

Q & A

Are public funds allowed to be spent on a campaign to protect counties?

No. It is strictly prohibited by California law to use "public funds" for campaign purposes. Public funds include dues paid by California counties to CSAC.

What do our CSAC dues pay for?

Dues by counties currently comprise 34% of CSAC revenues (\$2.8 million). CSAC dues are used to fund a portion of the operations – programs, services and advocacy – of this organization.

What is the CSAC Finance Corporation?

The CSAC Finance Corporation is a separate and distinct 501(c)3 corporation that provides financial services and products to public agencies throughout California (housing bonds, deferred compensation, pooled purchasing, etc.). These funds are derived from private sector activities and are therefore categorized as "non-public" funds.

A portion of the non-public revenues that the Finance Corporation receives through these programs are contributed to CSAC to subsidize costs associated with CSAC activities, since county dues do not cover the full cost of operations. The current subsidy from the Finance Corporation to fund CSAC operations is \$3 million annually.

How much does it cost to mount an effective ballot measure campaign?

Consultants have estimated that 1.3 million signatures are required to provide 850,000 verified signatures to county elections officials. Signatures cannot be gathered until the measure has been cleared for circulation (expected December 29) and must be turned into county officials by middle to late April. To meet these timelines it will be necessary to pay signature gatherers and the current market price to meet those requirements is estimated to be \$3 million. Once the measure has qualified for the ballot, it is estimated that a minimal advocacy campaign (assuming no strong opposition) would cost \$3 million; making the entire cost \$6 million. The cost of the campaign could increase depending on a number of factors, including the clarity of the ballot label developed by the Attorney General, the number of other measures on the ballot, any funded opposition, and other factors that would require a greater level of education for voters. Campaigns are very dynamic and costs of passing a measure can fluctuate wildly.

How can CSAC raise the money necessary to support a ballot measure?

There are no known stakeholders beyond counties with as much motivation to seek the constitutional protections proposed in the ballot measure. CSAC could solicit donations through a hired-fund raiser but it is extremely doubtful that sufficient funds could be raised in the time required to gather signatures or mount a campaign. If CSAC is to move forward with a ballot measure, the only way to proceed is to divert non-public funds available to the Association. The CSAC Finance Corporation has access to the non-public funds necessary.

How will the Finance Corporation fund the campaign for constitutional protections?

The Finance Corporation intends on securing a line of credit up to \$4 million plus access \$2 million in reserves (also non-public funds). A portion of the non-public funds currently being used by the Finance Corporation to subsidize CSAC operations would be diverted to repay the line of credit and restore reserves. With a 20 year plus history of sustainable programs and revenues, CSAC has the ability to borrow and assure repayment.

How does the Finance Corporation repayment of the line of credit affect CSAC?

The repayment of the line of credit by Finance Corporation will diminish its ability to continue subsidizing the day-to-day CSAC programs and services. Estimates based on market interest rates could reduce that support by one-third over a six year period. However, Finance Corporation revenues, which have stabilized over the past three years, are expected to grow modestly over that period and should the Finance Corporation generate more revenues than currently contributed, their debt could be retired earlier.

How would CSAC be able to maintain its existing level of programs and services to its membership with a reduced contribution of the Finance Corporation's annual support?

Without the subsidy from Finance Corporation, CSAC will need to find revenues to sustain current levels of operations and services. A dues increase, effective FY 2012-13, would be necessary. CSAC made reductions in staffing and operations, including the elimination of positions, over the past two years. Further reductions would seriously jeopardize CSAC core mission of advocacy for California's counties.

What if there is a need for additional resources beyond \$6 million?

If there is funded opposition to the measure costs would likely exceed \$6 million. If that is the case a concerted fundraising effort would be necessary to finance additional costs.

COUNTY	2011		Increase Necessary		COUNTY	2011		Increase Necessary		COUNTY	2012	
	DUES	DUES				DUES	DUES				DUES	DUES
ALAMEDA	123,906	170,371	46,465	ORANGE	155,179	213,371	58,192					
ALPINE	3,114	4,282	1,168	PLACER	32,484	44,666	12,182					
AMADOR	13,905	19,120	5,214	PLUMAS	12,899	17,736	4,837					
BUTTE	22,815	31,371	8,556	RIVERSIDE	100,374	138,014	37,640					
CALAVERAS	13,905	19,120	5,214	SACRAMENTO	122,563	168,525	45,961					
COLUSA	10,638	14,628	3,989	SAN BENITO	10,867	14,942	4,075					
CONTRA COSTA	95,707	131,598	35,890	SAN BERNARDINO	118,198	162,522	44,324					
DEL NORTE	7,374	10,139	2,765	SAN DIEGO	181,256	249,227	67,971					
EL DORADO	24,889	34,222	9,333	SAN FRANCISCO	120,101	165,139	45,038					
FRESNO	84,117	115,660	31,544	SAN JOAQUIN	55,763	76,674	20,911					
GLENN	9,914	13,631	3,718	SAN LUIS OBISPO	44,987	61,857	16,870					
HUMBOLDT	23,406	32,183	8,777	SAN MATEO	95,047	130,690	35,643					
IMPERIAL	24,889	34,222	9,333	SANTA BARBARA	52,593	72,315	19,722					
INYO	11,911	16,377	4,466	SANTA CLARA	115,791	159,213	43,422					
KERN	97,909	134,625	36,716	SANTA CRUZ	30,675	42,178	11,503					
KINGS	24,300	33,412	9,112	SHASTA	21,833	30,020	8,187					
LAKE	15,541	21,369	5,828	SIERRA	3,156	4,339	1,183					
LASSEN	6,877	9,455	2,579	SISKIYOU	12,497	17,183	4,686					
LOS ANGELES	327,762	450,673	122,911	SOLANO	42,659	58,657	15,997					
MADERA	15,541	21,369	5,828	SONOMA	53,347	73,352	20,005					
MARIN	42,383	58,276	15,894	STANISLAUS	44,987	61,857	16,870					
MARIPOSA	13,905	19,120	5,214	SUTTER	15,541	21,369	5,828					
MENDOCINO	23,448	32,241	8,793	TEHAMA	13,905	19,120	5,214					
MERCED	24,889	34,222	9,333	TRINITY	6,665	9,164	2,499					
MODOC	2,772	3,811	1,039	TULARE	44,198	60,772	16,574					
MONO	10,867	14,942	4,075	TUOLUMNE	15,371	21,135	5,764					
MONTEREY	44,987	61,857	16,870	VENTURA	83,097	114,258	31,161					
NAPA	20,316	27,934	7,618	YOLO	24,344	33,473	9,129					
NEVADA	14,566	20,029	5,462	YUBA	12,576	17,292	4,716					
TOTAL		2,799,506		TOTAL		3,849,320						