV. REIMBURSABLE ACTIVITIES COSTS

To be eligible for mandated cost reimbursement for any 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, 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 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. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

A.SCOPE OF THE MANDATE

~~Counties shall be reimbursed for the increased mandated costs associated with the following areas:~~

- ~~1.Costs to notify other districts that a request for consolidation has been received and is under consideration by the Board of Supervisors.~~
- ~~2.Costs associated with giving public notice of Board of Supervisors hearing to consider the requests for consolidation.~~
- ~~3. Costs associated with the requirement that the elections official provide information on the cost effectiveness prior to the Board of Supervisors decision whether to approve or deny a request for consolidation. If the cost effectiveness study determines that election consolidation is not feasible and the Board of Supervisors by resolution deny the request for consolidation, the costs incurred to conduct the study are reimbursable.~~
- ~~4.Costs associated with the preparation of an impact analysis.~~

B.REIMBURSEMENT ACTIVITIES

~~The following activities can be claimed:~~

1. Preparing and mailing ~~of~~ the required notice to affected districts.
2. Preparing public notice of ~~b~~Board of ~~s~~Supervisors meeting held for the sole purpose of considering the request for consolidation.
3. Conducting an impact analysis review of the voting systems capacity to include a review of the ballot style, voting equipment, computer capacity, and assessing the potential future impact of jurisdiction division being considered for election consolidation and the affect any jurisdiction divisions would have on the voting system. Specifically, the study would focus on those areas that would be directly impacted such as additional voting precincts, election boards, voting materials, administrative costs, and other election costs.
4. Conducting a Benefit/Cost Analysis to determine the cost effectiveness of the proposed action and submitting the report to the Board of Supervisors prior to the adoption of a resolution to either approve or deny a consolidation request.
(Reimbursement period for this activity ends July 27, 2004.)

VI.V. CLAIM PREPARATION AND SUBMISSION

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed 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 the 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. Attach a copy of the contract to the claim. 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 dates when services were performed and itemize all costs for those 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.

B. Indirect Cost Rates

Indirect costs are defined as 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 both (1) 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 direct 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 costs 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 distribution 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 bear 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) separating 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 bear to the base selected.

~~Each claim for reimbursement pursuant to this mandate must be timely filed and set forth a listing of each item for which reimbursement is claimed under these mandates.~~

~~A. Description of Activity:~~

~~B. Supporting Documentation~~

~~Claimed costs should be supported by the following information:~~

~~1. Employee Salaries and Benefits~~

~~Identify the employee(s), show the classification of the employee(s) involved, describe the mandated functions performed and specify the actual number of hours devoted to each function, the productive hourly rate, and the related benefits. The average number of hours devoted to each function may be claimed if supported by a documented time study.~~

~~2. Services and Supplies~~

~~Only expenditures which can be identified as a direct cost of the mandate can be claimed. List cost of materials which have been consumed or expended specifically for the purpose of these mandates.~~

~~3. Allowable Overhead Cost~~

~~Indirect costs may be claimed in the manner described by the State Controller in the claiming instructions.~~

VII.VI. RECORD RETENTION SUPPORTING DATA

~~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 chapter² is subject to the initiation of an audit by the 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. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. 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.~~

~~For auditing purposes, all costs claimed must be traceable to source documents and or worksheets that show evidence of the validity of such costs. These documents must be kept on file by the agency submitting the claim for a period of no less than three years from the date of the final payment of the claim pursuant to this mandate, and made available on the request of the State controller or his agent.~~

VII. OFFSETTING SAVINGS AND ~~OTHER~~ 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 from any source, including but not limited to, services fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.~~

VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS

~~Pursuant to Government Code section 17558, subdivision (b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts 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)(1), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.~~

IX. REMEDIES BEFORE THE COMMISSION

~~Upon 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~~

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

and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall 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 (d), 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.

IX. REQUIRED CERTIFICATION

The following certification must accompany the claim:

~~I DO HEREBY CERTIFY under penalty of perjury:
THAT the foregoing is true and correct:
THAT section 1090 to 1096, inclusive, of the Government Code
and other applicable provisions of the law have been complied
with:~~

~~and~~

~~THAT I am the person authorized by the local agency to file claims for funds
with the State of California.~~

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____ DATE

TITLE _____ TELEPHONE NO.