



Agenda Date: 6/6/2006  
Agenda Placement: 10B

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Britt Ferguson for Nancy Watt - County Executive Officer  
County Executive Office  
**REPORT BY:** Andrew Carey, Management Analyst, 253-4477  
**SUBJECT:** Support for seeking reimbursement of the costs for conducting the November 2005 special election

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### **RECOMMENDATION**

Approval of and authorization for the Chair to sign a letter supporting amendment of Assembly Bill (AB) 1634 to appropriate and allocate adequate funds for complete reimbursement to counties of their November 2005 special election expenses on a county-by-county basis.

### **EXECUTIVE SUMMARY**

On June 13, 2005, Governor Schwarzenegger issued a proclamation ordering a special election to be held on November 8, 2005. The proclamation contained a provision stating that the funds necessary to reimburse local governments for expenses related to conducting the special election would be included in the state's fiscal year 2006-2007 budget. To date, the reimbursement provision has not been included in the Governor's proposed budget.

The California State Association of Counties (CSAC) has recommended and is supporting amendments to AB 1634 that would appropriate and allocate nearly \$38.8 million for full reimbursement of special election expenses on a county-by-county basis. The recommended action before the Board seeks approval of and authorization for the chair to sign a letter of support for amendments to AB 1634 that would appropriate and allocate funds for full reimbursement to counties of their November 2005 special election expenses.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	State funds to reimburse counties for November 8, 2006 special election

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	expenses.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	State funding is not mandated by law but included in Governor's proclamation calling the special election.
Is the general fund affected?	Yes
Future fiscal impact:	One time funding to offset general fund monies spent on the November 8 special election.
Consequences if not approved:	AB 1634 might not be amended and funds would be lost.
Additional Information:	None

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

On June 13, 2005, Governor Schwarzenegger issued a proclamation ordering a special election to be held on November 8, 2005. The purpose of the special election was to put before the voters of California eight ballot initiative measures. The Governor's proclamation provided that "The funds necessary to pay the claims of local agencies arising from their costs incurred to conduct the special election shall be included in the State Budget for the 2006-2007 fiscal year, or in an earlier enacted claims bill."

The special election was held on November 8th. The California State Association of Counties (CSAC) has estimated statewide costs for counties to conduct the special election of approximately \$38.8 million dollars. Napa County's special election expense was \$181,771. The Secretary of State's costs related to the special election totaled approximately \$9 million.

The state's share of the special election expense was appropriated in SB 306, which was signed by the Governor on April 10, 2006 and became effective immediately as an urgency statute. To date, the reimbursement provision has not been included in the Governor's proposed budget. However, approximately \$27.8 million has been identified in AB 1634 for reimbursing counties' special election expenses. AB 1634, which does not currently provide full reimbursement to counties for their special election expenses, had been held in committee until very recently when it was moved to the Senate Rules committee for referral to the Senate Appropriations Committee.

Currently, supporters of full reimbursement to counties of their special election expenses are pursuing two approaches simultaneously - amending AB 1634 to appropriate and allocate the \$38.8 million estimate for reimbursement to counties and advocating for inclusion of the \$38.8 million in the state's fiscal year 2006-2007 budget bill. According to CSAC, amending AB 1634 is preferable to including the reimbursement in the 2006-2007 budget bill, because AB 1364 claims would be processed based on county specific allocations identified in the text of the bill and thus avoid a potentially lengthy claims process.

On April 17, 2006, the county's Legislative Subcommittee discussed AB 1634 and directed staff to bring a recommendation to the Board of Supervisors to support full reimbursement for counties through letters to the chairs of the Senate and Assembly appropriation and/or budget committees as the approach most likely to be

successful due to reports that AB 1634 might be held in committee indefinitely. However, the budget process has moved to the conference committee stage, while AB 1634 has received new interest and support in the Legislature. Therefore, staff recommends that the Board give approval of and authorization for the chair to sign a letter supporting amendments to AB 1634 to appropriate and allocate the full amount of special election expenses on a county-by-county basis.

The Board could also decide to give approval and authorization for the chair to sign letters supporting full special election expense reimbursements to counties by inclusion in the state's fiscal year 2006-2007 budget. However staff believes that, should the Board support amending AB 1634, the Legislature will interpret the Board's action as general support for full reimbursement of special election costs to counties such that the County Executive Officer and the county's legislative advocate could communicate the Board's support for full reimbursement of county November 2005 special election expenses during the final days of the state's 2006-2007 budget negotiations, should that be necessary.

A letter supporting amending AB 1634 is attached to this staff report, as is the current text of AB 1634 (without the recommended amendment appropriating the full \$38.8 million for counties).

#### **SUPPORTING DOCUMENTS**

- A . Letter supporting amendments to AB 1634
- B . Current text of AB 1634

CEO Recommendation: Approve

Reviewed By: Andrew Carey