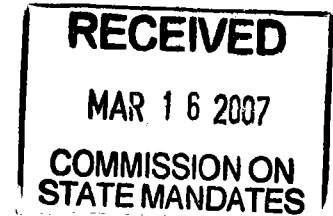


PROPOSED AMENDED PARAMETERS AND GUIDELINES

Permanent Absent Voters
(CSM-4358)

and

Permanent Absent Voters II
(03-TC-11)



Elections Code Sections 1450 through 1456,
Chapter 1422, Statutes of 1982

And

Elections Code Sections 3100, 3101, 3103, 3104, 3106, 3108, 3110,
3200, 3201, 3202, 3203, 3204, 3205 and 3206

Chapter 920, Statutes of 1994, Chapter 724, Statutes of 1996

Chapters 918 and 922, Statutes of 2001

Chapter 664, Statutes of 2002, and Chapter 347, Statutes of 2003

County of Sacramento, Claimant

I. SUMMARY OF THE MANDATE

Originally with the filing of the original Permanent Absent Voter test claim (CSM-4358), a new program was established which allowed certain voters, with evidence of a physical disability, to apply for permanent absent voter status. Thereafter, the County of Sacramento filed the within test claim to reflect changes in the law since the original test claim decision. With the changes in the law, now any voter can apply for permanent absent voter status, rather than limiting eligibility to those voters with specific disabilities or conditions.

On July 28, 2006, the Commission on State Mandates found that the above referenced test claim constituted a partially reimbursable mandate for the following new activities:

- County elections officials shall make an application for permanent absent voter status available to any voter. (Elec. Code, § 3201.) This activity is in lieu of the activity in *Permanent Absent Voters I*, which limited the program to those voters who provided evidence of disability or condition.
- Include in all absentee ballot mailings to the voter an explanation of the absentee voter procedure and an explanation of Elections Code section 3206.

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 Sacramento, on September 26, 2003. Therefore, the period of reimbursement begins July 1, 2002 for *Permanent Absentee Ballots II*.¹

For fiscal years 2003-2004 through 2005-2006, only those costs which were not claimed under *Permanent Absentee Ballots I* are eligible for reimbursement. Commencing with the 2006-2007, all claims for *Permanent Absentee Ballots I* and *Permanent Absentee Ballots II* shall be filed pursuant to these Parameters and Guidelines.

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, 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

¹The period of reimbursement for the *Permanent Absentee Ballots I* commenced on July 1, 1988.

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.

Claimants may use time studies to support salary and benefit costs when an activity is task-repetitive. Time study usage is subject to the review and audit conducted by the State Controller's Office.

For each eligible claimant, the following activities are eligible for reimbursement:

On-Going Activities

1. Have permanent absentee voter request rules and form at all counters and on website.
2. Additional data entry to capture all permanent absentee voter requests from voter registration cards.
3. Receiving and processing permanent absent ballot applications and verifying requests to make sure that requestors are not already permanent absent voters who have forgotten their previous election.
4. Sending a copy of the permanent absent voter roll to city and district election officials.
5. Postage for sending permanent absent voter material to larger pool of absentee voters.
6. Send out notification with return to all voter file, except those who are already permanent absent voters, to alert them to change in the law and offer them the opportunity to become a permanent absentee voter.
7. Preparing, printing and sending sample ballots, with additional space for absentee ballot request for those who wish to be permanent absent voters.
8. Additional primary election mailing to all non-partisan permanent absent voters to alert them to primary voting opportunity for that election and provide means for selecting party, prior to mailing permanent absent voter packet.
9. Sample ballot booklet address and polling place labeling to remind permanent absent voters that they do not need to request an absentee ballot as one will be mailed automatically.
10. Maintaining the roll, including purging voters from the permanent absent voter list, when the voter fails to vote after two statewide general elections, and reinstating the voter's name on the roll upon the voter's request.

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 chapter² 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.
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.

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

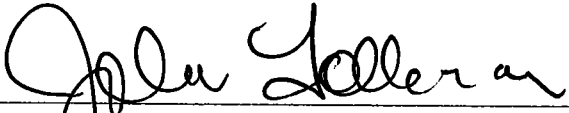
PROOF OF SERVICE BY MAIL

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 March 16 2007, I served the Amended Proposed Parameters and Guidelines, *Permanent Absentee Voters II*, 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 16 day of March, 2007, 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

Ms. Jesse McGuinn
Department of Finance (A-15)
915 L Street, 8th Floor
Sacramento, CA 95814

Ms. Julie Valverde
County of Sacramento
711 G Street, Room 405
Sacramento, CA 95814

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
Department of Finance (A-15)
915 L Street, 12th Floor
Sacramento, CA 95814

Ms. Susan Genacou
Department of Finance (A-15)
915 L Street, Suite 1190
Sacramento, CA 95814

Mr. David Wellhouse
Wellhouse & Associates
9175 Kiefer Blvd., Suite 121
Sacramento, CA 95826

Ms. Ginny Brummels
State Controller's Office (B-08)
Division of Accounting & Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

Mr. J. Bradley B urges
Public Resource Management Group
1380 Lead Hill Boulevard, Suite 106
Roseville, CA 95661

Ms. Bonnie Ter Keurst
County of San Bernardino
Office of the Auditor/Controller-Recorder
222 West Hospitality Lane
San Bernardino, CA 92415-0018

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.