

ITEM 9
INCORRECT REDUCTION CLAIM
PROPOSED DECISION

Public Resources Code Sections 40148, 40196.3, 42920-42928; Public Contract Code Sections 12167 and 12167.1; Statutes 1999, Chapter 764 (AB 75); Statutes 1992, Chapter 1116 (AB 3521); State Agency Model Integrated Waste Management Plan (February 2000)

Integrated Waste Management

Fiscal Years 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011

14-0007-I-03

Citrus Community College District, Claimant

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Exhibit A

Incorrect Reduction Claim (IRC), 14-0007-I-03, filed July 14, 20141-291

Exhibit B

State Controller’s Office (Controller’s) Late Comments on the IRC, filed January 16, 20151-173

Exhibit C

Draft Proposed Decision issued November 16, 20161-42

Exhibit D

Controller’s Comments on the Draft Proposed Decision, filed November 21, 20161-5

Exhibit E

Interested Party Comments on the Draft Proposed Decision by the law office of Dannis Woliver Kelley on behalf of Gavilan Joint Community College District, Long Beach Community College District, North Orange County Community College District, San Mateo County Community College District, and Victor Valley Community College District, filed December 7, 20161-12

Exhibit F

Supporting Documentation1-88

California Department of Resources Recycling and Recovery, “Landfill Tipping Fees in California” February 2015.

Excerpt from the Minutes, for the September 26, 2008 Meeting of the Commission on State Mandates.

Item 9, Final Staff Analysis of Proposed Amendments to the Parameters and Guidelines for *Integrated Waste Management*, 05-PGA-16, January 30, 2009, pages 2-3

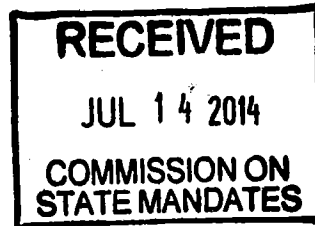
Peremptory Writ of Mandate, *State of California v. Commission on State Mandates*, (Super. Ct., Sacramento County, 2008, No. 07CS00355).

SixTen and Associates

Mandate Reimbursement Services

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July 9, 2014

Heather Halsey, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

RE: 1116/92 and 764/99 Integrated Waste Management
Citrus Community College District
Fiscal Years 1999-00 and 2000-01 and 2003-04 through 2010-11
Incorrect Reduction Claim

Dear Ms. Halsey:

Enclosed is the original and two copies of the above referenced incorrect reduction claim for Citrus Community College District.

SixTen and Associates has been appointed by the District as its representative for this matter and all interested parties should direct their inquiries to me, with a copy as follows:

Claudette E. Dain, Vice President Finance and Administrative Services
Citrus Community College District
1000 West Foothill Boulevard
Glendora, CA 91741-1899
Voice: 626-914-8886
Fax: 626-914-8823
E-Mail: cdain@citruscollege.edu

Sincerely,

A handwritten signature in black ink, appearing to read "Keith B. Petersen".

Keith B. Petersen

Enclosure: Incorrect Reduction Claim

C: Claudette E. Dain, Vice President Finance and Administrative Services

COMMISSION ON STATE MANDATES



1. INCORRECT REDUCTION CLAIM TITLE

1116/92 and 764/99 Integrated Waste Management

Filing Date:

JUL 14 2014

2. CLAIMANT INFORMATION

Citrus Community College District

Claudette E. Dain, Vice President Finance and Administrative Services 1000 West Foothill Boulevard Glendora, CA 91741-1899 Voice: 626-914-8886 Fax: 626-914-8823 E-Mail: cdain@citruscollege.edu

3. CLAIMANT REPRESENTATIVE INFORMATION

Claimant designates the following person to act as its sole representative in this incorrect reduction claim. All correspondence and communications regarding this claim shall be forwarded to this representative. Any change in representation must be authorized by the claimant in writing, and sent to the Commission on State Mandates.

Keith B. Petersen, President SixTen and Associates P.O. Box 340430 Sacramento, CA 95834-0430 Voice: (916) 419-7093 Fax: (916) 263-9701 E-mail: Kbpsixten@aol.com

IRC #:

14-0007-I-03

4. IDENTIFICATION OF STATUTES OR EXECUTIVE ORDERS

Statutes of 1992, Chapter 1116, Statutes of 1999, Chapter 764, Public Resources Code 40418, 40196.3, 42920-928 Public Contract Code 12167 and 12167.1

5. AMOUNT OF INCORRECT REDUCTION

Table with 2 columns: Fiscal Year, Amount of Reduction. Rows include 1999-2000 to 2010-2011 and a TOTAL row.

6. NOTICE OF NO INTENT TO CONSOLIDATE

This claim is not being filed with the intent to consolidate on behalf of other claimants.

Sections 7-12 are attached as follows:

- 7. Written Detailed Narrative: Pages 1 to 21
8. Final SCO Audit Report: Exhibit A
9. Parameter's and Guidelines: Exhibit B
10. Claiming Instructions: Exhibit C
11. Annual Reimbursement Claims: Exhibit D
12. Controller's Payment Letters: Exhibit E

13. CLAIM CERTIFICATION

This claim alleges an incorrect reduction of a reimbursement claim filed with the State Controller's Office pursuant to Government Code section 17561. This incorrect reduction claim is filed pursuant to Government Code section 17551, subdivision (d). I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this incorrect reduction claim submission is true and complete to the best of my own personal knowledge or information or belief.

Claudette E. Dain, Vice President Finance and Administrative Services

Claudette E. Dain Signature Date 6-26-14

1 Claim Prepared by:
Keith B. Petersen
3 SixTen and Associates
4 P.O. Box 340430
5 Sacramento, California 95834-0430
6 Voice: (916) 419-7093
7 Fax: (916) 263-9701

8 BEFORE THE
9 COMMISSION ON STATE MANDATES
10 STATE OF CALIFORNIA

11 INCORRECT REDUCTION CLAIM OF:) No. CSM _____
12)
13) Statutes of 1992, Chapter 1116,
14) Statutes of 1999, Chapter 764,
15) Public Resources Code 40418,
16) 40196.3, 42920-928 and
17) Public Contract Code 12167 and
18) 12167.1.
19)
20) **CITRUS**)
21) **Community College District**)
22) **Claimant.**)
23) Annual Reimbursement Claims:
24) Fiscal Year 1999-00
25) Fiscal Year 2000-01
26) Fiscal Year 2003-04
27) Fiscal Year 2004-05
28) Fiscal Year 2005-06
29) Fiscal Year 2006-07
30) Fiscal Year 2007-08
31) Fiscal Year 2008-09
32) Fiscal Year 2009-10
33) Fiscal Year 2010-11

34 _____)
INCORRECT REDUCTION CLAIM FILING

35 PART I. AUTHORITY FOR THE CLAIM

36 The Commission on State Mandates has the authority pursuant to Government
37 Code Section 17551(d) " . . . to hear and decide upon a claim by a local agency or

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1 school district, filed on or after January 1, 1985, that the Controller has incorrectly
2 reduced payments to the local agency or school district pursuant to paragraph (2) of
3 subdivision (d) of Section 17561.” Citrus Community College District (hereafter
4 “District”) is a “school district” as defined in Government Code Section 17519. Title 2,
5 CCR, Section 1185 (a), requires the claimant to file an incorrect reduction claim with the
6 Commission.

7 This incorrect reduction claim is timely filed. Title 2, CCR, Section 1185 (c),
8 requires incorrect reduction claims to be filed no later than three years following the
9 date of the Controller’s notice to the claimant of a reduction in payment for an annual
10 claim. A Controller’s audit report dated September 11, 2013, has been issued. See
11 Exhibit A. A Controller’s claim action notice letter dated October 4, 2013, has been
12 issued for each audited annual claim that constitutes notice of the field audit findings
13 that resulted in a claim payment reduction. See Exhibit E. The audit report and claim
14 action letters each and both constitute a final adjudication of the claim and notice of
15 payment reduction.

16 There is no alternative dispute resolution process available from the Controller’s
17 office. The audit report letter states that an incorrect reduction claim should be filed
18 with the Commission if the claimant disagrees with the audit findings.

19 **PART II. SUMMARY OF THE CLAIM**

20 The Controller conducted an audit of the District’s annual reimbursement claims
21 for Fiscal Years 1999-00 and 2000-01, and 2003-04 through 2010-11 for the cost of

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1 complying with the legislatively mandated Integrated Waste Management program. As
2 a result of the audit, the Controller determined that \$371,120 of the \$378,779 claimed
3 costs were unallowable:

4	<u>Fiscal</u>	<u>Amount</u>	<u>Audit</u>	<u>SCO</u>	<u>Amount Due</u>
5	<u>Year</u>	<u>Claimed</u>	<u>Adjustment</u>	<u>Payments</u>	<u><State> District</u>
6	1999-00	\$ 12,792	\$ 5,133	\$ 0	\$ 7,659
7	2000-01	\$ 19,014	\$ 19,014	\$ 0	\$ 0
8	2003-04	\$ 19,204	\$ 19,204	\$ 0	\$ 0
9	2004-05	\$ 15,362	\$ 15,362	\$ 0	\$ 0
10	2005-06	\$ 56,814	\$ 56,814	\$ 0	\$ 0
11	2006-07	\$ 84,237	\$ 84,237	\$ 0	\$ 0
12	2007-08	\$ 60,573	\$ 60,573	\$ 0	\$ 0
13	2008-09	\$ 57,617	\$ 57,617	\$ 0	\$ 0
14	2009-10	\$ 39,012	\$ 39,012	\$ 0	\$ 0
15	2010-11	<u>\$ 14,154</u>	<u>\$ 14,154</u>	<u>\$ 0</u>	<u>\$ 0</u>
16	Totals	\$ 378,779	\$ 371,120	\$ 0	\$ 7,659

17 Since the District did not receive any payments for these claims as of the date of the
18 audit report, the audit report states that \$7,659 is payable to the District.

19 **PART III. PREVIOUS INCORRECT REDUCTION CLAIMS**

20 The District has not filed any previous incorrect reduction claims for this mandate
21 program. On March 28, 2014, the Pasadena Area Community College District filed an
22 incorrect reduction claim (13-0007-I-01) on this mandate program that includes similar

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1 issues. On June 17, 2014, the Sierra Joint Community College District filed an incorrect
2 reduction claim on this mandate program that includes similar issues.

3 PART IV. BASIS FOR REIMBURSEMENT

4 A. Mandate Legislation

5 Statutes of 1992, Chapter 1116, amended Public Contract Code sections 12167
6 and 12167.1 allowing the governing board of each college district, on or after July 1,
7 1994, to expend funds in the Integrated Waste Management Account, upon
8 appropriation by the Legislature, for the purpose of offsetting costs created by the
9 recycling program.

10 Statutes of 1999, Chapter 764, added Public Resources Code sections 40148,
11 40196.3 and 42920-42928 to require the governing board of each college district, on or
12 before February 15, 2000, to adopt a state agency model integrated waste
13 management plan which specifies that the district: complies with the State Agency
14 Model plan; designate a solid waste reduction and recycling coordinator; divert at least
15 50 percent of all solid waste from disposal or transformation facilities; submit a report to
16 the board summarizing the progress made in reducing solid waste; and, submit
17 information on quantities of recyclable materials collected on an annual basis to the
18 Board.

19 B. Test Claim

20 The Commission on State Mandates, in the Statement of Decision adopted at
21 the March 25, 2004 hearing, found that Public Resources Code sections 40148,

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1 40196.3, 42920-42928, Public Contract Code sections 12167 and 12167.1, and the
2 State Agency Model Integrated Waste Management Plan constitute new programs or
3 higher levels of service for community college districts within the meaning of Section 6,
4 Article XIII B of the California Constitution. The Commission determined that
5 performing the following specific new activities resulted in increased costs for
6 community college districts to:

- 7 (1) Comply with the state model plan (Public Resources Code section 42920(b)(3)
8 and State Agency Model Integrated Waste Management Plan, February 2000).
- 9 (2) Designate a district solid waste reduction and recycling coordinator (Public
10 Resources Code section 42920 (c)).
- 11 (3) Divert at least 25 percent of all of its solid waste by January 1, 2002 and at least
12 50 percent by January 1, 2004 (Public Resources Code sections 42921 and
13 42922(i)). A district may seek an extension from the California Integrated Waste
14 Management Board until December 31, 2005.
- 15 (4) Report by April 1 each year to the California Integrated Waste Management
16 Board the progress in reducing solid waste (Public Resources Code sections
17 42926(a) and 42922(i)).
- 18 (5) Submit annual recycled material reports to the California Integrated Waste
19 Management Board (Public Contract Code section 12167.1)

20 C. Parameters and Guidelines

21 On March 30, 2005, the original parameters and guidelines were adopted. As a

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1 result of litigation¹, amended parameters and guidelines were issued September 26,
2 2008, with retroactive effect. A copy of the original and amended parameters and
3 guidelines are attached as Exhibit B.

4 D. Claiming Instructions

5 The Controller issued the first claiming instructions on June 6, 2005, for use to

1

State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates, et al. (Sacramento County Superior Court, Case No. 07CS00355)

The Department of Finance and the Integrated Waste Management Board filed a petition for writ of mandate in March 2007, asking the court to set aside the Commission's decision granting the test claim and to require the Commission to issue a new Statement of Decision and parameters and guidelines that give full consideration to the community colleges' cost savings (e.g. avoided landfill disposal fees) and revenues (from recyclables) by complying with the test claim statutes. Petitioners' position was that the Commission had not properly accounted for all the offsetting cost savings from avoided disposal costs, or offsetting revenues from the sale of recyclable materials, in the Statement of Decision or parameters and guidelines. The Judgment and a Writ of Mandate were issued on June 30, 2008, ordering the Commission to:

1. amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims, consistent with the directions for revenue in Public Contract code sections 12167 and 12167.1, cost savings realized as a result of implementing their plans; and
2. amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims all of the revenue generated as a result of implementing their plans, without regard to the limitations or conditions described in sections 12167 and 12167.1 of the Public Contract Code.

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1 submit the initial claims for Fiscal Years 1999-00 through 2004-05. The claiming
2 instructions have been annually revised for purposes of subsequent fiscal year filing
3 dates. A copy of these claiming instructions are attached. See Exhibit C. However,
4 since the Controller's claim forms and instructions have not been adopted as
5 regulations, they have no force of law, and, therefore, have no effect on the outcome of
6 this incorrect reduction claim.

7 PART V. STATE CONTROLLER CLAIM ADJUDICATION

8 The Controller conducted an audit of the District's annual reimbursement claims
9 for Fiscal Years 1999-00 through 2000-01, and 2003-04 through 2010-11. The audit
10 concluded that only \$7,659 (2%) of the District's \$378,779 costs, as claimed, are
11 allowable. A copy of the September 11, 2013, audit report is attached as Exhibit A.

12 PART VI. STATEMENT OF THE ISSUES

13 **Finding - Understated offsetting savings**

14 **A. OFFSETTING COST SAVINGS**

15 The District did not report offsetting cost savings because none were realized.
16 The audit report states that the total claimed costs of \$378,779 should have been
17 reduced by \$371,120 of cost savings calculated by multiplying the tonnage diverted by
18 a statewide average landfill fee per ton. However, none of these alleged cost savings
19 were realized by the District as required by the parameters and guidelines.

20 1. The Legal Requirement

21 The notion of avoided cost for this mandate is a result of litigation by the

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1 Department of Finance and the Integrated Waste Management Board. The retroactive
2 court decision requires a community college district to "identify and deduct offsetting
3 costs savings from its claimed reimbursable costs." The court asserted, without
4 evidence in the record, that these reductions will "most likely" occur:

5 In complying with the mandated solid waste diversion requirements of
6 Public Resources Code section 42921, California Community Colleges are likely
7 to experience cost savings in the form of reduced or avoided costs of landfill
8 disposal. The reduced or avoided costs are a direct result and an integral part of
9 the IWM plan mandates under Public Resources Code section 42920 et seq.: as
10 solid waste diversion occurs, *landfill disposal of the solid waste and associated*
11 *landfill disposal costs* are reduced or avoided. Indeed, diversion is defined in
12 terms of landfill disposal for purposes of the IWM plan mandates. (See Pub.
13 Resources Code §§ 40124 ("diversion' means activities which reduce or
14 eliminate the amount of solid waste from solid waste disposal for purposes of
15 this division [i.e., division 30, including § 42920 et seq.]", 40192, subd. (b) (for
16 purposes of Part 2 (commencing with Section 40900), 'disposal' means the
17 management of solid waste through landfill disposal or transformation at a
18 permitted solid waste facility.") *Emphasis added*.)

19 Such reduction or avoidance of landfill fees and costs resulting from solid
20 waste diversion activities under § 42920 et seq. represent savings which must be
21 offset against the costs of the diversion activities to determine the reimbursable
22 costs of IWM plan implementation -- i.e., the actual increased costs of diversion -
23 - under section 6 and section 17514. Similarly, under Public Resources Code
24 section 42925, such offsetting savings must be redirected to fund IWM plan
25 implementation and administration costs in accordance with Public Contract
26 Code section 12167. *The amount or value of the savings may be determined*
27 *from the calculations of annual solid waste disposal reduction or diversion which*
28 *California Community Colleges must annually report to petitioner Integrated*
29 *Waste Management Board pursuant to subdivision (b)(1) of Public Resources*
30 *Code section 42926. Emphasis added*

31 The amended and retroactive parameters and guidelines adopted September
32 26, 2008, applied the court language as follows:

33 /

1 **VIII. OFFSETTING COST SAVINGS**

2 Reduced or avoided costs realized from implementation of the community
3 college districts' Integrated Waste Management plans shall be identified and
4 offset from this claim as cost savings, consistent with the directions for revenue
5 in Public Contract Code sections 12167 and 12167.1. Pursuant to these statutes,
6 community college districts are required to deposit cost savings resulting from
7 their Integrated Waste Management plans in the Integrated Waste Management
8 Account in the Integrated Waste Management Fund; the funds deposited in the
9 Integrated Waste Management Account, upon appropriation by the Legislature,
10 may be expended by the California Integrated Waste Management Board for the
11 purpose of offsetting Integrated Waste Management plan costs. Subject to the
12 approval of the California Integrated Waste Management Board, cost savings by
13 a community college that do not exceed two thousand dollars (\$2,000) annually
14 are continuously appropriated for expenditure by the community college for the
15 purpose of offsetting Integrated Waste Management program costs. Cost
16 savings exceeding two thousand dollars (\$2,000) annually may be available for
17 expenditure by the community college only when appropriated by the Legislature.
18 To the extent so approved or appropriated and applied to the college, these
19 amounts shall be identified and offset from the costs claimed for implementing
20 the Integrated Waste Management Plan. Emphasis added.

21 2. Assumed Cost Savings

22 The court presupposes a previous legal requirement for districts to incur landfill
23 disposal fees to divert solid waste. Thus, potentially relieved of the need to incur new
24 or additional landfill fees for increased waste diversion, a cost savings would occur.
25 There is no finding of fact or law in the court decision or from the Commission
26 Statement of Decision for the test claim for this assumed duty to use landfills.
27 However, since the court stated that the cost savings from avoided landfill costs are
28 only "likely," potential cost savings would be a finding of fact not law. There is no
29 evidence in the court decision that these reduced or avoided landfill costs occurred at
30 all or to any one district other than the bare assertion that such savings may have

Incorrect Reduction Claim of Citrus Community College District
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1 occurred. Thus, potential landfill cost savings would be a question of fact for each
2 claiming district. However, the Controller's audit adjustment erroneously and simply
3 assumes these cost savings occurred in the form of avoided landfill fees for the
4 mandated tonnage diverted. The audit report merely states that the Controller has
5 "determined that the district had reduced or avoided costs" apparently, and only, as a
6 result of increased diversion of solid waste.

7 3. Realized Cost Savings

8 The parameters and guidelines language does not assume that the cost savings
9 occurred, but instead requires that the cost savings be *realized*. The amended
10 parameters and guidelines, relying upon the court decision, state that "(r)educed or
11 avoided costs *realized* from implementation of the community college districts'
12 Integrated Waste Management plans shall be identified and offset from this claim as
13 cost savings" To be realized, the court states that the following string of events
14 must occur:

15 Thus, in accordance with section 12167, state agencies, along with
16 California Community Colleges which are defined as state agencies for purposes
17 of IWM plan requirements in Public Resources Code section 42920 et seq.
18 (Pub. Resources Code §§ 40196, 40148), must deposit cost savings resulting
19 from IWM plans in the Integrated Waste Management Account in the Integrated
20 Waste Management Fund; the funds deposited in the Integrated Waste
21 Management Account, upon appropriation by the Legislature, may be expended
22 by the Integrated Waste Management Board for the purpose of offsetting IWM
23 plan costs. In accordance with section 12167.1 and notwithstanding section
24 12167, cost savings from the IWM plans of the agencies and colleges that do not
25 exceed \$2,000 annually are continuously appropriated for expenditure by the
26 agencies and colleges for the purpose of offsetting IWM plan implementation
27 and administration costs; cost savings resulting from IWM plans in excess of
28 \$2,000 annually are available for such expenditure by the agencies and colleges

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1 when appropriated by the Legislature.

2 For the cost savings to be realized, the parameters and guidelines further require
3 that "(t)o the extent so approved or appropriated and applied to the college, these
4 amounts shall be identified and offset from the costs claimed for implementing the
5 Integrated Waste Management Plan." Thus, a certain chain of events must occur: the
6 cost savings must exist (avoided landfill costs); be converted to cash; amounts in
7 excess of \$2,000 per year deposited in the state fund: and, these deposits by the
8 districts appropriated by the Legislature to districts for purposes of mitigating the cost of
9 implementing the plan. None of those prerequisite events occurred so no cost savings
10 were "realized" by the District. Regardless, the adjustment cannot be applied to the
11 District since no state appropriation of the cost savings was made to the District.

12 4. Calculation of the Cost Savings

13 The court suggests that "(t)he amount or value of the savings may be determined
14 from the calculations of annual solid waste disposal reduction or diversion which
15 California Community Colleges must annually report to petitioner Integrated Waste
16 Management Board pursuant to subdivision (b)(1) of Public Resources Code section
17 42926." The parameters and guidelines are silent as to how to calculate the avoided
18 costs. The court provided two alternative methods, either disposal reduction or
19 diversion reported by districts, and the Controller utilized the diversion percentage,
20 which assumes, without findings of fact, that all diversion tonnage is landfill disposal
21 tonnage reduction.

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1 a. The Controller's formula is a standard of general application

2 The audit adjustment for the assumed landfill cost savings is based on a
3 formula created by the Controller and has been consistently used for all 32
4 audits of this mandate published by the Controller (as of the date of this
5 document). The Controller's use of this formula for audit purposes is a standard
6 of general application without appropriate state agency rulemaking and is
7 therefore unenforceable (Government Code Section 11340.5). The formula is
8 not an exempt audit guideline (Government Code Section 11340.9(e)). State
9 agencies are prohibited from enforcing underground regulations. If a state
10 agency issues, enforces, or attempts to enforce a rule without following the
11 Administrative Procedure Act, when it is required to, the rule is called an
12 "underground regulation." Further, the audit adjustment is a financial penalty
13 against the District, and since the adjustment is based on an underground
14 regulation, the formula cannot be used for the audit adjustment (Government
15 Code Section 11425.50).

16 b. The Controller's formula assumes facts not in evidence

17 The audited offsetting cost savings is the sum of three components: the
18 "allocated" diversion percentage, multiplied by the tonnage diverted, multiplied by
19 a landfill disposal cost per ton. The Controller's calculation method includes
20 several factual errors that make it useless as a basis of determining potential
21 cost savings.

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1 1. Allocated diversion percentage: The audit report uses the
2 diversion percentage reported by the District to the state (CalRecycle) for
3 each year until 2008 at which time this statistic was no longer available
4 from CalRecycle. The auditor then used the 2007 percentage for all
5 subsequent years. Therefore, the diversion rates used for the audit
6 adjustments after 2007 are fiction.

7 2. Tonnage diverted: The Controller formula uses the total tonnage
8 reported by the District to CalRecycle. The audit report states that this
9 total amount includes "solid waste that the district recycled, composted,
10 and kept out of the landfill." Next, the audit report assumes without
11 findings that all diverted tonnage would have been disposed in a landfill
12 and thus additional landfill fees incurred for all additional tonnage diverted.

13 Composted material, which is a significant amount of the diverted
14 tonnage, would not have gone to the landfill. The audit report also
15 assumes without findings that all diverted tonnage is within the scope of
16 the mandate. The total tons diverted for some fiscal years may include
17 materials that are outside the scope of the mandate (e.g., paint).

18 Deducting the compost amount and tonnage unrelated to the mandate
19 would reduce both the total tonnage and the diversion percentage. The
20 audit report uses the total tonnage diverted reported by the District to the
21 state (CalRecycle) for each year until 2008 at which time this statistic was

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no longer available from CalRecycle. The auditor then used the 2007 tonnage for all subsequent years. Therefore, the diversion rates used for the audit adjustments after 2007 are fiction.

3. Landfill disposal fee: Having no District information in the annual claims for landfill disposal fees, since it was not required for the annual claims or the CalRecycle report, the Controller's method uses a statewide average cost to dispose of a ton of waste, ranging from \$36 to \$56 per ton, based on data said to be obtained from CalRecycle. The audit report does not include the CalRecycle statewide data used to generate these average fee amounts. Thus, the source of the average or actual costs that comprise the average is unknown and unsupported by audit findings.

5. Application of the Formula

The audit calculated cost savings of \$574,706 which are \$203,586 in excess of the claimed program costs of \$378,779:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Audited Amount</u>	<u>Adjustment Amount</u>	<u>Adjustment Applied</u>	<u>Adjustment Excess</u>
FY 1999-00	\$12,792	\$ 7,659	\$ 5,133	\$ 5,133	\$ 0
FY 2000-01	\$19,014	\$ 0	\$ 26,073	\$19,014	\$ 7,059
FY 2003-04	\$19,204	\$ 0	\$ 21,358	\$19,204	\$ 2,154
FY 2004-05	\$15,362	\$ 0	\$ 17,743	\$15,362	\$ 2,381
FY 2005-06	\$56,814	\$ 0	\$ 65,978	\$56,814	\$ 9,164
FY 2006-07	\$84,237	\$ 0	\$102,859	\$84,237	\$18,622
FY 2007-08	\$60,573	\$ 0	\$ 96,572	\$60,573	\$35,999
FY 2008-09	\$57,617	\$ 0	\$103,400	\$57,617	\$45,783
FY 2009-10	\$39,012	\$ 0	\$108,277	\$39,012	\$69,265
FY 2010-11	<u>\$14,154</u>	<u>\$ 0</u>	<u>\$ 27,313</u>	<u>\$14,154</u>	<u>\$13,159</u>
Totals	\$378,779	\$ 7,659	\$574,706	\$371,120	\$203,586

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1 The "excess" adjustment amount means the adjustment exceeded the amount claimed
2 by the District for all program costs for all but one fiscal year. There are several factual
3 errors in the application of this offset. The District did not claim landfill costs, so there
4 are none to be offset. The adjustment method does not match or limit the landfill costs
5 avoided to landfill costs, if any, actually claimed. Instead, the total adjustment amount
6 for avoided landfill costs is applied to the total annual claim amounts and thus reduces
7 unrelated salary and benefit costs for: preparing district policies and procedures;
8 training staff who work on the integrated waste management plan; designating a plan
9 coordinator; operating the plan accounting system; and, preparing annual recycling
10 material reports.

11 The Controller's calculation method thus prevents this District from receiving full
12 reimbursement of its actual increased program costs, contrary to an unfounded
13 expectation by the court. Footnote 1 of the court decisions states that:

14 There is no indication in the administrative record or in the legal
15 authorities provided to the court that, as respondent argues, a California
16 Community College might not receive the full reimbursement of its actual
17 increased costs required by section 6 if its claims for reimbursement of IWM plan
18 costs were offset by realized cost savings and all revenues received from plan
19 activities.

20 Indeed, it appears from the statewide audit results² to date that the application of the
21 formula has only arbitrary results. The following table indicates the percentage of the
22 total claimed cost allowed by the "desk audits" conducted by the Controller on the single

² The Controller's audit reports are available at:
http://www.sco.ca.gov/aud_mancost_comcolleges_costrpt.html

Incorrect Reduction Claim of Citrus Community College District
 1116/92 and 764/99 Integrated Waste Management

1 issue of the costs savings offset:

2	Controller's Audits-cost savings Issue only	Percentage	Audit
3	<u>District</u>	<u>Allowed</u>	<u>Date</u>
4	Mira Costa Community College District	0%	10/08/2013
5	Citrus Community College District	2.0%	09/11/2013
6	Yuba Community College District	3.4%	05/07/2014
7	Grossmont-Cuyamaca Community College District	28.7%	04/30/2013
8	State Center Community College District	32.1%	08/30/2013
9	Merced Community College District	33.2%	07/09/2013
10	North Orange County Community College District	33.6%	08/15/2013
11	Solano Community College District	34.4%	06/17/2013
12	Long Beach Community College District	35.4%	05/22/2014
13	Sierra Joint Community College District	41.4%	07/22/2013
14	Yosemite Community College District	41.7%	07/10/2013
15	El Camino Community College District	43.0%	03/19/2014
16	Mt. San Antonio Community College District	43.7%	08/15/2013
17	Hartnell Community College District	45.0%	04/09/2014
18	Contra Costa Community College District	58.7%	05/29/2013
19	Monterey Peninsula Community College District	59.8%	06/05/2014
20	Siskiyou Joint Community College District	62.2%	06/03/2014
21	San Joaquin Delta Community College District	69.5%	05/07/2014
22	Gavilan Joint Community College District	69.6%	04/11/2014
23	West Kern Community College District	69.9%	06/03/2014
24	Marin Community College District	72.4%	06/03/2014
25	Victor Valley Community College District	73.4%	04/09/2014
26	Redwood Community College District	83.4%	04/11/2014

27 The District agrees that any relevant realized cost savings should be reported, but the
 28 offset must also be properly matched to relevant costs.

29 **B. OFFSETTING REVENUES AND REIMBURSEMENTS**

30 The District's annual claims reported recycling income as an offset to total
 31 reimbursable costs in the amount of \$17,074:

32 /

Incorrect Reduction Claim of Citrus Community College District
 1116/92 and 764/99 Integrated Waste Management

1	Controller	Line 8/9/10	Line 9/10/11	
2	Form IWM-1	Offsetting	Other	
3	<u>Fiscal Year</u>	<u>Savings</u>	<u>Reimbursements</u>	
4				
5	1999-00	\$ 289.54	\$ 0	
6	2000-01	\$ 18.11	\$ 0	
7	2003-04	\$ 0	\$ 0	
8	2004-05	\$ 263.45	\$ 0	
9	2005-06	\$ 0	\$ 1,478.59	
10	2006-07	\$ 0	\$ 3,200.55	
11	2007-08	\$ 0	\$ 1,894.28	
12	2008-09	\$ 0	\$ 3,307.60	
13	2009-10	\$ 0	\$ 5,104.93	
14	2010-11	\$ 0	\$ 1,517.20	
15	Totals	\$ 571.10	\$16,503.15	\$17,074.25

16 The audit report erroneously recognized only \$571 as the claimed offsetting recycling
 17 revenues when in fact \$17,074 of offsetting revenue and other reimbursements were
 18 reported and offset by the District. The audit report correctly states that this District
 19 revenue was not deposited into the State IWM Account, but there is no such
 20 requirement to do so for community colleges. Recycling revenues are not offsetting
 21 cost savings, but are offsetting revenues generated from implementing the IWM plan.
 22 Regarding recycling revenues, the court stated:

23 Although Public Contract Code sections 12167 and 12167.1 apply to
 24 California Community Colleges for the purpose of offsetting savings pursuant to
 25 the terms of Public Resources Code section 42925, *sections 12167 and 12167.1*
 26 *do not apply to the colleges for the purpose of offsetting revenues or, indeed,*
 27 *any other purpose. Sections 12167 and 12167.1 apply exclusively to state*
 28 *agencies and institutions; the colleges, which are school districts rather than*
 29 *state agencies, are not specially defined as state agencies for purposes of the*
 30 *State Assistance for Recycling Markets Act of which sections 12167 and 12167.1*
 31 *are a part. Therefore, sections 12167 and 12167.1 do not properly govern the*
 32 *revenues generated by the colleges' recycling activities pursuant to their IWM*
 33 *plans. The limits and conditions placed by sections 12167 and 12167.1 on the*
 34 *expenditure of recycling revenues for the purpose of offsetting recycling program*

Incorrect Reduction Claim of Citrus Community College District
1116/92 and 764/99 Integrated Waste Management

1 *costs are simply inapplicable to the revenues generated by the colleges'*
2 *recycling activities.*

3 The provisions of Public Resources Code section 42920 et seq. do not
4 address the use of revenues generated by recycling activities of California
5 Community Colleges under IWM plans to offset reimbursable plan costs. *Thus,*
6 *use of the revenues to offset reimbursable IWM plan costs is governed by the*
7 *general principles of state mandates, that only the actual increased costs of a*
8 *state-mandated program are reimbursable and, to that end, revenues provided*
9 *for by the state-mandated program must be deducted from program costs.* (See
10 Cal. Const., art. XIII B, § 6; Gov.Code §§ 17514, 17556, subd. (e); *County of*
11 *Fresno v. State of California* (1991) 51 Cal.3d 482, 487; *County of Sonoma v.*
12 *Commission on State Mandates*, (2000) 84 Cal.App.4th 1264, 1284.) These
13 principles are reflected in respondent's regulation which requires, without
14 limitation or exception, the identification of offsetting revenues in the parameters
15 and guidelines for reimbursable cost claims. (Cal. Code Regs., tit. 2, §
16 1183.1(a)(7).) *Emphasis added.*

17 The amended and retroactive parameters and guidelines adopted September 26, 2008,
18 state:

19 **VII. OFFSETTING REVENUES AND REIMBURSEMENTS**

20 Reimbursement for this mandate from any source, including but not limited to,
21 services fees collected, federal funds, and other state funds allocated to any
22 service provided under this program, shall be identified and offset from this
23 claim. Offsetting revenue shall include all revenues generated from implementing
24 the Integrated Waste Management Plan.

25 In addition, revenue from a building-operating fee imposed pursuant to
26 Education Code section 76375, subdivision (a) if received by a claimant and the
27 revenue is applied to this program, shall be deducted from the costs claimed.

28 Therefore, the District properly reported the recycling income as a reduction of total
29 claimed cost and not subject to state appropriation in the form of cost savings.

30 /

31 /

1 **C. PROCEDURAL ISSUES**

2 1. Standard of Review

3 None of the adjustments were made because the program costs claimed were
4 excessive or unreasonable. The Controller does not assert that the claimed costs were
5 excessive or reasonable, which is the only mandated cost audit standard in statute
6 (Government Code Section 17561(d) (2)). It would therefore appear that the entire
7 findings are based upon the wrong standard for review. If the Controller wishes to
8 enforce other audit standards for mandated cost reimbursement, the Controller should
9 comply with the Administrative Procedure Act.

10 2. Burden of Proof

11 Here, the evidentiary issue is the Controller's method for determining the
12 adjustments. In many instances in the audit report, the District was invited to provide
13 missing data in lieu of fictional data used by auditor, or to disprove the auditor's factual
14 assumptions. This is an inappropriate shifting of the burden of proof for an audit. The
15 Controller must first provide evidence as to the propriety of its audit findings because it
16 bears the burden of going forward and because it is the party with the power to create,
17 maintain, and provide evidence regarding its auditing methods and procedures, as well
18 as the specific facts relied upon for its audit findings.

19 /

20 /

21 /

1 PART VIII. RELIEF REQUESTED

2 The District filed its annual reimbursement claims within the time limits
3 prescribed by the Government Code. The amounts claimed by the District for
4 reimbursement of the costs of implementing the Integrated Waste Management
5 program imposed by the relevant Public Contract and Public Resources Code sections
6 represent the actual costs incurred by the District to carry out this program. These
7 costs were properly claimed pursuant to the Commission's parameters and guidelines.
8 Reimbursement of these costs is required under Article XIII B, Section 6 of the California
9 Constitution. The Controller's adjustments deny reimbursement without any basis in
10 law or fact. The District has met its burden of going forward on this incorrect reduction
11 claim by complying with the requirements of Section 1185, Title 2, California Code of
12 Regulations. Because the Controller has enforced and is seeking to enforce these
13 adjustments without benefit of statute or regulation, the burden of proof is now upon the
14 Controller to establish a legal basis for its actions.

15 The District requests that the Commission make findings of fact and law on each
16 and every adjustment made by the Controller and each and every procedural and
17 jurisdictional issue raised in this claim, and order the Controller to correct its audit report
18 findings therefrom.

19 /

20 /

21 /

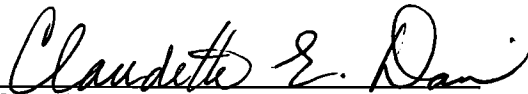
Incorrect Reduction Claim of Citrus Community College District
1116/92 and 764/99 Integrated Waste Management

1

PART VIII. CERTIFICATION

2 By my signature below, I hereby declare, under penalty of perjury under the laws
3 of the State of California, that the information in this incorrect reduction claim
4 submission is true and complete to the best of my own personal knowledge or
5 information or belief, and that the attached documents are true and correct copies of
6 documents received from or sent by the state agency or person who originated the
7 document.

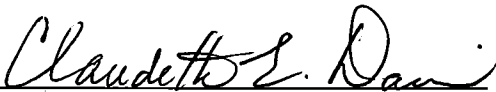
8 Executed on June 26th, 2014, at Glendora, California, by

9 

10 Claudette E. Dain, Vice President Finance and Administrative Services
11 Citrus Community College District
12 1000 West Foothill Boulevard
13 Glendora, CA 91741-1899
14 Voice: 626-914-8886
15 Fax: 626-914-8823
16 E-Mail: cdain@citruscollege.edu

17 APPOINTMENT OF REPRESENTATIVE

18 Citrus Community College District appoints Keith B. Petersen, SixTen and
19 Associates, as its representative for this incorrect reduction claim.

20 

6-26-14
Date

21 Claudette E. Dain, Vice President
22 Finance and Administrative Services
23 Citrus Community College District

24 Attachments:

25 Exhibit "A" Controller's Audit Report dated September 11, 2013
26 Exhibit "B" Original Parameters and Guidelines adopted March 30, 2005, and
27 Amended Parameters and Guidelines dated September 26, 2008
28 Exhibit "C" Controller's Claiming Instructions
29 Exhibit "D" Annual Reimbursement Claims
30 Exhibit "E" Controller's Payment Action Letters dated October 4, 2013



JOHN CHIANG
California State Controller

September 11, 2013

Carol R. Horton, Vice President of Finance and Administrative Services
Citrus Community College District
1000 West Foothill Boulevard
Glendora, CA 91741-1899

Dear Ms. Horton:

The State Controller's Office reviewed the costs claimed by Citrus Community College District for the legislatively mandated Integrated Waste Management Program (Chapter 1116, Statutes of 1992; and Chapter 764, Statutes of 1999) for the period of July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011. We did not include the costs claimed for the period of July 1, 2001, through June 30, 2003, in the review period because the statute of limitations to initiate the review had expired before we began the review. Our review was limited to ensuring that offsetting savings were properly reported in accordance with program requirements.

The district claimed \$378,779 for the mandated program. Our review found that \$7,659 is allowable and \$371,120 is unallowable. The costs are unallowable because the district understated offsetting savings realized as a result of implementing its integrated waste management plan, as described in the attached Summary of Program Costs, Summary of Offsetting Savings Calculations, and the Finding and Recommendation. The State made no payment to the district. The State will pay the district \$7,659, contingent upon available appropriations.

We informed Rosalinda Buchwald, Fiscal Services Director, of the review results via email on August 7, 2013. On August 27, 2013, Ms. Buchwald replied that the district has a general understanding of the issues involved in the adjustment, but that the district does not agree with the review methodology.

If you disagree with the review finding, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's website at www.csm.ca.gov/docs/IRCFORM.pdf.

Carol R. Horton, Vice President of
Finance and Administrative Services

-2-

September 11, 2013

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, by phone at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/kw

Attachments

RE: S14-MCC-901

cc: Rosalinda Buchwald, Fiscal Services Director
Citrus Community College District
Christine Atalig, Specialist, College Finance and Facilities Planning
California Community Colleges Chancellor's Office
Mollie Quasebarth, Principal Program Budget Analyst
Education Systems Unit, California Department of Finance
Mario Rodriguez, Finance Budget Analyst
Education Systems Unit, California Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

**Attachment 1—
Summary of Program Costs
July 1, 1999, through June 30, 2001;
and July 1, 2003, through June 30, 2011**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 1999, through June 30, 2000</u>			
Direct costs:			
Salaries and benefits	\$ 8,712	\$ 8,712	\$ —
Travel and training	462	462	—
Total direct costs	9,174	9,174	—
Indirect costs	3,908	3,908	—
Total direct and indirect costs	13,082	13,082	—
Less offsetting savings ²	(290)	(5,423)	(5,133)
Total program costs	<u>\$ 12,792</u>	7,659	<u>\$ (5,133)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 7,659</u>	
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits	\$ 12,413	\$ 12,413	\$ —
Travel and training	1,070	1,070	—
Total direct costs	13,483	13,483	—
Indirect costs	5,549	5,549	—
Total direct and indirect costs	19,032	19,032	—
Less offsetting savings ²	(18)	(26,091)	(26,073)
Subtotal	19,014	(7,059)	(26,073)
Adjustment to eliminate negative balance	—	7,059	7,059
Total program costs	<u>\$ 19,014</u>	—	<u>\$ (19,014)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits	\$ 13,196	\$ 13,196	\$ —
Indirect costs	6,008	6,008	—
Total direct and indirect costs	19,204	19,204	—
Less offsetting savings ²	—	(21,358)	(21,358)
Subtotal	19,204	(2,154)	(21,358)
Adjustment to eliminate negative balance	—	2,154	2,154
Total program costs	<u>\$ 19,204</u>	—	<u>\$ (19,204)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs:			
Salaries and benefits	\$ 11,115	\$ 11,115	\$ —
Indirect costs	4,510	4,510	—
Total direct and indirect costs	15,625	15,625	—
Less offsetting savings ²	(263)	(18,006)	(17,743)
Subtotal	15,362	(2,381)	(17,743)
Adjustment to eliminate negative balance	—	2,381	2,381
Total program costs	<u>\$ 15,362</u>	—	<u>\$ (15,362)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Salaries and benefits	\$ 31,896	\$ 31,896	\$ —
Travel and training	13,446	13,446	—
Total direct costs	45,342	45,342	—
Indirect costs	12,951	12,951	—
Total direct and indirect costs	58,293	58,293	—
Less offsetting revenues and reimbursements	(1,479)	(1,479)	—
Less offsetting savings ²	—	(65,978)	(65,978)
Subtotal	56,814	(9,164)	(65,978)
Adjustment to eliminate negative balance	—	9,164	9,164
Total program costs	<u>\$ 56,814</u>	—	<u>\$ (56,814)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Salaries and benefits	\$ 61,228	\$ 61,228	\$ —
Contract services	525	525	—
Total direct costs	61,753	61,753	—
Indirect costs	25,685	25,685	—
Total direct and indirect costs	87,438	87,438	—
Less offsetting revenues and reimbursements	(3,201)	(3,201)	—
Less offsetting savings ²	—	(102,859)	(102,859)
Subtotal	84,237	(18,622)	(102,859)
Adjustment to eliminate negative balance	—	18,622	18,622
Total program costs	<u>\$ 84,237</u>	—	<u>\$ (84,237)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs:			
Salaries and benefits	\$ 40,973	\$ 40,973	\$ —
Indirect costs	21,494	21,494	—
Total direct and indirect costs	62,467	62,467	—
Less offsetting revenues and reimbursements	(1,894)	(1,894)	—
Less offsetting savings ²	—	(96,572)	(96,572)
Subtotal	60,573	(35,999)	(96,572)
Adjustment to eliminate negative balance	—	35,999	35,999
Total program costs	<u>\$ 60,573</u>	—	<u>\$ (60,573)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Salaries and benefits	\$ 40,630	\$ 40,630	\$ —
Materials and supplies	983	983	—
Total direct costs	41,613	41,613	—
Indirect costs	19,312	19,312	—
Total direct and indirect costs	60,925	60,925	—
Less offsetting revenues and reimbursements	(3,308)	(3,308)	—
Less offsetting savings ²	—	(103,400)	(103,400)
Subtotal	57,617	(45,783)	(103,400)
Adjustment to eliminate negative balance	—	45,783	45,783
Total program costs	<u>\$ 57,617</u>	—	<u>\$ (57,617)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs:			
Salaries and benefits	\$ 29,825	\$ 29,825	\$ —
Materials and supplies	1,086	1,086	—
Total direct costs	30,911	30,911	—
Indirect costs	13,206	13,206	—
Total direct and indirect costs	44,117	44,117	—
Less offsetting revenues and reimbursements	(5,105)	(5,105)	—
Less offsetting savings ²	—	(108,277)	(108,277)
Subtotal	39,012	(69,265)	(108,277)
Adjustment to eliminate negative balance	—	69,265	69,265
Total program costs	<u>\$ 39,012</u>	—	<u>\$ (39,012)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 10,673	\$ 10,673	\$ —
Indirect costs	4,998	4,998	—
Total direct and indirect costs	15,671	15,671	—
Less offsetting revenues and reimbursements	(1,517)	(1,517)	—
Less offsetting savings ²	—	(27,313)	(27,313)
Subtotal	14,154	(13,159)	(27,313)
Adjustment to eliminate negative balance	—	13,159	13,159
Total program costs	<u>\$ 14,154</u>	—	<u>\$ (14,154)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>Summary: July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 260,661	\$ 260,661	\$ —
Materials and supplies	2,069	2,069	—
Contract services	525	525	—
Travel and training	14,978	14,978	—
Total direct costs	278,233	278,233	—
Indirect costs	117,621	117,621	—
Total direct and indirect costs	395,854	395,854	—
Less offsetting revenues and reimbursements	(16,504)	(16,504)	—
Less offsetting savings	(571)	(575,277)	(574,706)
Subtotal	378,779	(195,927)	(574,706)
Adjustment to eliminate negative balance	—	203,586	203,586
Total program costs	<u>\$ 378,779</u>	7,659	<u>\$ (371,120)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 7,659</u>	

¹ See Attachment 3, Finding and Recommendation.

² See Attachment 2, Summary of Offsetting Savings Calculations.

Attachment 2— Summary of Offsetting Savings Calculations July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized		Total	Review Adjustment ¹
		July-December	January-June		
<u>July 1, 1999, through June 30, 2000</u>					
Maximum allowable diversion percentage		—	25.00%		
Actual diversion percentage	÷	—	÷ 55.46%		
Allocated diversion percentage		—	45.08%		
Tonnage diverted	x	—	x (330.60)		
Statewide average landfill fee per ton	x	—	x \$36.39		
Offsetting savings, FY 1999-2000	\$ (290)	—	\$ (5,423)	\$ (5,423)	\$ (5,133)
<u>July 1, 2000, through June 30, 2001</u>					
Maximum allowable diversion percentage		25.00%	25.00%		
Actual diversion percentage	÷	55.46%	÷ 47.19%		
Allocated diversion percentage		45.08%	52.98%		
Tonnage diverted	x	(330.60)	x (1,072.00)		
Statewide average landfill fee per ton	x	\$36.39	x \$36.39		
Offsetting savings, FY 2000-01	\$ (18)	\$ (5,423)	\$ (20,668)	\$ (26,091)	\$ (26,073)
<u>July 1, 2003, through June 30, 2004</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	72.05%	÷ 54.66%		
Allocated diversion percentage		69.40%	91.47%		
Tonnage diverted	x	(520.10)	x (229.45)		
Statewide average landfill fee per ton	x	\$36.83	x \$38.42		
Offsetting savings, FY 2003-04	\$ —	\$ (13,294)	\$ (8,064)	\$ (21,358)	\$ (21,358)
<u>July 1, 2004, through June 30, 2005</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	54.66%	÷ 59.90%		
Allocated diversion percentage		91.47%	83.47%		
Tonnage diverted	x	(229.45)	x (305.40)		
Statewide average landfill fee per ton	x	\$38.42	x \$39.00		
Offsetting savings, FY 2004-05	\$ (263)	\$ (8,064)	\$ (9,942)	\$ (18,006)	\$ (17,743)
<u>July 1, 2005, through June 30, 2006</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	59.90%	÷ 78.51%		
Allocated diversion percentage		83.47%	63.69%		
Tonnage diverted	x	(305.40)	x (1,912.65)		
Statewide average landfill fee per ton	x	\$39.00	x \$46.00		
Offsetting savings, FY 2005-06	\$ —	\$ (9,942)	\$ (56,036)	\$ (65,978)	\$ (65,978)

Attachment 2 (continued)

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment ¹
		July-December	January-June	Total	
<u>July 1, 2006, through June 30, 2007</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	78.51%	79.43%		
Allocated diversion percentage		63.69%	62.95%		
Tonnage diverted	x	(1,912.65)	x (1,549.60)		
Statewide average landfill fee per ton	x	\$46.00	x \$48.00		
Offsetting savings, FY 2006-07	\$ —	\$ (56,036)	\$ (46,823)	\$ (102,859)	\$ (102,859)
<u>July 1, 2007, through June 30, 2008</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	79.43%	79.43%		
Allocated diversion percentage		62.95%	62.95%		
Tonnage diverted	x	(1,549.60)	x (1,549.60)		
Statewide average landfill fee per ton	x	\$48.00	x \$51.00		
Offsetting savings, FY 2007-08	\$ —	\$ (46,823)	\$ (49,749)	\$ (96,572)	\$ (96,572)
<u>July 1, 2008, through June 30, 2009</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	79.43%	79.43%		
Allocated diversion percentage		62.95%	62.95%		
Tonnage diverted	x	(1,549.60)	x (1,549.60)		
Statewide average landfill fee per ton	x	\$51.00	x \$55.00		
Offsetting savings, FY 2008-09	\$ —	\$ (49,749)	\$ (53,651)	\$ (103,400)	\$ (103,400)
<u>July 1, 2009, through June 30, 2010</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	79.43%	79.43%		
Allocated diversion percentage		62.95%	62.95%		
Tonnage diverted	x	(1,549.60)	x (1,549.60)		
Statewide average landfill fee per ton	x	\$55.00	x \$56.00		
Offsetting savings, FY 2009-10	\$ —	\$ (53,651)	\$ (54,626)	\$ (108,277)	\$ (108,277)
<u>July 1, 2010, through June 30, 2011</u>					
Maximum allowable diversion percentage		50.00%	—		
Actual diversion percentage	÷	79.43%	—		
Allocated diversion percentage		62.95%	—		
Tonnage diverted	x	(774.80)	x —		
Statewide average landfill fee per ton	x	\$56.00	x —		
Offsetting savings, FY 2010-11	\$ —	\$ (27,313)	\$ —	\$ (27,313)	\$ (27,313)
<u>Total offsetting savings: July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011</u>	\$ (571)	\$ (270,295)	\$ (304,982)	\$ (575,277)	\$ (574,706)

¹ See Attachment 3, Finding and Recommendation.

**Attachment 3—
Finding and Recommendation
July 1, 1999, through June 30, 2001;
and July 1, 2003, through June 30, 2011**

**FINDING—
Understated offsetting
savings**

The district understated offsetting savings by \$574,706 for the review period. The following table summarizes the understated offsetting savings by fiscal year:

<u>Fiscal Year</u>	<u>Offsetting Savings Reported</u>	<u>Offsetting Savings Realized</u>	<u>Review Adjustment</u>
1999-2000	\$ (290)	\$ (5,423)	\$ (5,133)
2000-01	(18)	(26,091)	(26,073)
2003-04	-	(21,358)	(21,358)
2004-05	(263)	(18,006)	(17,743)
2005-06	-	(65,978)	(65,978)
2006-07	-	(102,859)	(102,859)
2007-08	-	(96,572)	(96,572)
2008-09	-	(103,400)	(103,400)
2009-10	-	(108,277)	(108,277)
2010-11	-	(27,313)	(27,313)
Total	<u>\$ (571)</u>	<u>\$ (575,277)</u>	<u>\$ (574,706)</u>

On March 25, 2004, the Commission on State Mandates (CSM) adopted the statement of decision for the Integrated Waste Management (IWM) Program. The CSM determined that Chapter 1116, Statutes of 1992; and Chapter 764, Statutes of 1999, imposed upon community college districts a state mandate reimbursable under Government Code section 17561, commencing July 1, 1999.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The CSM adopted the parameters and guidelines on March 30, 2005.

In March 2007, the Department of Finance and the IWM Board filed a petition for writ of mandate requesting the CSM to issue new parameters and guidelines that give full consideration to the community colleges' cost savings (e.g. avoided landfill disposal fees) and revenues (from recyclables) by complying with the test claim statutes. The Judgment and a Writ of Mandate were issued on June 30, 2008, ordering the CSM to amend the parameters and guidelines to require community college districts to identify and offset from their claims, cost savings realized as a result of implementing their plans.

On September 26, 2008, the CSM amended the parameters and guidelines to the original period of reimbursement because the court's decision interprets the test claim statutes as a question of law.

In compliance with Government Code section 17558, the State Controller's Office issues claiming instructions to assist community college districts in claiming mandated-program reimbursable costs.

The amended parameters and guidelines (section VIII – Offsetting Cost Savings) state:

Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management Plans shall be identified and offset from this claim as cost savings, consistent with the direction for revenue in Public Contract Code sections 12167 and 12167.1.

Public Contract Code sections 12167 and 12167.1 require agencies in state-owned and state-leased buildings to deposit all revenues from the sale of recyclables into the IWM Account in the IWM Fund. The revenues are to be continuously appropriated to the Board for the purposes of offsetting recycling program costs. For the review period, the district did not deposit any revenue into the IWM Account in the IWM Fund. We have determined that the district had reduced or avoided costs realized from implementation of its IWM plan that it did not identify and offset from its claims as cost savings.

Offsetting Savings Calculation

The CSM's Final Staff Analysis of the proposed amendments to the parameters and guidelines (Item #8–CSM hearing of September 26, 2008) state:

...cost savings may be calculated from the annual solid waste disposal reduction or diversion rates that community colleges must annually report to the Board pursuant to Public Resources Code section 42926, subdivision (b)(1).

To compute the savings amount, we multiplied the allocated diversion percentage by the tonnage diverted, and then by the avoided landfill disposal fee, as follows:

$$\begin{array}{rcccl}
 & \text{Allocated Diversion \%} & & & \\
 & \text{-----} & & & \\
 & \text{Maximum} & & \text{Avoided} & \\
 \text{Offsetting} & \text{Allowable} & & \text{Landfill} & \\
 \text{Savings} & = \frac{\text{Diversion \%}}{\text{Actual}} & \times & \text{Tonnage} & \times \text{Disposal Fee} \\
 \text{Realized} & \text{Diversion \%} & & \text{Diverted} & \text{(per Ton)}
 \end{array}$$

This calculation determines the cost that the district did not incur for solid waste disposal as a result of implementing its IWM plan. The offsetting savings calculations are presented in Attachment 2 – Summary of Offsetting Savings Calculations.

Allocated Diversion Percentage

Public Resource Code 42921 requires districts achieve a solid waste diversion percentage of 25% beginning January 1, 2002, and a 50% diversion percentage by January 1, 2004. The parameters and guidelines state that districts will be reimbursed for all mandated costs incurred to achieve these levels, without reduction when they fall short of stated goals, but not for amounts used to exceed these state-mandated levels. Therefore, we allocated the offsetting savings to be consistent with the requirements of the mandated program.

For calendar years 2000 through 2007, we used the actual diversion percentage reported by the district to CalRecycle (formerly the IWM Board) pursuant to Public Resources Code section 42926, subdivision (b)(1).

In 2008, CalRecycle began focusing on “per-capita disposal” instead of a “diversion percentage.” As a result, CalRecycle stopped requiring community college districts to report the actual amount of tonnage diverted. Consequently, the annual reports no longer identify a “diversion percentage.” Therefore, we used the 2007 diversion percentage to calculate the offsetting savings for fiscal year (FY) 2007-08, FY 2008-09, FY 2009-10, and FY 2010-11. The district did not provide documentation supporting a different diversion percentage.

Tonnage Diverted

The tonnage diverted is solid waste that the district recycled, composted, and kept out of the landfill.

For calendar years 2000 through 2007, we used the actual tonnage diverted, as reported by the district to CalRecycle pursuant to Public Resources Code section 42926, subdivision (b)(1).

As previously noted, in 2008, CalRecycle stopped requiring community college districts to report the actual amount of tonnage diverted. Therefore, we used the tonnage diverted in 2007 to calculate the offsetting savings for FY 2007-08, FY 2008-09, FY 2009-10, and FY 2010-11. The district did not provide documentation supporting a different amount of tonnage diverted.

Avoided Landfill Disposal Fee (per Ton)

The avoided landfill disposal fee is used to calculate realized savings because the district no longer incurs a cost to dispose of the diverted tonnage at the landfill. For each fiscal year in the review period, we used the statewide average disposal fee provided by CalRecycle. The district did not provide documentation supporting a different disposal fee.

Recommendation

We recommend that the district offset all savings realized from implementation of the community college district’s IWM plan.

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

Public Resources Code Sections 40148,
40196.3, 42920, 42921, 42922, 42923,
42924, 42925, 42926, 42927, and 42928;
Public Contract Code Sections 12167 and
12167.1;

Statutes 1999, Chapter 764 (AB 75);
Statutes 1992, Chapter 1116 (A.B. 3521);

*State Agency Model Integrated Waste
Management Plan* (February 2000).

Filed on March 9, 2001,

By Santa Monica and South Lake Tahoe
Community College Districts, Co-claimants

No. 00-TC-07

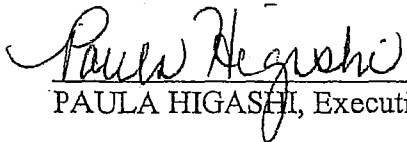
Integrated Waste Management

ADOPTION OF PARAMETERS AND
GUIDELINES PURSUANT TO
GOVERNMENT CODE SECTION 17557 AND
TITLE 2, CALIFORNIA CODE OF
REGULATIONS, SECTION 1183.12

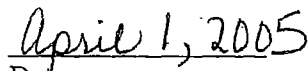
(Adopted on March 30, 2005)

PARAMETERS AND GUIDELINES

On March 30, 2005, the Commission on State Mandates adopted the attached Parameters and Guidelines.



PAULA HIGASHI, Executive Director



Date

Adopted: March 30, 2005

PARAMETERS AND GUIDELINES

Public Resources Code Sections 40148, 40196.3, 42920-42928
Public Contract Code Sections 12167 and 12167.1

Statutes 1999, Chapter 764 (A.B. 75)
Statutes 1992, Chapter 1116 (A.B. 3521)

State Agency Model Integrated Waste Management Plan (February 2000)

Integrated Waste Management (00-TC-07)

Santa Monica and Lake Tahoe Community College Districts, Co-claimants

I. SUMMARY OF THE MANDATE

On March 25, 2004, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that Public Resources Code sections 40148, 40196.3, 42920-42928; Public Contract Code sections 12167 and 12167.1; and the State Agency Model Integrated Waste Management Plan (February 2000) require new activities, as specified below, which constitute new programs or higher levels of service for community college districts within the meaning of article XIII B, section 6, of the California Constitution, and impose costs mandated by the state pursuant to Government Code section 17514.

Specifically, the Commission approved this test claim for the increased costs of performing the following specific new activities:

- **Comply with the model plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000):** A community college must comply with the California Integrated Waste Management Board's (Board) model integrated waste management plan, which includes consulting with the Board to revise the model plan, as well as completing and submitting to the Board the following: (1) state agency or large state facility information form; (2) state agency list of facilities; (3) state agency waste reduction and recycling program worksheet, including the sections on program activities, promotional programs, and procurement activities; and (4) state agency integrated waste management plan questions.
- **Designate a solid waste reduction and recycling coordinator (Pub. Resources Code, § 42920, subd. (c)):** A community college must designate one solid waste reduction and recycling coordinator to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928), including implementing the community college's integrated waste management plan, and acting as a liaison to other state agencies (as defined by section 40196.3) and coordinators.
- **Divert solid waste (Pub. Resources Code, §§ 42921 & 42922, subd. (i)):** A community college must divert at least 25 percent of all its solid waste from landfill disposal or transformation facilities by January 1, 2002, through source reduction, recycling, and

composting activities, and divert at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting.

A community college unable to comply with this diversion requirement may instead seek, until December 31, 2005, either an alternative requirement or time extension (but not both) as specified below:

- **Seek an alternative requirement (Pub. Resources Code, §§ 42927 & 42922, subs. (a) & (b)):** A community college that is unable to comply with the 50-percent diversion requirement must: (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the 50-percent requirement; (3) participate in a public hearing on its alternative requirement; (4) provide the Board with information as to (a) the community college's good faith efforts to effectively implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board; (b) the community college's inability to meet the 50-percent diversion requirement despite implementing the measures in its plan; (c) the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve, and (d) relate to the Board circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.
- **Seek a time extension (Pub. Resources Code, §§ 42927 & 42923 subs. (a) & (c)):** A community college that is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, must do the following pursuant to section 42923, subdivisions (a) and (c): (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the January 1, 2002 deadline; (3) provide evidence to the Board that it is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan; and (4) provide information to the Board that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college. (5) The community college must also submit a plan of correction that demonstrates that it will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be implemented to meet those requirements, and the means by which these programs will be funded.

- **Report to the Board (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i)):** A community college must annually submit, by April 1, 2002 and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report is to encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (1) calculations of annual disposal reduction; (2) information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors; (3) a summary of progress implementing the integrated waste management plan; (4) the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste. (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.) (5) For a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension. (6) For a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.
- **Submit recycled material reports (Pub. Contract Code, § 12167.1):** A community college must annually report to the Board on quantities of recyclable materials collected for recycling.

II. ELIGIBLE CLAIMANTS

Community college districts that incur increased costs as a result of this mandate are eligible to claim reimbursement.

III. PERIOD OF REIMBURSEMENT

Government Code section 17557 states that a test claim must be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on March 9, 2001. Therefore, costs incurred for compliance with Public Contract Code sections 12167 and 12167.1 (Stats. 1992, ch. 1116) are eligible for reimbursement on or after July 1, 1999. However, because of the statute's operative date, all other costs incurred pursuant to Statutes 1999, chapter 764 are eligible for reimbursement on or after January 1, 2000.

Seeking an alternative diversion goal or time extension (Pub. Resources Code, §§ 42922, 42923, and 42927) is reimbursable until December 31, 2005.

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 Government Code section 17561, subdivision (d), all claims for reimbursement of initial years' costs shall be submitted within 120 days of the issuance of the claiming instructions by the State Controller.

If the total costs for a given fiscal year do not exceed \$1000, 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 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, receipts, and the community college plan approved by the Board.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, 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. One-Time Activities (Reimbursable starting January 1, 2000)

1. Develop the necessary district policies and procedures for the implementation of the integrated waste management plan.
2. Train district staff on the requirements and implementation of the integrated waste management plan (one-time per employee). Training is limited to the staff working directly on the plan.

B. Ongoing Activities (Reimbursable starting January 1, 2000)

1. Complete and submit to the Board the following as part of the State Agency Model Integrated Waste Management Plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.):
 - a. state agency or large state facility information form;
 - b. state agency list of facilities;
 - c. state agency waste reduction and recycling program worksheets that describe program activities, promotional programs, and procurement activities, and other questionnaires; and
 - d. state agency integrated waste management plan questions.

NOTE: Although reporting on promotional programs and procurement activities in the model plan is reimbursable, implementing promotional programs and procurement

activities is not.

2. Respond to any Board reporting requirements during the approval process. (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
3. Consult with the Board to revise the model plan, if necessary.¹ (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
4. Designate one solid waste reduction and recycling coordinator ("coordinator") for each college in the district to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928). The coordinator shall implement the integrated waste management plan. The coordinator shall act as a liaison to other state agencies (as defined by section 40196.3) and coordinators. (Pub. Resources Code, § 42920, subd. (c).)
5. Divert at least 25 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2002, and at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting activities. Maintain the required level of reduction, as approved by the Board. (Pub. Resources Code, §§ 42921 & 42922, subd. (i).)

C. Alternative Compliance (*Reimbursable from January 1, 2000 – December 31, 2005*)

1. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c).)
 - a. Notify the Board in writing, detailing the reasons for its inability to comply.
 - b. Request of the Board an alternative to the January 1, 2002 deadline.
 - c. Provide evidence to the Board that the college is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan.
 - d. Provide information that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college.
 - e. Submit a plan of correction that demonstrates that the college will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be

¹ Attachment 1, California Integrated Waste Management Board, State Agency Model Integrated Waste Management Plan (February 2000).

implemented to meet those requirements, and the means by which these programs will be funded.

2. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2004 deadline to divert 50 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42922, subs. (a) & (b).)

- a. Notify the Board in writing, detailing the reasons for its inability to comply.
- b. Request of the Board an alternative to the 50-percent requirement.
- c. Participate in a public hearing on its alternative requirement.
- d. Provide the Board with information as to:
 - (i) the community college's good faith efforts to implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board;
 - (ii) the community college's inability to meet the 50 percent diversion requirement despite implementing the measures in its plan;
 - (iii) how the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve; and,
 - (iv) the circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.

D. Accounting System (*Reimbursable starting January 1, 2000*)

Developing, implementing, and maintaining an accounting system to enter and track the college's source reduction, recycling and composting activities, the cost of those activities, the proceeds from the sale of any recycled materials, and such other accounting systems which will allow it to make its annual reports to the state and determine waste reduction.

Note: only the pro-rata portion of the costs incurred to implement the reimbursable activities can be claimed.

E. Annual Report (*Reimbursable starting January 1, 2000*)

Annually prepare and submit, by April 1, 2002, and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report must encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i).)

1. calculations of annual disposal reduction;
2. information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors;
3. a summary of progress made in implementing the integrated waste management plan;

4. the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.);
5. for a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension;
6. for a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.

F. Annual Recycled Material Reports (*Reimbursable starting July 1, 1999*)

Annually report to the Board on quantities of recyclable materials collected for recycling. (Pub. Contract Code, § 12167.1.) (See Section VII. regarding offsetting revenues from recyclable materials.)

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.

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.

6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1, Salaries and Benefits, and A.2, Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3, Contracted Services.

B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, "Cost Principles of Educational Institutions"; (2) the rate calculated on State Controller's Form FAM-29C; or (3) a 7% indirect cost rate.

VI. RECORD 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 chapter 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.

VII. OFFSETTING REVENUES AND REIMBURSEMENTS

Reimbursement for this mandate from any source, including but not limited to, services fees collected, federal funds, and other state funds allocated to any service provided under this program, shall be identified and deducted from this claim. Offsetting revenue shall include the revenues cited in Public Resources Code section 42925 and Public Contract Code sections 12167 and 12167.1.

Subject to the approval of the California Integrated Waste Management Board, revenues derived from the sale of recyclable materials by a community college that do not exceed two thousand dollars (\$2,000) annually are continuously appropriated for expenditure by the community college for the purpose of offsetting recycling program costs. Revenues exceeding two thousand dollars (\$2,000) annually may be available for expenditure by the community college only when appropriated by the Legislature. To the extent so approved or appropriated and applied to the college, these amounts are a reduction to the recycling costs mandated by the state to implement Statutes 1999, chapter 764.

In addition, revenue from a building-operating fee imposed pursuant to Education Code section 76375, subdivision (a) if received by a claimant and the revenue is applied to this program, shall be deducted from the costs claimed.

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 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.

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

Public Resources Code Sections 40148, 40196.3, 42920, 42921, 42922, 42923, 42924, 42925, 42926, 42927, and 42928; Public Contract Code Sections 12167 and 12167.1;

Statutes 1999, Chapter 764 (AB 75); Statutes 1992, Chapter 1116 (A.B. 3521);

State Agency Model Integrated Waste Management Plan (February 2000).

Filed on March 9, 2001,

By Santa Monica and South Lake Tahoe Community College Districts, Co-claimants

No. 00-TC-07

Integrated Waste Management

ADOPTION OF AMENDMENTS TO PARAMETERS AND GUIDELINES PURSUANT TO DECISION OF THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF SACRAMENTO, No. 07CS00355, *State of California, Department of Finance, and California Integrated Waste Management Board v. Commission on State Mandates, et al.*

(Adopted: September 26, 2008)

AMENDED PARAMETERS AND GUIDELINES

On September 26, 2008, the Commission on State Mandates adopted the attached Amendments to the Parameters and Guidelines, as directed by the Superior Court of California, County of Sacramento, No. 07CS00355.

PAULA HIGASHI, Executive Director

Date: September 29, 2008

Amended: September 26, 2008
Adopted: March 30, 2005

AMENDMENTS TO PARAMETERS AND GUIDELINES

Public Resources Code Sections 40148, 40196.3, 42920-42928
Public Contract Code Sections 12167 and 12167.1

Statutes 1999, Chapter 764 (A.B. 75)
Statutes 1992, Chapter 1116 (A.B. 3521)

State Agency Model Integrated Waste Management Plan (February 2000)

Integrated Waste Management
00-TC-07

Santa Monica and Lake Tahoe Community College Districts, Co-claimants

I. SUMMARY OF THE MANDATE

On March 25, 2004, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that Public Resources Code sections 40148, 40196.3, 42920-42928; Public Contract Code sections 12167 and 12167.1; and the State Agency Model Integrated Waste Management Plan (February 2000) require new activities, as specified below, which constitute new programs or higher levels of service for community college districts within the meaning of article XIII B, section 6, of the California Constitution, and impose costs mandated by the state pursuant to Government Code section 17514.

Specifically, the Commission approved this test claim for the increased costs of performing the following specific new activities:

- **Comply with the model plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000):** A community college must comply with the California Integrated Waste Management Board's (Board) model integrated waste management plan, which includes consulting with the Board to revise the model plan, as well as completing and submitting to the Board the following: (1) state agency or large state facility information form; (2) state agency list of facilities; (3) state agency waste reduction and recycling program worksheet, including the sections on program activities, promotional programs, and procurement activities; and (4) state agency integrated waste management plan questions.
- **Designate a solid waste reduction and recycling coordinator (Pub. Resources Code, § 42920, subd. (c)):** A community college must designate one solid waste reduction and recycling coordinator to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928), including implementing the community college's integrated waste management plan, and acting as a liaison to other state agencies (as defined by section 40196.3) and coordinators.

- **Divert solid waste (Pub. Resources Code, §§ 42921 & 42922, subd. (i)):** A community college must divert at least 25 percent of all its solid waste from landfill disposal or transformation facilities by January 1, 2002, through source reduction, recycling, and composting activities, and divert at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting.

A community college unable to comply with this diversion requirement may instead seek, until December 31, 2005, either an alternative requirement or time extension (but not both) as specified below:

- **Seek an alternative requirement (Pub. Resources Code, §§ 42927 & 42922, subds. (a) & (b)):** A community college that is unable to comply with the 50-percent diversion requirement must: (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the 50-percent requirement; (3) participate in a public hearing on its alternative requirement; (4) provide the Board with information as to (a) the community college's good faith efforts to effectively implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board; (b) the community college's inability to meet the 50-percent diversion requirement despite implementing the measures in its plan; (c) the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve, and (d) relate to the Board circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.
- **Seek a time extension (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c)):** A community college that is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, must do the following pursuant to section 42923, subdivisions (a) and (c): (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the January 1, 2002 deadline; (3) provide evidence to the Board that it is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan; and (4) provide information to the Board that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college. (5) The community college must also submit a plan of correction that demonstrates that it will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be

implemented to meet those requirements, and the means by which these programs will be funded.

- **Report to the Board (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i)):** A community college must annually submit, by April 1, 2002 and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report is to encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (1) calculations of annual disposal reduction; (2) information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors; (3) a summary of progress implementing the integrated waste management plan; (4) the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste. (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.) (5) For a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension. (6) For a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.
- **Submit recycled material reports (Pub. Contract Code, § 12167.1):** A community college must annually report to the Board on quantities of recyclable materials collected for recycling.

State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates, et al. (Sacramento County Superior Court, Case No. 07CS00355)

The Department of Finance and the Integrated Waste Management Board filed a petition for writ of mandate in March 2007, asking the court to set aside the Commission's decision granting the test claim and to require the Commission to issue a new Statement of Decision and parameters and guidelines that give full consideration to the community colleges' cost savings (e.g. avoided landfill disposal fees) and revenues (from recyclables) by complying with the test claim statutes. Petitioners' position was that the Commission had not properly accounted for all the offsetting cost savings from avoided disposal costs, or offsetting revenues from the sale of recyclable materials, in the Statement of Decision or parameters and guidelines. The Judgment and a Writ of Mandate were issued on June 30, 2008, ordering the Commission to:

1. amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims, consistent with the directions for revenue in Public Contract code sections 12167 and 12167.1, cost savings realized as a result of implementing their plans; and

2. amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims all of the revenue generated as a result of implementing their plans, without regard to the limitations or conditions described in sections 12167 and 12167.1 of the Public Contract Code.

II. ELIGIBLE CLAIMANTS

Community college districts that incur increased costs as a result of this mandate are eligible to claim reimbursement.

III. PERIOD OF REIMBURSEMENT

Government Code section 17557 states that a test claim must be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on March 9, 2001. Therefore, costs incurred for compliance with Public Contract Code sections 12167 and 12167.1 (Stats. 1992, ch. 1116) are eligible for reimbursement on or after July 1, 1999. However, because of the statute's operative date, all other costs incurred pursuant to Statutes 1999, chapter 764 are eligible for reimbursement on or after January 1, 2000.

Seeking an alternative diversion goal or time extension (Pub. Resources Code, §§ 42922, 42923, and 42927) is reimbursable until December 31, 2005.

Actual costs for one fiscal year should be included in each claim. Pursuant to Government Code section 17561, subdivision (d), all claims for reimbursement of initial years' costs shall be submitted within 120 days of the issuance of the claiming instructions by the State Controller.

If the total costs for a given fiscal year do not exceed \$1000, 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 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, receipts, and the community college plan approved by the Board.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, 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. One-Time Activities (*Reimbursable starting January 1, 2000*)

1. Develop the necessary district policies and procedures for the implementation of the integrated waste management plan.
2. Train district staff on the requirements and implementation of the integrated waste management plan (one-time per employee). Training is limited to the staff working directly on the plan.

B. Ongoing Activities (*Reimbursable starting January 1, 2000*)

1. Complete and submit to the Board the following as part of the State Agency Model Integrated Waste Management Plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.):
 - a. state agency or large state facility information form;
 - b. state agency list of facilities;
 - c. state agency waste reduction and recycling program worksheets that describe program activities, promotional programs, and procurement activities, and other questionnaires; and
 - d. state agency integrated waste management plan questions.

NOTE: Although reporting on promotional programs and procurement activities in the model plan is reimbursable, implementing promotional programs and procurement activities is not.

2. Respond to any Board reporting requirements during the approval process. (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
3. Consult with the Board to revise the model plan, if necessary.¹ (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
4. Designate one solid waste reduction and recycling coordinator ("coordinator") for each college in the district to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928). The coordinator shall implement the integrated waste management plan. The coordinator shall act as a liaison to other state agencies (as defined by section 40196.3) and coordinators. (Pub. Resources Code, § 42920, subd. (c).)

¹ Attachment 1, California Integrated Waste Management Board, State Agency Model Integrated Waste Management Plan (February 2000).

5. Divert at least 25 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2002, and at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting activities. Maintain the required level of reduction, as approved by the Board. (Pub. Resources Code, §§ 42921 & 42922, subd. (i).)

C. Alternative Compliance (*Reimbursable from January 1, 2000 – December 31, 2005*)

1. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c).)
 - a. Notify the Board in writing, detailing the reasons for its inability to comply.
 - b. Request of the Board an alternative to the January 1, 2002 deadline.
 - c. Provide evidence to the Board that the college is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan.
 - d. Provide information that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college.
 - e. Submit a plan of correction that demonstrates that the college will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be implemented to meet those requirements, and the means by which these programs will be funded.
2. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2004 deadline to divert 50 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42922, subds. (a) & (b).)
 - a. Notify the Board in writing, detailing the reasons for its inability to comply.
 - b. Request of the Board an alternative to the 50-percent requirement.
 - c. Participate in a public hearing on its alternative requirement.
 - d. Provide the Board with information as to:
 - (i) the community college's good faith efforts to implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board;
 - (ii) the community college's inability to meet the 50 percent diversion requirement despite implementing the measures in its plan;

- (iii) how the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve; and,
- (iv) the circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.

D. Accounting System (*Reimbursable starting January 1, 2000*)

Developing, implementing, and maintaining an accounting system to enter and track the college's source reduction, recycling and composting activities, the cost of those activities, the proceeds from the sale of any recycled materials, and such other accounting systems which will allow it to make its annual reports to the state and determine waste reduction.

Note: only the pro-rata portion of the costs incurred to implement the reimbursable activities can be claimed.

E. Annual Report (*Reimbursable starting January 1, 2000*)

Annually prepare and submit, by April 1, 2002, and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report must encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i).)

1. calculations of annual disposal reduction;
2. information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors;
3. a summary of progress made in implementing the integrated waste management plan;
4. the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.);
5. for a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension;
6. for a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.

F. Annual Recycled Material Reports (*Reimbursable starting July 1, 1999*)

Annually report to the Board on quantities of recyclable materials collected for recycling.
(Pub. Contract Code, § 12167.1.)

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.

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.

6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1., Salaries and Benefits, and A.2., Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3., Contracted Services.

B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, "Cost Principles of Educational Institutions"; (2) the rate calculated on State Controller's Form FAM-29C; or (3) a 7% indirect cost rate.

VI. RECORD 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 chapter 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.

VII. OFFSETTING REVENUES AND REIMBURSEMENTS

Reimbursement for this mandate from any source, including but not limited to, services fees

collected, federal funds, and other state funds allocated to any service provided under this program, shall be identified and offset from this claim. Offsetting revenue shall include all revenues generated from implementing the Integrated Waste Management Plan.

In addition, revenue from a building-operating fee imposed pursuant to Education Code section 76375, subdivision (a) if received by a claimant and the revenue is applied to this program, shall be deducted from the costs claimed.

VIII. OFFSETTING COST SAVINGS

Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management plans shall be identified and offset from this claim as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1. Pursuant to these statutes, community college districts are required to deposit cost savings resulting from their Integrated Waste Management plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the California Integrated Waste Management Board for the purpose of offsetting Integrated Waste Management plan costs. Subject to the approval of the California Integrated Waste Management Board, cost savings by a community college that do not exceed two thousand dollars (\$2,000) annually are continuously appropriated for expenditure by the community college for the purpose of offsetting Integrated Waste Management program costs. Cost savings exceeding two thousand dollars (\$2,000) annually may be available for expenditure by the community college only when appropriated by the Legislature. To the extent so approved or appropriated and applied to the college, these amounts shall be identified and offset from the costs claimed for implementing the Integrated Waste Management Plan.

IX. STATE CONTROLLER'S REVISED CLAIMING INSTRUCTIONS

The Controller shall, within 60 days after receiving amended parameters and guidelines prepare and issue revised claiming instructions for mandates that require state reimbursement after any decision or order of the commission pursuant to section 17559. 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 the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission. In preparing revised claiming instructions, the Controller may request the assistance of other state agencies. (Gov. Code, § 17558, subdivision (c).)

If revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between November 15 and February 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.

X. 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 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.

XI. 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.

OFFICE OF THE STATE CONTROLLER

STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2005-05

INTEGRATED WASTE MANAGEMENT
(COMMUNITY COLLEGES)

June 6, 2005

In accordance with Government Code (GC) section 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state mandated cost programs. The following are claiming instructions and forms that eligible claimants will use for the filing of claims for the Integrated Waste Management (IWM) program. These claiming instructions are issued subsequent to adoption of the program's parameters and guidelines (P's & G's) by the Commission on State Mandates (COSM).

On March 25, 2004, the COSM determined that Chapter 764, Statutes of 1999, and Chapter 1116, Statutes of 1992, established costs mandated by the State according to the provisions listed in the P's & G's. For your reference, the P's & G's are included as an integral part of the claiming instructions.

Eligible Claimants

Any community college that incurs increased costs as a direct result of this mandate is eligible to claim reimbursement of these costs.

Filing Deadlines

A. Reimbursement Claims

Initial reimbursement claims must be filed within 120 days from the issuance date of claiming instructions. Reimbursement claims for the period January 1, 2000, to June 30, 2000, and fiscal years 2000-01 through 2004-2005 must be filed with the SCO and be delivered or postmarked on or before **October 4, 2005**. Estimated claims for fiscal year 2005-06 must be filed on or before **October 4, 2005**, or by **January 15, 2006**.

Costs for all initial reimbursement claims must be filed separately according to the fiscal year in which the costs were incurred. In order for a claim to be considered properly filed, it must include any specific supporting documentation requested in the instructions. **Claims filed more than one year after the deadline or without the requested supporting documentation will not be accepted.**

The reimbursement periods for the following activities are as follows:

1. One-Time Activities - January 1, 2000, to June 30, 2000, fiscal year 2000-01 and subsequent fiscal years;
2. Ongoing Activities - January 1, 2000, to June 30, 2000, fiscal year 2000-01 and subsequent fiscal years;
3. Alternative Compliance - January 1, 2000, to June 30, 2000, fiscal years 2000-01 through 2004-05, and July 1, 2005, to December 31, 2005;

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4. Accounting System - January 1, 2000, to June 30, 2000, fiscal year 2000-01 and subsequent fiscal years;
5. Annual Report - January 1, 2000, to June 30, 2000, fiscal year 2000-01 and subsequent fiscal years; and
6. Annual Recycled Material Reports - Fiscal year 1999-00 and subsequent fiscal years.

B. Late Penalty

1. Initial Claims

AB 3000 enacted into law on September 30, 2002, amended the late penalty assessments on initial claims. Late initial claims submitted **on or after September 30, 2002**, are assessed a late penalty of 10% of the total amount of the initial claims **without limitation**.

2. Annual Reimbursement Claims

All late reimbursement claims are assessed a late penalty of 10% subject to the \$1,000 limitation regardless of when the claims were filed.

C. Estimated Claims

Unless otherwise specified in the claiming instructions, a community college is not required to provide cost schedules and supporting documents with an estimated claim if the estimated amount does not exceed the previous fiscal year's actual costs by more than 10%. Claimants can simply enter the estimated amount on form FAM-27, line (07).

However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, claimants must complete supplemental claim forms to support their estimated costs as specified for the program to explain the reason for the increased costs. If no explanation supporting the higher estimate is provided with the claim, it will automatically be adjusted to 110% of the previous fiscal year's actual costs. Future estimated claims filed with the SCO must be postmarked by January 15 of the fiscal year in which costs will be incurred. Claims filed timely will be paid before late claims.

Minimum Claim Cost

GC, section 17564(a) provides that no claim shall be filed pursuant to Sections 17551 and 17561, unless such a claim exceeds one thousand dollars (\$1,000).

Reimbursement of Claims

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, receipts and the community college plan approved by the Board. Evidence corroborating the source documents may include, but is not limited to, worksheets, cost

allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. 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.

Certification of Claim

In accordance with the provisions of Government Code section 17561, an authorized representative of the claimant shall be required to provide a certification of claim 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, for those costs mandated by the State and contained herein.

Audit of Costs

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the COSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

Pursuant to GC section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a community college pursuant to this chapter is subject to the initiation of an audit by the SCO 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 SCO 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 must be retained during the period subject to audit. If an audit has been initiated by the SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. On-site audits will be conducted by the SCO as deemed necessary.

Retention of Claiming Instructions

The claiming instructions and forms in this package should be retained permanently in your Mandated Cost Manual for future reference and use in filing claims. These forms should be duplicated to meet your filing requirements. You will be notified of updated forms or changes to claiming instructions as necessary.

Questions or requests for hard copies of these instructions should be faxed to Ginny Brummels at (916) 323-6527, or e-mailed to LRSDAR@sco.ca.gov. If you wish, you may call the Local Reimbursements Section at (916) 324-5729.

For your reference, these and future mandated costs claiming instructions and forms can be found on the Internet at www.sco.ca.gov/ard/local/locreim/index.shtml.

Address for Filing Claims

Claims should be rounded to the nearest dollar. Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms and supporting documents. **(To expedite the payment process, please sign the form in blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

Adopted: March 30, 2005

PARAMETERS AND GUIDELINES

Public Resources Code Sections 40148, 40196.3, 42920-42928

Public Contract Code Sections 12167 and 12167.1

Statutes 1999, Chapter 764 (A.B. 75)

Statutes 1992, Chapter 1116 (A.B. 3521)

State Agency Model Integrated Waste Management Plan (February 2000)

Integrated Waste Management (00-TC-07)

Santa Monica and Lake Tahoe Community College Districts, Co-claimants

I. SUMMARY OF THE MANDATE

On March 25, 2004, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that Public Resources Code sections 40148, 40196.3, 42920-42928; Public Contract Code sections 12167 and 12167.1; and the State Agency Model Integrated Waste Management Plan (February 2000) require new activities, as specified below, which constitute new programs or higher levels of service for community college districts within the meaning of article XIII B, section 6, of the California Constitution, and impose costs mandated by the state pursuant to Government Code section 17514.

Specifically, the Commission approved this test claim for the increased costs of performing the following specific new activities:

- **Comply with the model plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000):** A community college must comply with the California Integrated Waste Management Board's (Board) model integrated waste management plan, which includes consulting with the Board to revise the model plan, as well as completing and submitting to the Board the following: (1) state agency or large state facility information form; (2) state agency list of facilities; (3) state agency waste reduction and recycling program worksheet, including the sections on program activities, promotional programs, and procurement activities; and (4) state agency integrated waste management plan questions.
- **Designate a solid waste reduction and recycling coordinator (Pub. Resources Code, § 42920, subd. (c)):** A community college must designate one solid waste reduction and recycling coordinator to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928), including implementing the community college's integrated waste management plan, and acting as a liaison to other state agencies (as defined by section 40196.3) and coordinators.
- **Divert solid waste (Pub. Resources Code, §§ 42921 & 42922, subd. (i)):** A community college must divert at least 25 percent of all its solid waste from landfill disposal or transformation facilities by January 1, 2002, through source reduction, recycling, and

composting activities, and divert at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting.

A community college unable to comply with this diversion requirement may instead seek, until December 31, 2005, either an alternative requirement or time extension (but not both) as specified below:

- **Seek an alternative requirement (Pub. Resources Code, §§ 42927 & 42922, subds. (a) & (b)):** A community college that is unable to comply with the 50-percent diversion requirement must: (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the 50-percent requirement; (3) participate in a public hearing on its alternative requirement; (4) provide the Board with information as to (a) the community college's good faith efforts to effectively implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board; (b) the community college's inability to meet the 50-percent diversion requirement despite implementing the measures in its plan; (c) the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve, and (d) relate to the Board circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.
- **Seek a time extension (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c)):** A community college that is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, must do the following pursuant to section 42923, subdivisions (a) and (c): (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the January 1, 2002 deadline; (3) provide evidence to the Board that it is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan; and (4) provide information to the Board that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college. (5) The community college must also submit a plan of correction that demonstrates that it will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be implemented to meet those requirements, and the means by which these programs will be funded.

- **Report to the Board (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i)):** A community college must annually submit, by April 1, 2002 and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report is to encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (1) calculations of annual disposal reduction; (2) information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors; (3) a summary of progress implementing the integrated waste management plan; (4) the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste. (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.) (5) For a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension. (6) For a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.
- **Submit recycled material reports (Pub. Contract Code, § 12167.1):** A community college must annually report to the Board on quantities of recyclable materials collected for recycling.

II. ELIGIBLE CLAIMANTS

Community college districts that incur increased costs as a result of this mandate are eligible to claim reimbursement.

III. PERIOD OF REIMBURSEMENT

Government Code section 17557 states that a test claim must be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on March 9, 2001. Therefore, costs incurred for compliance with Public Contract Code sections 12167 and 12167.1 (Stats. 1992, ch. 1116) are eligible for reimbursement on or after July 1, 1999. However, because of the statute's operative date, all other costs incurred pursuant to Statutes 1999, chapter 764 are eligible for reimbursement on or after January 1, 2000.

Seeking an alternative diversion goal or time extension (Pub. Resources Code, §§ 42922, 42923, and 42927) is reimbursable until December 31, 2005.

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 Government Code section 17561, subdivision (d), all claims for reimbursement of initial years' costs shall be submitted within 120 days of the issuance of the claiming instructions by the State Controller.

If the total costs for a given fiscal year do not exceed \$1000, 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 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, receipts, and the community college plan approved by the Board.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, 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. One-Time Activities (*Reimbursable starting January 1, 2000*)

1. Develop the necessary district policies and procedures for the implementation of the integrated waste management plan.
2. Train district staff on the requirements and implementation of the integrated waste management plan (one-time per employee). Training is limited to the staff working directly on the plan.

B. Ongoing Activities (*Reimbursable starting January 1, 2000*)

1. Complete and submit to the Board the following as part of the State Agency Model Integrated Waste Management Plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.):
 - a. state agency or large state facility information form;
 - b. state agency list of facilities;
 - c. state agency waste reduction and recycling program worksheets that describe program activities, promotional programs, and procurement activities, and other questionnaires; and
 - d. state agency integrated waste management plan questions.

NOTE: Although reporting on promotional programs and procurement activities in the model plan is reimbursable, implementing promotional programs and procurement activities is not.

2. Respond to any Board reporting requirements during the approval process. (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
3. Consult with the Board to revise the model plan, if necessary.¹ (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
4. Designate one solid waste reduction and recycling coordinator ("coordinator") for each college in the district to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928). The coordinator shall implement the integrated waste management plan. The coordinator shall act as a liaison to other state agencies (as defined by section 40196.3) and coordinators. (Pub. Resources Code, § 42920, subd. (c).)
5. Divert at least 25 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2002, and at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting activities. Maintain the required level of reduction, as approved by the Board. (Pub. Resources Code, §§ 42921 & 42922, subd. (i).)

C. Alternative Compliance (*Reimbursable from January 1, 2000 – December 31, 2005*)

1. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c).)
 - a. Notify the Board in writing, detailing the reasons for its inability to comply.
 - b. Request of the Board an alternative to the January 1, 2002 deadline.
 - c. Provide evidence to the Board that the college is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan.
 - d. Provide information that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college.
 - e. Submit a plan of correction that demonstrates that the college will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be implemented to meet those requirements, and the means by which these programs

¹ Attachment 1, California Integrated Waste Management Board, State Agency Model Integrated Waste Management Plan (February 2000).

will be funded.

2. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2004 deadline to divert 50 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42922, subs. (a) & (b).)
 - a. Notify the Board in writing, detailing the reasons for its inability to comply.
 - b. Request of the Board an alternative to the 50-percent requirement.
 - c. Participate in a public hearing on its alternative requirement.
 - d. Provide the Board with information as to:
 - (i) the community college's good faith efforts to implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board;
 - (ii) the community college's inability to meet the 50 percent diversion requirement despite implementing the measures in its plan;
 - (iii) how the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve; and,
 - (iv) the circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.

D. Accounting System (*Reimbursable starting January 1, 2000*)

Developing, implementing, and maintaining an accounting system to enter and track the college's source reduction, recycling and composting activities, the cost of those activities, the proceeds from the sale of any recycled materials, and such other accounting systems which will allow it to make its annual reports to the state and determine waste reduction. Note: only the pro-rata portion of the costs incurred to implement the reimbursable activities can be claimed.

E. Annual Report (*Reimbursable starting January 1, 2000*)

Annually prepare and submit, by April 1, 2002, and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report must encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i).)

1. calculations of annual disposal reduction;
2. information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors;
3. a summary of progress made in implementing the integrated waste management plan;
4. the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste

(If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.);

5. for a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension;
6. for a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.

F. Annual Recycled Material Reports (*Reimbursable starting July 1, 1999*)

Annually report to the Board on quantities of recyclable materials collected for recycling. (Pub. Contract Code, § 12167.1.) (See Section VII. regarding offsetting revenues from recyclable materials.)

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.

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.

6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1, Salaries and Benefits, and A.2, Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3, Contracted Services.

B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, "Cost Principles of Educational Institutions"; (2) the rate calculated on State Controller's Form FAM-29C; or (3) a 7% indirect cost rate.

VI. RECORD 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 chapter 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.

VII. OFFSETTING REVENUES AND REIMBURSEMENTS

Reimbursement for this mandate from any source, including but not limited to, services fees collected, federal funds, and other state funds allocated to any service provided under this program, shall be identified and deducted from this claim. Offsetting revenue shall include the revenues cited in Public Resources Code section 42925 and Public Contract Code sections 12167 and 12167.1.

Subject to the approval of the California Integrated Waste Management Board, revenues derived from the sale of recyclable materials by a community college that do not exceed two thousand dollars (\$2,000) annually are continuously appropriated for expenditure by the community college for the purpose of offsetting recycling program costs. Revenues exceeding two thousand dollars (\$2,000) annually may be available for expenditure by the community college only when appropriated by the Legislature. To the extent so approved or appropriated and applied to the college, these amounts are a reduction to the recycling costs mandated by the state to implement Statutes 1999, chapter 764.

In addition, revenue from a building-operating fee imposed pursuant to Education Code section 76375, subdivision (a) if received by a claimant and the revenue is applied to this program, shall be deducted from the costs claimed.

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 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.

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT	For State Controller Use Only (19) Program Number 256 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 256
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L A B E L H E R E	(01) Claimant Identification Number	Reimbursement Claim Data	
	(02) Claimant Name	(22) IWM-1, (03)(A)(1)(f)	
	County of Location	(23) IWM-1, (03)(A)(2)(f)	
	Street Address or P.O. Box Suite	(24) IWM-1, (03)(B)(1)(f)	
	City State Zip Code	(25) IWM-1, (03)(B)(2)(f)	

Type of Claim	Estimated Claim	Reimbursement Claim	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(26) IWM-1, (03)(B)(3)(f)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f)
			(29) IWM-1, (03)(C)(1)(f)
Fiscal Year of Cost	(06) 20 ___ / 20 ___	(12) ___ / 20 ___	(30) IWM-1, (03)(C)(2)(f)
Total Claimed Amount	(07)	(13)	(31) IWM-1, (03)(D)(f)
Less: 10% Late Penalty		(14)	(32) IWM-1, (03)(E)(f)
Less: Prior Claim Payment Received		(15)	(33) IWM-1, (03)(F)(f)
Net Claimed Amount		(16)	(34) IWM-1, (06)
Due from State	(08)	(17)	(35) IWM-1, (08)
Due to State		(18)	(36) IWM-1, (09)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer _____ Date _____

 Type or Print Name _____ Title _____

(38) Name of Contact Person for Claim _____ Telephone Number () - Ext. _____

E-Mail Address _____

Program 256	INTEGRATED WASTE MANAGEMENT Certification Claim Form Instructions	FORM FAM-27
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- (01) Enter the payee number assigned by the State Controller's Office.
- (02) Enter your Official Name, County of Location, Street or P. O. Box address, City, State, and Zip Code.
- (03) If filing an estimated claim, enter an "X" in the box on line (03) Estimated.
- (04) Leave blank.
- (05) If filing an amended estimated claim, enter an "X" in the box on line (05) Amended.
- (06) Enter the fiscal year in which costs are to be incurred.
- (07) Enter the amount of the estimated claim. If the estimate exceeds the previous year's actual costs by more than 10%, complete form IWM-1 and enter the amount from line (10).
- (08) Enter the same amount as shown on line (07).
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) Leave blank.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim from form IWM-1, line (10). The total claimed amount must exceed \$1,000.
- (14) **Filing Deadline.** Estimated claims for fiscal year 2005-06 must be filed by **October 4, 2005**. Reimbursement claims must be filed by January 15 of the following fiscal year in which costs were incurred or the claims shall be reduced by a late penalty of 10%. Enter zero if the claim was timely filed; otherwise, enter the product of multiplying line (13) by the factor 0.10 (10% penalty).
- (15) If filing an actual reimbursement claim or an estimated claim was previously filed for the same fiscal year, enter the amount received for the claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g. IWM-1, (03)(A)(1)(f), means the information is located on form IWM-1, block (0), line (A)(1), column (f). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 7.548% should be shown as 8. **Completion of this data block will expedite the payment process.**
- (37) Read the statement "Certification of Claim." If it is true, the claim must be dated, signed by the agency's authorized officer, and must include the person's name and title, typed or printed. **Claims cannot be paid unless accompanied by an original signed certification. (To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**
- (38) Enter the name, telephone number, and e-mail address of the person to contact if additional information is required.

SUBMIT A SIGNED ORIGINAL, AND A COPY OF FORM FAM-27, WITH ALL OTHER FORMS AND SUPPORTING DOCUMENTS TO:

Address, if delivered by U.S. Postal Service:

OFFICE OF THE STATE CONTROLLER
 ATTN: Local Reimbursements Section
 Division of Accounting and Reporting
 P.O. Box 942850
 Sacramento, CA 94250

Address, if delivered by other delivery service:

OFFICE OF THE STATE CONTROLLER
 ATTN: Local Reimbursements Section
 Division of Accounting and Reporting
 3301 C Street, Suite 500
 Sacramento, CA 95816

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM IWM-1
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(01) Claimant 	(02) Type of Claim Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year ___ / ___
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Direct Costs	Object Accounts					
(03) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel & Training	Total
A. One-Time Activities						
1. Development of Policies and Procedures						
2. Staff Training						
B. Ongoing Activities						
1. Completion and Submission of Plan to Board						
2. Response to Board During Approval Process						
3. Consultation with Board						
4. Designation of Waste Reduction and Recycling Coordinator						
5. Diversion and Maintenance of Approved Level of Reduction						
C. Alternative Compliance						
1. Alternative Requirement or Time Extension for 1/1/02 for 25% Waste						
2. Alternative Requirement or Time Extension for 1/1/04 for 50% Waste						
D. Accounting System						
E. Annual Report						
F. Annual Recycled Material Reports						
(04) Total Direct Costs						

Indirect Costs		
(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]	%
(06) Total Indirect Costs	[Line (05) x line (04)(a)]	
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]	
Cost Reduction		
(08) Less: Offsetting Savings		
(09) Less: Other Reimbursements		
(10) Total Claimed Amount	[Line (07) - {line (08) + line (09)}]	

Program 256	INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY Instructions	FORM IWM-1
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- (01) Claimant: Enter the name of the claimant.
- (02) Type of Claim: Check a box, Reimbursement or Estimated, to identify the type of claim being filed. Enter the fiscal year of costs.

 Form IWM-1 must be filed for a reimbursement claim. Do not complete form IWM-1 if you are filing an estimated claim and the estimate does not exceed the previous fiscal year's actual costs by more than 10%. Simply enter the amount of the estimated claim on form FAM-27, line (07). However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, form IWM-1 must be completed and a statement attached explaining the increased costs. Without this information the estimated claim will automatically be reduced to 110% of the previous fiscal year's actual costs.
- (03) Reimbursable Activities: For each reimbursable activity, enter the total from form IWM-2, line (05), columns (d) through (h) to form IWM-1, block (04), columns (a) through (e) in the appropriate row. Total each row.
- (04) Total Direct Costs: Total column (f).
- (05) Indirect Cost Rate: Enter the indirect cost rate. Community college districts may use the federally approved OMBA-21, rate computed using form FAM-29C, or the 7% indirect cost rate, for the fiscal year of costs.
- (06) Total Indirect Costs: Enter the result of multiplying Total Salaries and Benefits, line (04)(a), by the Indirect Cost Rate, line (05)
- (07) Total Direct and Indirect Costs: Enter the sum of Total Direct Costs, line (04)(f), and Total Indirect Costs, line (06).
- (08) Less: Offsetting Savings. If applicable, enter the total savings experienced by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (09) Less: Other Reimbursements. If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds, that reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (10) From Total Direct and Indirect Costs, line (07), subtract the sum of Offsetting Savings, line (08), and Other Reimbursements, line (09). Enter the remainder on this line and carry the amount forward to form FAM-27, line (07) for the Estimated Claim or line (13) for the Reimbursement Claim.

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant	(02) Fiscal Year
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation With Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses **Object Accounts**

(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___						
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Program 256	INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL Instructions	FORM IWM-2
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- (01) Claimant: Enter the name of the claimant.
- (02) Fiscal Year: Enter the fiscal year for which costs were incurred.
- (03) Reimbursable Activities: Check the box that indicates the cost activity being claimed. Check only one box per form. A separate form IWM-2 shall be prepared for each applicable activity.
- (04) Description of Expenses: The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, and travel and training expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit shall be from the date of initial payment of the claim. Such documents shall be made available to the State Controller's Office on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service			Cost= Hourly Rate x Hours Worked or Total Contract Cost			Copy of Contract and Invoices
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage		
Travel and Training	Purpose of Trip Name and Title	Per Diem Rate	Days					Cost = Rate x Days or Miles	
Travel	Departure and Return Date	Mileage Rate Travel Cost	Miles Travel Mode					or Total Travel Cost	
Training	Employee Name/Title Name of Class		Dates Attended					Registration Fee	

- (05) Total line (04), columns (d) through (h) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (05), columns (d) through (h) to form IWM-1, block (04), columns (a) through (e) in the appropriate row.

OFFICE OF THE STATE CONTROLLER
STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2008-21
INTEGRATED WASTE MANAGEMENT
COMMUNITY COLLEGE DISTRICTS
DECEMBER 1, 2008

Revised January 21, 2009

In accordance with Government Code (GC) Section 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state mandated cost programs. The following are claiming instructions and forms that eligible claimants will use for filing claims for the Integrated Waste Management (IWM) program. These claiming instructions are issued subsequent to adoption of the program's Parameters and Guidelines (P's & G's) by the Commission on State Mandates (CSM).

On March 25, 2004, CSM determined that the test claim legislation established costs mandated by the State according to the provisions listed in the P's & G's. For your reference, the P's & G's are included as an integral part of the claiming instructions.

Eligible Claimants

Any community college district that incurs increased costs as a result of this mandate is eligible to claim reimbursement of these costs.

Requirements, Limitations, and Exceptions

Form 1B for Alternative Compliance is to be completed only if the community college is unable to comply with the requirements of B.5. (Divert Solid Waste/Maintain Required Level) on Form 1A, pursuant to Reimbursable Activity C.1. or 2. as listed on page 6 of the P's and G's.

It is not mandatory to re-file claims for fiscal years in which there are no changes. In addition, if there is no "cost avoidance" to report and consequently no additional offsets to the original claim amounts, there is no need to re-file.

Filing Deadlines

A. Reimbursement Claims

A reimbursement claim is defined in GC Section 17522 as any claim filed with SCO by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim.

In order for a claim to be considered properly filed, it must include documentation to support the indirect cost rate if the indirect cost rate exceeds seven percent. A full discussion of the indirect cost methods available to community colleges may be found in the P's & G's. Documentation to support actual costs must be kept on hand by the claimant and made available to SCO upon request as explained in the P's & G's.

Initial reimbursement claims must be filed within 120 days from the issuance date of the claiming instructions. Costs incurred for compliance with the mandated activities pursuant to Public Contract Code (PCC) Sections 12167 and 12167.1 are reimbursable for fiscal years 1999-00 and subsequent years. Seeking an alternative diversion goal or time extension pursuant to Public Resources Code Sections 42922, 42923, and 42927 are reimbursable from January 1, 2000, to December 31, 2005. All other costs incurred pursuant to Chapter 764, Statutes of 1999, are reimbursable for the period January 1, 2000, to June 30, 2000, and subsequent years. Actual claims must be filed with SCO and be delivered or postmarked on or before **March 31, 2009**. Claims for fiscal year 2008-09 must be delivered or postmarked on or before **February 16, 2010**, or a late fee will be assessed. **Claims filed more than one year after the deadline will not be accepted.**

B. Estimated Claims

Pursuant to AB 8, Chapter 6, Statutes of 2008, the option to file estimated claims has been eliminated. Therefore, estimated claims filed on or after February 16, 2008, will not be accepted by SCO.

Minimum Claim Cost

GC Section 17564(a) provides that no claim may be filed pursuant to Sections 17551 and 17561, unless such claim exceeds one thousand dollars (\$1,000).

Certification of Claim

In accordance with the provisions of the Code of Civil Procedure Section 2015.5, an authorized officer of the claimant is required to provide a certification of claim 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 GC Section 17561, for the costs mandated by the State and contained herein.

Audit of Costs

All claims submitted to SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with SCO's claiming instructions and the P's & G's adopted by CSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a community college district for this mandate is subject to the initiation of an audit by SCO no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds are appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for SCO 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 no later than two years after the date that the audit was initiated. All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. On-site audits will be conducted by SCO as deemed necessary.

Retention of Claiming Instructions

The claiming instructions and forms in this package should be retained permanently in your Mandated Cost Manual for future reference and use in filing claims. These forms should be duplicated to meet your filing requirements. You will be notified of updated forms or changes to claiming instructions as necessary.

Questions, or requests for hard copies of these instructions, should be faxed to Angie Lowi-Teng at (916) 323-6527 or e-mailed to ateng@sco.ca.gov. Or, if you wish, you may call Angie of the Local Reimbursements Section at (916) 323-0706.

For your reference, these and future mandated costs claiming instructions and forms can be found on the Internet at www.sco.ca.gov/ard/local/locreim/index.shtml.

Address for Filing Claims

Claims should be rounded to the nearest dollar. Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms and supporting documents.

To expedite the payment process, please sign the form in blue ink, and attach a copy of the form FAM-27 to the top of the claim package.

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

Amended: September 26, 2008

Adopted: March 30, 2005

AMENDMENTS TO PARAMETERS AND GUIDELINES

Public Resources Code Sections 40148, 40196.3, 42920-42928

Public Contract Code Sections 12167 and 12167.1

Statutes 1999, Chapter 764 (A.B. 75)

Statutes 1992, Chapter 1116 (A.B. 3521)

State Agency Model Integrated Waste Management Plan (February 2000)

Integrated Waste Management

00-TC-07

Santa Monica and Lake Tahoe Community College Districts, Co-claimants

I. SUMMARY OF THE MANDATE

On March 25, 2004, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that Public Resources Code sections 40148, 40196.3, 42920-42928; Public Contract Code sections 12167 and 12167.1; and the State Agency Model Integrated Waste Management Plan (February 2000) require new activities, as specified below, which constitute new programs or higher levels of service for community college districts within the meaning of article XIII B, section 6, of the California Constitution, and impose costs mandated by the state pursuant to Government Code section 17514.

Specifically, the Commission approved this test claim for the increased costs of performing the following specific new activities:

- **Comply with the model plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000):** A community college must comply with the California Integrated Waste Management Board's (Board) model integrated waste management plan, which includes consulting with the Board to revise the model plan, as well as completing and submitting to the Board the following: (1) state agency or large state facility information form; (2) state agency list of facilities; (3) state agency waste reduction and recycling program worksheet, including the sections on program activities, promotional programs, and procurement activities; and (4) state agency integrated waste management plan questions.
- **Designate a solid waste reduction and recycling coordinator (Pub. Resources Code, § 42920, subd. (c)):** A community college must designate one solid waste reduction and recycling coordinator to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928), including implementing the community college's integrated waste management plan, and acting as a liaison to other state agencies (as defined by section 40196.3) and coordinators.

- **Divert solid waste (Pub. Resources Code, §§ 42921 & 42922, subd. (i)):** A community college must divert at least 25 percent of all its solid waste from landfill disposal or transformation facilities by January 1, 2002, through source reduction, recycling, and composting activities, and divert at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting.

A community college unable to comply with this diversion requirement may instead seek, until December 31, 2005, either an alternative requirement or time extension (but not both) as specified below:

- **Seek an alternative requirement (Pub. Resources Code, §§ 42927 & 42922, subds. (a) & (b)):** A community college that is unable to comply with the 50-percent diversion requirement must: (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the 50-percent requirement; (3) participate in a public hearing on its alternative requirement; (4) provide the Board with information as to (a) the community college's good faith efforts to effectively implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board; (b) the community college's inability to meet the 50-percent diversion requirement despite implementing the measures in its plan; (c) the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve, and (d) relate to the Board circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.
- **Seek a time extension (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c)):** A community college that is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, must do the following pursuant to section 42923, subdivisions (a) and (c): (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the January 1, 2002 deadline; (3) provide evidence to the Board that it is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan; and (4) provide information to the Board that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college. (5) The community college must also submit a plan of correction that demonstrates that it will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be

implemented to meet those requirements, and the means by which these programs will be funded.

- **Report to the Board (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i)):** A community college must annually submit, by April 1, 2002 and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report is to encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (1) calculations of annual disposal reduction; (2) information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors; (3) a summary of progress implementing the integrated waste management plan; (4) the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste. (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.) (5) For a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension. (6) For a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.
- **Submit recycled material reports (Pub. Contract Code, § 12167.1):** A community college must annually report to the Board on quantities of recyclable materials collected for recycling.

State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates, et al. (Sacramento County Superior Court, Case No. 07CS00355)

The Department of Finance and the Integrated Waste Management Board filed a petition for writ of mandate in March 2007, asking the court to set aside the Commission's decision granting the test claim and to require the Commission to issue a new Statement of Decision and parameters and guidelines that give full consideration to the community colleges' cost savings (e.g. avoided landfill disposal fees) and revenues (from recyclables) by complying with the test claim statutes. Petitioners' position was that the Commission had not properly accounted for all the offsetting cost savings from avoided disposal costs, or offsetting revenues from the sale of recyclable materials, in the Statement of Decision or parameters and guidelines. The Judgment and a Writ of Mandate were issued on June 30, 2008, ordering the Commission to:

1. amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims, consistent with the directions for revenue in Public Contract code sections 12167 and 12167.1, cost savings realized as a result of implementing their plans; and

2. amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims all of the revenue generated as a result of implementing their plans, without regard to the limitations or conditions described in sections 12167 and 12167.1 of the Public Contract Code.

II. ELIGIBLE CLAIMANTS

Community college districts that incur increased costs as a result of this mandate are eligible to claim reimbursement.

III. PERIOD OF REIMBURSEMENT

Government Code section 17557 states that a test claim must be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on March 9, 2001. Therefore, costs incurred for compliance with Public Contract Code sections 12167 and 12167.1 (Stats. 1992, ch. 1116) are eligible for reimbursement on or after July 1, 1999. However, because of the statute's operative date, all other costs incurred pursuant to Statutes 1999, chapter 764 are eligible for reimbursement on or after January 1, 2000.

Seeking an alternative diversion goal or time extension (Pub. Resources Code, §§ 42922, 42923, and 42927) is reimbursable until December 31, 2005.

Actual costs for one fiscal year should be included in each claim. Pursuant to Government Code section 17561, subdivision (d), all claims for reimbursement of initial years' costs shall be submitted within 120 days of the issuance of the claiming instructions by the State Controller.

If the total costs for a given fiscal year do not exceed \$1000, 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 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, receipts, and the community college plan approved by the Board.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, 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. One-Time Activities (*Reimbursable starting January 1, 2000*)

1. Develop the necessary district policies and procedures for the implementation of the integrated waste management plan.
2. Train district staff on the requirements and implementation of the integrated waste management plan (one-time per employee). Training is limited to the staff working directly on the plan.

B. Ongoing Activities (*Reimbursable starting January 1, 2000*)

1. Complete and submit to the Board the following as part of the State Agency Model Integrated Waste Management Plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.):
 - a. state agency or large state facility information form;
 - b. state agency list of facilities;
 - c. state agency waste reduction and recycling program worksheets that describe program activities, promotional programs, and procurement activities, and other questionnaires; and
 - d. state agency integrated waste management plan questions.

NOTE: Although reporting on promotional programs and procurement activities in the model plan is reimbursable, implementing promotional programs and procurement activities is not.

2. Respond to any Board reporting requirements during the approval process. (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
3. Consult with the Board to revise the model plan, if necessary.¹ (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
4. Designate one solid waste reduction and recycling coordinator ("coordinator") for each college in the district to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928). The coordinator shall implement the integrated waste management plan. The coordinator shall act as a liaison to other state agencies (as defined by section 40196.3) and coordinators. (Pub. Resources Code, § 42920, subd. (c).)

¹ Attachment 1, California Integrated Waste Management Board, State Agency Model Integrated Waste Management Plan (February 2000).

5. Divert at least 25 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2002, and at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting activities. Maintain the required level of reduction, as approved by the Board. (Pub. Resources Code, §§ 42921 & 42922, subd. (i).)

C. Alternative Compliance (*Reimbursable from January 1, 2000 – December 31, 2005*)

1. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c).)
 - a. Notify the Board in writing, detailing the reasons for its inability to comply.
 - b. Request of the Board an alternative to the January 1, 2002 deadline.
 - c. Provide evidence to the Board that the college is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan.
 - d. Provide information that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college.
 - e. Submit a plan of correction that demonstrates that the college will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be implemented to meet those requirements, and the means by which these programs will be funded.
2. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2004 deadline to divert 50 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42922, subds. (a) & (b).)
 - a. Notify the Board in writing, detailing the reasons for its inability to comply.
 - b. Request of the Board an alternative to the 50-percent requirement.
 - c. Participate in a public hearing on its alternative requirement.
 - d. Provide the Board with information as to:
 - (i) the community college's good faith efforts to implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board;
 - (ii) the community college's inability to meet the 50 percent diversion requirement despite implementing the measures in its plan;

- (iii) how the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve; and,
- (iv) the circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.

D. Accounting System (*Reimbursable starting January 1, 2000*)

Developing, implementing, and maintaining an accounting system to enter and track the college's source reduction, recycling and composting activities, the cost of those activities, the proceeds from the sale of any recycled materials, and such other accounting systems which will allow it to make its annual reports to the state and determine waste reduction. Note: only the pro-rata portion of the costs incurred to implement the reimbursable activities can be claimed.

E. Annual Report (*Reimbursable starting January 1, 2000*)

Annually prepare and submit, by April 1, 2002, and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report must encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i).)

1. calculations of annual disposal reduction;
2. information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors;
3. a summary of progress made in implementing the integrated waste management plan;
4. the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.);
5. for a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension;
6. for a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.

F. Annual Recycled Material Reports (*Reimbursable starting July 1, 1999*)

Annually report to the Board on quantities of recyclable materials collected for recycling. (Pub. Contract Code, § 12167.1.)

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.

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.

6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1., Salaries and Benefits, and A.2., Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3., Contracted Services.

B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, "Cost Principles of Educational Institutions"; (2) the rate calculated on State Controller's Form FAM-29C; or (3) a 7% indirect cost rate.

VI. RECORD 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 chapter 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.

VII. OFFSETTING REVENUES AND REIMBURSEMENTS

Reimbursement for this mandate from any source, including but not limited to, services fees

collected, federal funds, and other state funds allocated to any service provided under this program, shall be identified and offset from this claim. Offsetting revenue shall include all revenues generated from implementing the Integrated Waste Management Plan.

In addition, revenue from a building-operating fee imposed pursuant to Education Code section 76375, subdivision (a) if received by a claimant and the revenue is applied to this program, shall be deducted from the costs claimed.

VIII. OFFSETTING COST SAVINGS

Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management plans shall be identified and offset from this claim as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1. Pursuant to these statutes, community college districts are required to deposit cost savings resulting from their Integrated Waste Management plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the California Integrated Waste Management Board for the purpose of offsetting Integrated Waste Management plan costs. Subject to the approval of the California Integrated Waste Management Board, cost savings by a community college that do not exceed two thousand dollars (\$2,000) annually are continuously appropriated for expenditure by the community college for the purpose of offsetting Integrated Waste Management program costs. Cost savings exceeding two thousand dollars (\$2,000) annually may be available for expenditure by the community college only when appropriated by the Legislature. To the extent so approved or appropriated and applied to the college, these amounts shall be identified and offset from the costs claimed for implementing the Integrated Waste Management Plan.

IX. STATE CONTROLLER'S REVISED CLAIMING INSTRUCTIONS

The Controller shall, within 60 days after receiving amended parameters and guidelines prepare and issue revised claiming instructions for mandates that require state reimbursement after any decision or order of the commission pursuant to section 17559. 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 the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission. In preparing revised claiming instructions, the Controller may request the assistance of other state agencies. (Gov. Code, § 17558, subdivision (c).)

If revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between November 15 and February 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.

X. 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 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.

XI. 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.

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT		For State Controller Use Only (19) Program Number 00256 (20) Date Filed (21) LRS Input		Program 256
(01) Claimant Identification Number		Reimbursement Claim Data		
(02) Claimant Name		(22) FORM-1, (04)(f)		
Address		(23) FORM-1, (05)		
		(24) FORM-1, (08)		
		(25) FORM-1, (09)		
Type of Claim	Estimated Claim	Reimbursement Claim	(26) FORM-1, (10)	
	(03) Estimated	(09) Reimbursement <input type="checkbox"/>	(27)	
	(04) Combined	(10) Combined <input type="checkbox"/>	(28)	
	(05) Amended	(11) Amended <input type="checkbox"/>	(29)	
Fiscal Year of Cost	(06)	(12)	(30)	
Total Claimed Amount	(07)	(13)	(31)	
Less: Late Penalty (refer to claiming instructions)		(14)	(32)	
Less: Prior Claim Payment Received		(15)	(33)	
Net Claimed Amount		(16)	(34)	
Due from State	(08)	(17)	(35)	
Due to State		(18)	(36)	
<p>(37) CERTIFICATION OF CLAIM</p> <p>In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the community college to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amounts for the Reimbursement Claim are hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer		Date		
_____		_____		
Type or Print Name		Title		
_____		_____		
(38) Name of Contact Person for Claim		Telephone Number _____		
_____		E-mail Address _____		

Program 256	INTEGRATED WASTE MANAGEMENT CERTIFICATION CLAIM FORM INSTRUCTIONS	FORM FAM-27
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- (01) Enter the payee number assigned by the State Controller's Office.
- (02) Enter your Official Name, County of Location, Street or P. O. Box address, City, State, and Zip Code.
- (03) Leave blank.
- (04) Leave blank.
- (05) Leave blank.
- (06) Leave blank.
- (07) Leave blank.
- (08) Leave blank.
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing a combined reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim from Form-1A, line (11). The total claimed amount must exceed \$1,000.
- (14) Reimbursement claims must be filed by **February 15** of the following fiscal year in which costs were incurred or the claims will be reduced by a late penalty. Enter zero if the claim was timely filed, otherwise, enter the product of multiplying line (13) by the factor 0.10 (10 % penalty), not to exceed \$10,000.
- (15) If filing a reimbursement claim or a claim was previously filed for the same fiscal year, enter the amount received for the claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g., Form-1, (04)(f), means the information is located on Form-1, block (04), column (f). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 7.548% should be shown as 8. **Completion of this data block will expedite the payment process.**
- (37) Read the statement "Certification of Claim." If it is true, the claim must be dated, signed by the district's authorized officer, and must include the person's name and title, typed or printed. **Claims cannot be paid unless accompanied by an original signed certification. (To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**
- (38) Enter the name, telephone number, and e-mail address of the person to contact if additional information is required.

SUBMIT A SIGNED ORIGINAL, AND A COPY OF FORM FAM-27, WITH ALL OTHER FORMS AND SUPPORTING DOCUMENTS TO:

Address, if delivered by U.S. Postal Service:

OFFICE OF THE STATE CONTROLLER
 ATTN: Local Reimbursements Section
 Division of Accounting and Reporting
 P.O. Box 942850
 Sacramento, CA 94250

Address, if delivered by other delivery service:

OFFICE OF THE STATE CONTROLLER
 ATTN: Local Reimbursements Section
 Division of Accounting and Reporting
 3301 C Street, Suite 500
 Sacramento, CA 95816

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM 1A
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(01) Claimant	(02) Type of Claim Reimbursement	Fiscal Year
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Direct Costs	Object Accounts					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. One-Time Activity						
1. Develop Policies and Procedures						
2. Train District Staff on IWM Plan						
B. Ongoing Activities						
1. Complete and Submit IWM Plan to Board						
2. Respond to Board Requirements						
3. Consult with Board to Revise Plan						
4. Designate Coordinator for Each College						
5. Divert Solid Waste/Maintain Required Level						
(04) Total Direct Costs						

Indirect Costs		
(05) Indirect Cost Rate	[Refer to Claiming Instructions]	
(06) Total Indirect Costs	[Refer to Claiming Instructions]	
(07) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	
(08) Total from Forms 1A, 1B, and 1C	[Add 1A(07) + 1B(07) + 1C(07)]	

Cost Reduction		
(09) Less: Offsetting Savings		
(10) Less: Other Reimbursements		
(11) Total Claimed Amount	[Line (08) - {(line (09) + line (10))}]	

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY INSTRUCTIONS	FORM 1A
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (03) Reimbursable Activities. For each reimbursable activity, enter the totals from form Form-2A, line (09), columns (d) through (h), to form Form-1A, block (03), columns (a) through (e), in the appropriate row. Total each row.
- (B)(5) Divert Solid Waste/Maintain Required Level. If this activity is claimed, Form 1B for Alternative Compliance must not be completed.**
- (04) Total Direct Costs. Total columns (a) through (f).
- (05) Use the SCO FAM-29C, Flat 7%, or Federally Approved OMB A-21 methodology if specifically allowed by the P's and G's for this program. **See the Community College Mandated Cost Manual, Section 9, Indirect Costs for important instructions on claiming indirect costs using the Federally Approved OMB A-21 Rate for electronic claims.**
- (06) Enter the result of multiplying *Salaries and Benefits Only*, line (04)(a), by the *Indirect cost rate*, line (05).
- (07) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (04)(f), and Total Indirect Costs, line (06).
- (08) Enter the sum total of Forms 1A, 1B and 1C here.
- (09) Less: Offsetting Savings. If applicable, enter the total savings experienced by the claimant as a direct result of this mandate, such as reduction in disposal costs, staff reductions (including benefits), materials and supplies (less purchases due to re-use), elimination of storage, reduction in transportation costs, equipment, and any other relevant reduction in costs. Submit a detailed schedule of savings with the claim.
- (10) Less: Other Reimbursements. If applicable, enter the amount of other reimbursements received from any source including, but not limited to, sale of recyclables, sale of surplus equipment, service fees collected, federal funds, and other state funds, which reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (11) Total Claimed Amount. From Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Savings, line (09), and Other Reimbursements, line (10). Enter the remainder on this line and carry the amount forward to form FAM-27, line (13) for the Reimbursement Claim.

Program <b style="font-size: 24pt;">256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM <b style="font-size: 24pt;">1B
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(01) Claimant	(02) Type of Claim Reimbursement	Fiscal Year
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C. Alternative Compliance (From 01/01/2000 to 12/31/2005) Do not complete if B5 on Form 1A is claimed.

(03) Reimbursable Activities: **Choose either 1 or 2, as applicable.**

Direct Costs		Object Accounts					
1.	Alternative Requirement of Time Extension (If unable to comply with 01/01/02 deadline to divert 25% of solid waste per PRC §§ 42927 & 42923 (a) & (c))	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
a.	Provide Written Notification to the Board						
b.	Request Alternative from the Board						
c.	Provide Evidence to the Board						
d.	Provide Relevant Information						
e.	Submit Plan of Correction						
(04) Total Direct Costs							

Direct Costs		Object Accounts					
2.	Alternative Requirement of Time Extension (If unable to comply with 01/01/04 deadline to divert 25% of solid waste per PRC §§ 42927 & 42922 (a) & (b))	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
a.	Provide Written Notification to the Board						
b.	Request Alternative from the Board						
c.	Participate in Public Hearing						
d.	Provide Information to the Board						
(04) Total Direct Costs							

Indirect Costs	
(05) Indirect Cost Rate	[Refer to Claiming Instructions]
(06) Total Indirect Costs	[Refer to Claiming Instructions]
(07) Total Direct and Indirect Costs	[Line (05)(f) + line (06)] [Forward total to Form-1A, line (08)]

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM 1B
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This form is to be completed only if the community college is unable to comply with the reimbursable activity, listed on the P's and G's page 6, under IV. REIMBURSABLE ACTIVITIES, B.5., Ongoing Activities, and listed on Form-1A as Divert Solid Waste/Maintain Required Level.

Choose either Reimbursable Activity 1 or 2, as applicable.

If the community college is unable to comply with the **January 1, 2002**, deadline to divert at least **25%** of all solid waste from landfill disposal or transformation facilities, complete **Reimbursable Activity 1**.

If the community college is unable to comply with the **January 1, 2004**, deadline to divert at least **50%** of all solid waste from landfill disposal or transformation facilities, complete **Reimbursable Activity 2**.

- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of claim.
- (03) Reimbursable Activities. For each reimbursable activity, enter the total from form 2B, line (09), columns (d) through (h) to form 1A, block (03), columns (a) through (e) in the appropriate row. Total each row.
- (04) Total Direct Costs. Total columns (a) through (f).
- (05) Use the SCO FAM-29C, Flat 7%, or Federally Approved OMB A-21 methodology if specifically allowed by the P's and G's for this program. **See the Community College Mandated Cost Manual, Section 9, Indirect Costs for important instructions on claiming indirect costs using the Federally Approved OMB A-21 Rate for electronic claims.**
- (06) Depending on the direct cost method used, enter the result of multiplying *Salaries and Benefits Only*, line (04)(1)(a) or line (04)(2)(a), by the *Indirect cost rate*, line (05).
- (07) Total Direct and Indirect Costs. Actual Cost Method: Enter the sum of Total Direct Costs, line (04)(f), and Total Indirect Costs, line (06). Forward this amount to Form-1A, line (08).

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY						FORM 1C
(01) Claimant				(02) Type of Claim Reimbursement		Fiscal Year	
Direct Costs		Object Accounts					
(03)	Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
D.	Accounting System	Reimbursement begins January 1, 2000					
1.	Develop, Implement & Maintain System						
E.	Annual Report of Progress	Reimbursement begins January 1, 2000					
1.	Calculations of Annual Disposal Reduction						
2.	Information on the Changes						
3.	Summary of Process Made in IWM Plan						
4.	The Extent of CCD's Use of IWM Plan						
5.	Time Extension Summary of Progress						
6.	Alternative Reduction Summary of Progress						
F.	Annual Recycled Material Reports	Reimbursement begins July 1, 1999					
1.	Annual Report to the Board						
(04) Total Direct Costs							
Indirect Costs							
(05) Indirect Cost Rate				[Refer to Claiming Instructions]			
(06) Total Indirect Costs				[Refer to Claiming Instructions]			
(07) Total Direct and Indirect Costs				[Line (04)(f) + line (06)] [Forward total to Form-1A, line (08)]			

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY INSTRUCTIONS	FORM 1C
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (03) Reimbursable Activities. For each reimbursable activity, enter the totals from form Form-2C, line (09), columns (d) through (h), to form Form-1C, block (03), columns (a) through (e), in the appropriate row. Total each row.
- (B)(5) Divert Solid Waste/Maintain Required Level. If this activity is claimed, Form 1B for Alternative Compliance must not be completed.
- (04) Total Direct Costs. Total columns (a) through (f).
- (05) Use the SCO FAM-29C, Flat 7%, or Federally Approved OMB A-21 methodology if specifically allowed by the P's and G's for this program. **See the Community College Mandated Cost Manual, Section 9, Indirect Costs for important instructions on claiming indirect costs using the Federally Approved OMB A-21 Rate for electronic claims.**
- (06) Enter the result of multiplying *Salaries and Benefits Only*, line (04)(a), by the *Indirect cost rate*, line (05).
- (07) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (04)(f), and Total Indirect Costs, line (06). Forward this total to Form-1A, line (08).

Program <h1 style="margin:0;">256</h1>	MANDATED COSTS INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL	FORM <h1 style="margin:0;">2A</h1>
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(01) Claimant	(02) Fiscal Year
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(03) If filing a combined claim, enter the combined claimant name below Electronic Claim Only	(04) If filing by departments with different indirect cost rates, enter the department name below Electronic Claim Only
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(05) Indirect Cost Rate Electronic Claim Only	(06) Indirect Cost Rate Base Electronic Claim Only
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(07) Reimbursable Components: Check only one box per form to identify the activity being claimed.

<p>One-Time Activities</p> <p><input type="checkbox"/> Development of Policies and Procedures</p> <p><input type="checkbox"/> Train District Staff on IWM Plan</p>	<p>Ongoing Activities</p> <p><input type="checkbox"/> Complete and Submit of IWM Plan to Board</p> <p><input type="checkbox"/> Respond to Board Requirements</p> <p><input type="checkbox"/> Consult with Board to Revise Plan</p> <p><input type="checkbox"/> Designate Coordinator for Each College</p> <p><input type="checkbox"/> Divert Solid Waste/Maintain Required Level</p>
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(08) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training

(09) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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Program 256	INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2A
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year for which costs were incurred.
- (03) Leave blank.
- (04) Leave blank.
- (05) Leave blank.
- (06) Leave blank.
- (07) Reimbursable Activities. Check the box that indicates the activity being claimed. Check only one box per form. A separate Form-2 must be prepared for each applicable activity.
- (08) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, and travel and training expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit shall be from the date of initial payment of the claim. Such documents shall be made available to SCO on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Salaries and Benefits									
Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service			Cost=Hourly Rate x Hours Worked or Total Contract Cost			Copy of Contract and Invoices
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage		
Travel and Training									
Travel	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode					Total Travel Cost = Rate x Days or Miles	
Training	Employee Name/Title Name of Class		Dates Attended					Registration Fee	

- (09) Total line (08), columns (d) through (h) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (09), columns (d) through (h) to Form-1A, block (03), columns (a) through (e) in the appropriate row.

Program <b style="font-size: 24pt;">256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL	FORM <b style="font-size: 24pt;">2B
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(01) Claimant	(02) Fiscal Year
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(03) If filing a combined claim, enter the combined claimant name below. Electronic Claim Only	(04) If filing by departments with different indirect cost rates, enter the department name below. Electronic Claim Only
---	---

(05) Indirect Cost Rate Electronic Claim Only	(06) Indirect Cost Rate Base Electronic Claim Only
--	---

(07) Reimbursable Components: Check only one box per form to identify the activity being claimed.

1. Alternative Requirement or Time <input type="checkbox"/> Provide Written Notification to the Board <input type="checkbox"/> Request Alternative from the Board <input type="checkbox"/> Provide Evidence to the Board <input type="checkbox"/> Provide Relevant Information <input type="checkbox"/> Submit Plan of Correction	2. Alternative Requirement or Time Extension <input type="checkbox"/> Provide Written Notification to the Board <input type="checkbox"/> Request Alternative from the Board <input type="checkbox"/> Participate in Public Hearing <input type="checkbox"/> Provide Information to the Board
---	---

(08) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training

(09) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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Program 256	INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2B
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year for which costs were incurred.
- (03) Leave blank.
- (04) Leave blank.
- (05) Leave blank.
- (06) Leave blank.
- (07) Reimbursable Activities. Check the box that indicates the activity being claimed. Check only one box per form. A separate Form-2 must be prepared for each applicable activity.
- (08) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, and travel and training expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit shall be from the date of initial payment of the claim. Such documents shall be made available to SCO on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Salaries and Benefits	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
Salaries									
Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service			Cost=Hourly Rate x Hours Worked or Total Contract Cost			Copy of Contract and Invoices
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage		
Travel and Training	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode					Total Travel Cost = Rate x Days or Miles	
Training	Employee Name/Title Name of Class		Dates Attended					Registration Fee	

- (09) Total line (08), columns (d) through (h) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (09), columns (d) through (h) to Form-1A, block (03), columns (a) through (e) in the appropriate row.

Program <h1 style="margin:0;">256</h1>	MANDATED COSTS INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL	FORM <h1 style="margin:0;">2C</h1>
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(01) Claimant	(02) Fiscal Year
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(03) If filing a combined claim, enter the combined claimant name below Electronic Claim Only	(04) If filing by departments with different indirect cost rates, enter the department name below Electronic Claim Only
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(05) Indirect Cost Rate Electronic Claim Only	(06) Indirect Cost Rate Base Electronic Claim Only
--	---

(07) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

D. Accounting System <input type="checkbox"/> Develop, Implement & Maintain System	E. Annual Report of Progress <input type="checkbox"/> Calculations of Annual Disposal Reduction
F. Annual Recycled Material Reports <input type="checkbox"/> Annual Report to the Board	<input type="checkbox"/> Information on the Changes <input type="checkbox"/> Summary of Progress Made in IWM Plan <input type="checkbox"/> The Extent of CCD's Use of IWM Plan <input type="checkbox"/> Time Extension Summary of Progress <input type="checkbox"/> Alternative Reduction Summary of Progress

(08) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training

(09) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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Program 256	INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2C
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year for which costs were incurred.
- (03) Leave blank.
- (04) Leave blank.
- (05) Leave blank.
- (06) Leave blank.
- (07) Reimbursable Activities. Check the box that indicates the activity being claimed. Check only one box per form. A separate Form-2 must be prepared for each applicable activity.
- (08) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, and travel and training expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit shall be from the date of initial payment of the claim. Such documents shall be made available to SCO on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Salaries and Benefits	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service			Cost=Hourly Rate x Hours Worked or Total Contract Cost			Copy of Contract and Invoices
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage		
Travel and Training	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode					Total Travel Cost = Rate x Days or Miles	
Training	Employee Name/Title Name of Class		Dates Attended					Registration Fee	

- (09) Total line (08), columns (d) through (h) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (09), columns (d) through (h) to Form-1A, block (03), columns (a) through (e) in the appropriate row.

FILING A CLAIM

1. Introduction

The law in the State of California, (GC Sections 17500 through 17617), provides for the reimbursement of costs incurred by community college districts (CCD) for costs mandated by the State. Costs mandated by the State means any increased costs which a CCD is required to incur after July 1, 1980, as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

Estimated claims that show costs to be incurred in the current fiscal year and reimbursement claims that detail the costs actually incurred for the prior fiscal year may be filed with the State Controller's Office (SCO). Claims for on-going programs are filed annually by January 15. Claims for new programs are filed within 120 days from the date claiming instructions are issued for the program. A 10 percent penalty, up to \$1,000 for continuing claims, no limit for initial claims, is assessed for late claims. The SCO may audit the records of any CCD to verify the actual amount of mandated costs and may reduce any claim that is excessive or unreasonable.

When a program has been reimbursed for three or more years, the Commission on State Mandates (COSM) may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD and, under certain circumstances, by any changes in workload. Claimants with an established entitlement do not file further claims for the program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds are made available.

The instructions contained in this manual are intended to provide general guidance for filing a mandated cost claim. Since each mandate is administered separately, it is important to refer to the specific program for information relating to established policies on eligible reimbursable costs.

2. Types of Claims

There are three types of claims: Reimbursement, estimated, and entitlement. A claimant may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year or may file an estimated claim for mandated costs to be incurred during the current fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program, would receive an automatic annual payment which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable. The claim must be filed with sufficient documentation to support the costs claimed. The types of documentation required to substantiate a claim are identified in the instructions for the program. The certification of claim, form FAM-27, must be signed and dated by the entity's authorized officer in order for the SCO to make payment on the claim.

A. Reimbursement Claim

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. The claim must include supporting documentation to substantiate the costs claimed.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal years of a program that was previously unfunded. Claims are due 120 days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement.

Annual reimbursement claims must be filed by January 15 following the fiscal year in which costs were incurred for the program. A reimbursement claim must detail the costs actually incurred in the prior fiscal year.

An actual claim for 2005-06 fiscal year, may be filed by January 15, 2007 without a late penalty. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$1,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. In order for a claim to be considered properly filed, it must include any specific supporting documentation requested in the instructions. Claims filed more than one year after the deadline or without the requested supporting documentation will not be accepted.

B. Estimated Claim

An estimated claim is defined in GC Section 17522 as any claim filed with the SCO, during the fiscal year in which the mandated costs are to be incurred by the CCD, against an appropriation made to the SCO for the purpose of paying those costs.

An estimated claim may be filed in conjunction with an initial reimbursement claim, annual reimbursement claim, or at other times for estimated costs to be incurred during the current fiscal year. Annual estimated claims are due January 15 of the fiscal year in which the costs are to be incurred. Initial estimated claims are due on the date specified in the claiming instructions. Timely filed estimated claims are paid before those filed after the deadline.

After receiving payment for an estimated claim, the claimant must file a reimbursement claim by January 15 following the fiscal year in which costs were incurred. If the claimant fails to file a reimbursement claim, monies received for the estimated claims must be returned to the State.

C. Entitlement Claim

An entitlement claim is defined in GC Section 17522 as any claim filed by a CCD with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, entitlement claims and supporting documents should be filed by January 15, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an apportionment reflective of the program's current year costs.

Once a mandate has been included in SMAS and the claimant has established a base year entitlement, the claimant will receive automatic payments from the SCO for the mandate. The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the implicit price deflator of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by the COSM for inclusion in SMAS on or after January 1, 1988, the payment for each year succeeding the three

year base period is adjusted according to any changes by both the deflator and average daily attendance. Annual apportionments for programs included in the system are paid on or before November 30 of each year.

A base year entitlement is determined by computing an average of the claimant's costs for any three consecutive years after the program has been approved for the SMAS process. The amount is first adjusted according to any changes in the deflator. The deflator is applied separately to each year's costs for the three years, which comprise the base year. The SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS.

3. Minimum Claim Amount

For initial claims and annual claims filed on or after September 30 2002, if the total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by GC Section 17564.

4. Filing Deadline for Claims

Initial reimbursement claims (first-time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within 120 days from the date of issuance of the program's claiming instructions by the SCO. If the initial reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% penalty. A claim filed more than one year after the deadline cannot be accepted for reimbursement.

Annual reimbursement claims for costs incurred during the previous fiscal year and estimated claims for costs to be incurred during the current fiscal year must be filed with the SCO and postmarked on or before January 15. If the annual or estimated reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$1,000. Claims must include supporting data to show how the amount claimed was derived. Without this information, the claim cannot be accepted.

Entitlement claims do not have a filing deadline. However, entitlement claims and supporting documents should be filed by January 15 to permit an orderly processing of claims. Entitlement claims are used to establish a base year entitlement amount for calculating automatic annual payments. Entitlement does not result in the claimant being reimbursed for costs incurred, but rather entitles the claimant to receive automatic payments from SMAS.

5. Payment of Claims

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer.

Reimbursement and estimated claims are paid within 60 days of the filing deadline for the claim, or 15 days after the date the appropriation for the claim is effective, whichever is later. A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than 365 days after the adoption of the program's statewide cost estimate. The SCO may withhold up to 20 percent of the amount of an initial claim until the claim is audited to verify the actual amount of the mandated costs. The 20 percent withheld is not subject to accrued interest.

In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature, which consider appropriations in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the COSM which will include these amounts in its report to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. When the supplementary funds are made available, the balance of the claims will be paid.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by the COSM. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the COSM. The SCO determines allowable reimbursable costs, subject to amendment by the COSM, for mandates funded by special legislation. Unless specified, allowable costs are those direct and indirect costs, less applicable credits, considered to be eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops general education, and travel costs.

6. State Mandates Apportionment System (SMAS)

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the COSM.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each CCD that has submitted reimbursement claims (or entitlement claims) for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims (or entitlement claims) for 1982-83, 1983-84, and 1984-85 years or any three consecutive fiscal years thereafter. The amounts are first adjusted by any change in the Implicit Price Deflator (IPD), which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the COSM's approval.

Each CCD with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The amount of apportionment is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and average daily attendance.

In the event a CCD has incurred costs for three consecutive fiscal years but did not file a reimbursement claim in one or more of those fiscal years, the CCD may file an entitlement claim for each of those missed years to establish a base year entitlement. An "entitlement claim" means any

claim filed by CCD with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement shall not include any nonrecurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the CCD determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in GC Section 17615.8 and requires the approval of the COSM.

7. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Each claimed reimbursable cost must be supported by documentation as described in Section 12. Costs that are typically classified as direct costs are:

(1) Employee Wages, Salaries, and Fringe Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classification, hours worked on the mandate, and rate of pay. The claimant may, in-lieu of reporting actual compensation and fringe benefits, use a productive hourly rate:

(a) Productive Hourly Rate Options

A CCD may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800* annual productive hours for all employees

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claim must include a computation of how these hours were computed.

* 1,800 annual productive hours excludes the following employee time:

- Paid holidays
- Vacation earned
- Sick leave taken
- Informal time off
- Jury duty
- Military leave taken.

(b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual fringe benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and fringe benefits and divide by the annual productive hours.

Table 1: Productive Hourly Rate, Annual Salary + Benefits Method

Formula:	Description:
$[(EAS + Benefits) \div APH] = PHR$	EAS = Employee's Annual Salary
	APH = Annual Productive Hours
$[(\$26,000 + \$8,099) \div 1,800 \text{ hrs}] = 18.94$	PHR = Productive Hourly Rate

- As illustrated in Table 1, if you assume an employee's compensation was \$26,000 and \$8,099 for annual salary and fringe benefits, respectively, using the "Salary + Benefits Method," the productive hourly rate would be \$18.94. To convert a biweekly salary to EAS, multiply the biweekly salary by 26. To convert a monthly salary to EAS, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.
2. A claimant may also compute the productive hourly rate by using the "Percent of Salary Method."

Table 2: Productive Hourly Rate, Percent of Salary Method

Example:		
Step 1: Fringe Benefits as a Percent of Salary		Step 2: Productive Hourly Rate
Retirement	15.00 %	Formula: $[(EAS \times (1 + FBR)) \div APH] = PHR$ $[(\$26,000 \times (1.3115)) \div 1,800] = \18.94
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	
Total	31.15 %	
Description:		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
FBR = Fringe Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 3, both methods produce the same productive hourly rate.

Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages and employee fringe benefits. Employee fringe benefits include employer's contributions for social security, pension plans, insurance, workmen's compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:

- The amount of compensation is reasonable for the service rendered.
- The compensation paid and benefits received are appropriately authorized by the governing board.
- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees.
- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level job position, perform an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at a higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable.

(c) Calculating an Average Productive Hourly Rate

In those instances where the parameters and guidelines allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

Table 3: Calculating an Average Productive Hourly Rate

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is \$45.88/5.50 hrs. = \$8.34			

(d) Employer's Fringe Benefits Contribution

A CCD has the option of claiming actual employer's fringe benefit contributions or may compute an average fringe benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and fringe benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each fringe benefit is computed, total them.

For example:

<u>Employer's Contribution</u>	<u>% of Salary</u>
Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

(e) Materials and Supplies

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the

number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies purchased to perform a particular mandated activity are expected to be reasonable in quality, quantity, and cost. Purchases in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases shall be claimed at the actual price after deducting discounts, rebates and allowances received by the CCD.

(f) Calculating a Unit Cost for Materials and Supplies

In those instances where the P's & G's suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

Table 1: Calculating A Unit Cost for Materials and Supplies

Supplies	<u>Cost Per Unit</u>	<u>Amount of Supplies Used Per Activity</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

Table 2: Calculating a Unit Cost for Materials and Supplies

Supplies	<u>Supplies Used</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	<u>2.00</u>
		<u>\$9.50</u>

If the number of reimbursable instances is 25, then the unit cost of supplies is \$0.38 per reimbursable instance (\$9.50/25).

(g) Contract Services

The cost of contract services is allowable if the CCD lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must give the name of the contractor, explain the reason for having to hire a contractor, describe the mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate shall not exceed the rate specified in the P's & G's for the mandated program. The contractor's

invoice, or statement, which includes an itemized list of costs for activities performed, must accompany the claim.

(h) Equipment Rental Costs

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the P's & G's for the particular mandate. Equipment rentals used solely for the mandate is reimbursable to the extent such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must explain the purpose and use for the equipment, the time period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the pro rata portion of the rental costs can be claimed.

(i) Capital Outlay

Capital outlays for land, buildings, equipment, furniture and fixtures may be claimed if the P's & G's specify them as allowable. If they are allowable, the parameters and guidelines for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the pro rata portion of the purchase price used to implement the reimbursable activities can be claimed.

(j) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the State Board of Control travel standards. When claiming travel expenses, the claimant must explain the purpose of the trip, identify the name and address of the persons incurring the expense, the date and time of departure and return for the trip, description of each expense claimed, the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking with receipts required for charges over \$10.00.

(k) Documentation

It is the responsibility of the claimant to make available to the SCO, upon request, documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

8. Indirect Costs

Indirect costs are: (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services and facilities. To be allowable, a cost must be allocable to a particular cost objective. Indirect costs must be distributed to benefiting cost objectives on bases which produce an equitable result related to the benefits derived by the mandate.

A CCD may claim indirect costs using the Controller's methodology (FAM-29C) outlined in the following paragraphs. If specifically allowed by a mandated program's P's & G's, a district may alternately choose to claim indirect costs using either (1) a federally approved rate prepared in

accordance with Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate.

The SCO developed FAM-29C to be consistent with OMB Circular A-21, cost accounting principles as they apply to mandated cost programs. The objective is to determine an equitable rate to allocate administrative support to personnel who performed the mandated cost activities. The FAM-29C methodology uses a direct cost base comprised of salary and benefit costs and operating expenses. Form FAM-29C provides a consistent indirect cost rate methodology for all CCD's mandated cost programs.

FAM-29C uses total expenditures that districts report in their *California Community Colleges Annual Financial and Budget Report (CCFS-311)*, Expenditures by Activity for the General Fund – Combined. The computation excludes Capital Outlay and Other Outgo in accordance with OMB Circular A-21. The indirect cost rate computation includes any depreciation or use allowance applicable to district buildings and equipment. Districts calculate depreciation or use allowance costs separately from the CCFS-311 report and should calculate them in accordance with OMB Circular A-21.

OMB Circular A-21, Section C.4, states that cost is allocable to a particular cost objective in accordance with the relative benefits received. Also, Section E.2.b. states that the overall objective of the cost allocation process is to distribute indirect costs to the institution's major functions in proportions reasonably consistent with their use of the institution's resources. In addition, Section E.2.c. notes that where certain items or categories of expense relate to less than all functions, such expenses should be set aside for selective allocation.

OMB Circular A-21, Section H, describes a simplified method for indirect cost rate calculations. However, Section H.1.b. states that the simplified method should not be used where it produces results that appear inequitable. As previously noted, FAM-29C strives to equitably allocate administrative support costs to personnel that perform mandated cost activities claimed by CCD. For example, library costs and department administration expenses, normally classified fully or partly as indirect costs in OMB Circular A-21, are instead classified as direct costs for FAM-29C. These costs do not benefit mandated cost activities. In summary, FAM-29C indirect costs include Operation and Maintenance of Plant; Planning, Policy Making, and Coordination; General Institutional Support Services (excluding Community Relations); and depreciation or use allowance. Community Relations includes fundraising costs, which are unallowable under OMB Circular A-21. If the district claims any costs from these indirect accounts as a direct mandate-related costs, the same costs should be reclassified as direct on FAM-29C.

Table 4 presents an example of the FAM-29C methodology.

Table 4: Indirect Cost Rate for Community Colleges

MANDATED COST					FORM	
INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS					FAM 29-C	
(1) Claimant			(02) Period of Claim			
Activity	EDP	Total Costs Per CCFS-311	Less: Capital Outlay and Other Outgo	FAM 29-C Adjusted Total	Indirect	Direct
Instructional Activities	599	\$ 51,792,408	\$ (230,904)	\$ 51,561,504		\$ 51,561,504
Instruct. Admin. & Instruct. Governance	6000	6,882,034	(216,518)	6,665,516		6,665,516
Instructional Support Services	6100	4,155,095	(9,348)	4,145,747		4,145,747
Admissions and Records	6200	2,104,543	(3,824)	2,100,719		2,100,719
Student Counseling and Guidance	6300	4,570,658	(1,605)	4,569,053		4,569,053
Other Student Services	6400	5,426,510	(41,046)	5,385,464		5,385,464
Operation and Maintenance of Plant	6500	8,528,585	(111,743)	8,416,842	8,416,842	
Planning, Policy Making, and Coordination	6600	5,015,333	(23,660)	4,991,673	4,991,673	
General Institutional Support Services	6700			-		
Community Relations	6710	885,089	(6,091)	878,998		878,998
Fiscal Operations	6720	1,891,424	(40,854)	1,850,570	1,850,570	
Human Resources Management	6730	1,378,288	(25,899)	1,352,389	1,352,389	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,011,060		1,011,060	1,011,060	
Staff Development	6750	108,655	(8,782)	99,873	99,873	
Staff Diversity	6760	30,125		30,125	30,125	
Logistical Services	6770	2,790,091	(244,746)	2,545,345	2,545,345	
Management Information Systems	6780	2,595,214	(496,861)	2,098,353	2,098,353	
Other General Institutional Support Services	6790	33,155	(4,435)	28,720	28,720	
Community Services and Economic Development	6800	340,014		340,014		340,014
Ancillary Services	6900	1,148,730	(296)	1,148,434		1,148,434
Auxiliary Operations	7000			-		-
Depreciation or Use Allowance - Building				-	2,620,741	
Depreciation or Use Allowance - Equipment				-	1,706,396	
				-		
Totals		<u>\$100,687,011</u>	<u>\$ (1,466,612)</u>	<u>\$ 99,220,399</u>	<u>\$26,752,087</u>	<u>\$ 76,795,449</u>
					(A)	(B)
Indirect Cost Rate (A)/(B)					<u>34.84%</u>	

9. Time Study Guidelines

Background

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used as a formula for reimbursing CCD costs mandated by the state that meets certain conditions specified in GC Section 17518.5(a). For costs incurred prior to January 1, 2005, a time study can only be substituted for continuous records of actual time spent for a specific fiscal year if the program's P's & G's allows for the use of time studies.

Two methods are acceptable for documenting employee time charged to mandated cost programs: Actual Time Reporting and Time Study, which are described below. Application of time study results is restricted. As explained in Time Study Results below, the results may be projected forward a maximum of two years provided the claimant meets certain criteria.

Actual Time Reporting

The P's & G's define reimbursable activities for each mandated cost program. (Some P's & G's refer to reimbursable activities as reimbursable components.) When employees work on multiple activities and/or programs, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards (which clarify documentation requirements discussed under the Reimbursable Activities section of recent P's & G's):

- They must reflect an after-the-fact (contemporaneous) distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for time distribution.

Time Study

In certain cases, a time study may be used to substitute for continuous records of actual time spent on multiple activities and/or programs. An effective time study requires that an activity be a task that is repetitive in nature. Activities that require a varying level of effort are not appropriate for time studies.

Time Study Plan

A time study plan is necessary before conducting the time study. The claimant must retain the time study plan for audit purposes. The plan needs to identify the following:

- Time period(s) to be studied – The plan must show that all time periods selected are representative of the fiscal year, and that the results can be reasonably projected to approximate actual costs.
- Activities and/or programs to be studied – For each mandated program included, the time study must separately identify each reimbursable activity defined in the mandated program's P's & G's, which are derived from the program's Statement of Decision. If a reimbursable activity in the P's & G's identifies separate and distinct sub-activities, they must also be treated as individual activities.

For example, sub-activities (a), (b), and (c) under reimbursable activity (B)(1) of the local agency's Domestic Violence Treatment Services: Authorization and Case Management program relate to information to be discussed during victim notification by the probation department and therefore are not separate and distinct activities. These sub-activities do not have to be separately studied.

- Process used to accomplish each reimbursable activity – Use flowcharts or similar analytical tools and/or written desk procedures to describe the process for each activity.
- Employee universe – The employee universe used in the time study must include all positions whose salaries and wages are to be allocated by means of the time study.
- Employee sample selection methodology – The plan must show that employees selected are representative of the employee universe, and the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations.
- Time increments to be recorded – The time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) might be used for employees performing only a few functions that change very slowly over time. Very small increments (a number of minutes) may be needed for employees performing more short-term tasks.

Random moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

Time Study Documentation

Time studies must:

- Be supported by time records that are completed contemporaneously;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities and/or programs performed during a specific time period; and
- Coincide with one or more pay periods.

Time records must be signed by the employee (electronic signatures are acceptable) and be supported by corroborating evidence which validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

Time Study Results

Time study results must be summarized to show how the time study supports the costs claimed for each activity. Any variations from the procedures identified in the original time study plan must be documented and explained.

Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant may not apply time study results retroactively.

- Annual Reimbursement Claims – Claimants may use time studies to support costs incurred on or after January 1, 2005. Claimants may not use time studies for the period July 1, 2004,

through December 31, 2004, unless (1) the program's P's & G's specifically allow time studies, and (2) the time study is prepared based on mandated activity occurring between July 1, 2004, and December 31, 2004.

- **Initial Claims** – When filing an initial claim for new mandated programs, claimants may only use time study results for costs incurred on or after January 1, 2005. Claimants may not use time studies to support costs incurred before January 1, 2005, unless (1) the program's P's & G's specifically allow time studies, and (2) the claimant prepares separate time studies for each fiscal year preceding January 1, 2005, based on mandated activity occurring during those years.

When projecting time study results, the claimant must certify that there have been no significant changes between years in either: (1) the requirements of each mandated program activity or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain corroborating evidence that validates the mandated activity was actually performed. Time study results used to support subsequent years' claims are subject to the recordkeeping requirements for those claims.

10. Offset Against State Mandated Claims

As noted previously, allowable costs are defined as those direct and indirect costs, less applicable credits, considered to be eligible for reimbursement. When all or part of the costs of a mandated program are specifically reimbursable from local assistance revenue sources (e.g., state, federal, foundation, etc.), only that portion of any increased costs payable from CCD funds is eligible for reimbursement under the provisions of GC Section 17561.

Example 1:

As illustrated in Table 5, this example shows how the "Offset against State Mandated Claims" is determined for a CCD receiving block grant revenues not based on a formula allocation. Program costs for each of the situations equals \$100,000.

Table 5: Offset Against State Mandates, Example 1

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	100,000 *	49,000	2,500	250	2,250

* CCD share is \$50,000 of the program cost.

Numbers (1) through (4), in Table 5, show intended funding at 100% from local assistance revenue sources. Numbers (5) and (6) show cost sharing on a 50/50 basis with the district. In numbers (1) through (6), included in the program costs of \$100,000 are state mandated costs of \$2,500. The offset against state mandated claims are the amount of actual local assistance revenues, which exceeds the difference between program costs and state mandated costs. This offset cannot exceed the amount of state mandated costs.

In (1), local assistance revenues were less than expected. Local assistance funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs.

In (4), local assistance revenues were fully realized to cover the entire cost of the program, including the state mandate activity; therefore, the offset against state mandated claims is \$2,500, and claimable costs are \$0.

In (5), the district is sharing 50% of the project cost. Since local assistance revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

In (6), local assistance revenues were less than the amount expended and the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.

Example 2:

As illustrated in Table 6, this example shows how the offset against state mandated claims is determined for a CCD receiving special project funds based on approved actual costs. Local assistance revenues for special projects must be applied proportionately to approve costs.

Table 6: Offset Against State Mandates, Example 2

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	100,000 **	45,000	1,500	1,125	375

** CCD share is \$25,000 of the program cost.

In (2), the entire program cost was approved. Since the local assistance revenue source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

If in (3) local assistance revenues are less than the amount expected because only \$60,000 of the \$100,000 program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claims is \$1,125. Therefore, the claimable mandated costs are \$375.

Federal and State Funding Sources

State school fund apportionments and federal aid for education, which are based on average daily attendance and are part of the general system of financing public schools as well as block grants which do not provide for specific reimbursement of costs (i.e., allocation formulas not tied to expenditures), should not be included as reimbursements from local assistance revenue sources.

Governing Authority

The costs of salaries and expenses of the governing authority, such as the school superintendent and governing board, are not reimbursable. These are costs of general government as described in the Office of Management and Budget Circular (OMB) 2 CFR Part 225.

11. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. If any adjustments are made to a claim, the claimant will receive a "Notice of Claim Adjustments" detailing adjustments made by the SCO.

12. Audit of Costs

All claims submitted to the State Controller's Office (SCO) are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the COSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment will be mailed within 30 days after payment of the claim.

Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by CCD pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was 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 no later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities 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.

On-site audits will be conducted by the SCO as deemed necessary. Accordingly, all documentation to support actual costs claimed must be retained for a period of three years after the end of the calendar year in which the reimbursement claim was filed or amended regardless of the year of costs incurred. When no funds are appropriated for initial claims at the time the claim is filed, supporting documents must be retained for three years from the date of initial payment of the claim. Claim documentation shall be made available to the SCO on request.

13. Source Documents

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, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." 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.

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used as a formula for reimbursing a CCD mandated by the state that meets certain conditions specified in 17518.5(a). For costs incurred prior to January 1, 2005, time study can substitute for continuous records of actual time spent for a specific fiscal year only if the program's P's & G's allow for the use of time studies.

14. Claim Forms and Instructions

A claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated and used by the claimant to file an estimated or reimbursement claim. The SCO will revise the manual and claim forms as necessary.

A. Form-2, Component/Activity Cost Detail

This form is used to segregate the detail costs by claim component. In some mandates, specific reimbursable activities have been identified for each component. The expenses reported on this form must be supported by the official financial records of the claimant and copies of supporting documentation, as specified in the claiming instructions, must be submitted with the claims. All supporting documents must be retained for a period of not less than three years after the reimbursement claim was filed or last amended.

B. Form-1, Claim Summary

This form is used to summarize direct costs by component and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

A CCD has the option of using a federally approved rate (i.e., utilizing the cost accounting principles from the Office of Management and Budget (OMB) 2 CFR Part 225) or from FAM-29C.

C. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized officer of the CCD. All applicable information from Form-1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 is required.

Claims should be rounded to the nearest dollar. Submit a signed original and one copy of form FAM-27, Claim for Payment, and all other forms and supporting documents (**To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**) Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
Other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

15. Retention of Claiming Instructions

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. These revisions should be inserted in the School Mandated Cost Manual and the old forms they replace should be removed. The instructions should then be retained permanently for future reference, and the forms should be duplicated to meet your filing requirements. Annually, updated forms and any other information or instructions claimants may need to file claims, as well as instructions and forms for all new programs released throughout the

year will be placed on the SCO's web site at www.sco.ca.gov/ard/local/locreim/index.shtml.

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, or send e-mail to lrsdar@sco.ca.gov, or call the Local Reimbursements Section at (916) 324-5729.

16. Retention of Claim Records and Supporting Documentation

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and that the claim was prepared in accordance with the SCO's claiming instructions and the COSM's P's and G's. If any adjustments are made to a claim, a "Notice of Claim Adjustments" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

On-site audits will be conducted by the SCO as deemed necessary. Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a school district is subject to audit by the SCO no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the SCO to initiate an audit shall commence to run from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and shall be made available to the SCO on request.

FILING A CLAIM

1. Introduction

The law in the State of California, (GC Sections 17500 through 17617), provides for the reimbursement of costs incurred by community college districts (CCD) for costs mandated by the State. Costs mandated by the State means any increased costs which a CCD is required to incur after July 1, 1980, as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

Estimated claims that show costs to be incurred in the current fiscal year and reimbursement claims that detail the costs actually incurred for the prior fiscal year may be filed with the State Controller's Office (SCO). Claims for on-going programs are filed annually by February 15. Claims for new programs are filed within 120 days from the date claiming instructions are issued for the program. A 10 percent penalty, up to \$10,000 for continuing claims, no limit for initial claims, is assessed for late claims. The SCO may audit the records of any CCD to verify the actual amount of mandated costs and may reduce any claim that is excessive or unreasonable.

When a program has been reimbursed for three or more years, the Commission on State Mandates (COSM) may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD and, under certain circumstances, by any changes in workload. Claimants with an established entitlement do not file further claims for the program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds are made available.

The instructions contained in this manual are intended to provide general guidance for filing a mandated cost claim. Since each mandate is administered separately, it is important to refer to the specific program for information relating to established policies on eligible reimbursable costs.

2. Types of Claims

There are three types of claims: Reimbursement, estimated, and entitlement. A claimant may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year or may file an estimated claim for mandated costs to be incurred during the current fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program, would receive an automatic annual payment which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable. The claim must be filed with sufficient documentation to support the costs claimed. The types of documentation required to substantiate a claim are identified in the instructions for the program. The certification of claim, form FAM-27, must be signed and dated by the entity's authorized officer in order for the SCO to make payment on the claim.

A. Reimbursement Claim

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. The claim must include supporting documentation to substantiate the costs claimed.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal years of a program that was previously unfunded. Claims are due 120 days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement.

Annual reimbursement claims must be filed by February 15 following the fiscal year in which costs were incurred for the program. A reimbursement claim must detail the costs actually incurred in the prior fiscal year.

An actual claim for 2006-07 fiscal year, may be filed by February 15, 2008 without a late penalty. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. In order for a claim to be considered properly filed, it must include any specific supporting documentation requested in the instructions. Claims filed more than one year after the deadline or without the requested supporting documentation will not be accepted.

B. Estimated Claim

An estimated claim is defined in GC Section 17522 as any claim filed with the SCO, during the fiscal year in which the mandated costs are to be incurred by the CCD, against an appropriation made to the SCO for the purpose of paying those costs.

An estimated claim may be filed in conjunction with an initial reimbursement claim, annual reimbursement claim, or at other times for estimated costs to be incurred during the current fiscal year. Annual estimated claims are due February 15 of the fiscal year in which the costs are to be incurred. Initial estimated claims are due on the date specified in the claiming instructions. Timely filed estimated claims are paid before those filed after the deadline.

After receiving payment for an estimated claim, the claimant must file a reimbursement claim by February 15 following the fiscal year in which costs were incurred. If the claimant fails to file a reimbursement claim, monies received for the estimated claims must be returned to the State.

C. Entitlement Claim

An entitlement claim is defined in GC Section 17522 as any claim filed by a CCD with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, entitlement claims and supporting documents should be filed by February 15, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an apportionment reflective of the program's current year costs.

Once a mandate has been included in SMAS and the claimant has established a base year entitlement, the claimant will receive automatic payments from the SCO for the mandate. The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the implicit price deflator of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by the COSM for inclusion in SMAS on or after January 1, 1988, the payment for each year succeeding the three

year base period is adjusted according to any changes by both the deflator and average daily attendance. Annual apportionments for programs included in the system are paid on or before November 30 of each year.

A base year entitlement is determined by computing an average of the claimant's costs for any three consecutive years after the program has been approved for the SMAS process. The amount is first adjusted according to any changes in the deflator. The deflator is applied separately to each year's costs for the three years, which comprise the base year. The SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS.

3. Minimum Claim Amount

For initial claims and annual claims filed on or after September 30 2002, if the total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by GC Section 17564.

4. Filing Deadline for Claims

Initial reimbursement claims (first-time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within 120 days from the date of issuance of the program's claiming instructions by the SCO. If the initial reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% penalty. A claim filed more than one year after the deadline cannot be accepted for reimbursement.

Annual reimbursement claims for costs incurred during the previous fiscal year and estimated claims for costs to be incurred during the current fiscal year must be filed with the SCO and postmarked on or before February 15. If the annual or estimated reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Claims must include supporting data to show how the amount claimed was derived. Without this information, the claim cannot be accepted.

Entitlement claims do not have a filing deadline. However, entitlement claims and supporting documents should be filed by February 15 to permit an orderly processing of claims. Entitlement claims are used to establish a base year entitlement amount for calculating automatic annual payments. Entitlement does not result in the claimant being reimbursed for costs incurred, but rather entitles the claimant to receive automatic payments from SMAS.

5. Payment of Claims

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer.

Reimbursement and estimated claims are paid within 60 days of the filing deadline for the claim, or 15 days after the date the appropriation for the claim is effective, whichever is later. A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than 365 days after the adoption of the program's statewide cost estimate. The SCO may withhold up to 20 percent of the amount of an initial claim until the claim is audited to verify the actual amount of the mandated costs. The 20 percent withheld is not subject to accrued interest.

Pursuant to GC section 17561 (d), the Controller shall pay any eligible claim by August 15 or 45 days after the date the appropriation for the claim is effective, whichever is later. In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature, which consider appropriations in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the COSM which will include these amounts in its report to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. When the supplementary funds are made available, the balance of the claims will be paid.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by the COSM. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the COSM. The SCO determines allowable reimbursable costs, subject to amendment by the COSM, for mandates funded by special legislation. Unless specified, allowable costs are those direct and indirect costs, less applicable credits, considered to be eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops general education, and travel costs.

6. State Mandates Apportionment System (SMAS)

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the COSM.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each CCD that has submitted reimbursement claims (or entitlement claims) for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims (or entitlement claims) for 1982-83, 1983-84, and 1984-85 years or any three consecutive fiscal years thereafter. The amounts are first adjusted by any change in the Implicit Price Deflator (IPD), which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the COSM's approval.

Each CCD with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The amount of apportionment is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and average daily attendance.

In the event a CCD has incurred costs for three consecutive fiscal years but did not file a

reimbursement claim in one or more of those fiscal years, the CCD may file an entitlement claim for each of those missed years to establish a base year entitlement. An "entitlement claim" means any claim filed by CCD with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement shall not include any nonrecurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the CCD determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in GC Section 17615.8 and requires the approval of the COSM.

7. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Each claimed reimbursable cost must be supported by documentation as described in Section 12. Costs that are typically classified as direct costs are:

(1) Employee Wages, Salaries, and Fringe Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classification, hours worked on the mandate, and rate of pay. The claimant may, in-lieu of reporting actual compensation and fringe benefits, use a productive hourly rate:

(a) Productive Hourly Rate Options

A CCD may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800* annual productive hours for all employees

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claim must include a computation of how these hours were computed.

* 1,800 annual productive hours excludes the following employee time:

- Paid holidays
- Vacation earned
- Sick leave taken
- Informal time off
- Jury duty
- Military leave taken.

(b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual fringe benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and fringe benefits and divide by the annual productive hours.

Table 1: Productive Hourly Rate, Annual Salary + Benefits Method

Formula: $[(EAS + Benefits) \div APH] = PHR$ $[(\$26,000 + \$8,099)] \div 1,800 \text{ hrs} = 18.94$	Description: EAS = Employee's Annual Salary APH = Annual Productive Hours PHR = Productive Hourly Rate
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- As illustrated in Table 1, if you assume an employee's compensation was \$26,000 and \$8,099 for annual salary and fringe benefits, respectively, using the "Salary + Benefits Method," the productive hourly rate would be \$18.94. To convert a biweekly salary to EAS, multiply the biweekly salary by 26. To convert a monthly salary to EAS, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.
2. A claimant may also compute the productive hourly rate by using the "Percent of Salary Method."

Table 2: Productive Hourly Rate, Percent of Salary Method

Example:		
Step 1: <i>Fringe Benefits as a Percent of Salary</i>		Step 2: <i>Productive Hourly Rate</i>
Retirement	15.00 %	Formula: $[(EAS \times (1 + FBR)) \div APH] = PHR$ $[(\$26,000 \times (1.3115)) \div 1,800] = \18.94
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	
Total	31.15 %	
Description:		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
FBR = Fringe Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 3, both methods produce the same productive hourly rate.
- Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages and employee fringe benefits. Employee fringe benefits include employer's contributions for social security, pension plans, insurance, workmen's compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:
- The amount of compensation is reasonable for the service rendered.
 - The compensation paid and benefits received are appropriately authorized by the governing board.
 - Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees.

- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level job position, perform an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at a higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable.

(c) Calculating an Average Productive Hourly Rate

In those instances where the parameters and guidelines allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

Table 3: Calculating an Average Productive Hourly Rate

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is $\$45.88 / 5.50 \text{ hrs.} = \8.34			

(d) Employer's Fringe Benefits Contribution

A CCD has the option of claiming actual employer's fringe benefit contributions or may compute an average fringe benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and fringe benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each fringe benefit is computed, total them.

For example:

<u>Employer's Contribution</u>	<u>% of Salary</u>
Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

(e) Materials and Supplies

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies purchased to perform a particular mandated activity are expected to be reasonable in quality, quantity, and cost. Purchases in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases shall be claimed at the actual price after deducting discounts, rebates and allowances received by the CCD.

(f) Calculating a Unit Cost for Materials and Supplies

In those instances where the P's & G's suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

Table 1: Calculating A Unit Cost for Materials and Supplies

Supplies	Cost Per Unit	Amount of Supplies Used Per Activity	Unit Cost of Supplies Per Activity
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

Table 2: Calculating a Unit Cost for Materials and Supplies

Supplies	Supplies Used	Unit Cost of Supplies Per Activity
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	<u>2.00</u>
		<u>\$9.50</u>

If the number of reimbursable instances is 25, then the unit cost of supplies is \$0.38 per reimbursable instance (\$9.50/25).

(g) Contract Services

The cost of contract services is allowable if the CCD lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must give the name of the contractor, explain the

reason for having to hire a contractor, describe the mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate shall not exceed the rate specified in the P's & G's for the mandated program. The contractor's invoice, or statement, which includes an itemized list of costs for activities performed, must accompany the claim.

(h) Equipment Rental Costs

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the P's & G's for the particular mandate. Equipment rentals used solely for the mandate is reimbursable to the extent such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must explain the purpose and use for the equipment, the time period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the pro rata portion of the rental costs can be claimed.

(i) Capital Outlay

Capital outlays for land, buildings, equipment, furniture and fixtures may be claimed if the P's & G's specify them as allowable. If they are allowable, the parameters and guidelines for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the pro rata portion of the purchase price used to implement the reimbursable activities can be claimed.

(j) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the State Board of Control travel standards. When claiming travel expenses, the claimant must explain the purpose of the trip, identify the name and address of the persons incurring the expense, the date and time of departure and return for the trip, description of each expense claimed, the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking with receipts required for charges over \$10.00.

(k) Documentation

It is the responsibility of the claimant to make available to the SCO, upon request, documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

8. Indirect Costs

Indirect costs are: (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services and facilities. To be allowable, a cost must be allocable to a particular cost objective. Indirect costs must be distributed to benefiting cost objectives on bases which produce an equitable result related to the benefits derived by the mandate.

A CCD may claim indirect costs using the Controller's methodology (FAM-29C) outlined in the following paragraphs. If specifically allowed by a mandated program's P's & G's, a district may alternately choose to claim indirect costs using either (1) a federally approved rate prepared in accordance with Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate.

The SCO developed FAM-29C to be consistent with OMB Circular A-21, cost accounting principles as they apply to mandated cost programs. The objective is to determine an equitable rate to allocate administrative support to personnel who performed the mandated cost activities. The FAM-29C methodology uses a direct cost base comprised of salary and benefit costs and operating expenses. Form FAM-29C provides a consistent indirect cost rate methodology for all CCD's mandated cost programs.

FAM-29C uses total expenditures that districts report in their *California Community Colleges Annual Financial and Budget Report* (CCFS-311), Expenditures by Activity for the General Fund – Combined. The computation excludes Capital Outlay and Other Outgo in accordance with OMB Circular A-21. The indirect cost rate computation includes any depreciation or use allowance applicable to district buildings and equipment. Districts calculate depreciation or use allowance costs separately from the CCFS-311 report and should calculate them in accordance with OMB Circular A-21.

OMB Circular A-21, Section C.4, states that cost is allocable to a particular cost objective in accordance with the relative benefits received. Also, Section E.2.b. states that the overall objective of the cost allocation process is to distribute indirect costs to the institution's major functions in proportions reasonably consistent with their use of the institution's resources. In addition, Section E.2.c. notes that where certain items or categories of expense relate to less than all functions, such expenses should be set aside for selective allocation.

OMB Circular A-21, Section H, describes a simplified method for indirect cost rate calculations. However, Section H.1.b. states that the simplified method should not be used where it produces results that appear inequitable. As previously noted, FAM-29C strives to equitably allocate administrative support costs to personnel that perform mandated cost activities claimed by CCD. For example, library costs and department administration expenses, normally classified fully or partly as indirect costs in OMB Circular A-21, are instead classified as direct costs for FAM-29C. These costs do not benefit mandated cost activities. In summary, FAM-29C indirect costs include Operation and Maintenance of Plant; Planning, Policy Making, and Coordination; General Institutional Support Services (excluding Community Relations); and depreciation or use allowance. Community Relations includes fundraising costs, which are unallowable under OMB Circular A-21. If the district claims any costs from these indirect accounts as a direct mandate-related costs, the same costs should be reclassified as direct on FAM-29C.

Table 4 presents an example of the FAM-29C methodology.

Table 4: Indirect Cost Rate for Community Colleges

MANDATED COST INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS					FORM FAM 29-C	
(1) Claimant			(02) Period of Claim			
Activity	EDP	Total Costs Per CCFS-311	Less: Capital Outlay and Other Outgo	FAM 29-C Adjusted Total	Indirect	Direct
Instructional Activities	599	\$ 51,792,408	\$ (230,904)	\$ 51,561,504		\$ 51,561,504
Instruct. Admin. & Instruct. Governance	6000	6,882,034	(216,518)	6,665,516		6,665,516
Instructional Support Services	6100	4,155,095	(9,348)	4,145,747		4,145,747
Admissions and Records	6200	2,104,543	(3,824)	2,100,719		2,100,719
Student Counseling and Guidance	6300	4,570,658	(1,605)	4,569,053		4,569,053
Other Student Services	6400	5,426,510	(41,046)	5,385,464		5,385,464
Operation and Maintenance of Plant	6500	8,528,585	(111,743)	8,416,842	8,416,842	
Planning, Policy Making, and Coordination	6600	5,015,333	(23,660)	4,991,673	4,991,673	
General Institutional Support Services	6700			-		
Community Relations	6710	885,089	(6,091)	878,998		878,998
Fiscal Operations	6720	1,891,424	(40,854)	1,850,570	1,850,570	
Human Resources Management	6730	1,378,288	(25,899)	1,352,389	1,352,389	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,011,060		1,011,060	1,011,060	
Staff Development	6750	108,655	(8,782)	99,873	99,873	
Staff Diversity	6760	30,125		30,125	30,125	
Logistical Services	6770	2,790,091	(244,746)	2,545,345	2,545,345	
Management Information Systems	6780	2,595,214	(496,861)	2,098,353	2,098,353	
Other General Institutional Support Services	6790	33,155	(4,435)	28,720	28,720	
Community Services and Economic Development	6800	340,014		340,014		340,014
Ancillary Services	6900	1,148,730	(296)	1,148,434		1,148,434
Auxiliary Operations	7000			-		-
Depreciation or Use Allowance - Building				-	2,620,741	
Depreciation or Use Allowance - Equipment				-	1,706,396	
				-		
Totals		<u>\$100,687,011</u>	<u>\$ (1,466,612)</u>	<u>\$ 99,220,399</u>	<u>\$26,752,087</u>	<u>\$ 76,795,449</u>
					(A)	(B)
Indirect Cost Rate (A)/(B)					<u>34.84%</u>	

9. Time Study Guidelines

Background

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used as a formula for reimbursing CCD costs mandated by the state that meets certain conditions specified in GC Section 17518.5(a). For costs incurred prior to January 1, 2005, a time study can only be substituted for continuous records of actual time spent for a specific fiscal year if the program's P's & G's allows for the use of time studies.

Two methods are acceptable for documenting employee time charged to mandated cost programs: Actual Time Reporting and Time Study, which are described below. Application of time study results is restricted. As explained in Time Study Results below, the results may be projected forward a maximum of two years provided the claimant meets certain criteria.

Actual Time Reporting

The P's & G's define reimbursable activities for each mandated cost program. Some P's & G's refer to reimbursable activities as reimbursable components. When employees work on multiple activities and/or programs, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards which clarify documentation requirements discussed under the Reimbursable Activities section of recent P's & G's:

- They must reflect an after-the-fact (contemporaneous) distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for time distribution.

Time Study

In certain cases, a time study may be used to substitute for continuous records of actual time spent on multiple activities and/or programs. An effective time study requires that an activity be a task that is repetitive in nature. Activities that require a varying level of effort are not appropriate for time studies.

Time Study Plan

A time study plan is necessary before conducting the time study. The claimant must retain the time study plan for audit purposes. The plan needs to identify the following:

- Time period(s) to be studied: The plan must show that all time periods selected are representative of the fiscal year, and that the results can be reasonably projected to approximate actual costs.
- Activities and/or programs to be studied: For each mandated program included, the time study must separately identify each reimbursable activity defined in the mandated program's P's & G's, which are derived from the program's Statement of Decision. If a reimbursable activity in the P's & G's identifies separate and distinct sub-activities, they must also be treated as individual activities.

For example, sub-activities (a), (b), and (c) under reimbursable activity (B)(1) of the local agency's Domestic Violence Treatment Services: Authorization and Case Management program relate to information to be discussed during victim notification by the probation department and therefore are not separate and distinct activities. These sub-activities do not have to be separately studied.

- Process used to accomplish each reimbursable activity: Use flowcharts or similar analytical tools and/or written desk procedures to describe the process for each activity.
- Employee universe: The employee universe used in the time study must include all positions whose salaries and wages are to be allocated by means of the time study.
- Employee sample selection methodology: The plan must show that employees selected are representative of the employee universe, and the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations.
- Time increments to be recorded: The time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) might be used for employees performing only a few functions that change very slowly over time. Very small increments (a number of minutes) may be needed for employees performing more short-term tasks.

Random moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

Time Study Documentation

Time studies must:

- Be supported by time records that are completed contemporaneously;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities and/or programs performed during a specific time period; and
- Coincide with one or more pay periods.

Time records must be signed by the employee (electronic signatures are acceptable) and be supported by corroborating evidence which validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

Time Study Results

Time study results must be summarized to show how the time study supports the costs claimed for each activity. Any variations from the procedures identified in the original time study plan must be documented and explained.

Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant may not apply time study results retroactively.

- Annual Reimbursement Claims: Claimants may use time studies to support costs incurred on or after January 1, 2005. Claimants may not use time studies for the period July 1, 2004,

through December 31, 2004, unless (1) the program's P's & G's specifically allow time studies, and (2) the time study is prepared based on mandated activity occurring between July 1, 2004, and December 31, 2004.

- **Initial Claims:** When filing an initial claim for new mandated programs, claimants may only use time study results for costs incurred on or after January 1, 2005. Claimants may not use time studies to support costs incurred before January 1, 2005, unless (1) the program's P's & G's specifically allow time studies, and (2) the claimant prepares separate time studies for each fiscal year preceding January 1, 2005, based on mandated activity occurring during those years.

When projecting time study results, the claimant must certify that there have been no significant changes between years in either: (1) the requirements of each mandated program activity or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain corroborating evidence that validates the mandated activity was actually performed. Time study results used to support subsequent years' claims are subject to the recordkeeping requirements for those claims.

10. Offset Against State Mandated Claims

As noted previously, allowable costs are defined as those direct and indirect costs, less applicable credits, considered to be eligible for reimbursement. When all or part of the costs of a mandated program are specifically reimbursable from local assistance revenue sources (e.g., state, federal, foundation, etc.), only that portion of any increased costs payable from CCD funds is eligible for reimbursement under the provisions of GC Section 17561.

Example 1:

As illustrated in Table 5, this example shows how the "Offset Against State Mandated Claims" is determined for a CCD receiving block grant revenues not based on a formula allocation. Program costs for each situation equals \$100,000.

Table 5: Offset Against State Mandates, Example 1

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	100,000 *	49,000	2,500	250	2,250

* CCD share is \$50,000 of the program cost.

Numbers (1) through (4), in Table 5, show intended funding at 100% from local assistance revenue sources. Numbers (5) and (6) show cost sharing on a 50/50 basis with the district. In numbers (1) through (6), included in the program costs of \$100,000 are state mandated costs of \$2,500. The offset against state mandated claims are the amount of actual local assistance revenues, which exceeds the difference between program costs and state mandated costs. This offset cannot exceed the amount of state mandated costs.

In (1), local assistance revenues were less than expected. Local assistance funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs.

In (4), local assistance revenues were fully realized to cover the entire cost of the program, including the state mandate activity; therefore, the offset against state mandated claims is \$2,500, and claimable costs are \$0.

In (5), the district is sharing 50% of the project cost. Since local assistance revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

In (6), local assistance revenues were less than the amount expended and the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.

Example 2:

As illustrated in Table 6, this example shows how the offset against state mandated claims is determined for a CCD receiving special project funds based on approved actual costs. Local assistance revenues for special projects must be applied proportionately to approve costs.

Table 6: Offset Against State Mandates, Example 2

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	100,000 **	45,000	1,500	1,125	375

** CCD share is \$25,000 of the program cost.

In (2), the entire program cost was approved. Since the local assistance revenue source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

If in (3) local assistance revenues are less than the amount expected because only \$60,000 of the \$100,000 program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claims is \$1,125. Therefore, the claimable mandated costs are \$375.

Federal and State Funding Sources

State school fund apportionments and federal aid for education, which are based on average daily attendance and are part of the general system of financing public schools as well as block grants which do not provide for specific reimbursement of costs (i.e., allocation formulas not tied to expenditures), should not be included as reimbursements from local assistance revenue sources.

Governing Authority

The costs of salaries and expenses of the governing authority, such as the school superintendent and governing board, are not reimbursable. These are costs of general government as described in the Office of Management and Budget Circular (OMB) 2 CFR Part 225.

11. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. If any adjustments are made to a claim, the claimant will receive a "Notice of Claim Adjustments" detailing adjustments made by the SCO.

12. Audit of Costs

All claims submitted to the State Controller's Office (SCO) are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the COSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment will be mailed within 30 days after payment of the claim.

Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by CCD pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was 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 no later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities 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.

On-site audits will be conducted by the SCO as deemed necessary. Accordingly, all documentation to support actual costs claimed must be retained for a period of three years after the end of the calendar year in which the reimbursement claim was filed or amended regardless of the year of costs incurred. When no funds are appropriated for initial claims at the time the claim is filed, supporting documents must be retained for three years from the date of initial payment of the claim. Claim documentation shall be made available to the SCO on request.

13. Source Documents

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, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." 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.

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used as a formula for reimbursing a CCD mandated by the state that meets certain conditions specified in 17518.5(a). For costs incurred prior to January 1, 2005, time study can substitute for continuous records of actual time spent for a specific fiscal year only if the program's P's & G's allow for the use of time studies.

14. Claim Forms and Instructions

A claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated and used by the claimant to file an estimated or reimbursement claim. The SCO will revise the manual and claim forms as necessary.

A. Form-2, Component/Activity Cost Detail

This form is used to segregate the detail costs by claim component. In some mandates, specific reimbursable activities have been identified for each component. The expenses reported on this form must be supported by the official financial records of the claimant and copies of supporting documentation, as specified in the claiming instructions, must be submitted with the claims. All supporting documents must be retained for a period of not less than three years after the reimbursement claim was filed or last amended.

B. Form-1, Claim Summary

This form is used to summarize direct costs by component and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

A CCD has the option of using a federally approved rate (i.e., utilizing the cost accounting principles from the Office of Management and Budget (OMB) 2, CFR Part 225) or from form FAM-29C.

C. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized officer of the CCD. All applicable information from Form-1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 are required.

Claims should be rounded to the nearest dollar. Submit a signed original and one copy of form FAM-27, Claim for Payment, and all other forms and supporting documents (**To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**) Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
Other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

15. Retention of Claiming Instructions

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. These revisions should be inserted in the School Mandated Cost Manual and the old forms they replace should be removed. The instructions should then be retained permanently for future reference, and the forms should be duplicated to meet your filing requirements. Annually, updated forms and any other information or instructions claimants may need to file claims, as well as instructions and forms for all new programs released throughout the

year will be placed on the SCO's web site at www.sco.ca.gov/ard/local/locreim/index.shtml.

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, or send e-mail to lrsdar@sco.ca.gov, or call the Local Reimbursements Section at (916) 324-5729.

16. Retention of Claim Records and Supporting Documentation

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and that the claim was prepared in accordance with the SCO's claiming instructions and the COSM's P's and G's. If any adjustments are made to a claim, a "Notice of Claim Adjustments" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

On-site audits will be conducted by the SCO as deemed necessary. Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a school district is subject to audit by the SCO no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the SCO to initiate an audit shall commence to run from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and shall be made available to the SCO on request.

FILING A CLAIM

1. Introduction

The law in the State of California, (GC Sections 17500 through 17617), provides for the reimbursement of costs incurred by community college districts (CCD) for costs mandated by the State. Costs mandated by the State means any increased costs which a CCD is required to incur after July 1, 1980, as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

A reimbursement claim is defined in GC Section 17522 as any claim filed with the State Controller's Office by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. An actual claim for the 2007-08 fiscal year, may be filed by February 15, 2009, without a late penalty. If the filing deadline falls on a weekend or holiday, the filing deadline will be the next business day. Since the 15th falls on a weekend in 2009, claims will be accepted without penalty if postmarked or delivered on before February 17th, 2009. Ongoing reimbursement claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. Amended claims filed after the filing deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Initial reimbursement claims filed after the filing deadline will be reduced by a late penalty of 10% with no limitation. Claims filed more than one year after the deadline will not be accepted by the SCO.

In order for a claim to be considered properly filed, it must include documentation to support the indirect cost rate if the indirect cost rate exceeds 7 percent. A more detailed discussion of the indirect cost methods available to community colleges may be found in Section 9 of these instructions. Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

When a program has been reimbursed for three or more years, the Commission on State Mandates (CSM) may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD and, under certain circumstances, by any changes in workload. Claimants with an established entitlement do not need to file further claims for the program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds become available.

These claiming instructions are issued to help claimants prepare paper, and/or electronic mandated cost claims, for submission to the SCO. These instructions are based upon the State of California statutes, regulations, and parameters and guidelines (P's & G's) adopted by the CSM. Since each mandate is administered separately, it is important to refer to the P's and G's for each program for information relating to established policies and eligible reimbursable costs.

2. Electronic Filing: Local Government e-Claims (LGeC)

LGeC enables claimants and their consultants to securely prepare and submit mandated cost claims via the Internet. LGeC uses a series of data input screens to collect the information needed to prepare a claim and provides a web service so claims can be uploaded in batch files. LGeC also incorporates an attachment feature so claimants can electronically attach supporting documentation if required. The only documentation required to be submitted with the claim is the

support for the indirect cost rate if the indirect cost rate exceeds 10%. A more detailed discussion of the indirect cost methodologies available to community colleges may be found in Section 9 of this manual. All other documentation to support actual costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of this manual.

The LGeC system provides an easy and straightforward approach to the claiming process. Filing claims using LGeC eliminates the manual preparation and submission of paper claims by CCDs and the receiving, processing, key entry, verification, and storage of the paper claims by the SCO. LGeC also provides mathematical checks and automated error detection to reduce erroneous and incomplete claims, provides the State with an electronic workflow process, and stores the claims in an electronic format. Making the change from paper claims to electronic claims reduces the manual handling of paper claims and decreases the costs incurred for postage, handling, and storage of claims filed using the LGeC system.

In order to use the LGeC system you will need to obtain a user ID and password for each person who will access the LGeC system. To obtain a User ID and password you must file an application with the SCO. The application and instructions are available on the LGeC website located at <https://www.sco/ard/local/lgec/index.shtml>. Complete the application and other documents as requested and mail them to the SCO using the address provided in the instructions. The SCO will process the application and issue a User ID and password to each applicant.

In addition, you may want to subscribe to an email distribution list to automatically receive timely, comprehensive information regarding mandated cost claim receipts, payments, test claims, guidelines, electronic claims, and other news and updates. You also will receive related audit reports and mandate information disseminated by other state agencies.

You can find more information about LGeC and the email distribution lists at <https://www.sco/ard/local/lgec/index.shtml>. This website provides access to the LGeC system, an application for User ID's and passwords, an instructional guide, FAQ's and additional help files. Questions about the information on this website may be directed to LRSDAR@sco.ca.gov, or to Angie Lowi Teng at the Division of Accounting and Reporting, Local Reimbursements Section, Local Government e-Claims, (916) 323-0706.

3. Types of Claims

Claimants may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program, would receive an automatic annual payment which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable.

A. Reimbursement Claim

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a CCD for reimbursement of costs incurred for which an appropriation is made for paying the claim.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal year(s) of a program that was previously unfunded. Claims are due 120 days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement.

Annual ongoing reimbursement claims must be filed by February 15th following the fiscal year in

which costs were incurred for the program. If the filing deadline falls on a weekend or holiday, the filing deadline will be the next business day. Since February 15th falls on a weekend in 2009, claims will be accepted without penalty if postmarked or delivered on before February 17th, 2009.

In order for a claim to be considered properly filed, it must include documentation to support the indirect cost rate if the indirect cost rate exceeds seven percent. A more detailed discussion of the indirect cost methods available to community colleges may be found in Section 9 of this manual.

Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of this manual.

B. Estimated Claims

Pursuant to AB 8, Chapter 6, Statutes of 2008, the option to file estimated claims has been eliminated. Therefore, estimated claims filed on or after February 17, 2008, will not be accepted for reimbursement.

C. Entitlement Claim

An entitlement claim is defined in GC Section 17522 as any claim filed by a CCD with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated cost program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, entitlement claims should be filed by February 15th, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an apportionment reflective of the program's current year costs.

The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the IPD of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by the CSM for inclusion in SMAS on or after January 1, 1988, the payment for each year succeeding the three year base period is adjusted according to any changes by both the IPD and average daily attendance (ADA).

The SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS. Annual apportionments for programs included in the SMAS system are paid on or before November 30th of each year.

4. Minimum Claim Amount

For initial claims and annual claims filed on or after September 30, 2002, if the total costs for a given year do not exceed \$1,000 no reimbursement shall be allowed except as otherwise allowed by GC Section 17564.

5. Filing Deadline for Claims

Pursuant to GC Section 17561(d) initial reimbursement claims (first time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within 120 days from the date the SCO issues the claiming instructions for the program.

When paying a timely filed claim for initial reimbursement, the Controller shall withhold 20 percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs.

Initial reimbursement claims filed after the filing deadline shall be reduced by 10 percent of the amount that would have been allowed had the claim been timely filed. The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a state-mandated local program shall be considered as one claim for the purpose of computing any late claim penalty.

In no case may a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

Pursuant to GC Section 17560, annual reimbursement claims (recurring claims) for costs incurred during the previous fiscal year must be filed with the SCO and postmarked on or before February 15th following the fiscal year in which costs were incurred. If the filing deadline falls on a weekend or holiday, the filing deadline will be the next business day. Since February 15th falls on a weekend in 2009, claims will be accepted without penalty if postmarked or delivered on or before February 17th, 2009.

If the annual reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims filed more than one year after the deadline cannot be accepted for reimbursement.

Entitlement claims do not have a filing deadline. However, entitlement claims should be filed by February 15th to permit orderly processing of the claims.

6. Payment of Claims

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer. When using the LGeC system the logon id and password of the authorized officer is used for the signature and is applied by the LGeC system when the claim is submitted. Pursuant to GC 17561(d), reimbursement claims are paid by August 15, or 45 days after the date the appropriation for the claim is effective, whichever is later. In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than 365 days after the adoption of the program's statewide cost estimate. The SCO may withhold up to 20 percent of the amount of an initial claim until the claim is audited to verify the actual amount of the mandated costs.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature, who consider appropriations in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the CSM which will include these amounts in its report to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. Any balances remaining on these claims will be paid when supplementary funds are made available.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by the CSM. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the CSM. The SCO determines allowable reimbursable costs, subject to amendment by the CSM, for mandates funded by special legislation. Allowable costs are those direct and indirect costs, less applicable credits, considered eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops, general education, and travel costs.

7. State Mandates Apportionment System (SMAS)

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the CSM.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each CCD that has submitted reimbursement claims (or entitlement claims) for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims (or entitlement claims) for 1982-83, 1983-84, and 1984-85 years or any three consecutive fiscal years thereafter. The amounts are first adjusted by any change in the IPD, which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the CSM's approval.

Each CCD with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The apportionment amount is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and ADA.

In the event a CCD has incurred costs for three consecutive fiscal years but did not file a reimbursement claim in one or more of those fiscal years, the CCD may file an entitlement claim for each of those missed years to establish a base year entitlement. An "entitlement claim" means any claim filed by a CCD with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement shall not include any nonrecurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30th. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the CCD determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in GC Section 17615.8 and requires the approval of the CSM.

8. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Documentation to support direct costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions. Costs typically classified as direct costs are:

(1) Employee Wages, Salaries, and Fringe Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classification, hours worked on the mandate, and rate of pay. The claimant may use a productive hourly rate in-lieu of reporting actual compensation and fringe benefits:

(a) Productive Hourly Rate Options

A CCD may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800* annual productive hours for all employees

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claimant must maintain documentation of how these hours were computed. Documentation to support these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

* 1,800 annual productive hours excludes the following employee time:

- o Paid holidays;
- o Vacation earned;
- o Sick leave taken;
- o Informal time off;
- o Jury duty;
- o Military leave taken.

(b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual fringe benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and fringe benefits and divide by the annual productive hours.

Table 1: Productive Hourly Rate, Annual Salary + Benefits Method

Formula:	Description:
$[(EAS + Benefits) \div APH] = PHR$	EAS = Employee's Annual Salary APH = Annual Productive Hours
$[(\$26,000 + \$8,099) \div 1,800 \text{ hrs}] = 18.94$	PHR = Productive Hourly Rate

- As illustrated in Table 1, if you assume an employee's compensation was \$26,000 and \$8,099 for annual salary and fringe benefits, respectively, using the "Salary + Benefits Method," the productive hourly rate would be \$18.94. To convert a biweekly salary to EAS, multiply the biweekly salary by 26. To convert a monthly salary to EAS, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.

2. A claimant may also compute the productive hourly rate by using the "Percent of Salary Method."

Table 2: Productive Hourly Rate, Percent of Salary Method

Example:		
Step 1: Fringe Benefits as a Percent of Salary		Step 2: Productive Hourly Rate
Retirement	15.00 %	Formula: [(EAS x (1 + FBR)) / APH] = PHR
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	[((\$26,000 x (1.3115)) / 1,800)] = \$18.94
Total	31.15 %	
Description:		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
FBR = Fringe Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 3, both methods produce the same productive hourly rate.

Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages and employee fringe benefits. Employee fringe benefits include employer's contributions for social security, pension plans, insurance, workers compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:

- The amount of compensation is reasonable for the service rendered.
- The compensation paid and benefits received are appropriately authorized by the governing board.
- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees.
- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level position, performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at a higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours

are not reimbursable. Documentation to support these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

(c) Calculating an Average Productive Hourly Rate

In those instances where the P's & G's allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

Table 3: Calculating an Average Productive Hourly Rate

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is $\$45.88/5.50 \text{ hrs.} = \8.34			

(d) Employer's Fringe Benefits Contribution

A CCD has the option of claiming actual employer's fringe benefit contributions or may compute an average fringe benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and fringe benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each fringe benefit is computed, total them. Documentation to support these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions. For example:

<u>Employer's Contribution</u>	<u>% of Salary</u>
Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

(e) Materials and Supplies

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases shall be claimed at the actual price after deducting discounts, rebates and allowances received by the CCD. Documentation to support these costs must be kept on hand by

the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

(f) Calculating a Unit Cost for Materials and Supplies

In those instances where the P's & G's suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

Table 1: Calculating A Unit Cost for Materials and Supplies

Supplies	Cost Per Unit	Amount of Supplies Used Per Activity	Unit Cost of Supplies Per Activity
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

Table 2: Calculating a Unit Cost for Materials and Supplies

Supplies	Supplies Used	Unit Cost of Supplies Per Activity
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	<u>2.00</u>
		<u>\$9.50</u>

If the number of reimbursable instances is 25, then the unit cost of supplies is \$0.38 per reimbursable instance (\$9.50/25).

(g) Contract Services

The cost of contract services is allowable if the CCD lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must keep documentation on hand to support the name of the contractor, explain the reason for having to hire a contractor, describe the mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate shall not exceed the rate specified in the P's & G's for the mandated program. The contractor's invoice, or statement, which includes an itemized list of costs for activities performed. Documentation to support these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

(h) Equipment Rental Costs

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the P's & G's for the particular mandate. Equipment rentals used solely for the mandate are reimbursable to the extent such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must maintain documentation to support the purpose and use for the equipment, the time period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the pro rata portion of the rental costs can be claimed. Documentation to support these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

(i) Capital Outlay

Capital outlays for land, buildings, equipment, furniture and fixtures may be claimed if the P's & G's specify them as allowable. If they are allowable, the P's & G's for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the pro rata portion of the purchase price used to implement the reimbursable activities can be claimed. Documentation to support these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

(j) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the State Board of Control travel standards. When claiming travel expenses, the claimant must maintain documentation to support the purpose of the trip, the name and address of the persons incurring the expense, the date and time of departure and return, a description of each expense claimed, and the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking. Receipts are required for charges over \$10.00. Documentation to support these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

(k) Documentation

It is the responsibility of the claimant to maintain documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate. The documentation supporting these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

9. Indirect Costs

Indirect costs are: (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services, and facilities. To be allowable, a cost must be allocable to a particular cost objective. Indirect costs must be distributed to benefiting cost objectives on bases which produce an equitable result related to the benefits derived by the mandate.

A CCD may claim indirect costs using the Controller's methodology (FAM-29C), or if specifically allowed by a mandated cost program's P's & G's, a district may choose to claim indirect costs using

either (1) a federally approved rate prepared in accordance with the Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate. The FAM-29C indirect cost rate and the flat 7% indirect cost rate are applied to *Salaries and Benefits Only*, whereas the federally approved rate is applied to the allocation base used in developing the federally approved rate.

If indirect costs are calculated using the OMB Circular A-21 methodology with a base other than *Salaries and Benefits Only*, the claim cannot be filed using the Local Government e-Claims system as LGeC does not support cost bases other than *Salaries and Benefits Only*. Instead, these claims must be filed manually using paper forms.

However, if indirect costs are calculated using the OMB Circular A-21 methodology using *Salaries and Benefits Only* in the base, then the claims can be filed using either the LGeC system or the manual paper process. In these cases, the indirect cost rate is calculated in accordance with the chosen methodology and keyed into the mandated cost form on the appropriate line (usually Form 1, line (06)), *Indirect Cost Rate*. The LGeC system will apply that rate to *Salaries and Benefits Only* (usually Form 1, line (5)(a)) to arrive at the total indirect costs (usually Form 1, line (7)). If the rate is applied to anything other than *Salaries and Benefits Only*, then the claim must be filed manually using paper forms.

The SCO developed form FAM-29C to be consistent with the OMB Circular A-21 cost accounting principles as they apply to mandated cost programs. The objective is to determine an equitable rate to allocate administrative support to personnel who performed the mandated cost activities. The methodology used in form FAM-29C is a direct cost base comprised of salary and benefit costs. This provides a consistent indirect cost rate methodology for all CCD's mandated cost programs.

FAM-29C uses expenditures that districts report in their California Community Colleges Annual Financial and Budget Report (CCFS-311), Expenditures by Activity for the General Fund – Combined. The computation excludes capital outlay and other outgo in accordance with the OMB Circular A-21. The indirect cost rate computation includes any depreciation or use allowance applicable to district buildings and equipment. Districts calculate depreciation or use allowance costs separately from the CCFS-311 report and should calculate them in accordance with the OMB Circular A-21.

The OMB Circular A-21, Section C.4, states that a cost is allocable to a particular cost objective in accordance with the relative benefits received. Also, Section E.2.b., states that the overall objective of the cost allocation process is to distribute indirect costs to the institution's major functions in proportions reasonably consistent with their use of the institution's resources. In addition, Section E.2.c. notes that where certain items or categories of expense relate to less than all functions, such expenses should be set aside for selective allocation.

The OMB Circular A-21, Section H, describes a simplified method for indirect cost rate calculations. However, Section H.1.b. states that the simplified method should not be used where it produces results that appear inequitable. As previously noted, FAM-29C strives to equitably allocate administrative support costs to personnel that perform mandated cost activities claimed by CCD's. For example, library costs and department administration expenses, normally classified fully or partly as indirect costs in the OMB Circular A-21, are instead classified as direct costs for FAM-29C. These costs do not benefit mandated cost activities. In summary, FAM-29C indirect costs include operation and maintenance of plant; planning, policy making, and coordination; general institutional support services (excluding community relations); and depreciation or use allowance. Community relations include fundraising costs, which are unallowable under OMB Circular A-21. If the district claims any costs from these indirect accounts as direct mandate-related costs, the same costs should be reclassified as direct on FAM-29C.

Table 4 presents an example of the FAM-29C methodology.

Table 4: Indirect Cost Rate for Community Colleges

MANDATED COST				FORM	
INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS				FAM 29-C	
(1) Claimant					
Activity	EDP	Salaries and Benefits per CCFS-311	Operating Expenses per CCFS-311	Indirect-Salaries, Benefits, and Operating Expenses	Direct-Salaries and Benefits only
Instructional Activities	599	\$46,249,931	\$ 8,289,190		\$ 46,249,931
Instruct. Admin. & Instruct. Governance	6000	5,181,935	631,615		5,181,935
Instructional Support Services	6100	4,361,061	445,196		4,361,061
Admissions and Records	6200	1,251,539	96,634		1,251,539
Student Counseling and Guidance	6300	3,373,121	80,201		3,373,121
Other Student Services	6400	5,511,511	1,116,904		5,511,511
Operation and Maintenance of Plant	6500	5,192,099	3,192,398	8,384,497	
Planning, Policy Making, and Coordination	6600	2,562,909	1,096,833	3,659,742	
General Institutional Support Services	6700				
Community Relations	6710	446,207	228,320	674,527	
Fiscal Operations	6720	2,342,316	315,019	2,657,335	
Human Resources Management	6730	1,057,387	102,600	1,159,987	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,327,125	-	1,327,125	
Staff Development	6750	1,295	34,931	36,226	
Staff Diversity	6760	449,392	394,915	844,307	
Logistical Services	6770	2,853,609	354,953	3,208,562	
Management Information Systems	6780	2,386,511	894,685	3,281,196	
Other General Institutional Support Services	6790	19,635	1,679	21,314	
Community Services and Economic Development	6800	963,036	688,648		963,036
Ancillary Services	6900	723,450	224,961		723,450
Auxiliary Operations	7000	565,859	12,179.00		565,859
Depreciation or Use Allowance - Building				2,620,741	
Depreciation or Use Allowance - Equipment				721,097	
Totals		<u>\$86,819,928</u>	<u>\$ 18,201,861</u>	<u>\$28,596,656</u>	<u>\$68,181,443</u>
				(A)	(B)
				<u>41.94%</u>	
Indirect Cost Rate (A)/(B)					

10. Time Study Guidelines

Background

A reasonable reimbursement methodology, which meets certain conditions specified in Government Code section 17518.5, subdivision (a), can be used as a "formula for reimbursing local agency and school district costs mandated by the state."

Two methods are acceptable for documenting employee time charged to mandated cost programs: Actual Time Reporting and Time Study. These methods are described below. Application of time study results is restricted. As explained in the Time Study Results section below, the results may be projected forward a maximum of two years or applied retroactively to initial claims, current-year claims, and late-filed claims, provided certain criteria are met.

Actual Time Reporting

Each program's parameters and guidelines define reimbursable activities for the mandated cost program. (Some parameters and guidelines refer to reimbursable activities as reimbursable components.) When employees work on multiple activities and/or programs, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards (which clarify documentation requirements discussed in the Reimbursable Activities section of recent parameters and guidelines):

- They must reflect an after-the-fact (contemporaneous) distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for actual time reporting.

Time Study

In certain cases, a time study may be used as a substitute for continuous records of actual time spent on multiple activities and/or programs. A time study can be used for an activity when the task is repetitive in nature. Activities that require varying levels of effort are not appropriate for time studies.

Time Study Plan

The claimant must develop a time study plan before a time study is conducted. The claimant must retain the time study plan for audit purposes. The plan must identify the following:

- Time period(s) to be studied - the plan must show that all time periods selected are representative of the fiscal year and that the results can be reasonably projected to approximate actual costs.
- Activities and/or programs to be studied - for each mandated program included, the time study must separately identify each reimbursable activity defined in the mandated program's parameters and guidelines, which are derived from the program's statement of decision. If a reimbursable activity in the parameters and guidelines identifies separate and distinct sub-activities, these sub-activities also must be treated as individual activities.

For example, sub-activities (a), (b), and (c) under reimbursable activity (B)(1) of the local

agency's Domestic Violence Treatment Services: Authorization and Case Management Program, relate to information to be discussed during victim notification by the probation department and therefore are not separate and distinct activities. It is not necessary to separately study these sub-activities.

- Process used to accomplish each reimbursable activity - use flowcharts or similar analytical tools and/or written desk procedures to describe the process followed to complete each activity.
- Employee universe - the employee universe used in the time study must include all positions whose salaries and wages are to be allocated by means of the time study.
- Employee sample selection methodology - the plan must show that employees selected are representative of the employee universe and that the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations.
- Time increments to be recorded - the time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) can be used for employees performing only a few functions that change very slowly over time. Small increments (a number of minutes) can be used for employees performing more short-term tasks.

Random-moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random-moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

Time Study Documentation

Time studies must:

- Be supported by time records that are completed contemporaneously;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities and/or programs performed during a specific time period; and
- Coincide with one or more pay periods.

Time records must be signed by the employee and be supported by documentation that validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

Time Study Results

Claimants must summarize time study results to show how the time study supports the costs claimed for each activity. Any variations from the procedures identified in the original time study plan must be documented and explained. Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant also may apply time study results retroactively to initial claims, current-year claims, and late-filed claims.

When projecting time study results, the claimant must certify that no significant changes have occurred between years in either (1) the requirements of each mandated program activity; or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must

maintain documentation that shows that the mandated activity was actually performed. Time study results used to support claims are subject to the record-keeping requirements for those claims.

11. Offset Against State Mandated Claims

As noted previously, allowable costs are defined as those direct and indirect costs, less applicable credits, considered eligible for reimbursement. When all or part of the costs of a mandated program are specifically reimbursable from local assistance revenue sources (e.g., state, federal, foundation, etc.), only that portion of any increased costs payable from CCD funds is eligible for reimbursement under the provisions of GC Section 17561.

Example 1:

As illustrated in Table 5, this example shows how the "Offset Against State Mandated Claims" is determined for a CCD receiving block grant revenues not based on a formula allocation. Program costs for each situation equals \$100,000.

Table 5: Offset Against State Mandates, Example 1

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	100,000 *	49,000	2,500	250	2,250

* CCD share is \$50,000 of the program cost.

Numbers (1) through (4), in Table 5, show intended funding at 100% from local assistance revenue sources. Numbers (5) and (6) show cost sharing on a 50/50 basis with the district. In numbers (1) through (6), included in the program costs of \$100,000 are state mandated costs of \$2,500. The offset against state mandated claims are the amount of actual local assistance revenues, which exceeds the difference between program costs and state mandated costs. This offset cannot exceed the amount of state mandated costs.

In (1), local assistance revenues were less than expected. Local assistance funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs.

In (4), local assistance revenues were fully realized to cover the entire cost of the program, including the state mandated activity; therefore, the offset against state mandated claims is \$2,500, and claimable cost is \$0.

In (5), the district is sharing 50% of the project cost. Since local assistance revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

In (6), local assistance revenues were less than the amount expended and the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.

Example 2:

As illustrated in Table 6, this example shows how the offset against state mandated claims is determined for a CCD receiving special project funds based on approved actual costs. Local assistance revenues for special projects must be applied proportionately to approve costs.

Table 6: Offset Against State Mandates, Example 2

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	100,000 **	45,000	1,500	1,125	375

** CCD share is \$25,000 of the program cost.

In (2), the entire program cost was approved. Since the local assistance revenue source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

If in (3) local assistance revenues are less than the amount expected because only \$60,000 of the \$100,000 program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claims is \$1,125. Therefore, the claimable mandated costs are \$375.

Federal and State Funding Sources

State school fund apportionments and federal aid for education, which are based on ADA and are part of the general system of financing public schools as well as block grants which do not provide for specific reimbursement of costs (i.e., allocation formulas not tied to expenditures), should not be included as reimbursements from local assistance revenue sources.

Governing Authority

The costs of salaries and expenses of the governing authority, such as the school superintendent and governing board, are not reimbursable. These are costs of general government as described in the Office of Management and Budget Circular (OMB) 2 CFR Part 225.

12. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. Claimants will receive a "Notice of Claim Adjustments" detailing any adjustments made by the SCO.

13. Audit of Costs

Pursuant to GC section 17558.5, subdivision (b), The SCO may conduct a field review of any claim after the claim has been submitted, prior to the reimbursement of the claim, to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the CSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

Pursuant to GC section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a community college district for this mandate is subject to the initiation of an audit by SCO 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 SCO 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 no later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. On-site audits will be conducted by SCO as deemed necessary.

All documents used to support the reimbursable activities 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. Supporting documents must be maintained by the claimant and made available to the SCO upon request as discussed in Section 17 of this manual.

14. Source Documents

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 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, training packets, 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.

All documents used to support the reimbursable activities must be retained during the period subject to audit and must be made available to the SCO upon request as discussed in Section 17 of this manual.

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used for reimbursing a CCD that meets certain conditions specified in 17518.5(a).

15. Claim Forms and Instructions

A claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated and used by the claimant to file reimbursement claims. The SCO will revise the manual and claim forms as necessary.

A. Form-2, Activity Cost Detail

This form is used to segregate the detail costs by claim activity. In some mandates, specific reimbursable activities have been identified for each activity. The expenses reported on this form must be supported by the official financial records of the claimant. All documents used to support the reimbursable activities must be retained by the claimant and must be made available to the SCO upon request

B. Form-1, Claim Summary

This form is used to summarize direct costs by activity and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

C. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized officer of the CCD. All applicable information from Form-1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 are required.

Claims should be rounded to the nearest dollar. Submit a signed original and one copy of form FAM-27, Claim for Payment. **(To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)** Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
Other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

16. Retention of Claiming Instructions

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. This Community College Mandated Cost Manual should be retained permanently for future reference, and the forms should be duplicated to meet your filing requirements. Annually, new or revised forms, instructions, and any other information claimants may need to file claims will be placed on the SCO's Web site located at www.sco.ca.gov/ard/local/locreim/index.shtml.

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, or by e-mail to lrsdar@sco.ca.gov, or call the Local Reimbursements Section at (916) 324-5729.

17. Retention of Claim Records and Supporting Documentation

Pursuant to Government Code section 17558.5, (a), a reimbursement claim for actual costs filed by a CCD pursuant to this chapter 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 V, must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents shall be made available to the SCO upon request.

FILING A CLAIM

1. Introduction

Government Code (GC) Sections 17500 through 17617 provide for the reimbursement of costs incurred by community college districts (CCD) for mandated cost programs as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

A reimbursement claim is defined in GC Section 17522 as any claim filed with the State Controller's Office (SCO) by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. Actual claims for the 2008-09 fiscal year will be accepted without penalty if postmarked or delivered on or before **February 16, 2010**. Ongoing reimbursement claims filed after the deadline will be reduced by a late penalty of **10%, not to exceed \$10,000**. Amended claims filed after the filing deadline will be reduced by **10% of the increased amount** not to exceed \$10,000 for the total claim. Initial reimbursement claims filed after the filing deadline will be reduced by a late penalty of **10% with no limitation**. Claims filed more than one year after the deadline will not be accepted by the SCO.

If a claimant is using an indirect cost rate that exceeds 7%, documentation to support the indirect cost rate must be included with the submitted claim. A more detailed discussion of the indirect cost methods available to CCD's can be found in Section 2, Filing a Claim, page 9, *Indirect Costs*. Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO on request as explained in Section 2, Filing a Claim, page 16, *Retention of Claim Records and Supporting Documentation*.

When a program has been reimbursed for three or more years, the Commission may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD and, under certain circumstances, by any changes in workload. Claimants with an established entitlement no longer need to file claims for that program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds become available.

The claiming instructions included in this manual are issued to help claimants prepare manual and/or electronic mandated cost claims, for submission to the SCO. These instructions are based on the State of California's statutes, regulations, and the parameters and guidelines (P's & G's) adopted by the Commission on State Mandates (Commission). Since each mandate is unique, it is important to refer to the P's and G's for each program for information relating to established policies and eligible reimbursable costs.

2. Electronic Filing: Local Government e-Claims (LGeC)

LGeC enables claimants and their consultants to securely prepare and submit mandated cost claims via the Internet. LGeC uses a series of data input screens to collect the information needed to prepare a claim and provides a Web service so claims can be uploaded in batch files. The system also incorporates an attachment feature so claimants can electronically attach supporting documentation if required.

In addition, it provides an easy and straightforward approach to the claiming process. Filing claims using LGeC eliminates the manual preparation and submission of paper claims by CCD's and the receiving, processing, key entry, verification, and storage of the paper claims by the SCO. LGeC also provides mathematical checks and automated error detection to reduce erroneous and

incomplete claims, provides the State with an electronic workflow process, and stores the claims in an electronic format. Making the change from paper claims to electronic claims reduces the manual handling of paper claims and decreases the costs incurred for postage, handling, and storage of claims filed.

In order to use the LGeC system you will need to obtain a user ID and password for each person who will access the LGeC system. To obtain a User ID and password you must file an application with the SCO. The application and instructions are available on the LGeC Web site located at http://www.sco.ca.gov/ard_lgec.html. Complete the application and other documents as requested and mail them to the SCO using the address provided in the instructions. The SCO will process the application and issue a User ID and password to each applicant.

In addition, you may want to subscribe to an email distribution list to automatically receive timely, comprehensive information regarding mandated cost claims, payments, guidelines, electronic claims, and other news and updates. You also will receive related audit reports and mandate information disseminated by other state agencies.

You can find more information about LGeC and the email distribution lists at http://www.sco.ca.gov/ard_lgec.html. This Web site provides access to the LGeC system, an application for User ID's and passwords, an instructional guide, frequently asked questions (FAQ's) and additional help files. Questions may be directed to LRSDAR@sco.ca.gov, or you may call the Local Reimbursements Section at (916) 324-5729.

3. Types of Claims

Claimants may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program, would receive an automatic annual payment which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable.

A. Reimbursement Claim

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a CCD for reimbursement of costs incurred for which an appropriation is made for paying the claim.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal year(s) of a program that was previously unfunded. Claims are due one hundred and twenty days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement. Annual ongoing reimbursement claims must be filed by February 15th following the fiscal year in which costs were incurred for the program.

B. Estimated Claims

Pursuant to AB 8, Chapter 6, Statutes of 2008, the option to file estimated claims has been eliminated. Therefore, estimated claims will not be accepted for reimbursement.

C. Entitlement Claim

An entitlement claim is defined in GC Section 17522 as any claim filed by a CCD with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated cost program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, these claims should be filed by February 15th, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an

apportionment reflective of the program's current year costs.

The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the implicit price deflator (IPD) of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by the Commission for inclusion in SMAS, the payment for each year succeeding the three year base period is adjusted according to any changes by both the IPD and average daily attendance (ADA).

The SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS. Annual apportionments for programs included in the SMAS system are paid on or before November 30th of each year.

4. Minimum Claim Amount

For initial claims and annual claims, if the total costs for a given year do not exceed \$1,000 no reimbursement will be allowed except as otherwise allowed by GC Section 17564.

5. Filing Deadline for Claims

Pursuant to GC Section 17561(d) initial reimbursement claims (first time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within one hundred and twenty days from the date the SCO issues the claiming instructions for the program.

When paying a timely filed claim for initial reimbursement, the Controller may withhold twenty percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs.

Initial reimbursement claims filed after the filing deadline will be reduced by ten percent of the amount that would have been allowed had the claim been timely filed. The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a program will be considered as one claim for the purpose of computing any late claim penalty. In no case will a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

Pursuant to GC Section 17560, annual reimbursement claims (recurring claims) for costs incurred during the previous fiscal year must be filed with the SCO and postmarked on or before February 15th following the fiscal year in which costs were incurred.

If the annual reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims may not be filed more than one year after the deadline.

6. Payment of Claims

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer. When using the LGeC system the logon ID and password of the authorized officer is used for the signature and is applied by the LGeC system when the claim is submitted. Pursuant to GC 17561(d), reimbursement claims are paid by October 15 or sixty days after the date the appropriation for the claim is effective, whichever is later. In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to

the amount of approved claims timely filed and on hand at the time of proration. A reasonable reimbursement methodology (RRM), which meets certain conditions specified in Government Code Section 17518.5, Subdivision (a), can be used as a formula for reimbursing CCD costs mandated by the State.

A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than one year after the adoption of the program's statewide cost estimate.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each House of the Legislature, in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the Commission who will include these amounts in its reports to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. Any balances remaining on these claims will be paid when supplementary funds become available.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by the Commission. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the Commission. The SCO determines allowable reimbursable costs, subject to amendment by the Commission, for mandates funded by special legislation. Allowable costs are those direct and indirect costs, less applicable credits, considered eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops, general education, and travel costs.

7. State Mandates Apportionment System (SMAS)

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the Commission.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each CCD that has submitted reimbursement claims (or entitlement claims) for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims (or entitlement claims) for any three consecutive fiscal years. The amounts are first adjusted by any change in the IPD, which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the Commission's approval.

Each CCD with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The apportionment amount is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and ADA.

In the event a CCD has incurred costs for three consecutive fiscal years but did not file a

reimbursement claim in one or more of those fiscal years, the CCD may file an entitlement claim for each of those missed years to establish a base year entitlement. An entitlement claim means any claim filed by a CCD with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement may not include any nonrecurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30th. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the CCD determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in GC Section 17615.8 and requires the approval of the Commission.

8. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Documentation to support direct costs must be kept on hand unless otherwise specified in the claiming instructions and made available to the SCO on request.

It is the responsibility of the claimant to maintain documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

Costs typically classified as direct costs are:

(1) Employee Wages, Salaries, and Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classifications, hours worked on the mandate, and rate of pay. The claimant may use a productive hourly rate in-lieu of reporting actual compensation and benefits:

(a) Productive Hourly Rate Options

A CCD may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee;
- The weighted-average annual productive hours for each job title; or
- 1,800* annual productive hours for all employees.

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claimant must maintain documentation of how these hours were computed.

* 1,800 annual productive hours excludes the following employee time:

- Paid holidays;
- Vacation earned;
- Sick leave taken;
- Informal time off;
- Jury duty;
- Military leave taken.

(b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and benefits and divide by the annual

productive hours.

Table 1: Productive Hourly Rate, Annual Salary + Benefits Method

Formula: $[(EAS + Benefits) \div APH] = PHR$ $[(\$26,000 + \$8,099) \div 1,800 \text{ hrs} = 18.94$	Description: EAS = Employee's Annual Salary APH = Annual Productive Hours PHR = Productive Hourly Rate
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- As illustrated in Table 1, if an employee's compensation was \$26,000 and \$8,099 for annual salary and benefits, respectively, using the Salary + Benefits Method, the productive hourly rate would be \$18.94. To convert a biweekly salary to Annual Salary, multiply the biweekly salary by 26. To convert a monthly salary to Annual Salary, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.

2. A claimant may also compute the productive hourly rate by using the Percent of Salary Method.

Table 2: Productive Hourly Rate, Percent of Salary Method

Example:		
Step 1: Benefits as a Percent of Salary		Step 2: Productive Hourly Rate
Retirement	15.00 %	Formula: $[(EAS \times (1 + BR)) \div APH] = PHR$
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	$[(\$26,000 \times (1.3115)) \div 1,800] = \18.94
Total	31.15 %	
Description:		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
BR = Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 2, both methods produce the same productive hourly rate.

Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages, and employee benefits. Employee benefits include employer's contributions for social security, pension plans, insurance, workers compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:

- The amount of compensation is reasonable for the service rendered;
- The compensation paid and benefits received are appropriately authorized by the governing board;
- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees;

- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level position performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at a higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable.

(c) Calculating an Average Productive Hourly Rate

In those instances where the P's & G's allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

Table 3: Calculating an Average Productive Hourly Rate

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is $\$45.88 \div 5.50 \text{ hrs.} = \8.34			

(d) Employer's Benefits Contribution

A CCD has the option of claiming actual employer's benefit contributions or may compute an average benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each benefit is computed, total them. For example:

<u>Employer's Contribution</u>	<u>% of Salary</u>
Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

(2) Materials and Supplies

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies

withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases must be claimed at the actual price after deducting discounts, rebates and allowances received by the CCD.

(a) **Calculating a Unit Cost for Materials and Supplies**

In those instances where the P's & G's suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

Table 1: Calculating a Unit Cost for Materials and Supplies

Supplies	Cost Per Unit	Amount of Supplies Used Per Activity	Unit Cost of Supplies Per Activity
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

Table 2: Calculating a Unit Cost for Materials and Supplies

Supplies	Supplies Used	Unit Cost of Supplies Per Activity
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	<u>2.00</u>
		<u>\$9.50</u>

If the number of reimbursable instances is 25, then the unit cost of supplies is \$0.38 per reimbursable instance ($\$9.50 \div 25$).

(3) **Contract Services**

The cost of contract services is allowable if the CCD lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must keep documentation on hand to support the name of the contractor, explain the reason for having to hire a contractor, describe the mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate must not exceed the rate specified in the P's & G's for the mandated program. The contractor's invoice or statement must include an itemized list of costs for activities performed.

(4) **Equipment Rental Costs**

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the P's & G's for the particular mandate. Equipment rentals used solely for the mandate are reimbursable to the extent that such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must maintain documentation to support the purpose and use of the equipment, the time period for

which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the pro rata portion of the rental costs can be claimed.

(5) Capital Outlay

Capital outlay for land, buildings, equipment, furniture and fixtures may be claimed if the P's & G's specify them as allowable. If they are allowable, the P's & G's for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the pro rata portion of the purchase price used to implement the reimbursable activities can be claimed.

(6) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the Department of Personnel Administration (DPA) travel standards. When claiming travel expenses, the claimant must maintain documentation to support the purpose of the trip, the names and addresses of the persons incurring the expense, the date and time of departure and return, a description of each expense claimed, and the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking. Receipts are required for charges over \$10.00.

9. Indirect Costs

Indirect costs are: (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services, and facilities. To be allowable, a cost must be allocable to a particular cost objective. Indirect costs must be distributed to benefiting cost objectives on bases which produce an equitable result related to the benefits derived by the mandate.

A CCD may claim indirect costs using the Controller's methodology (FAM-29C), or if specifically allowed by a mandated cost program's P's & G's, a district may choose to claim indirect costs using either: (1) A federally approved rate prepared in accordance with the Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate. The FAM-29C indirect cost rate and the flat 7% indirect cost rate are applied to *Salaries and Benefits*, whereas the federally approved rate is applied to the allocation base used in developing the federally approved rate.

If indirect costs are calculated using the OMB Circular A-21 methodology with a base other than *Salaries and Benefits*, the claim cannot be filed using the LGeC as the system does not support cost bases other than *Salaries and Benefits*. Instead, these claims must be filed manually using paper forms.

However, if indirect costs are calculated using the OMB Circular A-21 methodology using *Salaries and Benefits* in the base, then the claims can be filed using either the LGeC system or the manual paper process. In these cases, the indirect cost rate is calculated in accordance with the chosen methodology and keyed into the mandated cost form on the appropriate line (usually Form 1, line (06)), *Indirect Cost Rate*. The LGeC system will apply that rate to *Salaries and Benefits* (usually Form 1, line (5)(a)) to arrive at the total indirect costs (usually Form 1, line (7)).

The SCO developed form FAM-29C to be consistent with the OMB Circular A-21 cost accounting principles as they apply to mandated cost programs. The objective is to determine an equitable rate to allocate administrative support to personnel who performed the mandated cost activities. The methodology used in form FAM-29C is a direct cost base comprised of salary and benefit costs. This provides a consistent indirect cost rate methodology for all CCD's mandated cost programs.

FAM-29C uses expenditures that districts report in their California Community Colleges Annual Financial and Budget Report (CCFS-311), Expenditures by Activity for the General Fund – Combined. CCD's must use the CCFS-311 report applicable to the fiscal year of the reimbursement claim submitted. The computation excludes capital outlay and other outgo in accordance with the OMB Circular A-21. The indirect cost rate computation includes any depreciation or use allowance applicable to district buildings and equipment. Districts calculate depreciation or use allowance costs separately from the CCFS-311 report and should calculate them in accordance with the OMB Circular A-21.

The OMB Circular A-21, Section C.4, states that a cost is allocable to a particular cost objective in accordance with the relative benefits received. Also, Section E.2.b., states that the overall objective of the cost allocation process is to distribute indirect costs to the institution's major functions in proportions reasonably consistent with their use of the institution's resources. In addition, Section E.2.c. notes that where certain items or categories of expense relate to less than all functions, such expenses should be set aside for selective allocation.

The OMB Circular A-21, Section H, describes a simplified method for indirect cost rate calculations. However, Section H.1.b. states that the simplified method should not be used where it produces results that appear inequitable. As previously noted, FAM-29C strives to equitably allocate administrative support costs to personnel that perform mandated cost activities claimed by CCD's. For example, library costs and department administration expenses, normally classified fully or partly as indirect costs in the OMB Circular A-21, are instead classified as direct costs for FAM-29C. These costs do not benefit mandated cost activities. In summary, FAM-29C indirect costs include operation and maintenance of plant; planning, policy making, and coordination; general institutional support services (excluding community relations); and depreciation or use allowance. Community relations include fundraising costs, which are unallowable under OMB Circular A-21. If the district claims any costs from these indirect accounts as direct mandate-related costs, the same costs should be reclassified as direct on FAM-29C.

Table 4 presents an example of the FAM-29C methodology.

Table 4: Indirect Cost Rate for Community Colleges

MANDATED COST INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS					FORM FAM 29-C
(1) Claimant					
Activity	EDP	Salaries and Benefits per CCFS-311	Operating Expenses per CCFS-311	Indirect-Salaries Benefits, and Operating Expenses	Direct-Salaries and Benefits only
Instructional Activities	599	\$ 46,249,931	\$ 8,289,190	\$	\$ 46,249,931
Instruct. Admin. & Instruct. Governance	6000	5,181,935	631,615		5,181,935
Instructional Support Services	6100	4,361,061	445,196		4,361,061
Admissions and Records	6200	1,251,539	96,634		1,251,539
Student Counseling and Guidance	6300	3,373,121	80,201		3,373,121
Other Student Services	6400	5,511,511	1,116,904		5,511,511
Operation and Maintenance of Plant	6500	5,192,099	3,192,398	8,384,497	
Planning, Policy Making, and Coordination	6600	2,562,909	1,096,833	3,659,742	
General Institutional Support Services	6700				
Community Relations	6710	446,207	228,320	674,527	
Fiscal Operations	6720	2,342,316	315,019	2,657,335	
Human Resources Management	6730	1,057,387	102,600	1,159,987	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,327,125	-	1,327,125	
Staff Development	6750	1,295	34,931	36,226	
Staff Diversity	6760	449,392	394,915	844,307	
Logistical Services	6770	2,853,609	354,953	3,208,562	
Management Information Systems	6780	2,386,511	894,685	3,281,196	
Other General Institutional Support Services	6790	19,635	1,679	21,314	
Community Services and Economic Development	6800	963,036	688,648		963,036
Ancillary Services	6900	723,450	224,961		723,450
Auxiliary Operations	7000	565,859	12,179		565,859
Depreciation or Use Allowance - Building				2,620,741	
Depreciation or Use Allowance - Equipment				721,097	
Totals		<u>\$ 86,819,928</u>	<u>\$ 18,201,861</u>	<u>\$ 28,596,656</u>	<u>\$ 68,181,443</u>
				(A)	(B)
Indirect Cost Rate (A)/(B)				<u>41.94%</u>	

10. Time Study Guidelines

Background

Two methods are acceptable for documenting employee time charged to mandated cost programs: 1) Actual Time Reporting and 2) Time Study. These methods are described below. Application of time study results is restricted. As explained in the Time Study Results section below, the results may be projected forward a maximum of two years or applied retroactively to initial claims, current-year claims, and late-filed claims, provided certain criteria are met.

Actual Time Reporting

Each program's P's and G's define reimbursable activities for the mandated cost program. When employees work on multiple activities, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards:

- They must reflect an after-the-fact distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for actual time reporting.

Time Study

In certain cases, a time study may be used as a substitute for continuous records of actual time spent on multiple activities and/or programs. A time study can be used for an activity when the task is repetitive in nature. Activities that require varying levels of effort are not appropriate for time studies.

Time Study Plan

The claimant must develop a plan before the time study is conducted. The claimant must retain the time study plan for audit purposes. The plan must identify the following:

- Time periods to be studied - The plan must show that all time periods selected are representative of the fiscal year and that the results can be reasonably projected to approximate actual costs;
- Activities to be studied - The time study must separately identify each reimbursable activity defined in the mandated program's P's and G's. If a reimbursable activity identifies separate and distinct sub-activities, these sub-activities also must be treated as individual activities;

For example, sub-activities (a) and (b) under reimbursable activity (1) of the Agency Fee Arrangements Program relate to salary deduction and payment of fair share and are not separate and distinct activities. It is not necessary to separately study these sub-activities.

- Process used to accomplish each reimbursable activity - Use flowcharts or similar analytical tools and/or written desk procedures to describe the process followed to complete each activity;
- Employee universe - The employee universe used in the time study must include all positions for which salaries and wages are to be allocated by means of the time study;
- Employee sample selection methodology - The plan must show that employees selected are representative of the employee universe and that the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations;
- Time increments to be recorded - The time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large

increments (such as one hour or more) can be used for employees performing only a few functions that change very slowly over time. Small increments (a number of minutes) can be used for employees performing more short-term tasks.

Random-moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random-moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

Time Study Documentation

Time studies must:

- Be supported by time records that are completed when the activity occurs;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities performed during a specific time period; and
- Coincide with one or more pay periods.

Time records must be signed by the employee and be supported by documentation that validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

Time Study Results

Claimants must summarize time study results to show how the time study supports the costs claimed for each activity. Any variation from the procedures identified in the original time study plan must be documented and explained. Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant also may apply time study results retroactively to initial claims, current-year claims, and late-filed claims.

When projecting time study results, the claimant must certify that no significant changes have occurred between years in either (1) the requirements of each mandated program activity; or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain documentation that shows that the mandated activity was actually performed. Time study results used to support claims are subject to the record-keeping requirements for those claims.

11. Offset Against State Mandated Claims

As noted previously, allowable costs are defined as those direct and indirect costs, less applicable credits, considered eligible for reimbursement. When all or part of the costs of a mandated program are specifically reimbursable from local assistance revenue sources (e.g., state, federal, foundation, etc.), only that portion of any increased cost payable from CCD funds is eligible for reimbursement under the provisions of GC Section 17561.

Example 1:

As illustrated in Table 5, this example shows how the Offset Against State Mandated Claims is determined for a CCD receiving block grant revenues not based on a formula allocation. Program costs for each situation equals \$100,000.

Table 5: Offset Against State Mandates, Example 1

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	100,000 *	49,000	2,500	250	2,250

* CCD share is \$50,000 of the program cost.

Numbers (1) through (4) in Table 5, show intended funding at 100% from local assistance revenue sources. Numbers (5) and (6) show cost sharing on a 50/50 basis with the district. In numbers (1) through (6), included in the program costs of \$100,000 are state mandated costs of \$2,500. The offset against state mandated claims are the amount of actual local assistance revenues, which exceeds the difference between program costs and state mandated costs. This offset cannot exceed the amount of state mandated costs.

In (1), local assistance revenues were less than expected. Local assistance funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs.

In (4), local assistance revenues were fully realized to cover the entire cost of the program, including the state mandated activity; therefore, the offset against state mandated claims is \$2,500, and claimable cost is \$0.

In (5), the district is sharing 50% of the project cost. Since local assistance revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

In (6), local assistance revenues were less than the amount expended and the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.

Example 2:

As illustrated in Table 6, this example shows how the offset against state mandated claims is determined for a CCD receiving special project funds based on approved actual costs. Local assistance revenues for special projects must be applied proportionately to the approved costs.

Table 6: Offset Against State Mandates, Example 2

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	100,000 **	45,000	1,500	1,125	375

** CCD share is \$25,000 of the program cost.

In (2), the entire program cost was approved. Since the local assistance revenue source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

If in (3) local assistance revenues are less than the amount expected because only \$60,000 of the \$100,000 program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claims is \$1,125. Therefore, the claimable mandated costs are \$375.

12. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. Claimants will receive a *Notice of Claim Adjustment* detailing any adjustments made by the SCO.

13. Audit of Costs

Pursuant to GC Section 17558.5, Subdivision (b), the SCO may conduct a field review of any claim after it has been submitted to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the Commission. If any adjustments are made to a claim, a Notice of Claim Adjustment specifying the claim activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within thirty days after payment of the claim.

14. Source Documents

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. These 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 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 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, training packets, and declarations. Declarations must include a certification stating: "I certify 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, these documents cannot be substituted for source documents.

15. Claim Forms and Instructions

Unless you are filing electronically, a claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated or printed from SCO's Web site and used by the claimant to file reimbursement claims. The SCO will revise the manual and claim forms as necessary.

A. Form-2, Activity Cost Detail

This form is used to segregate the direct costs by claim activity. In some mandates, specific reimbursable activities have been identified for each activity. The expenses reported on this form must be supported by the official financial records of the claimant. All documents used to support the reimbursable activities must be retained by the claimant unless required to be submitted with the claim and must be made available to the SCO on request.

B. Form-1, Claim Summary

This form is used to summarize direct costs by activity and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

C. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized officer of the CCD. All applicable information from Form-1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 are required.

Claims should be rounded to the nearest dollar. Submit a signed original and one copy of form FAM-27, Claim for Payment. **To expedite the payment process, please sign the FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

If delivered by
Other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
-Sacramento, CA 94250

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

16. Retention of Claiming Instructions

The revised claiming instructions in this package have been arranged in alphabetical order by program name. This Manual should be retained for future reference, and the forms should be duplicated to meet your filing requirements. Annually, new or revised forms, instructions, and any other information claimants may need to file claims will be placed on the SCO's Web site located at www.sco.ca.gov/ard_mancost.html.

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, or by e-mail to LRSDAR@sco.ca.gov, or call the Local Reimbursements Section at (916) 324-5729.

17. Retention of Claim Records and Supporting Documentation

Pursuant to Government Code Section 17558.5, (a), a reimbursement claim for actual costs filed by a CCD is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit will commence to run from the date of initial payment of the claim. In any case, an audit will be completed not later than two years after the date that the audit is commenced.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to the SCO on request.

FILING A CLAIM

1. Introduction

Government Code (GC) Sections 17500 through 17617 provide for the reimbursement of costs incurred by community college districts (CCD) for mandated cost programs as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

A reimbursement claim is defined in GC Section 17522 as any claim filed with the State Controller's Office (SCO) by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. Actual claims for the 2009-10 fiscal year will be accepted without penalty if postmarked or delivered on or before **February 15, 2011**. Ongoing reimbursement claims filed after the deadline will be reduced by a late penalty of **10%, not to exceed \$10,000**. Amended claims filed after the filing deadline will be reduced by **10% of the increased amount** not to exceed \$10,000 for the total claim. Initial reimbursement claims filed after the filing deadline will be reduced by a late penalty of **10% with no limitation**. Claims filed more than one year after the deadline will not be accepted by the SCO.

If a claimant is using an indirect cost rate that exceeds 7%, documentation to support the indirect cost rate must be included with the submitted claim. A more detailed discussion of the indirect cost methods available to CCD's can be found in Section 2, Filing a Claim, page 9, **Indirect Costs**. Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO on request as explained in Section 2, Filing a Claim, page 16, **Retention of Claim Records and Supporting Documentation**.

When a program has been reimbursed for three or more years, the Commission may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD. Claimants with an established entitlement no longer need to file claims for that program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds become available.

2. Electronic Filing: Local Government e-Claims (LGeC)

LGeC enables claimants and their consultants to securely prepare and submit mandated cost claims via the Internet. LGeC uses a series of data input screens to collect the information needed to prepare a claim and provides a Web service so claims can be uploaded in batch files. The system also incorporates an attachment feature so claimants can electronically attach supporting documentation if required.

The LGeC system provides an easy and straightforward approach to the claiming process. Filing claims using LGeC eliminates the manual preparation and submission of paper claims by CCD's and the receiving, processing, key entry, verification, and storage of the paper claims by the SCO. LGeC also provides mathematical checks and automated error detection to reduce erroneous and incomplete claims, provides the State with an electronic workflow process, and stores the claims in an electronic format. Making the change from paper claims to electronic claims reduces the manual handling of paper claims and decreases the costs incurred for postage, handling, and storage of claims filed.

In order to use the LGeC system you will need to obtain a User ID and password for each person who will access the LGeC system. To obtain a User ID and password you must file an application with the SCO. The application and instructions are available on the LGeC Web site located at http://www.sco.ca.gov/ard_lgec.html. Complete the application and other documents as requested and mail them to the SCO using the address provided in the instructions. The SCO will process the application and issue a User ID and password to each applicant.

In addition, you may want to subscribe to an email distribution list to automatically receive timely, comprehensive information regarding mandated cost claims, payments, guidelines, electronic claims, and other news and updates. You also will receive related audit reports and mandate information provided by other state agencies.

You can find more information about LGeC and the email distribution lists at http://www.sco.ca.gov/ard_lgec.html. This Web site provides access to the LGeC system, an application for User ID's and passwords, an instructional guide, frequently asked questions (FAQ's) and additional help files. Questions may be directed to LRSDAR@sco.ca.gov, or you may call the Local Reimbursements Section at (916) 324-5729.

3. Types of Claims

Claimants may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program, would receive an automatic annual payment which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable.

A. Reimbursement Claim

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a CCD for reimbursement of costs incurred for which an appropriation is made for paying the claim.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal year(s) of a program that was previously unfunded. Claims are due one hundred and twenty days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement. Annual ongoing reimbursement claims must be filed by February 15th following the fiscal year in which costs were incurred for the program.

Annual ongoing reimbursement claims must be filed by February 15th following the fiscal year in which costs were incurred for the program. Claims for fiscal year 2009-10 will be accepted without late penalty if postmarked or delivered on before February 15th, 2011. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the claim. Claims filed more than one year after the deadline will not be accepted for reimbursement.

B. Entitlement Claim

An entitlement claim is defined in GC Section 17522 as any claim filed by a CCD with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated cost program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, these claims should be filed by February 15th, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are

approved and a base year entitlement amount is determined, the claimant will receive an apportionment reflective of the program's current year costs.

The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the implicit price deflator (IPD) of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by the Commission for inclusion in SMAS, the payment for each year succeeding the three year base period is adjusted according to any changes by both the IPD and average daily attendance (ADA).

The SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS. Annual apportionments for programs included in the SMAS system are paid on or before November 30th of each year.

4. Minimum Claim Amount

For initial claims and annual claims, if the total costs for a given year do not exceed \$1,000 no reimbursement will be allowed except as otherwise allowed by GC Section 17564.

5. Filing Deadline for Claims

Pursuant to GC Section 17561(d) initial reimbursement claims (first time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within one hundred and twenty days from the date the SCO issues the claiming instructions for the program. When paying a timely filed claim for initial reimbursement, the Controller may withhold twenty percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs. Initial reimbursement claims filed after the filing deadline will be reduced by ten percent of the amount that would have been allowed had the claim been timely filed.

The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a program will be considered as one claim for the purpose of computing any late claim penalty. In no case will a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

Pursuant to GC Section 17560, annual reimbursement claims (recurring claims) for costs incurred during the previous fiscal year must be filed with the SCO and postmarked on or before February 15th following the fiscal year in which costs were incurred. If the annual reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims may not be filed more than one year after the deadline.

6. Payment of Claims

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer. When using the LGeC system the logon ID and password of the authorized officer is used for the signature and is applied by the LGeC system when the claim is submitted. Pursuant to GC 17561(d), reimbursement claims are paid by October 15 or sixty days after the date the appropriation for the claim is effective, whichever is later. In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than one year after the adoption of the program's statewide cost estimate.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each House of the Legislature, in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the Commission who will include these amounts in its reports to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. Any balances remaining on these claims will be paid when supplementary funds become available.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by the Commission. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the Commission. The SCO determines allowable reimbursable costs, subject to amendment by the Commission, for mandates funded by special legislation. Allowable costs are those direct and indirect costs, less applicable credits, considered eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops, general education, and travel costs.

7. State Mandates Apportionment System (SMAS)

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the Commission.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each CCD that has submitted reimbursement claims (or entitlement claims) for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims (or entitlement claims) for any three consecutive fiscal years. The amounts are first adjusted by any change in the IPD, which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the Commission's approval.

Each CCD with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The apportionment amount is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and ADA.

In the event a CCD has incurred costs for three consecutive fiscal years but did not file a reimbursement claim in one or more of those fiscal years, the CCD may file an entitlement claim for each of those missed years to establish a base year entitlement. An entitlement claim means any claim filed by a CCD with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement may not include any nonrecurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30th. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the CCD determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in GC Section 17615.8 and requires the approval of the Commission.

8. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Documentation to support direct costs must be kept on hand unless otherwise specified in the claiming instructions and made available to the SCO on request

It is the responsibility of the claimant to maintain documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

Costs typically classified as direct costs are:

(1) Employee Wages, Salaries, and Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classifications, hours worked on the mandate, and rate of pay. The claimant may use a productive hourly rate in-lieu of reporting actual compensation and benefits:

(a) Productive Hourly Rate Options

A CCD may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee;
- The weighted-average annual productive hours for each job title; or
- 1,800* annual productive hours for all employees.

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claimant must maintain documentation of how these hours were computed.

* 1,800 annual productive hours excludes the following employee time:

- Paid holidays;
- Vacation earned;
- Sick leave taken;
- Informal time off;
- Jury duty;
- Military leave taken.

(b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and benefits and divide by the annual productive hours.

Table 1: Productive Hourly Rate, Annual Salary + Benefits Method

Formula:	Description:
$[(EAS + Benefits) \div APH] = PHR$	EAS = Employee's Annual Salary APH = Annual Productive Hours
$[(\$26,000 + \$8,099) \div 1,800 \text{ hrs}] = 18.94$	PHR = Productive Hourly Rate

- As illustrated in Table 1, if an employee's compensation was \$26,000 and \$8,099 for annual salary and benefits, respectively, using the Salary + Benefits Method, the productive hourly rate would be \$18.94. To convert a biweekly salary to Annual Salary, multiply the biweekly salary by 26. To convert a monthly salary to Annual Salary, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.
2. A claimant may also compute the productive hourly rate by using the Percent of Salary Method.

Table 2: Productive Hourly Rate, Percent of Salary Method

Example:		
Step 1: Benefits as a Percent of Salary		Step 2: Productive Hourly Rate
Retirement	15.00 %	Formula: $[(EAS \times (1 + BR)) \div APH] = PHR$ $[(\$26,000 \times (1.3115)) \div 1,800] = \18.94
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	
Total	31.15 %	
Description:		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
BR = Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 2, both methods produce the same productive hourly rate.

Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages, and employee benefits. Employee benefits include employer's contributions for social security, pension plans, insurance, workers compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:

- The amount of compensation is reasonable for the service rendered;
- The compensation paid and benefits received are appropriately authorized by the governing board;

- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees;
- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level position performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at a higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable.

(c) Calculating an Average Productive Hourly Rate

In those instances where the claiming instructions allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

Table 3: Calculating an Average Productive Hourly Rate

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is $\$45.88 \div 5.50 \text{ hrs.} = \8.34			

(d) Employer's Benefits Contribution

A CCD has the option of claiming actual employer's benefit contributions or may compute an average benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each benefit is computed, total them. For example:

Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

(2) Materials and Supplies

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the

materials and supplies that were used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases must be claimed at the actual price after deducting discounts, rebates and allowances received by the CCD.

(a) Calculating a Unit Cost for Materials and Supplies

In those instances where the P's & G's suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

Table 1: Calculating a Unit Cost for Materials and Supplies

Supplies	<u>Cost Per Unit</u>	<u>Amount of Supplies Used Per Activity</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

Table 2: Calculating a Unit Cost for Materials and Supplies

Supplies	<u>Supplies Used</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	2.00
		<u>\$9.50</u>

If the number of reimbursable instances is 25, then the unit cost of supplies is \$0.38 per reimbursable instance ($\$9.50 \div 25$).

(3) Contract Services

The cost of contract services is allowable if the CCD lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must keep documentation on hand to support the name of the contractor, explain the reason for having to hire a contractor, describe the mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate must

not exceed the rate specified in the P's & G's for the mandated program. The contractor's invoice or statement must include an itemized list of costs for activities performed.

(4) Equipment Rental Costs

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the P's & G's for the particular mandate. Equipment rentals used solely for the mandate are reimbursable to the extent that such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must maintain documentation to support the purpose and use of the equipment, the time period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the pro rata portion of the rental costs can be claimed.

(5) Capital Outlay

Capital outlay for land, buildings, equipment, furniture and fixtures may be claimed if the P's & G's specify them as allowable. If they are allowable, the P's & G's for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the pro rata portion of the purchase price used to implement the reimbursable activities can be claimed.

(6) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the Department of Personnel Administration (DPA) travel standards. When claiming travel expenses, the claimant must maintain documentation to support the purpose of the trip, the names and addresses of the persons incurring the expense, the date and time of departure and return, a description of each expense claimed, and the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking. Receipts are required for charges over \$10.00.

9. Indirect Costs

Indirect costs are: (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services, and facilities. To be allowable, a cost must be allocable to a particular cost objective. Indirect costs must be distributed to benefiting cost objectives on bases which produce an equitable result related to the benefits derived by the mandate.

A CCD may claim indirect costs using the Controller's methodology (FAM-29C), or if specifically allowed by a mandated cost program's P's & G's, a district may choose to claim indirect costs using either: (1) A federally approved rate prepared in accordance with the Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate. The FAM-29C indirect cost rate and the flat 7% indirect cost rate are applied to *Salaries and Benefits*, whereas the federally approved rate is applied to the allocation base used in developing the federally approved rate.

If indirect costs are calculated using the OMB Circular A-21 methodology with a base other than *Salaries and Benefits*, the claim cannot be filed using the LGeC as the system does not support cost bases other than *Salaries and Benefits*. Instead, these claims must be filed manually using paper forms.

However, if indirect costs are calculated using the OMB Circular A-21 methodology using *Salaries and Benefits* in the base, then the claims can be filed using either the LGeC system or the manual paper process. In these cases, the indirect cost rate is calculated in accordance with the chosen

methodology and keyed into the mandated cost form on the appropriate line (usually Form 1, line (06)), *Indirect Cost Rate*. The LGeC system will apply that rate to *Salaries and Benefits* (usually Form 1, line (5)(a) to arrive at the total indirect costs (usually Form 1, line (7)).

The SCO developed form FAM-29C to be consistent with the OMB Circular A-21 cost accounting principles as they apply to mandated cost programs. The objective is to determine an equitable rate to allocate administrative support to personnel who performed the mandated cost activities. The methodology used in form FAM-29C is a direct cost base comprised of salary and benefit costs. This provides a consistent indirect cost rate methodology for all CCD's mandated cost programs.

FAM-29C uses expenditures that districts report in their California Community Colleges Annual Financial and Budget Report (CCFS-311), Expenditures by Activity for the General Fund – Combined. CCD's must use the CCFS-311 report applicable to the fiscal year of the reimbursement claim submitted. The computation excludes capital outlay and other outgo in accordance with the OMB Circular A-21. The indirect cost rate computation includes any depreciation or use allowance applicable to district buildings and equipment. Districts calculate depreciation or use allowance costs separately from the CCFS-311 report and should calculate them in accordance with the OMB Circular A-21.

The OMB Circular A-21, Section C.4, states that a cost is allocable to a particular cost objective in accordance with the relative benefits received. Also, Section E.2.b., states that the overall objective of the cost allocation process is to distribute indirect costs to the institution's major functions in proportions reasonably consistent with their use of the institution's resources. In addition, Section E.2.c. notes that where certain items or categories of expense relate to less than all functions, such expenses should be set aside for selective allocation.

The OMB Circular A-21, Section H, describes a simplified method for indirect cost rate calculations. However, Section H.1.b. states that the simplified method should not be used where it produces results that appear inequitable. As previously noted, FAM-29C strives to equitably allocate administrative support costs to personnel that perform mandated cost activities claimed by CCD's. For example, library costs and department administration expenses, normally classified fully or partly as indirect costs in the OMB Circular A-21, are instead classified as direct costs for FAM-29C. These costs do not benefit mandated cost activities. In summary, FAM-29C indirect costs include operation and maintenance of plant; planning, policy making, and coordination; general institutional support services (excluding community relations); and depreciation or use allowance. Community relations include fundraising costs, which are unallowable under OMB Circular A-21. If the district claims any costs from these indirect accounts as direct mandate-related costs, the same costs should be reclassified as direct on FAM-29C.

Table 4 presents an example of the FAM-29C methodology.

Table 4: Indirect Cost Rate for Community Colleges

MANDATED COST					FORM
INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS					FAM 29-C
(1) Claimant					
Activity	EDP	Indirect-Salaries			Direct-Salaries and Benefits only
		Salaries and Benefits per CCFS-311	Operating Expenses per CCFS-311	Benefits, and Operating Expenses	
Instructional Activities	599	\$ 46,249,931	\$ 8,289,190	\$	\$ 46,249,931
Instruct. Admin. & Instruct. Governance	6000	5,181,935	631,615		5,181,935
Instructional Support Services	6100	4,361,061	445,196		4,361,061
Admissions and Records	6200	1,251,539	96,634		1,251,539
Student Counseling and Guidance	6300	3,373,121	80,201		3,373,121
Other Student Services	6400	5,511,511	1,116,904		5,511,511
Operation and Maintenance of Plant	6500	5,192,099	3,192,398	8,384,497	
Planning, Policy Making, and Coordination	6600	2,562,909	1,096,833	3,659,742	
General Institutional Support Services	6700				
Community Relations	6710	446,207	228,320		446,207
Fiscal Operations	6720	2,342,316	315,019	2,657,335	
Human Resources Management	6730	1,057,387	102,600	1,159,987	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,327,125	-	1,327,125	
Staff Development	6750	1,295	34,931	36,226	
Staff Diversity	6760	449,392	394,915	844,307	
Logistical Services	6770	2,853,609	354,953	3,208,562	
Management Information Systems	6780	2,386,511	894,685	3,281,196	
Other General Institutional Support Services	6790	19,635	1,679	21,314	
Community Services and Economic Development	6800	963,036	688,648		963,036
Ancillary Services	6900	723,450	224,961		723,450
Auxiliary Operations	7000	565,859	12,179		565,859
Depreciation or Use Allowance - Building				2,620,741	
Depreciation or Use Allowance - Equipment				721,097	
Totals		<u>\$ 86,819,928</u>	<u>\$ 18,201,861</u>	<u>\$ 27,922,129</u>	<u>\$ 68,627,650</u>
				(A)	(B)
Indirect Cost Rate (A)/(B)				<u>40.69%</u>	

10. Time Study Guidelines

Background

Two methods are acceptable for documenting employee time charged to mandated cost programs: 1) Actual Time Reporting and 2) Time Study. These methods are described below. Application of time study results is restricted. As explained in the Time Study Results section below, the results may be projected forward a maximum of two years or applied retroactively to initial claims, current-year claims, and late-filed claims, provided certain criteria are met.

Actual Time Reporting

Each program's P's and G's define reimbursable activities for the mandated cost program. When employees work on multiple activities, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards:

- They must reflect an after-the-fact distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for actual time reporting.

Time Study

In certain cases, a time study may be used as a substitute for continuous records of actual time spent on multiple activities and/or programs. A time study can be used for an activity when the task is repetitive in nature. Activities that require varying levels of effort are not appropriate for time studies.

Time Study Plan

The claimant must develop a plan before the time study is conducted. The claimant must retain the time study plan for audit purposes. The plan must identify the following:

- Time periods to be studied - The plan must show that all time periods selected are representative of the fiscal year and that the results can be reasonably projected to approximate actual costs;
- Activities to be studied - The time study must separately identify each reimbursable activity defined in the mandated program's P's and G's. If a reimbursable activity identifies separate and distinct sub-activities, these sub-activities also must be treated as individual activities;

For example, sub-activities (a) and (b) under reimbursable activity (1) of the Agency Fee Arrangements Program relate to salary deduction and payment of fair share and are not separate and distinct activities. It is not necessary to separately study these sub-activities.

- Process used to accomplish each reimbursable activity - Use flowcharts or similar analytical tools and/or written desk procedures to describe the process followed to complete each activity;
- Employee universe - The employee universe used in the time study must include all positions for which salaries and wages are to be allocated by means of the time study;
- Employee sample selection methodology - The plan must show that employees selected are representative of the employee universe and that the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations;
- Time increments to be recorded - The time increments used should be sufficient to recognize the

number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) can be used for employees performing only a few functions that change very slowly over time. Small increments (a number of minutes) can be used for employees performing more short-term tasks.

Random-moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random-moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

Time Study Documentation

Time studies must:

- Be supported by time records that are completed when the activity occurs;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities performed during a specific time period;
- Coincide with one or more pay periods.

Time records must be signed by the employee and be supported by documentation that validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

Time Study Results

Claimants must summarize time study results to show how the time study supports the costs claimed for each activity. Any variation from the procedures identified in the original time study plan must be documented and explained. Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant also may apply time study results retroactively to initial claims, current-year claims, and late-filed claims.

When projecting time study results, the claimant must certify that no significant changes have occurred between years in either (1) the requirements of each mandated program activity; or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain documentation that shows that the mandated activity was actually performed. Time study results used to support claims are subject to the record-keeping requirements for those claims.

11. Offsets Against State Mandated Claims

As noted previously, allowable costs are defined as those direct and indirect costs, less applicable credits, considered eligible for reimbursement. When all or part of the costs of a mandated program are specifically reimbursable from local assistance revenue sources (e.g., state, federal, foundation, etc.), only that portion of any increased cost payable from CCD funds is eligible for reimbursement under the provisions of GC Section 17561.

A. Example 1:

As illustrated in Table 5, this example shows how the Offset Against State Mandated Claims is determined for a CCD receiving block grant revenues not based on a formula allocation. Program costs for each situation equals \$100,000.

Table 5: Offsets Against State Mandates, Example 1

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	100,000 *	49,000	2,500	250	2,250

* CCD share is \$50,000 of the program cost.

Numbers (1) through (4) in Table 5, show intended funding at 100% from local assistance revenue sources. Numbers (5) and (6) show cost sharing on a 50/50 basis with the district. In numbers (1) through (6), included in the program costs of \$100,000 are state mandated costs of \$2,500. The offset against state mandated claims are the amount of actual local assistance revenues, which exceeds the difference between program costs and state mandated costs. This offset cannot exceed the amount of state mandated costs.

In (1), local assistance revenues were less than expected. Local assistance funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs.

In (4), local assistance revenues were fully realized to cover the entire cost of the program, including the state mandated activity; therefore, the offset against state mandated claims is \$2,500, and claimable cost is \$0.

In (5), the district is sharing 50% of the project cost. Since local assistance revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

In (6), local assistance revenues were less than the amount expended and the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.

B. Example 2:

As illustrated in Table 6, this example shows how the offset against state mandated claims is determined for a CCD receiving special project funds based on approved actual costs. Local assistance revenues for special projects must be applied proportionately to the approved costs.

Table 6: Offset Against State Mandates, Example 2

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	100,000 **	45,000	1,500	1,125	375

** CCD share is \$25,000 of the program cost.

In (2), the entire program cost was approved. Since the local assistance revenue source covers

75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

If in (3) local assistance revenues are less than the amount expected because only \$60,000 of the \$100,000 program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claims is \$1,125. Therefore, the claimable mandated costs are \$375.

12. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. Claimants will receive a *Notice of Claim Adjustment* detailing any adjustments made by the SCO.

13. Audit of Costs

Pursuant to GC Section 17558.5, Subdivision (b), the SCO may conduct a field review of any claim after it has been submitted to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the Commission. If any adjustments are made to a claim, a Notice of Claim Adjustment specifying the claim activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within thirty days after payment of the claim.

14. Source Documents

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 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 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, training packets, and declarations. Declarations must include a certification stating: "I certify 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, these documents cannot be substituted for source documents.

15. Claim Forms and Instructions

Unless you are filing electronically, a claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated or printed from SCO's Web site and used by the claimant to file reimbursement claims. The SCO will revise the manual and claim forms as necessary.

A. Form-2, Activity Cost Detail

This form is used to segregate the direct costs by claim activity. In some mandates, specific reimbursable activities have been identified for each activity. The expenses reported on this form must be supported by the official financial records of the claimant. All documents used to support the reimbursable activities must be retained by the claimant unless required to be submitted with the claim and must be made available to the SCO on request.

B. Form-1, Claim Summary

This form is used to summarize direct costs by activity and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

C. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized officer of the CCD. All applicable information from Form-1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 are required.

Submit a signed original and one copy of form FAM-27, Claim for Payment. **To expedite the payment process, please sign the FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
Other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

16. Retention of Claiming Instructions

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. This Manual should be retained for future reference, and the forms should be duplicated to meet your filing requirements. Annually, new or revised forms, instructions, and any other information claimants may need to file claims will be placed on the SCO's Web site located at www.sco.ca.gov/ard_mancost.html.

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, or by e-mail to LRSDAR@sco.ca.gov, or call the Local Reimbursements Section at (916) 324-5729.

17. Retention of Claim Records and Supporting Documentation

Pursuant to Government Code Section 17558.5, (a), a reimbursement claim for actual costs filed by a CCD is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit will commence to run from the date of initial payment of the claim. In any case, an audit will be completed not later than two years after the date that the audit is commenced.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to the SCO on request.

FILING A CLAIM

1. Introduction

Government Code (GC) Sections 17500 through 17617 provide for the reimbursement of costs incurred by community college districts (CCD) for mandated cost programs as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

A reimbursement claim is defined in GC Section 17522 as any claim filed with the State Controller's Office (SCO) by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. Actual claims for the 2010-11 fiscal year will be accepted without penalty if postmarked or delivered on or before **February 15, 2012**. Ongoing reimbursement claims filed after the deadline will be reduced by a late penalty of **10%, not to exceed \$10,000**. Amended claims filed after the filing deadline will be reduced by **10% of the increased amount** not to exceed \$10,000 for the total claim. Initial reimbursement claims filed after the filing deadline will be reduced by a late penalty of **10% with no limitation**. Claims filed more than one year after the deadline will not be accepted by the SCO.

If a claimant is using an indirect cost rate that exceeds 7%, documentation to support the indirect cost rate must be included with the submitted claim. A more detailed discussion of the indirect cost methods available to CCD's can be found in Section 2, Filing a Claim, page 9, **Indirect Costs**. Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO on request as explained in Section 2, Filing a Claim, page 16, **Retention of Claim Records and Supporting Documentation**.

When a program has been reimbursed for three or more years, the Commission on State Mandates (CSM) may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD. Claimants with an established entitlement no longer need to file claims for that program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds become available.

2. Electronic Filing: Local Government e-Claims (LGeC)

LGeC enables claimants and their consultants to securely prepare and submit mandated cost claims via the Internet. LGeC uses a series of data input screens to collect the information needed to prepare a claim and provides a Web service so claims can be uploaded in batch files. The system also incorporates an attachment feature so claimants can electronically attach supporting documentation if required.

The LGeC system provides an easy and straightforward approach to the claiming process. Filing claims using LGeC eliminates the manual preparation and submission of paper claims by CCD's and the receiving, processing, key entry, verification, and storage of the paper claims by the SCO. LGeC also provides mathematical checks and automated error detection to reduce erroneous and incomplete claims, provides the State with an electronic workflow process, and stores the claims in an electronic format. Making the change from paper claims to electronic claims reduces the manual handling of paper claims and decreases the costs incurred for postage, handling, and storage of claims filed.

In order to use the LGeC system you will need to obtain a User ID and password for each person who will access the LGeC system. To obtain a User ID and password you must file an application with the SCO. The application and instructions are available on the LGeC Web site located at http://www.sco.ca.gov/ard_lgec.html. Complete the application and other documents as requested and mail them to the SCO using the address provided in the instructions. The SCO will process the application and issue a User ID and password to each applicant.

In addition, you may want to subscribe to an email distribution list to automatically receive timely, comprehensive information regarding mandated cost claims, payments, guidelines, electronic claims, and other news and updates. You also will receive related audit reports and mandate information provided by other state agencies.

You can find more information about LGeC and the email distribution lists at http://www.sco.ca.gov/ard_lgec.html. This Web site provides access to the LGeC system, an application for User ID's and passwords, an instructional guide, frequently asked questions (FAQ's) and additional help files. Questions may be directed to LRSDAR@sco.ca.gov, or you may call the Local Reimbursements Section at (916) 324-5729.

3. Types of Claims

Claimants may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant, who has established a base year entitlement for a program, would receive an automatic annual payment which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable.

A. Reimbursement Claim

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal year(s) of a program that was previously unfunded. Claims are due one hundred and twenty days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement.

Annual ongoing reimbursement claims must be filed by February 15th following the fiscal year in which costs were incurred for the program. Claims for fiscal year 2010-11 will be accepted without late penalty if postmarked or delivered on before February 15, 2012. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the claim. Claims filed more than one year after the deadline will not be accepted for reimbursement.

B. Entitlement Claim

An entitlement claim is defined in GC Section 17522 as any claim filed by a CCD with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated cost program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, these claims should be filed by February 15th, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an

apportionment reflective of the program's current year costs.

The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the implicit price deflator (IPD) of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by the CSM for inclusion in SMAS, the payment for each year succeeding the three year base period is adjusted according to any changes by both the IPD and average daily attendance (ADA).

The SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS. Annual apportionments for programs included in the SMAS system are paid on or before November 30th of each year.

4. Minimum Claim Amount

For initial claims and annual claims, if the total costs for a given year do not exceed \$1,000 no reimbursement will be allowed except as otherwise allowed by GC Section 17564.

5. Filing Deadline for Claims

Pursuant to GC Section 17561(d) initial reimbursement claims (first time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within one hundred and twenty days from the date the SCO issues the claiming instructions for the program. When paying a timely filed claim for initial reimbursement, the Controller may withhold twenty percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs. Initial reimbursement claims filed after the filing deadline will be reduced by ten percent of the amount that would have been allowed had the claim been timely filed.

The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a program will be considered as one claim for the purpose of computing any late claim penalty. In no case will a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

Pursuant to GC Section 17560, annual reimbursement claims (recurring claims) for costs incurred during the previous fiscal year must be filed with the SCO and postmarked on or before February 15th following the fiscal year in which costs were incurred. If the annual reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims may not be filed more than one year after the deadline.

6. Payment of Claims

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer. When using the LGeC system the logon ID and password of the authorized officer is used for the signature and is applied by the LGeC system when the claim is submitted. Pursuant to GC 17561(d), reimbursement claims are paid by October 15 or sixty days after the date the appropriation for the claim is effective, whichever is later. In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

A claimant is entitled to receive accrued interest at the pooled money investment account rate if the

payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than one year after the adoption of the program's statewide cost estimate.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each House of the Legislature, in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the CSM who will include these amounts in its reports to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. Any balances remaining on these claims will be paid when supplementary funds become available.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by the CSM. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the CSM. The SCO determines allowable reimbursable costs, subject to amendment by the CSM, for mandates funded by special legislation. Allowable costs are those direct and indirect costs, less applicable credits, considered eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops, general education, and travel costs.

7. State Mandates Apportionment System (SMAS)

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the CSM.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each CCD that has submitted reimbursement claims (or entitlement claims) for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims (or entitlement claims) for any three consecutive fiscal years. The amounts are first adjusted by any change in the IPD, which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the CSM's approval.

Each CCD with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The apportionment amount is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and ADA.

In the event a CCD has incurred costs for three consecutive fiscal years but did not file a reimbursement claim in one or more of those fiscal years, the CCD may file an entitlement claim for each of those missed years to establish a base year entitlement. An entitlement claim means any claim filed by a CCD with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement may not include any nonrecurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30th. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the CCD determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in GC Section 17615.8 and requires the approval of the CSM.

8. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Documentation to support direct costs must be kept on hand unless otherwise specified in the claiming instructions and made available to the SCO on request

It is the responsibility of the claimant to maintain documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

Costs typically classified as direct costs are:

(1) Employee Wages, Salaries, and Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classifications, hours worked on the mandate, and rate of pay. The claimant may use a productive hourly rate in-lieu of reporting actual compensation and benefits:

(a) Productive Hourly Rate Options

A CCD may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee;
- The weighted-average annual productive hours for each job title; or
- 1,800* annual productive hours for all employees.

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claimant must maintain documentation of how these hours were computed.

* 1,800 annual productive hours excludes the following employee time:

- o Paid holidays;
- o Vacation earned;
- o Sick leave taken;
- o Informal time off;
- o Jury duty;
- o Military leave taken.

(b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and benefits and divide by the annual productive hours.

Table 1: Productive Hourly Rate, Annual Salary + Benefits Method

Formula:	Description:
$[(EAS + Benefits) \div APH] = PHR$	EAS = Employee's Annual Salary APH = Annual Productive Hours
$[(\$26,000 + \$8,099) \div 1,800 \text{ hrs}] = 18.94$	PHR = Productive Hourly Rate

- As illustrated in Table 1, if an employee's compensation was \$26,000 and \$8,099 for annual salary and benefits, respectively, using the Salary + Benefits Method, the productive hourly rate would be \$18.94. To convert a biweekly salary to Annual Salary, multiply the biweekly salary by 26. To convert a monthly salary to Annual Salary, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.
2. A claimant may also compute the productive hourly rate by using the Percent of Salary Method.

Table 2: Productive Hourly Rate, Percent of Salary Method

Example:		
Step 1: Benefits as a Percent of Salary		Step 2: Productive Hourly Rate
Retirement	15.00 %	Formula: $[(EAS \times (1 + BR)) \div APH] = PHR$ $[(\$26,000 \times (1.3115)) \div 1,800] = \18.94
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	
Total	31.15 %	
Description:		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
BR = Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 2, both methods produce the same productive hourly rate.
- Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages, and employee benefits. Employee benefits include employer's contributions for social security, pension plans, insurance, workers compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:
- The amount of compensation is reasonable for the service rendered;
 - The compensation paid and benefits received are appropriately authorized by the governing board;

- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees;
- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level position performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at a higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable.

(c) Calculating an Average Productive Hourly Rate

In those instances where the claiming instructions allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

Table 3: Calculating an Average Productive Hourly Rate

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is $\$45.88 \div 5.50 \text{ hrs.} = \8.34			

(d) Employer's Benefits Contribution

A CCD has the option of claiming actual employer's benefit contributions or may compute an average benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each benefit is computed, total them. For example:

Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

(2) Materials and Supplies

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases must be claimed at the actual price after deducting discounts, rebates and allowances received by the CCD.

(a) Calculating a Unit Cost for Materials and Supplies

In those instances where the P's & G's suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

Table 1: Calculating a Unit Cost for Materials and Supplies

Supplies	Cost Per Unit	Amount of Supplies Used Per Activity	Unit Cost of Supplies Per Activity
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

Table 2: Calculating a Unit Cost for Materials and Supplies

Supplies	Supplies Used	Unit Cost of Supplies Per Activity
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	2.00
		<u>\$9.50</u>

If the number of reimbursable instances is 25, then the unit cost of supplies is \$0.38 per reimbursable instance ($\$9.50 \div 25$).

(3) Contract Services

The cost of contract services is allowable if the CCD lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must keep documentation on hand to support the name of the contractor, explain the reason for having to hire a contractor, describe the mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate must

not exceed the rate specified in the P's & G's for the mandated program. The contractor's invoice or statement must include an itemized list of costs for activities performed.

(4) Equipment Rental Costs

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the P's & G's for the particular mandate. Equipment rentals used solely for the mandate are reimbursable to the extent that such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must maintain documentation to support the purpose and use of the equipment, the time period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the pro rata portion of the rental costs can be claimed.

(5) Capital Outlay

Capital outlay for land, buildings, equipment, furniture and fixtures may be claimed if the P's & G's specify them as allowable. If they are allowable, the P's & G's for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the pro rata portion of the purchase price used to implement the reimbursable activities can be claimed.

(6) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the Department of Personnel Administration (DPA) travel standards. When claiming travel expenses, the claimant must maintain documentation to support the purpose of the trip, the names and addresses of the persons incurring the expense, the date and time of departure and return, a description of each expense claimed, and the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking. Receipts are required for charges over \$10.00.

9. Indirect Costs

Indirect costs are: (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services, and facilities. To be allowable, a cost must be allocable to a particular cost objective. Indirect costs must be distributed to benefiting cost objectives on bases, which produce an equitable result, related to the benefits derived by the mandate.

A CCD may claim indirect costs using the Controller's methodology (FAM-29C), or if specifically allowed by a mandated cost program's P's & G's, a district may choose to claim indirect costs using either: (1) A federally approved rate prepared in accordance with the Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate. The FAM-29C indirect cost rate and the flat 7% indirect cost rate are applied to *Salaries and Benefits*, whereas the federally approved rate is applied to the allocation base used in developing the federally approved rate.

If indirect costs are calculated using the OMB Circular A-21 methodology with a base other than *Salaries and Benefits*, the claim cannot be filed using the LGeC as the system does not support cost bases other than *Salaries and Benefits*. Instead, these claims must be filed manually using paper forms.

However, if indirect costs are calculated using the OMB Circular A-21 methodology using *Salaries and Benefits* in the base, then the claims can be filed using either the LGeC system or the manual

paper process. In these cases, the indirect cost rate is calculated in accordance with the chosen methodology and keyed into the mandated cost form on the appropriate line (usually Form 1, line (06)), *Indirect Cost Rate*. The LGeC system will apply that rate to *Salaries and Benefits* (usually Form 1, line (5)(a)) to arrive at the total indirect costs (usually Form 1, line (7)).

The SCO developed form FAM-29C to be consistent with the OMB Circular A-21 cost accounting principles as they apply to mandated cost programs. The objective is to determine an equitable rate to allocate administrative support to personnel who performed the mandated cost activities. The methodology used in form FAM-29C is a direct cost base comprised of salary and benefit costs. This provides a consistent indirect cost rate methodology for all CCD's mandated cost programs.

FAM-29C uses expenditures that districts report in their California Community Colleges Annual Financial and Budget Report (CCFS-311), Expenditures by Activity for the General Fund – Combined. CCD's must use the CCFS-311 report applicable to the fiscal year of the reimbursement claim submitted. The computation excludes capital outlay and other outgo in accordance with the OMB Circular A-21. The indirect cost rate computation includes any depreciation or use allowance applicable to district buildings and equipment. Districts calculate depreciation or use allowance costs separately from the CCFS-311 report and should calculate them in accordance with the OMB Circular A-21.

The OMB Circular A-21, Section C.4, states that a cost is allocable to a particular cost objective in accordance with the relative benefits received. Also, Section E.2.b., states that the overall objective of the cost allocation process is to distribute indirect costs to the institution's major functions in proportions reasonably consistent with their use of the institution's resources. In addition, Section E.2.c. notes that where certain items or categories of expense relate to less than all functions, such expenses should be set aside for selective allocation.

The OMB Circular A-21, Section H, describes a simplified method for indirect cost rate calculations. However, Section H.1.b. states that the simplified method should not be used where it produces results that appear inequitable. As previously noted, FAM-29C strives to equitably allocate administrative support costs to personnel that perform mandated cost activities claimed by CCD's. For example, library costs and department administration expenses, normally classified fully or partly as indirect costs in the OMB Circular A-21, are instead classified as direct costs for FAM-29C. These costs do not benefit mandated cost activities. In summary, FAM-29C indirect costs include operation and maintenance of plant; planning, policy making, and coordination; general institutional support services (excluding community relations); and depreciation or use allowance. Community relations include fundraising costs, which are unallowable under OMB Circular A-21. If the district claims any costs from these indirect accounts as direct mandate-related costs, the same costs should be reclassified as direct on FAM-29C.

Table 4 presents an example of the FAM-29C methodology.

Table 4: Indirect Cost Rate for Community Colleges

MANDATED COST INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS					FORM FAM 29-C
(1) Claimant					
Activity	EDP	Salaries and Benefits per CCFS-311	Operating Expenses per CCFS-311	Indirect-Salaries Benefits, and Operating Expenses	Direct-Salaries and Benefits only
Instructional Activities	599	\$ 46,249,931	\$ 8,289,190	\$	\$ 46,249,931
Instruct. Admin. & Instruct. Governance	6000	5,181,935	631,615		5,181,935
Instructional Support Services	6100	4,361,061	445,196		4,361,061
Admissions and Records	6200	1,251,539	96,634		1,251,539
Student Counseling and Guidance	6300	3,373,121	80,201		3,373,121
Other Student Services	6400	5,511,511	1,116,904		5,511,511
Operation and Maintenance of Plant	6500	5,192,099	3,192,398	8,384,497	
Planning, Policy Making, and Coordination	6600	2,562,909	1,096,833	3,659,742	
General Institutional Support Services	6700				
Community Relations	6710	446,207	228,320		446,207
Fiscal Operations	6720	2,342,316	315,019	2,657,335	
Human Resources Management	6730	1,057,387	102,600	1,159,987	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,327,125	-	1,327,125	
Staff Development	6750	1,295	34,931	36,226	
Staff Diversity	6760	449,392	394,915	844,307	
Logistical Services	6770	2,853,609	354,953	3,208,562	
Management Information Systems	6780	2,386,511	894,685	3,281,196	
Other General Institutional Support Services	6790	19,635	1,679	21,314	
Community Services and Economic Development	6800	963,036	688,648		963,036
Ancillary Services	6900	723,450	224,961		723,450
Auxiliary Operations	7000	565,859	12,179		565,859
Depreciation or Use Allowance - Building				2,620,741	
Depreciation or Use Allowance - Equipment				721,097	
Totals		<u>\$ 86,819,928</u>	<u>\$ 18,201,861</u>	<u>\$ 27,922,129</u>	<u>\$ 68,627,650</u>
				(A)	(B)
Indirect Cost Rate (A)/(B)				<u>40.69%</u>	

11. Time Study Guidelines

Background

Two methods are acceptable for documenting employee time charged to mandated cost programs: 1) Actual Time Reporting and 2) Time Study. These methods are described below. Application of time study results is restricted. As explained in the Time Study Results section below, the results may be projected forward a maximum of two years or applied retroactively to initial claims, current-year claims, and late-filed claims, provided certain criteria are met.

Actual Time Reporting

Each program's P's and G's define reimbursable activities for the mandated cost program. When employees work on multiple activities, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards:

- They must reflect an after-the-fact distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for actual time reporting.

Time Study

In certain cases, a time study may be used as a substitute for continuous records of actual time spent on multiple activities and/or programs. A time study can be used for an activity when the task is repetitive in nature. Activities that require varying levels of effort are not appropriate for time studies.

Time Study Plan

The claimant must develop a plan before the time study is conducted. The claimant must retain the time study plan for audit purposes. The plan must identify the following:

- Time periods to be studied - The plan must show that all time periods selected are representative of the fiscal year and that the results can be reasonably projected to approximate actual costs;
- Activities to be studied - The time study must separately identify each reimbursable activity defined in the mandated program's P's and G's. If a reimbursable activity identifies separate and distinct sub-activities, these sub-activities also must be treated as individual activities;

For example, sub-activities (a) and (b) under reimbursable activity (1) of the Agency Fee Arrangements Program relate to salary deduction and payment of fair share and are not separate and distinct activities. It is not necessary to separately study these sub-activities.

- Process used to accomplish each reimbursable activity - Use flowcharts or similar analytical tools and/or written desk procedures to describe the process followed to complete each activity;
- Employee universe - The employee universe used in the time study must include all positions for which salaries and wages are to be allocated by means of the time study;
- Employee sample selection methodology - The plan must show that employees selected are representative of the employee universe and that the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations;

- Time increments to be recorded - The time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) can be used for employees performing only a few functions that change very slowly over time. Small increments (a number of minutes) can be used for employees performing more short-term tasks.

Random-moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random-moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

Time Study Documentation

Time studies must:

- Be supported by time records that are completed when the activity occurs;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities performed during a specific time period;
- Coincide with one or more pay periods.

Time records must be signed by the employee and be supported by documentation that validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

Time Study Results

Claimants must summarize time study results to show how the time study supports the costs claimed for each activity. Any variation from the procedures identified in the original time study plan must be documented and explained. Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant also may apply time study results retroactively to initial claims, current-year claims, and late-filed claims.

When projecting time study results, the claimant must certify that no significant changes have occurred between years in either (1) the requirements of each mandated program activity; or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain documentation that shows that the mandated activity was actually performed. Time study results used to support claims are subject to the record-keeping requirements for those claims.

12. Offsets Against State Mandated Claims

As noted previously, allowable costs are defined as those direct and indirect costs, less applicable credits, considered eligible for reimbursement. When all or part of the costs of a mandated program are specifically reimbursable from local assistance revenue sources (e.g., state, federal, foundation, etc.), only that portion of any increased cost payable from CCD funds is eligible for reimbursement under the provisions of GC Section 17561.

A. Example 1:

As illustrated in Table 5, this example shows how the Offset Against State Mandated Claims is determined for a CCD receiving block grant revenues not based on a formula allocation. Program costs for each situation equal \$100,000.

Table 5: Offsets Against State Mandates, Example 1

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,00	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000	50,000	2,500	1,250	1,250
6.	100,000	49,000	2,500	250	2,250

* CCD share is \$50,000 of the program cost.

- Numbers (1) through (4) in Table 5, show intended funding at 100% from local assistance revenue sources. Numbers (5) and (6) show cost sharing on a 50/50 basis with the district. In numbers (1) through (6), included in the program costs of \$100,000 are state mandated costs of \$2,500. The offset against state mandated claims are the amount of actual local assistance revenues, which exceeds the difference between program costs and state mandated costs. This offset cannot exceed the amount of state mandated costs.
- In (1), local assistance revenues were less than expected. Local assistance funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs.
- In (4), local assistance revenues were fully realized to cover the entire cost of the program, including the state mandated activity; therefore, the offset against state mandated claims is \$2,500, and claimable cost is \$0.
- In (5), the district is sharing 50% of the project cost. Since local assistance revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.
- In (6), local assistance revenues were less than the amount expended and the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.

B. Example 2:

As illustrated in Table 6, this example shows how the offset against state mandated claims is determined for a CCD receiving special project funds based on approved actual costs. Local assistance revenues for special projects must be applied proportionately to the approved costs.

Table 6: Offset Against State Mandates, Example 2

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	100,000 **	45,000	1,500	1,125	375

** CCD share is \$25,000 of the program cost.

In (2), the entire program cost was approved. Since the local assistance revenue source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

If in (3) local assistance revenues are less than the amount expected because only \$60,000 of the \$100,000 program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claims is \$1,125. Therefore, the claimable mandated costs are \$375.

13. Notice of Claim Adjustments

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. Claimants will receive a *Notice of Claim Adjustment* detailing any adjustments made by the SCO.

14. Audit of Costs

Pursuant to GC Section 17558.5, Subdivision (b), the SCO may conduct a field review of any claim after it has been submitted to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the CSM. If any adjustments are made to a claim, a Notice of Claim Adjustment specifying the claim activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within thirty days after payment of the claim.

15. Source Documents

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 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 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, training packets, and declarations. Declarations must include a certification stating: "I certify 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, these documents cannot be substituted for source documents.

16. Claim Forms and Instructions

Unless you are filing electronically, a claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms

provided with these instructions should be duplicated or printed from SCO's Web site and used by the claimant to file reimbursement claims. The SCO will revise the manual and claim forms as necessary.

A. Form-2, Activity Cost Detail

This form is used to segregate the direct costs by claim activity. In some mandates, specific reimbursable activities have been identified for each activity. The expenses reported on this form must be supported by the official financial records of the claimant. All documents used to support the reimbursable activities must be retained by the claimant unless required to be submitted with the claim and must be made available to the SCO on request.

B. Form-1, Claim Summary

This form is used to summarize direct costs by activity and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

C. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized officer of the CCD. All applicable information from Form 1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 are required.

Submit a signed original FAM-27 and one copy with required documents. **Please sign the FAM-27 in blue ink and attach the copy to the top of the claim package.**

Mandated costs claiming instructions and forms are available online at the SCO's website: www.sco.ca.gov/ard_mancost.html.

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

If you have any questions, you may e-mail LRSDAR@sco.ca.gov or call the Local Reimbursements Section at (916) 324-5729.

17. Retention of Claiming Instructions

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. This Manual should be retained for future reference, and the forms should be duplicated to meet your filing requirements. Annually, new or revised forms, instructions, and any other information claimants may need to file claims will be placed on the SCO's Web site located at www.sco.ca.gov/ard_mancost.html.

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, or by e-mail to LRSDAR@sco.ca.gov, or call the Local Reimbursements Section at (916) 324-5729.

18. Retention of Claim Records and Supporting Documentation

Pursuant to Government Code Section 17558.5, (a), a reimbursement claim for actual costs filed by a CCD is subject to the initiation of an audit by the Controller no later than three years after the date

that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit will commence to run from the date of initial payment of the claim. In any case, an audit will be completed not later than two years after the date that the audit is commenced.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to the SCO on request.

FY 1999-00
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT			For State Controller Use Only	
			(19) Program Number 00256	Program
			(20) Date Filed OCT 05 2005	256
			(21) LRS Input	
(01) Claimant Identification Number: CC 19090			Reimbursement Claim Data	
(02) Claimant Name: Citrus Community College District			(22) IWM-1, (03)(A)(1)(f)	151
County of Location: Los Angeles			(23) IWM-1, (03)(A)(2)(f)	1,948
Street Address: 1000 West Foothill Blvd.			(24) IWM-1, (03)(B)(1)(f)	2,877
City: Glendora State: CA Zip Code: 91741-1899			(25) IWM-1, (03)(B)(2)(f)	0
Type of Claim	Estimated Claim	Reimbursement Claim	(26) IWM-1, (03)(B)(3)(f)	0
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f)	0
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f)	4,198
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f)	0
Fiscal Year of Cost	(06)	(12) 1999-2000	(30) IWM-1, (03)(C)(2)(f)	0
Total Claimed Amount	(07)	(13) \$ 12,792	(31) IWM-1, (03)(D)(f)	0
Less: 10% Late Penalty		(14) \$	(32) IWM-1, (03)(E)(f)	0
Less: Prior Claim Payment Received		(15) \$	(33) IWM-1, (03)(F)(f)	0
Net Claimed Amount		(16) \$ 12,792	(34) IWM-1, (06)	3,908
Due from State	(08)	(17) \$ 12,792	(35) IWM-1, (08)	290
Due to State		(18)	(36) IWM-1, (09)	0
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer (USE BLUE INK)			Date	
<i>Carol R. Horton</i>			9/26/05	
Carol R. Horton			V.P., Financial and Administrative Services	
Type or Print Name			Title	
(38) Name of Contact Person for Claim			Telephone Number: (858) 514-8605	
SixTen and Associates			E-mail Address: kbpsixten@aol.com	

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM IWM-1
(01) Claimant: Citrus Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 1999-2000	
Direct Costs		Object Accounts				
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. One-Time Activities						
1	Development of Policies and Procedures	\$ 151.40	\$ -	\$ -	\$ -	\$ 151.40
2	Staff Training	\$ 1,485.59	\$ -	\$ -	\$ 461.98	\$ 1,947.57
B. Ongoing Activities						
1	Completion and Submission of Plan to Board	\$ 2,876.60	\$ -	\$ -	\$ -	\$ 2,876.60
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -
4	Designation of Waste Reduction and Recycling Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -
5	Diversion and Maintenance of Approved Level of Reduction	\$ 4,198.30	\$ -	\$ -	\$ -	\$ 4,198.30
C. Alternative Compliance						
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
D. Accounting System						
E. Annual Report						
F. Annual Recycled Material Reports						
(04) Total Direct Costs	\$ 8,711.89	\$ -	\$ -	\$ -	\$ 461.98	\$ 9,173.87
Indirect Costs						
(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]					44.86%
(06) Total Indirect Costs	[Line (05) x line (04)(a)]					\$ 3,908.15
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]					\$ 13,082.02
Cost Reduction						
(08) Less: Offsetting Savings						\$ 289.54
(09) Less: Other Reimbursements						\$ -
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]					\$ 12,792.48

Program 286	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 1999-2000
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input checked="" type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Training district staff on the requirements and implementation of the plan							
Cope, James Safety Coordinator	\$37.85	22.5	\$ 851.63				
Travel and Training James Cope	\$461.98	1.0					\$ 461.98
Hipple, Thomas Director of Purchasing	\$46.96	13.6	\$ 633.96				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 1,485.59	\$ -	\$ -	\$ -	\$ 461.98
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Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 1999-2000
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input checked="" type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses	Object Accounts						
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Completing/submitting the State Agency Model Integrated Waste Management Plan Cope, James Safety Coordinator	\$37.85	76.0	\$ 2,876.60				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 2,876.60	\$ -	\$ -	\$ -	\$ -
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Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 1999-2000
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses	Object Accounts						
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling Custodians Various	\$18.40	150.0	\$ 2,760.00				
Cope, James Safety Coordinator	\$37.85	32.0	\$ 1,211.20				
Diverting solid waste from landfill disposal or transformation facilities - special waste Cope, James Safety Coordinator	\$37.85	6.0	\$ 227.10				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 4,198.30	\$ -	\$ -	\$ -	\$ -
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FY 2000-01
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT	(19) Program Number <u>00256</u> (20) Date Filed <u>06/08/05</u> (21) LRS Input <u> / / </u>	Program 256
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LABEL HERE	(01) Claimant Identification Number: <u>CC 19090</u>		Reimbursement Claim Data		
	(02) Claimant Name: <u>Citrus Community College District</u>		(22) IWM-1, (03)(A)(1)(f)	0	
	(03) County of Location: <u>Los Angeles</u>		(23) IWM-1, (03)(A)(2)(f)	3,108	
	(04) Street Address: <u>1000 West Foothill Blvd.</u>		(24) IWM-1, (03)(B)(1)(f)	0	
	(05) City: <u>Glendora</u>	(06) State: <u>CA</u>	(07) Zip Code: <u>91741-1899</u>	(25) IWM-1, (03)(B)(2)(f)	0
	(08) Type of Claim	(09) Estimated Claim	(10) Reimbursement Claim	(26) IWM-1, (03)(B)(3)(f)	0
		(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f)	0
		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f)	9,569
		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f)	0
	(12) Fiscal Year of Cost	(06)	(12) <u>2000-2001</u>	(30) IWM-1, (03)(C)(2)(f)	0
(13) Total Claimed Amount	(07)	(13) \$ <u>19,014</u>	(31) IWM-1, (03)(D)(f)	0	
(14) Less: 10% Late Penalty		(14) \$ <u>-</u>	(32) IWM-1, (03)(E)(f)	807	
(15) Less: Prior Claim Payment Received		(15) \$ <u>-</u>	(33) IWM-1, (03)(F)(f)	0	
(16) Net Claimed Amount		(16) \$ <u>19,014</u>	(34) IWM-1, (06)	5,549	
(17) Due from State	(08)	(17) \$ <u>19,014</u>	(35) IWM-1, (08)	18	
(18) Due to State		(18)	(36) IWM-1, (09)	0	

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Carol R. Horton Date 9/26/05

Carol R. Horton V.P., Financial and Administrative Services
 Type or Print Name Title

(38) Name of Contact Person for Claim Telephone Number: (858) 514-8605
SixTen and Associates E-mail Address: kbsixten@aol.com

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM IWM-1
(01) Claimant: Citrus Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2000-2001	
Direct Costs		Object Accounts				
(03) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
A. One-Time Activities						
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ 2,037.60	\$ -	\$ -	\$ 1,069.96	\$ 3,107.56
B. Ongoing Activities						
1	Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -
4	Designation of Waste Reduction and Recycling Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -
5	Diversion and Maintenance of Approved Level of Reduction	\$ 9,569.25	\$ -	\$ -	\$ -	\$ 9,569.25
C. Alternative Compliance						
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
D. Accounting System						
		\$ -	\$ -	\$ -	\$ -	\$ -
E. Annual Report						
		\$ 806.55	\$ -	\$ -	\$ -	\$ 806.55
F. Annual Recycled Material Reports						
		\$ -	\$ -	\$ -	\$ -	\$ -
(04) Total Direct Costs		\$ 12,413.40	\$ -	\$ -	\$ 1,069.96	\$ 13,483.36
Indirect Costs						
(05) Indirect Cost Rate		[Federally approved OMB A-21, FAM-29C, or 7%]				44.70%
(06) Total Indirect Costs		[Line (05) x line (04)(a)]				\$ 5,548.79
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (06)]				\$ 19,032.15
Cost Reduction						
(08) Less: Offsetting Savings						\$ 18.11
(09) Less: Other Reimbursements						\$ -
(10) Total Claimed Amount		[Line (07) - (Line (08) + Line (09))]				\$ 19,014.04

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2000-2001
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input checked="" type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Training district staff on the requirements and implementation of the plan Cope, James Travel and Training	\$42.45 \$1,069.96	48.0 1.0	\$ 2,037.60				\$ 1,069.96
(05) Total <input checked="" type="checkbox"/>							
Subtotal <input type="checkbox"/>							

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
-----------------------	--	-----------------------------

(01) Claimant Citrus Community College District	(02) Fiscal Year 2000-2001
--	-------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts															
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training											
Diverting solid waste from landfill disposal or transformation facilities - recycling Custodians Cope, James	\$19.87 \$42.45	300.0 59.0	\$ 5,961.00 \$ 2,504.55															
Diverting solid waste from landfill disposal or transformation facilities - special waste Cope, James	\$42.45	26.0	\$ 1,103.70															
<table style="width:100%; border: none;"> <tr> <td style="width:15%;">(05) Total</td> <td style="width:15%;"><input checked="" type="checkbox"/></td> <td style="width:15%;">Subtotal</td> <td style="width:15%;"><input type="checkbox"/></td> <td style="width:15%;">Page 1 of 1</td> <td style="width:15%;">\$ 9,569.25</td> <td style="width:15%;">\$ -</td> <td style="width:15%;">\$ -</td> <td style="width:15%;">\$ -</td> <td style="width:15%;">\$ -</td> </tr> </table>			(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 9,569.25	\$ -	\$ -	\$ -	\$ -						
(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 9,569.25	\$ -	\$ -	\$ -	\$ -									

FY 2003-04
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT	For State Controller Use Only (19) Program Number 00256 (20) Date Filed OCT 06 2005 (21) LRS Input ___/___/___	Program 256
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LABEL HERE	(01) Claimant Identification Number: CC 19090		Reimbursement Claim Data		
	(02) Claimant Name: Citrus Community College District		(22) IWM-1, (03)(A)(1)(f)	0	
	County of Location: Los Angeles		(23) IWM-1, (03)(A)(2)(f)	0	
	Street Address: 1000 West Foothill Blvd.		(24) IWM-1, (03)(B)(1)(f)	0	
	City: Glendora	State: CA	Zip Code: 91741-1899	(25) IWM-1, (03)(B)(2)(f)	0
	Type of Claim	Estimated Claim	Reimbursement Claim	(26) IWM-1, (03)(B)(3)(f)	0
		(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f)	0
		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f)	12,220
		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f)	0
	Fiscal Year of Cost	(06)	(12) 2003-2004	(30) IWM-1, (03)(C)(2)(f)	0
Total Claimed Amount	(07)	(13) \$ 19,204	(31) IWM-1, (03)(D)(f)	0	
Less: 10% Late Penalty		(14) \$	(32) IWM-1, (03)(E)(f)	976	
Less: Prior Claim Payment Received		(15) \$	(33) IWM-1, (03)(F)(f)	0	
Net Claimed Amount		(16) \$ 19,204	(34) IWM-1, (06)	6,008	
Due from State	(08)	(17) \$ 19,204	(35) IWM-1, (08)	0	
Due to State		(18)	(36) IWM-1, (09)	0	

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

Carol R. Horton 9/26/05

Carol R. Horton V.P., Financial and Administrative Services

Type or Print Name Title

(38) Name of Contact Person for Claim Telephone Number: (858) 514-8605

SixTen and Associates E-mail Address: kbpsixten@aol.com

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY						FORM IWM-1
(01) Claimant: Citrus Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>			Fiscal Year 2003-2004	
Direct Costs			Object Accounts				
(03) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)	
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total	
A. One-Time Activities							
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Ongoing Activities							
1	Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Designation of Waste Reduction and Recycling Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Diversion and Maintenance of Approved Level of Reduction	\$ 12,220.30	\$ -	\$ -	\$ -	\$ -	\$ 12,220.30
C. Alternative Compliance							
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. Accounting System							
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E. Annual Report							
		\$ 975.65	\$ -	\$ -	\$ -	\$ -	\$ 975.65
F. Annual Recycled Material Reports							
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(04) Total Direct Costs		\$ 13,195.95	\$ -	\$ -	\$ -	\$ -	\$ 13,195.95
Indirect Costs							
(05) Indirect Cost Rate			[Federally approved OMB A-21, FAM-29C, or 7%]			45.53%	
(06) Total Indirect Costs			[Line (05) x line (04)(a)]			\$ 6,008.12	
(07) Total Direct and Indirect Costs			[Line (04)(f) + line (06)]			\$ 19,204.07	
Cost Reduction							
(08) Less: Offsetting Savings						\$ -	
(09) Less: Other Reimbursements						\$ -	
(10) Total Claimed Amount						[Line (07) - (Line (08) + Line (09))] \$ 19,204.07	

2.

Program 258	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2003-2004
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Cope, James Safety Coordinator	\$51.35	72.0	\$ 3,697.20				
Custodians Various	\$23.96	300.0	\$ 7,188.00				
Diverting solid waste from landfill disposal or transformation facilities - special waste							
Cope, James Safety Coordinator	\$51.35	26.0	\$ 1,335.10				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 12,220.30	\$ -	\$ -	\$ -	\$ -
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FY 2004-05
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT	(19) Program Number 00256 (20) Date Filed <u>06/06/2005</u> (21) LRS <u>06/06/2005</u>	Program 256
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L A B E L H E R E	(01) Claimant Identification Number: CC 19090		Reimbursement Claim Data		
	(02) Claimant Name Citrus Community College District		(22) IWM-1, (03)(A)(1)(f)	0	
	County of Location Los Angeles		(23) IWM-1, (03)(A)(2)(f)	0	
	Street Address 1000 West Foothill Blvd.		(24) IWM-1, (03)(B)(1)(f)	0	
	City Glendora	State CA	Zip Code 91741-1899	(25) IWM-1, (03)(B)(2)(f)	0
	Type of Claim	Estimated Claim	Reimbursement Claim	(26) IWM-1, (03)(B)(3)(f)	0
		(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f)	135
		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f)	10,333
		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f)	0
	Fiscal Year of Cost	(06) 2005-2006	(12) 2004-2005	(30) IWM-1, (03)(C)(2)(f)	0
Total Claimed Amount	(07) \$ 16,800	(13) \$ 15,362	(31) IWM-1, (03)(D)(f)	0	
Less: 10% Late Penalty		(14) \$ -	(32) IWM-1, (03)(E)(f)	647	
Less: Prior Claim Payment Received		(15) \$ -	(33) IWM-1, (03)(F)(f)	0	
Net Claimed Amount		(16) \$ 15,362	(34) IWM-1, (06)	4,510	
Due from State	(08) \$ 16,800	(17) \$ 15,362	(35) IWM-1, (08)	263	
Due to State		(18)	(36) IWM-1, (09)	0	

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) _____ Date _____
Carol R. Horton 9/26/05

Carol R. Horton _____ V.P., Financial and Administrative Services
 Type or Print Name Title

(38) Name of Contact Person for Claim _____ Telephone Number: (858) 514-8605
SixTen and Associates E-mail Address: kbpsixten@aol.com

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM IWM-1
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(01) Claimant: Citrus Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2004-2005
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Direct Costs	Object Accounts
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(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
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A. One-Time Activities						
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1 Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

B. Ongoing Activities						
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1 Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 Designation of Waste Reduction and Recycling Coordinator	\$ 134.78	\$ -	\$ -	\$ -	\$ -	\$ 134.78
5 Diversion and Maintenance of Approved Level of Reduction	\$ 10,333.05	\$ -	\$ -	\$ -	\$ -	\$ 10,333.05

C. Alternative Compliance						
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1 Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

D. Accounting System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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E. Annual Report	\$ 646.92	\$ -	\$ -	\$ -	\$ -	\$ 646.92
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F. Annual Recycled Material Reports	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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(04) Total Direct Costs	\$ 11,114.75	\$ -	\$ -	\$ -	\$ -	\$ 11,114.75
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Indirect Costs						
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(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]	40.58%
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(06) Total Indirect Costs	[Line (05) x line (04)(a)]	\$ 4,510.37
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(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]	\$ 15,625.12
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Cost Reduction						
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(08) Less: Offsetting Savings						\$ 263.45
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(09) Less: Other Reimbursements						\$ -
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(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]	\$ 15,361.67
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Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2004-2005
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input checked="" type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Consultation with Board
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Maintenance of Approved Level of Reduction
	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	<input type="checkbox"/> Annual Recycled Material Reports
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	Object Accounts				
			(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Designating one solid waste reduction and recycling coordinator for each college in district Cope, James Safety Coordinator	\$53.91	2.5	\$ 134.78				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 134.78	\$ -	\$ -	\$ -	\$ -
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Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2004-2005
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Name, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling Cope, James Safety Coordinator	\$53.91	38.0	\$ 2,048.58				
Custodians Various	\$24.56	300.0	\$ 7,368.00				
Diverting solid waste from landfill disposal or transformation facilities - special waste Cope, James Safety Coordinator	\$53.91	17.0	\$ 916.47				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 10,333.05	\$ -	\$ -	\$ -	\$ -
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Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2004-2005
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

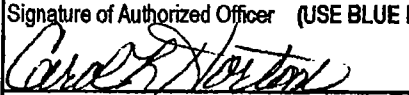
One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input checked="" type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	Object Accounts					
			(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training	
Reporting annually to the Board quantities of recyclable materials collected Cope, James Safety Coordinator	\$53.91	12.0	\$ 646.92					

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 646.92	\$ -	\$ -	\$ -	\$ -
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FY 2005-06
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT			Program 256
(01) Claimant Identification Number: CC 19090			(19) Program Number 00256 (20) Date Filed 1/1/06 (21) LRS in DEC 18 2005 020207 Reimbursement Claim Data
(02) Claimant Name	Citrus Community College District		(22) IWM-1, (03)(A)(1)(f) 0
County of Location	Los Angeles		(23) IWM-1, (03)(A)(2)(f) 0
Street Address	1000 West Foothill Boulevard		(24) IWM-1, (03)(B)(1)(f) 0
City	State	Zip Code	(25) IWM-1, (03)(B)(2)(f) 0
Glendora	CA	91741-1899	
Type of Claim	Estimated Claim	Reimbursement Claim	(26) IWM-1, (03)(B)(3)(f) 0
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f) 195
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f) 45,044
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f) 0
Fiscal Year of Cost	(06) 2006-2007	(12) 2005-2006	(30) IWM-1, (03)(C)(2)(f) 0
Total Claimed Amount	(07) \$ 62,400	(13) \$ 56,814	(31) IWM-1, (03)(D)(f) 104
Less: 10% Late Penalty		(14) \$ -	(32) IWM-1, (03)(E)(f) 0
Less: Prior Claim Payment Received		(15) \$ -	(33) IWM-1, (03)(F)(f) 0
Net Claimed Amount		(16) \$ 56,814	(34) IWM-1, (06) 12,950
Due from State	(08) \$ 62,400	(17) \$ 56,814	(35) IWM-1, (08) 1,479
Due to State		(18)	(36) IWM-1, (09) 0
(37) CERTIFICATION OF CLAIM			
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>			
Signature of Authorized Officer (USE BLUE INK)			Date
			12-7-06
Type or Print Name			Title
Carol R. Horton			Vice President, Financial & Administrative Services
(38) Name of Contact Person for Claim			Telephone Number: (858) 514-8605
SixTen and Associates			E-mail Address: kbpsixten@aol.com

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM IWM-1
(01) Claimant Citrus Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2005-2006	
Direct Costs		Object Accounts				
(03) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
A. One-Time Activities						
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -
B. Ongoing Activities						
1	Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -
4	Designation of Waste Reduction and Recycling Coordinator	\$ 195.00	\$ -	\$ -	\$ -	\$ 195.00
5	Diversion and Maintenance of Approved Level of Reduction	\$ 31,597.59	\$ -	\$ -	\$ 13,446.00	\$ 45,043.59
C. Alternative Compliance						
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
D. Accounting System		\$ 103.87	\$ -	\$ -	\$ -	\$ 103.87
E. Annual Report		\$ -	\$ -	\$ -	\$ -	\$ -
F. Annual Recycled Material Reports		\$ -	\$ -	\$ -	\$ -	\$ -
(04) Total Direct Costs		\$ 31,896.46	\$ -	\$ -	\$ 13,446.00	\$ 45,342.46
Indirect Costs						
(05) Indirect Cost Rate		[Federally approved OMB A-21, FAM-29C, or 7%]				40.60%
(06) Total Indirect Costs		[Line (05) x line (04)(a)]				\$ 12,949.96
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (06)]				\$ 58,292.42
Cost Reduction						
(08) Less: Offsetting Savings						\$ -
(09) Less: Other Reimbursements						\$ 1,478.59
(10) Total Claimed Amount		[Line (07) - (Line (08) + Line (09))]				\$ 56,813.83

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2005-2006
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input checked="" type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Designating one solid waste reduction and recycling coordinator for each college in district Eichler, Jeff E H & S Program Supervisor	\$39.00	5.0	\$ 195.00				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 195.00	\$ -	\$ -	\$ -	\$ -
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New 06/03

Program 255	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2005-2006
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - source reduction Eichler, Jeff E H & S Program Supervisor	\$39.00	2.0	\$ 78.00				
Diverting solid waste from landfill disposal or transformation facilities - recycling Machining & Mfg. Services Cardboard Baler	\$100.00	134.5				\$ 13,446.00	
Custodians Various	\$25.60	528.4	\$ 13,527.04				
Eichler, Jeff E H & S Program Supervisor	\$39.00	441.0	\$ 17,199.00				
Diverting solid waste from landfill disposal or transformation facilities - special waste Eichler, Jeff E H & S Program Supervisor	\$39.00	18.0	\$ 702.00				
Procuring materials/equipment necessary for maintaining approved level of reduction Arnold, Leslie Custodial Supervisor	\$45.16	0.3	\$ 13.55				
Eichler, Jeff E H & S Program Supervisor	\$39.00	2.0	\$ 78.00				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 31,697.69	\$ -	\$ -	\$ 13,446.00	\$ -
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Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2005-2006
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input checked="" type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Developing, implementing, maintaining accounting system to track source reduction, recycling, or composting Arnold, Leslie Custodial Supervisor	\$45.16	2.3	\$ 103.87				
(05) Total			\$ 103.87	\$ -	\$ -	\$ -	\$ -

Page 1 of 1

FY 2006-07
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT			(19) Program Number 00256
			(20) Date Filed JAN 27 200
			(21) LRS Input <u> </u> / <u> </u> / <u> </u>
L A B E L H E R E	(01) Claimant Identification Number: CC 19090		Reimbursement Claim Data
	(02) Claimant Name: Citrus Community College District		(22) IWM-1, (03)(A)(1)(f) 0
	County of Location: Los Angeles		(23) IWM-1, (03)(A)(2)(f) 1,367
	Street Address: 1000 West Foothill Boulevard		(24) IWM-1, (03)(B)(1)(f) 0
	City: Glendora	State: CA	Zip Code: 91741-1899
			(25) IWM-1, (03)(B)(2)(f) 0
	Type of Claim	Estimated Claim	Reimbursement Claim
		(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>
		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>
		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>
	(06) Fiscal Year of Cost: 2007-2008	(12) Fiscal Year of Cost: 2006-2007	(26) IWM-1, (03)(B)(3)(f) 0
	(07) Total Claimed Amount: \$ 92,600	(13) Total Claimed Amount: \$ 84,237	(27) IWM-1, (03)(B)(4)(f) 0
	Less: 10% Late Penalty, not to exceed \$10,000		(28) IWM-1, (03)(B)(5)(f) 60,386
	Less: Prior Claim Payment Received		(29) IWM-1, (03)(B)(6)(f) 0
	Net Claimed Amount		(30) IWM-1, (03)(C)(1)(f) 0
	(08) Due from State: \$ 92,600	(14) Due from State: \$ 84,237	(31) IWM-1, (03)(C)(2)(f) 0
	Due to State		(32) IWM-1, (03)(D)(f) 0
			(33) IWM-1, (03)(E)(f) 0
			(34) IWM-1, (06) 25,685
			(35) IWM-1, (08) 0
			(36) IWM-1, (09) 3,201
(37) CERTIFICATION OF CLAIM			
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>			
Signature of Authorized Officer (USE BLUE INK)			Date
<i>Carol R. Horton</i>			1-18-08
Carol R. Horton			Vice President, Financial & Administrative Services
Type or Print Name			Title
(38) Name of Contact Person for Claim			
SixTen and Associates		Telephone Number: (858) 514-8605	E-mail Address: kbpsixten@aol.com

Program 256		MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM IWM-1
(01) Claimant: Citrus Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>			Fiscal Year 2006-2007	
Direct Costs		Object Accounts					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total	
A. One-Time Activities							
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Staff Training	\$ 1,366.56	\$ -	\$ -	\$ -	\$ 1,366.56	
B. Ongoing Activities							
1	Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -	
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -	
4	Designation of Waste Reduction and Recycling Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -	
5	Diversion and Maintenance of Approved Level of Reduction	\$ 59,861.24	\$ -	\$ 524.82	\$ -	\$ 60,386.06	
C. Alternative Compliance							
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	
D. Accounting System							
E. Annual Report							
F. Annual Recycled Material Reports							
(04) Total Direct Costs	\$ 61,227.80	\$ -	\$ 524.82	\$ -	\$ -	\$ 61,752.62	
Indirect Costs							
(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]					41.95%	
(06) Total Indirect Costs	[Line (05) x line (04)(a)]					\$ 25,685.06	
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]					\$ 87,437.68	
Cost Reduction							
(08) Less: Offsetting Savings						\$ -	
(09) Less: Other Reimbursements						\$ 3,200.55	
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]					\$ 84,237.13	

**MANDATED COSTS
INTEGRATED WASTE MANAGEMENT
ACTIVITY COST DETAIL**

**FORM
IWM-2**

(01) Claimant: Citrus Community College District
 (02) Fiscal Year: 2006-2007

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input checked="" type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Training district staff on the requirements and implementation of the plan							
Eicher, Jeffrey Supervisor, Environmental Program	\$42.99	23.0	\$ 988.77				
Geo, Elizabeth Gardner	\$15.42	24.5	\$ 377.79				
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>							

Page 1 of 1 \$ 1,366.56 \$ - \$ - \$ - \$ -

**MANDATED COSTS
INTEGRATED WASTE MANAGEMENT
ACTIVITY COST DETAIL**

**FORM
IWM-2**

(01) Claimant
Citrus Community College District

(02) Fiscal Year
2006-2007

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<p>One-Time Activities</p> <p><input type="checkbox"/> Development of Policies and Procedures</p> <p>Ongoing Activities</p> <p><input type="checkbox"/> Completion and Submission of Plan to Board</p> <p><input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator</p> <p>Alternative Compliance</p> <p><input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste</p> <p><input type="checkbox"/> Accounting System</p>	<p><input type="checkbox"/> Staff Training</p> <p><input type="checkbox"/> Response to Board During Approval Process</p> <p><input type="checkbox"/> Consultation with Board</p> <p><input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction</p> <p><input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste</p> <p><input type="checkbox"/> Annual Report</p> <p><input type="checkbox"/> Annual Recycled Material Reports</p>
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(04) Description of Expenses

	Object Accounts						
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverging solid waste from landfill disposal or transformation facilities - recycling							
Custodians Various	\$27.69	523.9	\$ 14,506.79				
Eichler, Jeffrey Supervisor, Environmental Program	\$42.99	1,029.0	\$ 44,236.71				
Diverging solid waste from landfill disposal or transformation facilities - special waste							
Eichler, Jeffrey Supervisor, Environmental Program	\$42.99	21.0	\$ 902.79				
Procuring materials/equipment necessary for maintaining approved level of reduction							
Eichler, Jeffrey Supervisor, Environmental Program	\$42.99	5.0	\$ 214.95				
The Bag Connection, Inc. Contractor	\$100.00	2.0			\$ 198.37		
Western Baling Wire Contractor	\$100.00	3.3			\$ 326.45		
			Total	Subtotal			

(05) Total Subtotal Page 1 of 1 \$ 59,861.24 \$ - \$ 624.82 \$ - \$ -

FY 2007-08
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT	(19) Program Number 00256 (20) Date Filed DEC 29 2008 (21) LRS Input ___/___/___	Program 256
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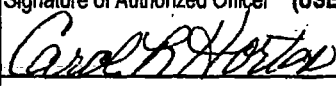
L	(01) Claimant Identification Number: CC 19090	Reimbursement Claim Data																					
A	(02) Claimant Name: Citrus Community College District	(22) IWM-1, (03)(A)(1)(f)	0																				
B	County of Location: Los Angeles	(23) IWM-1, (03)(A)(2)(f)	2,558																				
E	Street Address: 1000 West Foothill Boulevard	(24) IWM-1, (03)(B)(1)(f)	0																				
L	City: Glendora State: CA Zip Code: 91741-1899	(25) IWM-1, (03)(B)(2)(f)	0																				
H	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width: 20%;">Type of Claim</th> <th style="width: 20%;">Estimated Claim</th> <th style="width: 20%;">Reimbursement Claim</th> <th style="width: 40%;"></th> </tr> <tr> <td></td> <td>(03) Estimated <input type="checkbox"/></td> <td>(09) Reimbursement <input checked="" type="checkbox"/></td> <td>(26) IWM-1, (03)(B)(3)(f) 0</td> </tr> <tr> <td></td> <td>(04) Combined <input type="checkbox"/></td> <td>(10) Combined <input type="checkbox"/></td> <td>(27) IWM-1, (03)(B)(4)(f) 280</td> </tr> <tr> <td></td> <td>(05) Amended <input type="checkbox"/></td> <td>(11) Amended <input type="checkbox"/></td> <td>(28) IWM-1, (03)(B)(5)(f) 38,135</td> </tr> <tr> <td></td> <td></td> <td></td> <td>(29) IWM-1, (03)(C)(1)(f) 0</td> </tr> </table>	Type of Claim	Estimated Claim	Reimbursement Claim			(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) IWM-1, (03)(B)(3)(f) 0		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f) 280		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f) 38,135				(29) IWM-1, (03)(C)(1)(f) 0	(29) IWM-1, (03)(C)(1)(f)	0
Type of Claim		Estimated Claim	Reimbursement Claim																				
		(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) IWM-1, (03)(B)(3)(f) 0																			
		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f) 280																			
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f) 38,135																				
			(29) IWM-1, (03)(C)(1)(f) 0																				
E	Fiscal Year of Cost: (06) 2007-2008	(30) IWM-1, (03)(C)(2)(f)	0																				
	Total Claimed Amount: (07) \$ 60,573	(31) IWM-1, (03)(D)(f)	0																				
	Less: 10% Late Penalty, not to exceed \$10,000 (14) \$	(32) IWM-1, (03)(E)(f)	0																				
	Less: Prior Claim Payment Received (15) \$	(33) IWM-1, (03)(F)(f)	0																				
	Net Claimed Amount (16) \$ 60,573	(34) IWM-1, (06)	21,495																				
	Due from State (08) \$ 60,573	(35) IWM-1, (08)	0																				
	Due to State (18)	(36) IWM-1, (09)	1,894																				

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, Inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK)  _____ Carol R. Horton Type or Print Name	Date 12-15-08 _____ Vice President, Financial and Administrative Services Title
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(38) Name of Contact Person for Claim: SixTen and Associates Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 256		MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM IWM-1	
(01) Claimant: Citrus Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>				Fiscal Year 2007-2008	
Direct Costs			Object Accounts					
(03) Reimbursable Activities			(a)	(b)	(c)	(d)	(e)	(f)
			Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
A. One-Time Activities								
1	Development of Policies and Procedures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training		\$ 2,557.58	\$ -	\$ -	\$ -	\$ -	\$ 2,557.58
B. Ongoing Activities								
1	Completion and Submission of Plan to Board		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Response to Board During Approval Process		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Consultation with Board		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Designation of Waste Reduction and Recycling Coordinator		\$ 280.32	\$ -	\$ -	\$ -	\$ -	\$ 280.32
5	Diversion and Maintenance of Approved Level of Reduction		\$ 38,135.23	\$ -	\$ -	\$ -	\$ -	\$ 38,135.23
C. Alternative Compliance								
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. Accounting System			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E. Annual Report			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F. Annual Recycled Material Reports			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(04) Total Direct Costs			\$ 40,973.13	\$ -	\$ -	\$ -	\$ -	\$ 40,973.13
Indirect Costs								
(05) Indirect Cost Rate			[Federally approved OMB A-21, FAM-29C, or 7%]					52.46%
(06) Total Indirect Costs			[Line (05) x line (04)(a)]					\$ 21,494.50
(07) Total Direct and Indirect Costs			[Line (04)(f) + line (06)]					\$ 62,467.63
Cost Reduction								
(08) Less: Offsetting Savings								\$ -
(09) Less: Other Reimbursements								\$ 1,894.28
(10) Total Claimed Amount			[Line (07) - (Line (08) + Line (09))]					\$ 60,573.35

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2007-2008
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input checked="" type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Training district staff on the requirements and implementation of the plan Arnold, Brian Custodian/Utility Worker Echler, Jeff Supervisor, Environmental Program	\$16.43 \$46.72	40.5 40.5	\$ 665.42 \$ 1,892.16				
(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1		\$ 2,557.58	\$ -	\$ -	\$ -

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2007-2008
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input checked="" type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Designating one solid waste reduction and recycling coordinator for each college in district Echler, Jeff Supervisor, Environmental Program	\$46.72	6.0	\$ 280.32				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 280.32	\$ -	\$ -	\$ -	\$ -
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Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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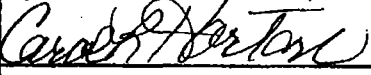
(01) Claimant Citrus Community College District	(02) Fiscal Year 2007-2008
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Custodians Various	\$29.92	557.5	\$ 16,680.40				
Student Help Various	\$8.62	242.0	\$ 2,086.04				
Gee, Elizabeth EH&S Recycling Assistant	\$17.69	769.5	\$ 13,612.46				
Diverting solid waste from landfill disposal or transformation facilities - special waste							
Gee, Elizabeth EH&S Recycling Assistant	\$17.69	325.4	\$ 5,756.33				
(05) Total <input checked="" type="checkbox"/>			Subtotal <input type="checkbox"/>		Page 1 of 1		
			\$ 38,135.23	\$ -	\$ -	\$ -	\$ -

FY 2008-09
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT		For State Controller Use only (19) Program Number 00256 (20) Date Filed JAN 22 2010 (21) LRS Input <u> </u>		Program 256
(01) Claimant Identification Number: CC 19090		Reimbursement Claim Data		
(02) Claimant Name Citrus Community College District		(22) FORM-1A, (04)(f)	41,515	
Address Los Angeles County		(23) FORM-1A, (05)	48	
1000 West Foothill Boulevard		(24) FORM-1A, (08)	60,925	
Glendora CA 91741-1899		(25) FORM-1A, (09)		
Type of Claim	Estimated Claim	Reimbursement Claim	(26) FORM-1A, (10)	3,308
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29)	
(06) Fiscal Year of cost		(12) 2008-2009	(30)	
(07) Total Claimed Amount		(13) \$ 57,617	(31)	
Less: 10% Late Penalty (refer to claiming instructions)		(14) \$	(32)	
Less: Prior Claim Payment Received		(15) \$	(33)	
Net Claimed Amount		(16) \$ 57,617	(34)	
Due from State	(08)	(17) \$ 57,617	(35)	
Due to State		(18)	(36)	
(37) CERTIFICATION OF CLAIM In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive. I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant. The amounts for this Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer (USE BLUE INK) 		Date 1/13/10		
Carol R. Horton Type or Print Name		Vice President, Financial and Administrative Services		
(38) Name of Contact Person for Claim SixTen and Associates		Title		
		Telephone Number: (858) 514-8605		
		E-mail Address: kbpsixten@aol.com		

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM 1A
(01) Claimant: Citrus Community College District				(02)		Fiscal Year 2008-2009
Direct Costs		Object Accounts				
		(a)	(b)	(c)	(d)	(e)
(03) Reimbursable Activities		Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training
		(f) Total				
A. One-Time Activity						
1.	Develop Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Train District Staff on IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -
B. Ongoing Activities						
1.	Complete and Submit IWM Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Respond to Board Requirements	\$ -	\$ -	\$ -	\$ -	\$ -
3.	Consult with Board to Revise Plan	\$ -	\$ -	\$ -	\$ -	\$ -
4.	Designate Coordinator for Each College	\$ -	\$ -	\$ -	\$ -	\$ -
5.	Divert Solid Waste/Maintain Required Level	\$ 40,532.08	\$ 982.92	\$ -	\$ -	\$ 41,515.00
(04) Total Direct Costs		\$ 40,532.08	\$ 982.92	\$ -	\$ -	\$ 41,515.00
Indirect Costs						
(05) Indirect Cost Rate		[Refer to Claiming Instructions]				47.53%
(06) Total Indirect Costs		[Refer to Claiming Instructions]				\$ 19,264.90
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (07)]				\$ 60,779.90
(08) Total from Forms 1A, 1B, and 1C		[Add 1A(07) + 1B(07) + 1C(07)]				\$ 60,924.65
Cost Reduction						
(09) Less: Offsetting Savings						\$ -
(10) Less: Other Reimbursements						\$ 3,307.60
(11) Total Claimed Amount:		[Line (07) - {Line (08) + Line (09)}]				\$ 57,617.05

Revised 01/09

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM 1C
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(01) Claimant: Citrus Community College District	(02) Fiscal Year 2008-2009
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Direct Costs	Object Accounts					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
D. Accounting System	Reimbursement begins January 1, 2000					
1. Develop, Implement & Maintain System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E. Annual Report of Progress	Reimbursement begins January 1, 2000					
1. Calculations of Annual Disposal Reduction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Information on the Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Summary of Progress Made in IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. The Extent of CCD's Use of IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Time Extension Summary of Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Alternative Reduction Summary of Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F. Annual Recycled Material Reports	Reimbursement begins July 1, 1999					
1. Annual Report to the Board	\$ 98.12	\$ -	\$ -	\$ -	\$ -	\$ 98.12
(04) Total Direct Costs	\$ 98.12	\$ -	\$ -	\$ -	\$ -	\$ 98.12

Indirect Costs		
(05) Indirect Cost Rate	[Refer to Claiming Instructions]	47.53%
(06) Total Indirect Costs	[Refer to Claiming Instructions]	\$ 46.64
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)] [Forward total to Form-1A, line (08)]	\$ 144.76

New 12/08

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM 2A
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2008-2009
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(03) Reimbursable Activities: Check only **one** box per form to identify the activity being claimed.

A. One-Time Activity <input type="checkbox"/> Develop Policies and Procedures <input type="checkbox"/> Train District Staff on IWM Plan	B. Ongoing Activities <input type="checkbox"/> Complete and Submit IWM Plan to Board <input type="checkbox"/> Respond to Board Requirements <input type="checkbox"/> Consult with Board to Revise Plan <input type="checkbox"/> Designate Coordinator for Each College <input checked="" type="checkbox"/> Divert Solid Waste/Maintain Required Level
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(04) Description of Expenses	Object Accounts						
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling Custodial Staff Various Gee, Elizabeth EH & S Recycling Assistant Recycling Costs Recycling	\$31.41 \$17.69 \$100.00	582.2 880.0 9.8	\$ 18,286.90 \$ 15,567.20	\$ 982.92			
Diverting solid waste from landfill disposal or transformation facilities - special waste Gee, Elizabeth EH & S Recycling Assistant	\$17.69	377.5	\$ 6,677.98				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 40,532.08	\$ 982.92	\$ -	\$ -	\$ -
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Revised 6/1/09

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM 2C
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2008-2009
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

D. Accounting System <input type="checkbox"/> Develop, Implement & Maintain System F. Annual Recycled Materials Reports <input checked="" type="checkbox"/> Annual Report to the Board	E. Annual Report of Progress <input type="checkbox"/> Calculations of Annual Disposal Reduction <input type="checkbox"/> Information on the Changes <input type="checkbox"/> Summary of Progress Made in IWM Plan <input type="checkbox"/> The Extent of CCD's Use of IWM Plan <input type="checkbox"/> Time Extension Summary of Progress <input type="checkbox"/> Alternative Reduction Summary of Progress
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(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Reporting annually to the Board quantities of recyclable materials collected Eichler, Jeff Supervisor, EH & S Programs	\$49.06	2.0	\$ 98.12				
(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 98.12	\$ -	\$ -	\$ -	\$ -

Revised 8/08

FY 2009-10
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT		For State Controller Use only		Program 256
(01) Claimant Identification Number: CC 19090 ✓		(19) Program Number 00256	(20) Date Filed JAN 19 2011	(21) LRS Input 1/19/11
(02) Claimant Name: Citrus Community College District ✓ ✓		Reimbursement Claim Data		
Address: Los Angeles County		(22) FORM-1, (03)		
1000 West Foothill Boulevard		(23) FORM-1A, (04)(A)(1)(f)		
Glendora CA 91741-1899		(24) FORM-1A, (04)(A)(2)(f)		
		(25) FORM-1A, (04)(B)(1)(f)		
		(26) FORM-1A, (04)(B)(2)(f)		
		(27) FORM-1A, (04)(B)(3)(f)		
		(28) FORM-1A, (04)(B)(4)(f)		
		(29) FORM-1A, (04)(B)(5)(f)	30,814	
(06) Fiscal Year of cost	2009-2010 ✓	(12)	(30) FORM-1A, (06)	43 13,164
(07) Total Claimed Amount	\$ 39,012 ✓	(13)	(31) FORM-1A, (09)	44117 ✓
Less: 10% Late Penalty (refer to claiming instructions)	\$ -	(14)	(32) FORM-1A, (10)	5,105
Less: Prior Claim Payment Received	\$ -	(15)	(33) FORM-1A, (11)	5105 30,042
Net Claimed Amount	\$ 39,012 ✓	(16)	(34)	
(08) Due from State	\$ 39,012	(17)	(35)	
Due to State		(18)	(36)	
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government district to file mandated cost claims with the State any of the provisions of Article 4, Chapter 1 of Di		officer authorized by the community college under penalty of perjury that I have not violated		
I further certify that there was no application oth claimed herein, claimed costs are for a new prog include charter school costs, either directly or th and guidelines are identified, and all costs claim		ayment received, for reimbursement of costs iting program; and claimed amounts do not nd reimbursements set forth in the parameters currently maintained by the claimant.		
The amount for this reimbursement is hereby cl		costs set forth on the attached statements.		
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer (USE BLUE INK) <i>Carol R. Horton</i>		Date Signed 1-10-11		
Carol R. Horton, Vice President, Financial & Administrative Services		Telephone Number (626) 914-8886		
		E-mail Address chorton@citruscollege.edu		
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim Carol R. Horton, Vice President, Financial & Administrative Services		Telephone Number (626) 914-8886		
		E-mail Address chorton@citruscollege.edu		
Name of Consulting Firm/Claim Preparer SixTen and Associates		Telephone Number (858) 514-8605		
		E-mail Address kbsixten@aol.com		

JS

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM 1A
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(01) Claimant: Citrus Community College District	(02)	Fiscal Year 2009-2010
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Claim Statistics

(03) Leave Blank

Direct Costs	Object Accounts					
	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
(04) Reimbursable Activities						
A. One-Time Activity						
1. Develop Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Train District Staff on IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Ongoing Activities						
1. Complete and Submit IWM Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Respond to Board Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Consult with Board to Revise Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Designate Coordinator for Each College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Divert Solid Waste/Maintain Required Level <small>(Form 1B cannot be used if this activity is claimed)</small>	\$ 29,727.08	\$ 1,086.42	\$ -	\$ -	\$ -	\$ 30,813.50
(04) Total Direct Costs	\$ 29,727.08	\$ 1,086.42	\$ -	\$ -	\$ -	\$ 30,813.50

Indirect Costs

(05) Indirect Cost Rate	[Refer to Claiming Instructions]	42.72%
(06) Total Indirect Costs	[Refer to Claiming Instructions]	\$ 13,163.53
(07) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 43,977.03
(08) Total from Forms 1A, 1B, and 1C	[Add 1A(07) + 1B(07) + 1C(07)]	\$ 44,117.06

Cost Reduction

(09) Less: Offsetting Savings	\$ -
(10) Less: Other Reimbursements	\$ 5,104.93
(11) Total Claimed Amount:	\$ 39,012.13

Revised 07/09

464,12

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM 1C
(01) Claimant: Citrus Community College District				(02) Fiscal Year 2009-2010		
Direct Costs		Object Accounts				
(03) Reimbursable Activities		(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training
		(f) Total				
D. Accounting System		Reimbursement begins January 1, 2000				
1. Develop, Implement & Maintain System		\$ -	\$ -	\$ -	\$ -	\$ -
E. Annual Report of Progress		Reimbursement begins January 1, 2000				
1. Calculations of Annual Disposal Reduction		\$ -	\$ -	\$ -	\$ -	\$ -
2. Information on the Changes		\$ -	\$ -	\$ -	\$ -	\$ -
3. Summary of Progress Made in IWM Plan		\$ -	\$ -	\$ -	\$ -	\$ -
4. The Extent of CCD's Use of IWM Plan		\$ -	\$ -	\$ -	\$ -	\$ -
5. Time Extension Summary of Progress		\$ -	\$ -	\$ -	\$ -	\$ -
6. Alternative Reduction Summary of Progress		\$ -	\$ -	\$ -	\$ -	\$ -
F. Annual Recycled Material Reports		Reimbursement begins July 1, 1999				
1. Annual Report to the Board		\$ 98.12	\$ -	\$ -	\$ -	\$ 98.12
(04) Total Direct Costs		\$ 98.12	\$ -	\$ -	\$ -	\$ 98.12
Indirect Costs						
(05) Indirect Cost Rate		[Refer to Claiming Instructions]				42.72%
(06) Total Indirect Costs		[Refer to Claiming Instructions]				\$ 41.92
(07) Total Direct and Indirect Costs		[Line (04)/(f) + line (06)]		[Forward total to Form-1A, line (09)]		\$ 140.04

New 12/08

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM 2A
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2009-2010
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-Time Activity <input type="checkbox"/> Develop Policies and Procedures <input type="checkbox"/> Train District Staff on IWM Plan	B. Ongoing Activities <input type="checkbox"/> Complete and Submit IWM Plan to Board <input type="checkbox"/> Respond to Board Requirements <input type="checkbox"/> Consult with Board to Revise Plan <input type="checkbox"/> Designate Coordinator for Each College <input checked="" type="checkbox"/> Divert Solid Waste/Maintain Required Level
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(04) Description of Expenses	Object Accounts						
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Battery Systems Supplies	\$100.00	10.9		\$ 1,086.42			
Custodians Various	\$31.41	602.4	\$ 18,921.38				
Gonzalez, Ana EH & S Recycling Assistant	\$11.72	230.0	\$ 2,695.60				
Diverting solid waste from landfill disposal or transformation facilities - source reduction							
Gee, Elizabeth EH & S Recycling Assistant	\$17.69	413.0	\$ 7,305.97				
Diverting solid waste from landfill disposal or transformation facilities - special waste							
Gee, Elizabeth EH & S Recycling Assistant	\$17.69	38.5	\$ 681.07				
Gonzalez, Ana EH & S Recycling Assistant	\$11.72	10.5	\$ 123.06				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 29,727.08	\$ 1,086.42	\$ -	\$ -	\$ -
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Revised 01/09

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM 2C
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2009-2010
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

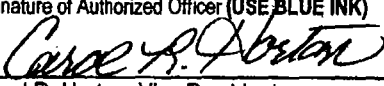
D. Accounting System <input type="checkbox"/> Develop, Implement & Maintain System F. Annual Recycled Materials Reports <input checked="" type="checkbox"/> Annual Report to the Board	E. Annual Report of Progress <input type="checkbox"/> Calculations of Annual Disposal Reduction <input type="checkbox"/> Information on the Changes <input type="checkbox"/> Summary of Progress Made in IWM Plan <input type="checkbox"/> The Extent of CCD's Use of IWM Plan <input type="checkbox"/> Time Extension Summary of Progress <input type="checkbox"/> Alternative Reduction Summary of Progress
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(04) Description of Expenses	Object Accounts						
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Reporting annually to the Board quantities of recyclable materials collected Eichler, Jeffrey Supervisor, EH & S Programs	\$49.06	2.0	\$ 98.12				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 98.12	\$ -	\$ -	\$ -	\$ -
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FY 2010-11
Integrated Waste Management Claim

7/1/10 - 10/7/10

INTEGRATED WASTE MANAGEMENT CLAIM FOR PAYMENT		For State Controller Use only		Program 256
		(19) Program Number 00256		
		(20) Date FEB 06 2012 (21) LRS Input 2/14/12		
(01) Claimant Identification Number: CC 19090		Reimbursement Claim Data		
(02) Claimant Name Citrus Community College District		(22) FORM-1, (03)		
Address Los Angeles County		(23) FORM-1A, (04) A. 1. (f)		
1000 West Foothill Blvd.		(24) FORM-1A, (04) A. 2. (f)		
Glendora CA 91741-1899		(25) FORM-1A, (04) B. 1. (f)		
		Type of Claim		(26) FORM-1A, (04) B. 2. (f)
		(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(27) FORM-1A, (04) B. 3. (f)
		(04)	(10) Combined <input type="checkbox"/>	(28) FORM-1A, (04) B. 4. (f)
		(05)	(11) Amended <input type="checkbox"/>	(29) FORM-1A, (04) B. 5. (f) 10,576
(06) Fiscal Year of Cost		(12) 7/1/10-10/7/10	(30) FORM-1A, (06)	47
(07) Total Claimed Amount		(13) \$ 14,154	(31) FORM-1A, (09)	15,671
Less: 10% Late Penalty (refer to claiming instructions)		(14) \$ -	(32) FORM-1A, (10)	
Less: Prior Claim Payment Received		(15) \$ -	(33) FORM-1A, (11)	1,517
Net Claimed Amount		(16) \$ 14,154	(34)	
(08) Due from State		(17) \$ 14,154	(35)	
Due to State		(18)	(36)	
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 of the Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grant(s) or payment(s) received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer (USE BLUE INK)				
 Carol R. Horton, Vice President, Financial & Administrative Services		Date Signed 1/30/2012		
		Telephone Number (626) 914-8886		
Type or Print Name and Title of Authorized Signatory		E-mail Address chorton@citruscollege.edu		
		(38) Name of Agency Contact Person for Claim		
Carol R. Horton, Vice President, Financial & Administrative Services		Telephone Number (626) 914-8886		
		E-mail Address chorton@citruscollege.edu		
Name of Consulting Firm/Claim Preparer		Telephone Number (858) 514-8605		
		E-mail Address kbpsixten@aol.com		
SixTen and Associates				

Program 256	INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM 1A
(01) Claimant: Citrus Community College District		(02) Fiscal Year 7/1/10-10/7/10
Claim Statistics		
(03) Leave Blank		
Direct Costs	Object Accounts	
(04) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies
	(c) Contract Services	(d) Fixed Assets
	(e) Travel and Training	(f) Total
A. One-Time Activity		
1. Develop Policies and Procedures	\$ -	\$ -
2. Train District Staff on IWM Plan	\$ -	\$ -
B. Ongoing Activities		
1. Complete and Submit IWM Plan to Board	\$ -	\$ -
2. Respond to Board Requirements	\$ -	\$ -
3. Consult with Board to Revise Plan	\$ -	\$ -
4. Designate Coordinator for Each College	\$ -	\$ -
5. Divert Solid Waste/Maintain Required Level <small>(Form 1B cannot be used if this activity is claimed)</small>	\$ 10,575.54	\$ 10,575.54
(05) Total Direct Costs	\$ 10,575.54	\$ 10,575.54
Indirect Costs		
(06) Indirect Cost Rate	<input type="checkbox"/> Federally approved rate OMB Circular A-21 <input checked="" type="checkbox"/> FAM-29C <input type="checkbox"/> Flat 7%	
(07) Total Indirect Costs	[Refer to Claiming Instructions]	
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	
(09) Total from Forms 1A, 1B, and 1C	[Add 1A(07) + 1B(07) + 1C(07)]	
Cost Reduction		
(10) Less: Offsetting Revenues	\$ -	
(11) Less: Other Reimbursements	\$ 1,517.20	
(12) Total Claimed Amount:	[Line (09) - (Line (10) + Line (11))]	
	\$ 14,153.87	

Revised 09/11

Program 256	INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM 1C
(01) Claimant: Citrus Community College District			(02)		Fiscal Year 7/1/10-10/7/10	
Direct Costs	Object Accounts					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
D. Accounting System	Reimbursement begins January 1, 2000					
1. Develop, Implement & Maintain System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E. Annual Report of Progress	Reimbursement begins January 1, 2000					
1. Calculations of Annual Disposal Reduction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Information on the Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Summary of Progress Made in IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. The Extent of CCD's Use of IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Time Extension Summary of Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Alternative Reduction Summary of Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F. Annual Recycled Material Reports	Reimbursement begins July 1, 1999					
1. Annual Report to the Board	\$ 98.12	\$ -	\$ -	\$ -	\$ -	\$ 98.12
(04) Total Direct Costs	\$ 98.12	\$ -	\$ -	\$ -	\$ -	\$ 98.12
Indirect Costs						
(05) Indirect Cost Rate	<input type="checkbox"/> Federally approved rate OMB Circular A-21 <input checked="" type="checkbox"/> FAM-29C <input type="checkbox"/> Flat 7%					46.82%
(06) Total Indirect Costs	[Refer to Claiming Instructions]					\$ 45.94
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]		[Forward total to Form-1A, line (09)]			\$ 144.06

Revised 09/11

Program 256	INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM 2A
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(01) Claimant Citrus Community College District	(02) Fiscal Year 7/1/10-10/7/10
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-Time Activity <input type="checkbox"/> Develop Policies and Procedures <input type="checkbox"/> Train District Staff on IWM Plan	B. Ongoing Activities <input type="checkbox"/> Complete and Submit IWM Plan to Board <input type="checkbox"/> Respond to Board Requirements <input type="checkbox"/> Consult with Board to Revise Plan <input type="checkbox"/> Designate Coordinator for Each College <input checked="" type="checkbox"/> Divert Solid Waste/Maintain Required Level
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(04) Description of Expenses	Object Accounts						
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Custodial Staff Various	\$31.41	170.1	\$ 5,342.84				
Gee, Elizabeth EH&S Recycling Assist.	\$17.69	86.9	\$ 1,537.26				
Diverting solid waste from landfill disposal or transformation facilities - source reduction							
Gee, Elizabeth EH&S Recycling Assist.	\$17.69	133.8	\$ 2,366.92				
Diverting solid waste from landfill disposal or transformation facilities - special waste							
Gee, Elizabeth EH&S Recycling Assist.	\$17.69	75.1	\$ 1,328.52				
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>			\$ 10,575.54	\$ -	\$ -	\$ -	\$ -

Program 256	INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM 2C
-----------------------	---	--------------------

(01) Claimant Citrus Community College District	(02) Fiscal Year 7/1/10-10/7/10
--	---

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<p>D. Accounting System</p> <p><input type="checkbox"/> Develop, Implement & Maintain System</p> <p>F. Annual Recycled Materials Reports</p> <p><input checked="" type="checkbox"/> Annual Report to the Board</p>	<p>E. Annual Report of Progress</p> <p><input type="checkbox"/> Calculations of Annual Disposal Reduction</p> <p><input type="checkbox"/> Information on the Changes</p> <p><input type="checkbox"/> Summary of Progress Made in IWM Plan</p> <p><input type="checkbox"/> The Extent of CCD's Use of IWM Plan</p> <p><input type="checkbox"/> Time Extension Summary of Progress</p> <p><input type="checkbox"/> Alternative Reduction Summary of Progress</p>
--	---

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Reporting annually to the Board quantities of recyclable materials collected Elchler, Jeff EH&S Programs Supervisor	\$49.06	2.0	\$ 98.12				
<p>(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/></p>			\$ 98.12	\$ -	\$ -	\$ -	\$ -

Revised 09/11



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 OCTOBER 4, 2013

CC19090
 00256
 2013/10/04

BOARD OF TRUSTEES
 CITRUS COMM COLL DIST
 LOS ANGELES COUNTY
 1000 W FOOTHILL BLVD
 GLENDORA CA 91740

DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT;1116/92-C

WE HAVE REVIEWED YOUR 1999/2000 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED		12,792.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	5,133.00
TOTAL ADJUSTMENTS	-	<u>5,133.00</u>
AMOUNT DUE CLAIMANT		<u>\$ 7,659.00</u>

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875. DUE TO INSUFFICIENT APPROPRIATION, THE BALANCE DUE WILL BE FORTHCOMING WHEN ADDITIONAL FUNDS ARE MADE AVAILABLE.

SINCERELY,

JAY LAL, MANAGER



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 OCTOBER 4, 2013

CC19090
 00256
 2013/10/04

BOARD OF TRUSTEES
 CITRUS COMM COLL DIST
 LOS ANGELES COUNTY
 1000 W FOOTHILL BLVD
 GLENDORA CA 91740

DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT;1116/92-C

WE HAVE REVIEWED YOUR 2000/2001 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED		19,014.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	19,014.00
TOTAL ADJUSTMENTS	-	19,014.00
		=====
AMOUNT DUE CLAIMANT	\$	0.00
		=====

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

SINCERELY,

JAY LAL, MANAGER

283

LOCAL REIMBURSEMENT SECTION
 P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 OCTOBER 4, 2013

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 00256
 2013/10/04

BOARD OF TRUSTEES
 CITRUS COMM COLL DIST
 LOS ANGELES COUNTY
 1000 W FOOTHILL BLVD
 GLENDORA CA 91740

DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT:1116/92-C

WE HAVE REVIEWED YOUR 2003/2004 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED		19,204.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	19,204.00
TOTAL ADJUSTMENTS	-	19,204.00
AMOUNT DUE CLAIMANT		\$ 0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

SINCERELY,

JAY LAL, MANAGER

284

LOCAL REIMBURSEMENT SECTION
 P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 OCTOBER 4, 2013

CC19090
 00256
 2013/10/04

BOARD OF TRUSTEES
 CITRUS COMM COLL DIST
 LOS ANGELES COUNTY
 1000 W FOOTHILL BLVD
 GLENDORA CA 91740

DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT,1116/92-C

WE HAVE REVIEWED YOUR 2004/2005 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED		15,362.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	15,362.00
TOTAL ADJUSTMENTS	-	15,362.00
AMOUNT DUE CLAIMANT	\$	0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

SINCERELY,

JAY LAL, MANAGER

285



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 OCTOBER 4, 2013

CC19090
 00256
 2013/10/04

BOARD OF TRUSTEES
 CITRUS COMM COLL DIST
 LOS ANGELES COUNTY
 1000 W FOOTHILL BLVD
 GLENDORA CA 91740

DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT,1116/92-C

WE HAVE REVIEWED YOUR 2005/2006 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED		56,814.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	56,814.00
TOTAL ADJUSTMENTS	-	56,814.00

AMOUNT DUE CLAIMANT	\$	0.00
		=====

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

SINCERELY,

JAY LAL, MANAGER

286

LOCAL REIMBURSEMENT SECTION
 P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 OCTOBER 4, 2013

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BOARD OF TRUSTEES
 CITRUS COMM COLL DIST
 LOS ANGELES COUNTY
 1000 W FOOTHILL BLVD
 GLENDORA CA 91740

DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT;1116/92-C

WE HAVE REVIEWED YOUR 2006/2007 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 84,237.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 84,237.00

TOTAL ADJUSTMENTS - 84,237.00

AMOUNT DUE CLAIMANT \$ 0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

SINCERELY,

JAY LAL, MANAGER



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 OCTOBER 4, 2013

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 2013/10/04

BOARD OF TRUSTEES
 CITRUS COMM COLL DIST
 LOS ANGELES COUNTY
 1000 W FOOTHILL BLVD
 GLENDORA CA 91740

DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT:1116/92-C

WE HAVE REVIEWED YOUR 2007/2008 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 60,573.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 60,573.00

TOTAL ADJUSTMENTS - 60,573.00

AMOUNT DUE CLAIMANT \$ 0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

SINCERELY,

JAY LAL, MANAGER



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 OCTOBER 4, 2013

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 2013/10/04

BOARD OF TRUSTEES
 CITRUS COMM COLL DIST
 LOS ANGELES COUNTY
 1000 W FOOTHILL BLVD
 GLENDORA CA 91740

DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT:1116/92-C

WE HAVE REVIEWED YOUR 2008/2009 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 57,617.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 57,617.00

TOTAL ADJUSTMENTS - 57,617.00

AMOUNT DUE CLAIMANT \$ 0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

SINCERELY,

JAY LAL, MANAGER



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 OCTOBER 4, 2013

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 00256
 2013/10/04

BOARD OF TRUSTEES
 CITRUS COMM COLL DIST
 LOS ANGELES COUNTY
 1000 W FOOTHILL BLVD
 GLENDORA CA 91740

DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT:1116/92-C

WE HAVE REVIEWED YOUR 2009/2010 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 39,012.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 39,012.00

TOTAL ADJUSTMENTS - 39,012.00

AMOUNT DUE CLAIMANT \$ 0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

SINCERELY,

JAY LAL, MANAGER



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 OCTOBER 4, 2013

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 00256
 2013/10/04

BOARD OF TRUSTEES
 CITRUS COMM COLL DIST
 LOS ANGELES COUNTY
 1000 W FOOTHILL BLVD
 GLENDORA CA 91740

DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT;1116/92-C

WE HAVE REVIEWED YOUR 2010/2011 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 14,154.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 14,154.00

TOTAL ADJUSTMENTS - 14,154.00

AMOUNT DUE CLAIMANT \$ 0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

SINCERELY,

JAY LAL, MANAGER



RECEIVED
January 16, 2015
Commission on
State Mandates

BETTY T. YEE
California State Controller

LATE FILING

January 15, 2015

Heather Halsey
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Re: Incorrect Reduction Claim (IRC)

Integrated Waste Management, 14-0007-I-03
Public Resources Code Section 40418, 40196.3, and 42920-42928
Public Contract Code Section 12167 and 12167.1
Statutes of 1992, Chapter 1116 (AB 3521); Statutes of 1999, Chapter 764 (AB 75)
Fiscal Years: 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007,
2007-2008, 2008-2009, 2009-2010, and 2010-2011
Citrus Community College District, Claimant

Dear Ms. Halsey:

The State Controller's Office is transmitting our response to the above-named IRC.

If you have any questions, please contact me by telephone at (916) 323-5849.

Sincerely,

A handwritten signature in black ink that reads "Jim L. Spano".

JIM L. SPANO, Chief
Mandated Cost Audits Bureau
Division of Audits

JLS/sk

14977

**RESPONSE BY THE STATE CONTROLLER’S OFFICE
TO THE INCORRECT REDUCTION CLAIM (IRC) BY
CITRUS COMMUNITY COLLEGE DISTRICT**

Integrated Waste Management Program

Table of Contents

<u>Description</u>	<u>Page</u>
State Controller’s Office (SCO) Response to District’s Comments	
Declaration.....	Tab 1
SCO Analysis and Response.....	Tab 2
Sacramento County Superior Court Judgment Granting Petition for Writ of Administrative Mandamus dated June 30, 2008	Tab 3
District’s Waste Management Annual Reports to CalRecycle of diversion.....	Tab 4
District’s website information – Citrus College – Recycling Program	Tab 5
District’s Sustainability Plan dated August 2012	Tab 6
Sanitation Districts of Los Angeles County, Solid Waste Disposal Rates – Scholl Canyon Landfill, Glendale.....	Tab 7
Sacramento County Superior Court Ruling dated May 29, 2008	Tab 8
SCO Offsetting Savings Calculation	Tab 9
SCO email to inform district of review finding dated August 7, 2013.....	Tab 10
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CalRecycle’s “Understanding SB 1016 Solid Waste Per Capita Disposal Measurement Act”	Tab 12
CalRecycle website information regarding hazardous waste materials.....	Tab 13
California Integrated Waste Management Board letter on statewide average disposal fee for solid waste hauled to a landfill, dated September 21, 2009	Tab 14
CalRecycle provides landfill disposal fees for calendar years 2007 and 2008.....	Tab 15
CalRecycle provides landfill disposal fees for calendar years 2009 and 2010.....	Tab 16

Note: References to Exhibits relate to the district’s IRC filed on July 14, 2014, as follows:

- Exhibit A – PDF pages 25, 30, 31, and 33
- Exhibit B - PDF pages 37, 49, 52, and 59
- Exhibit C – PDF page 84
- Exhibit D – PDF pages 223, 230, 236, 241, 247, 253, 258, 264, 270, 276

Tab 1

1 **OFFICE OF THE STATE CONTROLLER**

2 Division of Audits
3 3301 C Street, Suite 725
4 Sacramento, CA 95816
5 Telephone No.: (916) 324-8907

6 **BEFORE THE**
7 **COMMISSION ON STATE MANDATES**
8 **STATE OF CALIFORNIA**

9 **INCORRECT REDUCTION CLAIM (IRC)**
10 **ON:**

11 *Integrated Waste Management Program*
12 Public Resources Code Sections 40418,
13 40196.3, 42920, 42921, 42922, 42923, 42924,
14 42925, 42926, 42927, and 42928; Public
15 Contract Code Sections 12167 and 12167.1;
16 Statutes of 1992, Chapter 1116 (AB 3521);
17 Statutes of 1999, Chapter 764 (AB 75)

No.: IRC 14-0007-I-03

AFFIDAVIT OF BUREAU CHIEF

18 **CITRUS COMMUNITY COLLEGE**
19 **DISTRICT, Claimant**

20 I, Jim L. Spano, make the following declarations:

- 21 1) I am an employee of the State Controller's Office (SCO) and am over the age of 18 years.
- 22 2) I am currently employed as a bureau chief, and have been so since April 21, 2000. Before that, I was employed as an audit manager for two years and three months.
- 23 3) I am a California Certified Public Accountant.
- 24 4) I reviewed the work performed by the SCO auditor.
- 25 5) Any attached copies of records are true copies of records, as provided by Citrus Community College District or retained at our place of business.

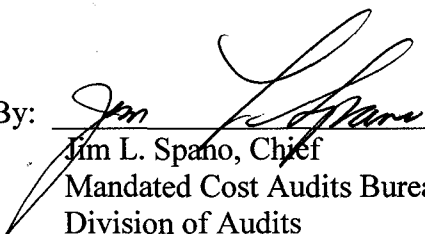
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- 6) The records include claims for reimbursement, and attached supporting documentation, explanatory letters, or other documents relating to the above-entitled Incorrect Reduction Claim.
- 7) A review of the claims for fiscal year (FY) 1999-2000, FY 2000-01, FY 2003-04, FY 2004-05, FY 2005-06, FY 2006-07, FY 2007-08, FY 2008-09, FY 2009-10, and FY 2010-11 commenced July 23, 2013, and was completed on September 11, 2013.

I do declare that the above declarations are made under penalty of perjury and are true and correct to the best of my knowledge, and that such knowledge is based on personal observation, information, or belief.

Date: January 15, 2015

OFFICE OF THE STATE CONTROLLER

By: 
Jim L. Spano, Chief
Mandated Cost Audits Bureau
Division of Audits
State Controller's Office

Tab 2

**STATE CONTROLLER'S OFFICE ANALYSIS AND RESPONSE
TO THE INCORRECT REDUCTION CLAIM BY
CITRUS COMMUNITY COLLEGE DISTRICT**

**For Fiscal Year (FY) 1999-2000, FY 2000-01, FY 2003-04, FY 2004-05, FY 2005-06,
FY 2006-07, FY 2007-08, FY 2008-09, FY 2009-10, and FY 2010-11**

**Integrated Waste Management Program
Public Resources Code Sections 40418, 40196.3, 42920, 42921, 42922, 42923, 42924, 42925,
42926, 42927, and 42928; Public Contract Code Sections 12167 and 12167.1;
Statutes of 1992, Chapter 1116 (AB 3521); Statutes of 1999, Chapter 764 (AB 75)**

SUMMARY

The following is the State Controller's Office's (SCO) response to the Incorrect Reduction Claim (IRC) that Citrus Community College District submitted on July 14, 2014. The SCO reviewed the district's claims for costs of the legislatively mandated Integrated Waste Management (IWM) Program for the period of July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011. The SCO issued its final report on September 11, 2013 [Exhibit A, page 25 of 291].

The district submitted reimbursement claims totaling \$378,779—\$12,792 for fiscal year (FY) 1999-2000 [Exhibit D, page 223 of 291], \$19,014 for FY 2000-01 [Exhibit D, page 230 of 291], \$19,204 for FY 2003-04 [Exhibit D, page 236 of 291], \$15,362 for FY 2004-05 [Exhibit D, page 241 of 291], \$56,814 for FY 2005-06 [Exhibit D, page 247 of 291], \$84,237 for FY 2006-07 [Exhibit D, page 253 of 291], \$60,573 for FY 2007-08 [Exhibit D, page 258 of 291], \$57,617 for FY 2008-09 [Exhibit D, page 264 of 291], \$39,012 for FY 2009-10 [Exhibit D, page 270 of 291], and \$14,154 for FY 2010-11 [Exhibit D, page 276 of 291]. Subsequently, the SCO reviewed these claims and found that \$7,659 is allowable and \$371,120 is unallowable [Exhibit A, page 25 of 291]. The district understated the offsetting savings realized from implementation of its Integrated Waste Management plan.

The following table summarizes the review results:

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment
<u>July 1, 1999, through June 30, 2000</u>			
Direct costs:			
Salaries and benefits	\$ 8,712	\$ 8,712	\$ -
Travel and training	462	462	-
Total direct costs	9,174	9,174	-
Indirect costs	3,908	3,908	-
Total direct and indirect costs	13,082	13,082	-
Less offsetting savings	(290)	(5,423)	(5,133)
Total program costs	<u>\$ 12,792</u>	7,659	<u>\$ (5,133)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 7,659</u>	

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits	\$ 12,413	\$ 12,413	\$ -
Travel and training	1,070	1,070	-
Total direct costs	13,483	13,483	-
Indirect costs	5,549	5,549	-
Total direct and indirect costs	19,032	19,032	-
Less offsetting savings	(18)	(26,091)	(26,073)
Subtotal	19,014	(7,059)	(26,073)
Adjustment to eliminate negative balance	-	7,059	7,059
Total program costs	<u>\$ 19,014</u>	-	<u>\$ (19,014)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits	\$ 13,196	\$ 13,196	\$ -
Indirect costs	6,008	6,008	-
Total direct and indirect costs	19,204	19,204	-
Less offsetting savings	-	(21,358)	(21,358)
Subtotal	19,204	(2,154)	(21,358)
Adjustment to eliminate negative balance	-	2,154	2,154
Total program costs	<u>\$ 19,204</u>	-	<u>\$ (19,204)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs:			
Salaries and benefits	\$ 11,115	\$ 11,115	\$ -
Indirect costs	4,510	4,510	-
Total direct and indirect costs	15,625	15,625	-
Less offsetting savings	(263)	(18,006)	(17,743)
Subtotal	15,362	(2,381)	(17,743)
Adjustment to eliminate negative balance	-	2,381	2,381
Total program costs	<u>\$ 15,362</u>	-	<u>\$ (15,362)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Salaries and benefits	\$ 31,896	\$ 31,896	\$ -
Travel and training	13,446	13,446	-
Total direct costs	45,342	45,342	-
Indirect costs	12,951	12,951	-
Total direct and indirect costs	58,293	58,293	-
Less offsetting revenues and reimbursements	(1,479)	(1,479)	
Less offsetting savings	-	(65,978)	(65,978)
Subtotal	56,814	(9,164)	(65,978)
Adjustment to eliminate negative balance	-	9,164	9,164
Total program costs	<u>\$ 56,814</u>	-	<u>\$ (56,814)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Salaries and benefits	\$ 61,228	\$ 61,228	\$ -
Contract services	525	525	-
Total direct costs	61,753	61,753	-
Indirect costs	25,685	25,685	-
Total direct and indirect costs	87,438	87,438	-
Less offsetting revenues and reimbursements	(3,201)	(3,201)	
Less offsetting savings	-	(102,859)	(102,859)
Subtotal	84,237	(18,622)	(102,859)
Adjustment to eliminate negative balance	-	18,622	18,622
Total program costs	<u>\$ 84,237</u>	-	<u>\$ (84,237)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs:			
Salaries and benefits	\$ 40,973	\$ 40,973	\$ -
Indirect costs	21,494	21,494	-
Total direct and indirect costs	62,467	62,467	-
Less offsetting revenues and reimbursements	(1,894)	(1,894)	
Less offsetting savings	-	(96,572)	(96,572)
Subtotal	60,573	(35,999)	(96,572)
Adjustment to eliminate negative balance	-	35,999	35,999
Total program costs	<u>\$ 60,573</u>	-	<u>\$ (60,573)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Salaries and benefits	\$ 40,630	\$ 40,630	\$ -
Materials and supplies	983	983	-
Total direct costs	41,613	41,613	-
Indirect costs	19,312	19,312	-
Total direct and indirect costs	60,925	60,925	-
Less offsetting revenues and reimbursements	(3,308)	(3,308)	
Less offsetting savings	-	(103,400)	(103,400)
Subtotal	57,617	(45,783)	(103,400)
Adjustment to eliminate negative balance	-	45,783	45,783
Total program costs	<u>\$ 57,617</u>	-	<u>\$ (57,617)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs:			
Salaries and benefits	\$ 29,825	\$ 29,825	\$ -
Materials and supplies	1,086	1,086	-
Total direct costs	30,911	30,911	-
Indirect costs	13,206	13,206	-
Total direct and indirect costs	44,117	44,117	-
Less offsetting revenues and reimbursements	(5,105)	(5,105)	
Less offsetting savings	-	(108,277)	(108,277)
Subtotal	39,012	(69,265)	(108,277)
Adjustment to eliminate negative balance	-	69,265	69,265
Total program costs	<u>\$ 39,012</u>	-	<u>\$ (39,012)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 10,673	\$ 10,673	\$ -
Indirect costs	4,998	4,998	-
Total direct and indirect costs	15,671	15,671	-
Less offsetting revenues and reimbursements	(1,517)	(1,517)	
Less offsetting savings	-	(27,313)	(27,313)
Subtotal	14,154	(13,159)	(27,313)
Adjustment to eliminate negative balance	-	13,159	13,159
Total program costs	<u>\$ 14,154</u>	-	<u>\$ (14,154)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>Summary: July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 260,661	\$ 260,661	\$ -
Materials and supplies	2,069	2,069	
Contract services	525	525	
Travel and training	14,978	14,978	-
Total direct costs	278,233	278,233	-
Indirect costs	117,621	117,621	-
Total direct and indirect costs	395,854	395,854	-
Less offsetting revenues and reimbursements	(16,504)	(16,504)	
Less offsetting savings	(571)	(575,277)	(574,706)
Subtotal	378,779	(195,927)	(574,706)
Adjustment to eliminate negative balance	-	203,586	203,586
Total program costs	<u>\$ 378,779</u>	7,659	<u>\$ (371,120)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 7,659</u>	

¹ Payment information current as of December 30, 2014

I. INTEGRATED WASTE MANAGEMENT PROGRAM CRITERIA

Parameters and Guidelines

On March 30, 2005, the Commission on State Mandates (Commission) adopted the parameters and guidelines for Chapter 764, Statutes of 1999; and Chapter 1116, Statutes of 1992 [Exhibit B, page 37 of 291]. The Commission amended the parameters and guidelines on September 26, 2008, as directed by the Superior Court of California, County of Sacramento, No. 07CS00355 [Tab 3 and Exhibit B, page 52 of 291].

Section VII. defines offsetting cost savings as follows:

VII. OFFSETTING COST SAVINGS

Reduced or avoided costs realized from implementation of the community college district's Integrated Waste Management plans shall be identified and offset from this claim as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1. Pursuant to these statutes, community college districts are required to deposit cost savings resulting from the Integrated Waste Management plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the California Integrated Waste Management Board for the purpose of offsetting Integrated Waste Management plan costs. Subject to the approval of the California Integrated Waste Management Board, cost savings by a community college that do not exceed two thousand dollars (\$2,000) annually are continually appropriated for expenditure by the community college for the purpose of offsetting Integrated Waste Management program costs. Cost savings exceeding two thousand dollars (\$2,000) annually may be available for expenditure by the community college only when appropriated by the Legislature. To the extent so approved or appropriated and applied to the college, these amounts shall be identified and offset from the costs claimed for implementing the Integrated Waste Management Plan.

SCO Claiming Instructions

The SCO annually issues mandated cost claiming instructions, which contain filing instructions for mandated cost programs [Exhibit C]. For the purpose of this IRC, the June 2005 claiming instructions are substantially similar to the version extant at the time the district filed the subject claims.

II. DISTRICT UNDERSTATED OFFSETTING SAVINGS

Issue

For the period of July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011, we found that the district understated offsetting savings realized as a result of implementing its IWM plan by \$574,706.

The district believes that none of the cost savings were realized by the district, as required by the parameters and guidelines.

SCO's Analysis:

The amended parameters and guidelines require districts to report reduced or avoided costs realized from implementation of the community college district's IWM plan, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1 [Exhibit B, page 59 of 291].

This issue of realized offsetting savings has already been decided by the Sacramento County Superior Court, which issued a Judgment and Writ of Mandate on June 30, 2008. The court ordered the Commission to amend the parameters and guidelines to require community college districts claiming reimbursable costs of an IWM plan to identify and offset from their claims (consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1) cost savings realized as a result of implementing their plan [Tab 3].

Public Contract Code section 12167 requires that revenues received from the IWM plan or any other activity involving the collection and sale of recyclable materials in state offices located in state-owned and state-leased buildings be deposited in the IWM Account in the IWM Fund. For the period

of July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011, the district did not remit to the State any savings realized from implementation of its IWM plan. However, the failure of the district to remit to the State the savings realized from implementation of its IWM plan does not preclude it from the requirement to do so.

Government Code section 17514 defines "costs mandated by the state" as any increased costs that either a local agency or school district is required to incur. In addition, Government Code section 17556, subdivision (e), states that reimbursement is precluded if the statute provides for offsetting savings that result in no net costs to the local agency. For purposes of section 6 of article XIII B of the California Constitution and the statutes implementing section 6, California Community Colleges are defined as school districts and treated as local governments. To the extent that Citrus Community College District realized cost savings, it is not required to incur increased costs.

District's Response:

A. OFFSETTING COST SAVINGS

2. Assumed Cost Savings

The court presupposes a previous legal requirement for districts to incur landfill disposal fees to divert solid waste. Thus, potentially relieved of the need to incur new or additional landfill fees for increased waste diversion, a cost savings would occur. There is no finding of fact or law in the court decision or from the Commission Statement of Decision for the test claim for this assumed duty to use landfills. However, since the court stated that the cost savings from avoided landfill costs are only "likely," potential costs savings would be a finding of fact not law. There is no evidence in the court decision that these reduced or avoided landfill costs occurred at all or to any one district other than the bare assertion that such savings may have occurred. Thus, potential landfill cost savings would be a question of fact for each claiming district. However, the Controller's audit adjustment erroneously and simply assumes these cost savings occurred in the form of avoided landfill fees for the mandated tonnage diverted. The audit report merely states that the Controller has "determined that the district had reduced or avoided costs" apparently, and only, as a result of increased diversion of solid waste.

3. Realized Cost Savings

The parameters and guidelines language does not assume that the cost savings occurred, but instead requires that the cost savings be *realized*. The amended parameters and guidelines, relying upon the court decision, state that "(r)educed or avoided costs *realized* from implementation of the community college district's Integrated Waste Management plans shall be identified and offset from this claim as cost savings..." To be realized, the court states that the following string of events must occur:

Thus, in accordance with section 12167, state agencies, along with California Community Colleges which are defined as state agencies for purpose of IWM plan requirements in Public Resources Code section 42920 et seq (Pub. Resources Code §§ 40196, 40148), must deposit cost savings resulting from IWM plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the Integrated Waste Management Board for the purpose of offsetting IWM plan costs. In accordance with section 12167.1 and notwithstanding section 12167, cost savings from the IWM plans of the agencies and colleges that do not exceed \$2,000 annual are continuously appropriated for expenditure by the agencies and colleges for the purpose of offsetting IWM plan implementation and administration costs; cost savings resulting from IWM plan in excess of \$2,000 annually are available for such expenditure by the agencies and colleges when appropriated by the Legislature.

For the cost savings to be realized, the parameters and guidelines further require that “(t)o the extent so approved or appropriated and applied to the college, these amounts shall be identified and offset from the costs claimed for implementing the Integrated Waste Management Plan.” Thus, a certain chain of events must occur: the cost savings must exist (avoided landfill costs); be converted to cash; amounts in excess of \$2,000 per year deposited in the state fund; and these deposits by the districts appropriated by the Legislature to districts for the purposes of mitigating the cost of implementing the plan. None of these prerequisite events occurred so no costs savings were “realized” by the District. Regardless, the adjustment cannot be applied to the District since no state appropriation of the cost savings was made to the District.

4. Calculation of Cost Savings

The court suggested that “(t)he amount or value of the savings may be determined from the calculations of annual solid waste disposal reduction or diversion with California Community Colleges must annual report to petitioner Integrated Waste Management Board pursuant to subdivision (b)(1) of Public Resources Code section 42926.” The parameters and guidelines are silent as to how to calculate the avoided costs. The court provided two alternative methods, either disposal reduction or diversion reported by districts, and the Controller utilized the diversion percentage, which assumes, without findings of fact, that all diversion tonnage is landfill disposal tonnage reduction.

a. The Controller’s formula is a standard of general application

The audit adjustment for the assumed landfill cost savings is based on a formula created by the Controller and has been consistently used for all 32 audits of this mandate published by the Controller (as of the date of this document). The Controller’s use of this formula for audit purposes is a standard of general application without appropriate state agency rulemaking and is therefore unenforceable (Government Code Section 11340.5). The formula is not an exempt audit guideline (Government Code Section 11340.9(e)). State agencies are prohibited from enforcing underground regulations. If a state agency issues, enforces, or attempts to enforce a rule without following the Administrative Procedures Act, when it is required to, the rule is called an “underground regulation.” Further, the audit adjustment is a financial penalty against the District, and since the adjustment is based on an underground regulation, the formula cannot be used for the audit adjustment (Government Code Section 11425.50).

b. The Controller’s formula assumes facts not in evidence

The audited offsetting cost savings is the sum of three components: the “allocated” diversion percentage, multiplied by the tonnage diverted, multiplied by a landfill disposal cost per ton. The Controller’s calculation method includes several factual errors that make it useless as a basis of determining potential cost savings.

1. Allocated diversion percentage: The audit report uses the diversion percentage reported by the District to the state (CalRecycle) for each year until 2008 at which time this statistic was no longer available from CalRecycle. Therefore, the diversion rates used for the audit adjustments after 2007 are fiction.
2. Tonnage diverted: The Controller formula uses the total tonnage reported by the District to CalRecycle. The audit report states that this amount includes “solid waste that the district recycled, composted, and kept out of a landfill.” Next, the audit report assumes without findings that all diverted tonnage would have been disposed in a landfill and thus additional landfill fees incurred for all additional tonnage diverted. Composted material, which can be a significant amount of the diverted tonnage, would not have gone to the landfill. The audit report also assumes without findings that all diverted tonnage is within the scope of the mandate. The total tons diverted for some fiscal years may include materials that are outside the scope of the mandate (e.g. paint). Deducting the compost amount and tonnage unrelated to the mandate would reduce both the total tonnage and the diversion percentage. The audit report

uses the total tonnage diverted reported by the District to the state (CalRecycle) for each year until 2008 at which time this statistic was no longer available from CalRecycle. The auditor then used the 2007 tonnage for all subsequent years. Therefore, the diversion rates used for the audit adjustments after 2007 are fiction.

3. Landfill disposal fee: Having no District information in the annual claims for landfill disposal fees, since it was not required for the annual claims or the CalRecycle report, the Controller's method uses a statewide average costs to dispose of waste, ranging from \$36 to \$56 per ton, based on data said to be obtained from CalRecycle. The audit report does not include the CalRecycle statewide data used to generate these average fee amounts. Thus, the source of the average or actual costs that comprise the average is unknown and unsupported by audit findings.

5. Application of the Formula

The audit calculated cost savings of \$574,706 which are \$203,586 in excess of claimed program costs of \$378,779:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Audited Amount</u>	<u>Adjustment Amount</u>	<u>Adjustment Applied</u>	<u>Adjustment Excess</u>
FY 1999-00	\$12,792	\$7,659	\$5,133	\$5,133	\$0
FY 2000-01	\$19,014	\$0	\$26,073	\$19,014	\$7,059
FY 2003-04	\$19,204	\$0	\$21,358	\$19,204	\$2,154
FY 2004-05	\$15,362	\$0	\$17,743	\$15,362	\$2,381
FY 2005-06	\$56,814	\$0	\$65,978	\$56,814	\$9,164
FY 2006-07	\$84,237	\$0	\$102,859	\$84,237	\$18,622
FY 2007-08	\$60,573	\$0	\$96,572	\$60,573	\$35,999
FY 2008-09	\$57,617	\$0	\$103,400	\$57,617	\$45,783
FY 2009-10	\$39,012	\$0	\$108,277	\$39,012	\$69,265
FY 2010-11	\$14,154	\$0	\$27,313	\$14,154	\$13,159
Totals	\$378,779	\$7,659	\$574,706	\$371,120	\$203,586

The "excess" adjustment amount means the adjustment exceeded the amount claimed by the District for all program costs for all but one fiscal year. There are several factual errors in the application of this offset. The District did not claim landfill costs, so there are none to be offset. The adjustment method does not match or limit the landfill costs avoided to landfill costs, if any, actually claimed. Instead, the total adjustment amount for avoided landfill costs is applied to the total annual claim amounts and thus reduces unrelated salary and benefit costs for: preparing district policies and procedures; training staff who work on the integrated waste management plan; designating a plan coordinator; operating the plan accounting system; and, preparing annual recycling material reports.

The Controller's calculation method thus prevents the District from receiving full reimbursement of its actual increased program costs, contrary to an unfounded expectation by the court. Footnote 1 of the court decision states that:

There is no indication in the administrative record or in the legal authorities provided to the court that, as respondent argues, a California Community College might not receive the full reimbursement of its actual increased costs required by section 6 if its claims for reimbursement of IWM plan costs were offset by realized cost savings and all revenues received from plan activities.

Indeed, it appears from the statewide audit results to date that the application of the formula only has arbitrary results. The following table indicates the percentage of total claim cost allowed by the "desk audits" conducted by the Controller on the single issue of the cost savings offset:

<u>Controller's Audits-cost savings Issue only District</u>	<u>Percentage Allowed</u>	<u>Audit Date</u>
Mira Costs Community College District	0%	10/08/2013
Citrus Community College District	2.0%	09/11/2013
Yuba Community College District	3.4%	05/07/2014
Grossmont-Cuyamaca Community College District	28.7%	04/30/2013
State Center Community College District	32.1%	08/30/2013
Merced Community College District	33.2%	07/09/2013
North Orange County Community College District	33.6%	08/15/2013
Solano Community College District	34.4%	06/17/2013
Long Beach Community College District	35.4%	05/22/2014
Sierra Joint Community College District	41.4%	07/22/2013
Yosemite Community College District	41.7%	07/10/2013
El Camino Community College District	43.0%	03/19/2014
Mt. San Antonio Community College District	43.7%	08/15/2013
Hartnell Community College District	45.0%	04/09/2014
Contra Costa Community College District	58.7%	05/29/2013
Monterey Peninsula Community College District	59.8%	06/05/2014
Siskiyou Joint Community College District	62.2%	06/03/2014
San Joaquin Delta Community College District	69.5%	05/07/2014
Gavilan Joint Community College District	69.6%	04/11/2014
West Kern Community College District	69.9%	06/03/2014
Marin Community College District	72.4%	06/03/2014
Victor Valley Community College District	73.4%	04/09/2014
Redwood Community College District	83.4%	04/11/2014

The District agrees that any relevant realized cost savings should be reported, but the offset must also be properly matched to relevant costs.

SCO's Comments:

2. Assumed Cost Savings

- *Presumed requirement for district to use landfills*

The district states "The court presupposes a previous legal requirement for districts to incur landfill disposal fees to *divert* solid waste" [emphasis added]. We disagree.

Landfill fees are incurred when you "dispose" of solid waste. "Diversion" is the antithesis of disposal. Public Resources Code section 40192, subsection (b), states:

...solid waste disposal...means the management of solid waste through landfill disposal...at a permitted solid waste facility.

Therefore, we believe that the district may have intended to state "The court presupposes a previous legal requirement for districts to incur landfill disposal fees to *dispose of* solid waste" [emphasis added].

The district then asserts that there is only a presumption for districts to incur landfill disposal fees to dispose of solid waste, yet the district does not provide an alternative for how un-diverted solid waste would be disposed of if not at a landfill. In addition, the district does not state that it disposed of its solid waste at any location other than a landfill or used any other methodology to dispose of its waste rather than to contract with a commercial waste hauler. Therefore, comments relating to legal requirements regarding alternatives for the disposal of

solid waste are irrelevant. The district reported to CalRecycle that it *disposed* of 531.0 tons of trash in calendar year 2000 [Tab 4, page 1], 2,399.6 tons in calendar year 2001 [Tab 4, page 4], 403.5 tons in calendar year 2003 [Tab 4, page 8], 380.7 tons in calendar year 2004 [Tab 4, page 12], 408.9 tons in calendar year 2005 [Tab 4, page 16], 1,046.8 tons in calendar year 2006 [Tab 4, page 20], 802.6 tons in calendar year 2007 [Tab 4, page 23], 584.4 tons in calendar year 2008 [Tab 4, page 26], 526.5 tons in calendar year 2009 [Tab 4, page 30], and 450.0 tons in calendar year 2010 [Tab 4, page 35]. Within the narrative of these reports, the district acknowledges its contracts with a “waste hauler” (Athens Services, Inc.) [Tab 4, pages 14, 18, 21, and 24]. The district does not indicate in these annual reports that it used any other methodology to dispose of solid waste.

In addition, the district also acknowledges its use of landfills for solid waste disposal. On the district’s Recycling Program website [Tab 5], the district highlights its goals and states “When our (Citrus Community College District’s) *trash goes to a landfill*, along with the trash of millions of other people and thousands of other business, it does not go away because we no longer see it” [emphasis added]. Further, in the district’s August 2012 Sustainability Plan, it states “Citrus College already has a very successful recycling program that reduces greenhouse gas emissions and *landfill deposits*” [emphasis added, see Tab 6, page 17].

Therefore, the evidence obtained by the SCO supports that the district normally disposes of its waste at a landfill through the use of a commercial waste hauler and that the district also realized a reduction of solid waste disposal through implementation of its IWM plan.

- *Assumed cost savings*

The district states “...the Controller’s audit adjustment erroneously and simply assumes that these costs savings occurred in the form of avoided landfill fees for the mandated tonnage diverted.” We disagree.

Unless the district had an undisclosed arrangement with its commercial waste hauler (Athens Services, Inc.), the district did not dispose of its solid waste at a landfill for no cost. For example, Citrus College is located in Glendora, CA. An internet search for landfill fees revealed that the Scholl Canyon Landfill in Glendale, California (19 miles from Citrus College), currently charges \$49.18 per ton to dispose of solid waste [Tab 7]. Therefore, the higher rate of diversion, the less trash that is disposed at a landfill, resulting in cost savings to the district.

Further, by the district’s own admission, an effectively designed recycling program can result in savings. In the district’s August 2012 Sustainability Plan, the district states “If designed effectively, *minimizing solid waste can save the college money* and create revenue streams that can be reinvested in the campus” [emphasis added, see Tab 6, page 17].

Therefore, evidence obtained by the SCO supports that the district incurred fees to dispose of its waste at a landfill, and, by the district’s own admission, it recognizes that savings can occur through the use of an effectively designed recycling program.

3. Realized Cost Savings

We recognize that the district did not remit to the State any savings realized from implementation of its IWM plan. However, the failure of the district to remit to the State the savings realized from implementation of its IWM plan in compliance with the Public Contract Code, the parameters and

guidelines, or its failure to perform all of what it calls “prerequisite events” does not preclude it from the requirement to do so. The parameters and guidelines, section VIII (Offsetting Cost Savings) states [Exhibit B, page 59 of 291]:

Reduced or avoided costs realized from implementation of the community college districts’ Integrated Waste Management plans shall be identified and offset from this claim as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1. Pursuant to these statutes, community college districts *are required to deposit cost savings* resulting from their Integrated Waste Management plans into the Integrated Waste Management Account in the Integrated Waste management Fund. [Emphasis added].

Further, in the Superior Court ruling dated May 29, 2008, the court ruled that the cost savings *must* be used to fund IWM plan costs when it stated [Tab 8, page 7]:

Respondent incorrectly interpreted the phrase ‘to the extent feasible’ in Public Resources Code section 42925 to mean that the redirection of cost savings resulting from diversion activities by California Community Colleges to fund their IWM plan implementation and administration costs was not mandatory and that colleges could direct the cost savings to other programs upon a finding of infeasibility. Respondent’s interpretation is contrary to the manifest legislative intent and purpose of section 42925, *that cost savings be used to fund IWM plan costs*. [Emphasis added].

As previously stated, the district has acknowledged that an *effectively designed recycling program* can result in savings to the district. Further, the district states that “Citrus College *has a very successful recycling program in place* resulting in an approximately 50 percent diversion rate” [emphasis added, see Tab 6, page 17].

Therefore, evidence obtained by the SCO supports that the district realized cost savings that should have been remitted to the State. Further, the savings realized must be used to fund IWM plan costs.

4. Calculation of Cost Savings

- *The Controller’s formula is a standard of general application*

The districts states “The Controller’s use of this formula for audit purposes is a standard of general application without appropriate state agency rulemaking and is therefore unenforceable.” We disagree.

We used a “court approved” methodology to determine the *required* offset, which we believe to be both fair and reasonable. In the Superior Court ruling dated May 29, 2008, the court stated that “Such reduction or avoidance of landfill fees and costs resulting from solid waste diversion activities under §42920 et seq. represent savings which *must* be offset against the costs of diversion activities to determine the reimbursable costs of the IWM plan implementation – i.e., the actual increased costs of diversion – under section 6 and section 17514” [emphasis added, see Tab 8, page 7].

The ruling goes on to state, “The amount or value of the savings may be determined from the calculations of annual solid waste disposal reduction or diversion which California Community Colleges must annually report to petitioner Integrated Waste Management Board pursuant to subdivision (b)(1) of Public Resources Code section 42926.”

On September 26, 2008, the Commission amended the parameters and guidelines to be in accordance with the Judgment and Writ of Mandate issued by the court [Exhibit B, page 49 of 291]. On December 1, 2008, in compliance with Government Code section 17558, the SCO issued claiming instructions allowing community college districts to refile their FY

1999-2000 through FY 2007-08 claims to report offsetting savings. These amended claims were to be filed with the SCO on or before March 31, 2009 [Exhibit C, page 84 of 190].

The district's IWM claims for FY 1999-2000, FY 2000-01, FY 2003-04, and FY 2004-05 were filed with the SCO on October 6, 2005. The FY 2005-06 IWM claim was filed with the SCO on December 18, 2006. The FY 2006-07 IWM claim was filed with the SCO on January 27, 2008. The district *did not* amend any of these IWM claims to report the required offsets. Further, the FY 2007-08 through FY 2010-11 IWM claims were filed after the parameters and guidelines were amended; however, the district failed to report any savings realized from implementation of its IWM plan on any of these claims. Therefore, we used the methodology identified in the May 29, 2008 Superior Court ruling to determine the applicable offset amounts [see the offsetting savings calculation in **Tab 9** as well as in **Exhibit A, page 31 of 291**]. We believe that this "court identified" approach provides a reasonable methodology to identify the applicable offsets, especially when you consider the district's admission of savings through an efficiently designed program.

We informed the district of this adjustment via an email on August 7, 2013 [Tab 10]. We provided the district an opportunity to provide an alternate methodology. We also offered to meet with the district in person to discuss this adjustment in more detail [Tab 11, page 2]. On August 27, 2013, the district's Director of Fiscal Services merely responded that "we do not agree with the audit methodology" [Tab 11]. The district did not provide an alternate methodology to calculate the required offset.

- *Offsetting Savings Calculation - Allocated Diversion Percentage*

Public Resources Code section 42921 states:

- (a) Each state agency and each large state facility shall divert at least 25 percent of all solid waste generated by the state agency by January 1, 2002, through source reduction, recycling, and composting activities.
- (b) On and after January 1, 2004, each state agency and each large state facility shall divert at least 50 percent of all solid waste through source reduction, recycling, and composting activities.

For each fiscal year in the review period, Citrus Community College District diverted above and beyond the requirements of Public Resources Code section 42921 based on information that the district reported to CalRecycle [Tab 4]. Therefore, we "allocated" the offsetting savings so as to not penalize the district by recognizing offsetting savings resulting from the additional non-mandated savings realized by the district from diverting solid waste above and beyond the applicable requirements of the Public Resources Code.

- Allocated Diversion Percentage for FY 1999-2000 through FY 2000-01 and FY 2003-04 through FY 2006-07

For FY 1999-2000 through FY 2000-01 and FY 2003-04 through FY 2006-07, we used the diversion information exactly as reported annually by the district to CalRecycle. For example, in calendar 2007, the district reported to CalRecycle that it diverted 3,099.2 tons of solid waste and disposed of 802.6 tons, which results in an overall diversion percentage of 79.4% [Tab 4, page 23]. Because the district was required to divert 50% for that year to meet the mandated requirements and comply with the Public Resources Code, it needed to have diverted 1,950.9 tons (3,901.8 total tonnage generated x 50%) in order to satisfy the 50% requirement. Therefore, we adjusted our calculation to compute offsetting savings based on 1,950.9 tons of diverted solid waste rather than 3,099.2 tons.

As there is no State mandate to exceed solid waste diversion greater than 25% for calendar years 2002 and 2003 or greater than 50% for calendar year 2004 and beyond, there is no basis for calculating offsetting savings realized for actual diversion percentages that exceeded the levels set by statute.

- Allocated Diversion Percentage for FY 2007-08 through FY 2010-11

With the passage of Senate Bill (SB) 1016 (Chapter 343, Statutes of 2008), CalRecycle began focusing on “per capita disposal” instead of a “diversion percentage.” The shift from diversion to disposal provides more accurate measurements, takes less time to calculate, and allows for jurisdictional growth. With the original system of a 25% or 50% diversion requirement, if the district diverted above its requirement, it was fully implementing its IWM plan. Now, with SB 1016, each jurisdiction has a disposal target that is the equivalent of 50% diversion, and that target is expressed on a “per capita basis.” Therefore, if the district’s per-capita disposal rate is less than the target, it means that the district is meeting its requirement [Tab 12, page 4].

As a result of SB 1016, beginning in calendar year 2008, CalRecycle stopped requiring the districts to report the actual amount of tonnage diverted. Consequently, the annual reports no longer identify either the tonnage diverted or a diversion percentage. However, even though community college districts no longer report diversion information, they are still required to divert 50% of their solid waste.

In reviewing the 2008 [Tab 4, page 27], 2009 [Tab 4, page 31], and 2010 [Tab 4, page 36] annual reports, we found the district’s annual per-capita disposal rate to be well below the target rate. Therefore, the district far surpassed its requirement to divert more than 50% of its solid waste. As we did not have either the tonnage diverted or diversion percentage for calendar years 2008, 2009, and 2010, we used the 2007 diversion information [Tab 4, page 23] to calculate the required offsetting savings for FY 2007-08 through FY 2010-11.

The district did not provide us with any documentation to support its actual diversion rates for calendar years 2008, 2009, or 2010. We believe that the 2007 diversion information is a fair representation of the 2008, 2009, and 2010 diversion information because the district’s recycling processes have already been established and committed to. In fact, in the 2008 annual report, the district states, “Citrus College *remains* diligent in its recycling efforts - 08’s recycling activities *mirror the previous years*” [emphasis added, see Tab 4, page 27]. In addition, the district further elaborates on its plans to *increase* diversion with a “self-haul green waste program” and “electric hand dryers.” Therefore, it is entirely possible that the offsetting savings calculations we determined for FY 2007-08 through FY 2010-11 (which are based on the 2007 tonnage amounts) may even be understated.

- *Offsetting Savings Calculation - Tonnage Diverted*

- Composted Material

The district states that “Composted material, which is a significant amount of the diverted tonnage, would not have gone to the landfill.” This comment is irrelevant because the district did not have a “composting” program until possibly 2008 or 2009 (which is nearly 10 years after the beginning of the review period). Therefore, the composted material, *if any*, would not be a significant amount of the total tonnage diverted.

In its 2005 annual report, the district states “Some composting activities are being attempted by individuals about campus, but no formal composting program has been established as of this report” [Tab 4, page 18]. Then, only in 2008, does the district acknowledge in its annual reports that “on site composting/mulching” is “planned/expanding” [Tab 4, page 28]. Also, it should also be noted that for all of the fiscal years in the audit period, including FY 2008-09, FY 2009-10, and FY 2010-11, the district *did not* claim direct costs (salaries and benefits, materials and supplies, or contract services) for any time spent composting or mulching.

o Hazardous Waste (e.g., paint)

The district states that, “The audit report also assumes without findings that all diverted tonnage is within the scope of the mandate. The total tons diverted for some fiscal years may include materials that are outside the scope of the mandate (e.g. paint).” This comment is irrelevant because hazardous waste is not included in the diversion amounts reported to CalRecycle [Tab 4], therefore, it is not included in our offsetting savings calculation [Tab 9].

We agree that hazardous waste (e.g., paint) is not a part of the mandate. In fact, CalRecycle has specified that hazardous waste is not to be included in the diversion information reported annually by the district to CalRecycle. CalRecycle’s website states that “These following materials are deemed as hazardous, and cannot be disposed in a landfill” [Tab 13]:

- Universal waste – radios, stereo equipment, printers....
- Electronic waste – common electronic devices that are identified as hazardous waste, such as computers...
- Additional hazardous wastes should be properly managed: antifreeze, asbestos, paint, treated wood, used oil, etc.”

In compliance with these instructions, the district’s Waste Management Annual Reports [Tab 4] sent to CalRecycle did not include information regarding the diversion of hazardous waste.

o Tonnage Diverted after 2007

The SCO’s comments regarding the use of 2007 tonnage information to calculate the required offsetting savings for FY 2007-08 through FY 2010-11 are the same as previously addressed with regard to the passage of SB 1016.

• *Offsetting Savings Calculation – Statewide Average Disposal Fee*

The district states, “Having no District information in the annual claims for landfill disposal fees, since it was not required for the annual claims or the CalRecycle report, the Controller’s method uses a statewide average cost to dispose of a ton of waste, ranging from \$36 to \$56 per ton, based on data said to be obtained from CalRecycle.”

The calendar year 2002 through 2006 “data said to be obtained from CalRecycle” was provided to the Commission by the Chief Counsel for the California Integrated Waste Management Board, in an attachment to a letter dated September 21, 2009 [Tab 14, pages 13 to 18]. The district’s mandated cost consultant was copied on this letter and was privy to the “statewide average disposal fees” at that time. On March 20, 2012, the statewide average landfill fees for calendar years 2007 and 2008 were provided to the SCO by the Recycling

Program Manager I at CalRecycle (formerly the California Integrated Waste Management Board) [Tab 15]. On May 31, 2012, the statewide average landfill fees for calendar years 2009 and 2010 were provided to the SCO by the same employee at CalRecycle [Tab 16]. We confirmed with CalRecycle that they obtained the “statewide average disposal fees” from a private company, which polled a large percentage of the landfills across California to establish the statewide averages.

As identified earlier, an internet search for landfill fees revealed that the Scholl Canyon Landfill in Glendale, California, current charges \$49.18 per ton to dispose of solid waste [Tab 7]. Therefore, we believe that the \$36 to \$56 “statewide average disposal fee” used to calculate the offsetting savings realized by the district is reasonable. In addition, the district did not provide any information, such as its contract with or invoices received from its commercial waste hauler (Athens Services, Inc.) to support either the landfill fees actually incurred by the district or to confirm that the statewide average landfill fee was greater than landfill fees incurred by the district.

5. Application of the Formula

- Audited offsetting savings

The district states, “the audit calculated cost savings of \$574,706 which are \$203,586 in excess of claimed program costs of \$378,779.” This statement is not entirely correct. To clarify, we found that the district realized total savings of \$575,277 for the review period. However, because the district reported \$571 in offsetting savings, we only took an adjustment for the difference of \$574,706 [Exhibit A, page 33 of 291].

- Landfill costs not claimed

The district states, “The District did not claim landfill costs, so there are none to be offset.” This statement is contrary to the purpose of the mandated program. While we agree that the district did not claim landfill costs, the mandated program does not reimburse claimants for landfill costs incurred to dispose of solid waste, so none would be claimable. Instead, the mandated program reimburses claimants to divert solid waste from disposal. By diverting solid waste, the district realizes both a reduction of solid waste going to a landfill in compliance with its IWM plan and the associated costs of having the waste hauled there. The reduction of landfill costs incurred creates offsetting savings that the district is required to identify in its mandated cost claims.

The Superior Court ruled on this issue May 29, 2008 [Tab 8, page 7]:

...the reduced or avoided costs of landfill disposal are an integral part of the IWM diversion mandate under Public Resources Code section 42920 et seq. Therefore, respondent’s conclusion that reduced or avoided disposal costs could not qualify as an offsetting cost savings for diversion costs, *based on the erroneous premise that reduced or avoided costs were not part of the reimbursable mandates of Public Resources Code section 42920 et seq., is wrong.* [Emphasis added].

- Application of offsetting savings to total costs claimed

The district further states, “The adjustment method does not match or limit the landfill costs avoided to landfill costs, if any, actually claimed. Instead, the total adjustment amount for avoided landfill costs is applied to the total annual claim amounts and thus reduces unrelated salary and benefit costs for: preparing district policies and procedures; training staff who work on the integrated waste management plan; designating a plan coordinator; operating the

plan accounting system; and, preparing annual recycling material reports.” We disagree. Public Resources Code section 42925 states that cost savings realized as a result of the IWM plan be redirected to “fund plan *implementation and administration costs*” [emphasis added]. Also, the district did not identify, and we did not find, any statute or provision limiting offsetting savings solely to solid waste diversion activities included in the district’s IWM claims.

Further, the district’s statements are contrary to the purpose of the mandated program. The parameters and guidelines (Section VIII. Offsetting Cost Savings) state:

Reduced or avoided costs realized from *implementation of the community college districts’ Integrated Waste Management plans* shall be identified and offset from the claim as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1. [Emphasis added].

When outlining the reimbursable activities, the parameters and guidelines consistently use the phrase “implementation of the integrated waste management plan,” as follows:

A. One-Time Activities

1. Develop the necessary district policies and procedures for the *implementation of the integrated waste management plan*. [Emphasis added].
2. Train district staff on the requirements and *implementation of the integrated waste management plan* (one-time per employee). Training is limited to staff working directly on the plan. [Emphasis added].

B. Ongoing Activities

4. Designate one solid waste reduction and recycling coordinator for each college in the district to perform new duties imposed by chapter 18.5 (Public Resources Code, §§42920 – 42928). The coordinator shall *implement the integrated waste management plan*. . . . [Emphasis added].

E. Annual Report

3. A summary of progress made in *implementing the integrated waste management plan*. . . . [Emphasis added].

Therefore, we believe it is reasonable that the offsetting savings realized from “implementing the plan” be offset against all direct costs incurred to “implement the plan.”

- Statewide audit results

The district provides a table of other engagements conducted by the State Controller’s Office. The adjustments made at other community college districts are not relevant to the current issue at hand.

III. OFFSETTING REVENUES AND REIMBURSEMENTS

Issue

The district states that the SCO erroneously recognized \$571 as the claimed offset for recycling revenues in our review report, but the correct amount should be \$17,074. The district also notes that recycling revenues are not offsetting cost savings generated from implementing the IWM plan.

SCO's Analysis:

If the amounts reported by the district as offsetting savings are actually offsetting revenues and reimbursements, then total offsets included in the review report should have been \$17,075 for offsetting revenues and reimbursements and \$575,277 for offsetting savings. Therefore, total offsets may be understated and total program costs may be overstated [Exhibit A, page 30 of 291].

District's Response:

B. OFFSETTING REVENUES AND REIMBURSEMENTS

The District's annual claims reported recycling income as an offset to total reimbursable costs in the amount of \$17,074:

Controller Form IWM-1 Fiscal Year	Line 8/9/10 Offsetting Savings	Line 9/10/11 Other Reimbursements	
1999-00	\$ 289.54	\$ -	
2000-01	\$ 18.11	\$ -	
2003-04	\$ -	\$ -	
2004-05	\$ 263.45	\$ -	
2005-06	\$ -	\$ 1,478.59	
2006-07	\$ -	\$ 3,200.55	
2007-08	\$ -	\$ 1,894.28	
2008-09	\$ -	\$ 3,307.60	
2009-10	\$ -	\$ 5,104.93	
2010-11	\$ -	\$ 1,517.20	
Total	\$ 571.10	\$ 16,503.15	\$17,074.25

The audit report erroneously recognized only \$571 as the claimed offsetting recycling revenues when in fact \$17,074 of offsetting revenue and other reimbursements was reported and offset by the District. The audit report correctly states that this District revenue was not deposited into the State IWM Account, but there is no such requirement to do so for community colleges. Recycling revenues are not offsetting cost savings, but are offsetting revenues generated from implementing the IWM plan. Regarding recycling revenues, the court stated:

Although Public Contract Code sections 12167 and 12167.1 apply to California Community Colleges for the purpose of offsetting savings pursuant to the terms of Public Resources Code section 42925, sections 12167 and 12167.1 *do not apply to the colleges for the purpose of offsetting revenues or, indeed, any other purpose* [emphasis added by district]. Sections 12167 and 12167.1 apply exclusively to state agencies and institutions; the colleges, which are school districts rather than state agencies, are not specifically defined as state agencies for purposes of the State Assistance for Recycling Markets Act of which sections 12167 and 12167.1 are a part. Therefore, sections 12167 and 12167.1 do not properly govern the revenues generated by the colleges' recycling activities pursuant to their IWM plans. *The limits and conditions placed by sections 12167 and 12167.1 on the expenditure of recycling revenues for the purpose of offsetting recycling program costs are simply inapplicable to the revenues generated by the colleges' recycling activities* [emphasis added by district].

The provisions of Public Resources Code section 42920 et seq. do not address the use of revenues generated by recycling activities of California Community Colleges under IWM plans to offset reimbursable plan costs. *Thus, use of the revenues to offset reimbursable IWM plan costs is governed by the general principles of state mandates, that only the actual increased costs of a state-mandated program are reimbursable and, to that end, revenues*

*provided for by the state-mandated program must be deducted from program costs [emphasis added by district]. (See Cal. Const., art. XII B, § 6; Gov. Code §§ 17154, 17556, subd. (e); County of Fresno v. State of California (1991) 51 Cal.3d 482, 487; County of Sonoma v. Commission on State Mandates, (2000) 84 Cal.App.4th 1264, 1284.) These principles are reflected in the respondent's regulation which requires, without limitation or exception, the identification of offsetting revenues in the parameters and guidelines for reimbursable cost claims. (Cal. Code Regs., tit. 2, §1183.1(a)(7)) *Emphasis added.**

The amended and retroactive parameters and guidelines adopted September 26, 2008, state:

VII. OFFSETTING REVENUES AND REIMBURSEMENTS

Reimbursement for this mandate from any source, including but not limited to, service fees collected, federal funds, and other state funds allocated to any service provided under this program, shall be identified and offset from this claim. Offsetting revenue shall include all revenues generated from implanting the Integrated Waste management Plan.

In addition, revenue from a building-operating fee imposed pursuant to Education Code section 76375, subdivision (a) if received by claimant and the revenue is applied to this program, shall be deducted from the costs claimed.

Therefore, the district properly reported the recycling income as a reduction of total claimed cost and not subject to state appropriation in the form of cost savings.

SCO's Comment:

The district's statement that the review report recognized \$17,074 as offsetting recycling revenues is incorrect. The review report [**Exhibit A, page 30 of 291**] shows \$16,504 of offsetting revenues and reimbursements and \$571 as offsetting savings on page 4 of the report's Summary of Program Costs Schedule (Attachment 1). In addition, the report identifies \$571 as offsetting savings reported by the district in the report's Finding and Recommendation (Attachment 3).

The information in our review report is consistent with amounts reported by the district in its claims for the review period [**Exhibit D**]. The district reported \$571 as offsetting savings on Line 08 of SCO claim forms IWM-1 and reported \$16,504 as other reimbursements on Line 09 of SCO claim form IWM-1. In its response, the district states that the total amount of \$17,074 (\$571 plus \$16,504 less \$1 rounding error) was entirely related to recycling revenues. If that is the case, then the district did not properly follow the SCO's Claiming Instructions [**Exhibit C**] for reporting offsetting savings and other reimbursements. The district did not provide any evidence in its claims or in its IRC filing supporting the amounts that it realized as recycling revenues.

The district is correct in its statements that recycling revenues are not offsetting savings realized from implementing its IWM plan. However, if the amounts reported by the district as offsetting savings are actually offsetting revenues and reimbursements, then total offsets included in the review report should have been \$17,075 for offsetting revenues and reimbursements and \$575,277 for offsetting savings. Therefore, total offsets may be understated and total program costs may be overstated.

IV. PROCEDURAL ISSUES

Issue

The district asserts that none of the adjustments were because program costs claimed were excessive or unreasonable, which is the only mandated cost audit standard in statute. Also, the district states that it is the Controller's responsibility to provide evidence of its audit finding.

SCO's Analysis:

The SCO did conclude that the district costs claimed were excessive. In addition, the data the SCO used to calculate the offset was based on factual information provided by both the district and CalRecycle.

District's Response:

C. PROCEDURAL ISSUES

1. Standard of Review

None of the adjustments were made because the program costs claimed were excessive or unreasonable. The Controller does not assert that the claimed costs were excessive or [un]reasonable, which is the only mandated cost audit standard in statute (Government Code Section 17561(d)(2)). It would therefore appear that the entire findings are based upon the wrong standard for review. If the Controller wishes to enforce other audit standards for mandated cost reimbursement, the Controller should comply with the Administrative Procedure Act.

2. Burden of Proof

Here, the evidentiary issue is the Controller's method for determining the adjustments. In many instances in the audit report, the District was invited to provide missing data in lieu of fictional data used by auditor, or to disprove the auditor's factual assumptions. This is an inappropriate shifting of the burden of proof for an audit. The Controller must first provide evidence as to the propriety of its audit finding because it bears the burden of going forward and because it is the party with the power to create, maintain, and provide evidence regarding its auditing methods and procedures, as well as the specific facts relied upon for its audit findings.

SCO's Comments:

1. Standard of Review

We disagree with the district's conclusion. Government Code section 17558.5 requires the district to file a reimbursement claim for actual mandate-related costs. Government Code section 17561, subdivision (d)(2), allows the SCO to audit the district's records to verify actual mandate-related costs *and* reduce any claim that the SCO determines is excessive or unreasonable. In addition, Government Code section 12410 states, "The Controller shall audit all claims against the state, and may audit the disbursement of any state money, for correctness, legality, and for sufficient provisions of law for payment." Therefore, the SCO has sufficient authority to impose these adjustments. The district's contention that the SCO is only authorized to reduce a claim if it determines the claim to be excessive or unreasonable is without merit.

The SCO did, in fact, conclude that the district's claim was excessive. Excessive is defined as "exceeding what is usual, proper, necessary, or normal...Excessive implies an amount or degree too great to be reasonable or acceptable..."¹ The district's mandated cost claims exceeded the proper amount based on the reimbursable costs allowable per statutory language and the program's parameters and guidelines. Therefore, the district's comments regarding the Administrative Procedure Act are irrelevant.

¹ Merriam-Webster's Collegiate Dictionary, Tenth Edition, © 2001

2. Burden of Proof

The district's statement mentions what it calls "fictional data" and "factual assumptions" used as a basis for the adjustments made to the district's claims. However, the data that the SCO used to calculate the offsetting savings adjustments were based on information maintained by the district and reported by the district to CalRecycle as a result of implementing its IWM plan [Tab 4]. The diversion information is "obtained via weigh master tickets, manifests, bills of lading, and on-site scales used. CIWMB conversion tables are used for extrapolation. Athens Services, Inc. provides waste and MRF recycling tonnages reported" [Tab 4, page 21]. In addition, we used a statewide average disposal fee for solid waste hauled to a landfill based upon information provided by CalRecycle [Tabs 14, 15, and 16].

The district is correct when it states that we advised the district of our adjustments to its claims. In an email dated August 7, 2013 [Tab 10], we provided the following information:

- Offsetting Savings Calculation [Tab 9]
- Narrative of Adjustment (identified as Attachment 3 in the review report) [Exhibit A page 33 of 291]
- Waste Management Annual Report of Diversion [Tab 4]
- September 10, 2008 Final Staff Analysis (from the Commission on State Mandates)
- Parameters and Guidelines [Exhibit B]
- Fiscal Analysis (Summary of claimed, allowable, and unallowable costs by fiscal year (identified as Attachment 1 in the review report [Exhibit A page 27 of 291])

V. CONCLUSION

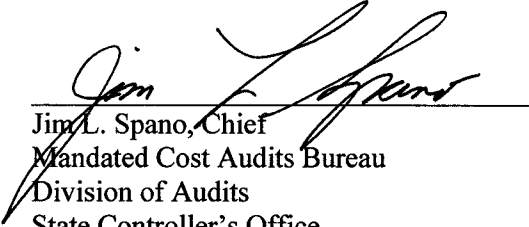
The State Controller's Office (SCO) reviewed Citrus Community College District's claims for costs of the legislatively mandated Integrated Waste Management Program (Chapter 1116, Statutes of 1992; and Chapter 764, Statutes of 1999) for the period of July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011. The district reported \$571 in offsetting savings. We found that the district realized savings of \$575,277. The district understated offsetting savings by \$574,706.

In conclusion, the Commission on State Mandates should find that: (1) the SCO correctly reduced the district's FY 1999-2000 claim by \$5,133; (2) the SCO correctly reduced the district's FY 2000-01 claim by \$19,014; (3) the SCO correctly reduced the district's FY 2003-04 claim by \$19,204, (4) the SCO correctly reduced the district's FY 2004-05 claim by \$15,362; (5) the SCO correctly reduced the district's FY 2005-06 claim by \$56,814; (6) the SCO correctly reduced the district's FY 2006-07 claim by \$84,237; (7) the SCO correctly reduced the district's FY 2007-08 claim by \$60,573; (8) the SCO correctly reduced the district's FY 2008-09 claim by \$57,617; (9) the SCO correctly reduced the district's FY 2009-10 claim by \$39,012; and, (10) the SCO correctly reduced the district's FY 2010-11 claim by \$14,154.

VI. CERTIFICATION

I hereby certify by my signature below that the statements made in this document are true and correct of my own knowledge, or, as to all other matters, I believe them to be true and correct based upon information and belief.

Executed on January 15, 2015, at Sacramento, California, by:



Jim L. Spano, Chief
Mandated Cost Audits Bureau
Division of Audits
State Controller's Office

Tab 3

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Supervising Deputy Attorney General
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8 Attorneys for Petitioners Department of Finance and
California Integrated Waste Management Board
9

~~FILED~~/ ENDORSED
JUN 3 0 2008
By Christa Beebout, Deputy Clerk

10 SUPERIOR COURT OF CALIFORNIA
11 COUNTY OF SACRAMENTO

13 STATE OF CALIFORNIA DEPARTMENT OF
FINANCE, CALIFORNIA INTEGRATED
14 WASTE MANAGEMENT BOARD,

Petitioner,

16 v.

17 COMMISSION ON STATE MANDATES,

18 Respondent,

19 SANTA MONICA COMMUNITY COLLEGE
DISTRICT, LAKE TAHOE COMMUNITY
20 COLLEGE DISTRICT,

21 Real Parties in Interest.

Case No: 07CS00355

~~PROPOSED~~ JUDGMENT
GRANTING PETITION FOR
WRIT OF ADMINISTRATIVE
MANDAMUS

Judge: The Honorable
Lloyd G. Connelly
Dept: 33

23 This matter came before this Court on February 29, 2008, for hearing in Department 33
24 of the above court, the Honorable Lloyd G. Connelly presiding. Eric Feller appeared on behalf of
25 Respondent Commission on State Mandates, and Jack C. Woodside appeared on behalf of
26 Petitioners California Department of Finance and California Integrated Waste Management
27 Board.

28 ///

1 The Administrative Record having been admitted into evidence and considered by the
2 Court, and the Court having read and considered the pleadings and files, argument having been
3 presented and the Court having issued its Ruling on Submitted Matter on May 29, 2008;

4 IT IS HEREBY ORDERED that:

- 5 1. The Petition for Writ of Administrative Mandamus is GRANTED;
- 6 2. A Peremptory Writ of Mandate shall issue from this Court remanding the matter
7 to Respondent Commission and commanding Respondent Commission to amend the parameters
8 and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming
9 reimbursable costs of an integrated waste management plan under Public Resources Code section
10 42920, et seq. to identify and offset from their claims, consistent with the directions for revenue
11 in Public Contract Code sections 12167 and 12167.1, cost savings realized as a result of
12 implementing their plans; and
- 13 3. The Writ shall further command Respondent Commission to amend the
14 parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts
15 claiming reimbursable costs of an integrated waste management plan under Public Resources
16 Code section 42920, et seq. to identify and offset from their claims all of the revenue generated
17 as a result of implementing their plans, without regard to the limitations or conditions described
18 in sections 12167 and 12167.1 of the Public Contract Code.

19
20 Dated: JUN 30 2008

LLOYD G. CONNELLY

The Honorable Lloyd G. Connelly
Judge of the Sacramento County Superior Court

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DECLARATION OF SERVICE BY U.S. MAIL

Case Name: **State of California Dept. of Finance, et al. v. Commission on State Mandates**
Sacramento County Superior Court No.: 07CS00355

I declare:

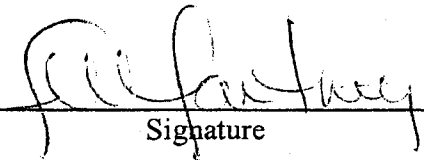
I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service that same day in the ordinary course of business.

On June 18, 2008, I served the attached **[PROPOSED] PEREMPTORY WRIT OF MANDATE**; by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the internal mail collection system at the Office of the Attorney General at 1300 I Street, Suite 125, P.O. Box 944255, Sacramento, CA 94244-2550, addressed as follows:

Eric Feller
Commission on State Mandates
980 9th Street, Suite 300
Sacramento, CA 95814
Respondent *Commission on State Mandates*

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on June 18, 2008, at Sacramento, California.

Christine A. McCartney
Declarant


Signature

30484664.wpd

Tab 4



State Agency Reporting Center: Waste Management Annual Report
2000 SARC Annual Report: Citrus College

[New Search](#) | [Agency Detail](#)

[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

Alternative Name(s): 9 Citrus, Citrus Community College District

Physical Address
1000 West Foothill Blvd.
Glendora, CA 91741

CalRecycle Representative
Willie Carpenter
Willie.Carpenter@CalRecycle.ca.gov
(916) 341-6522 x

Total Number of Employees including Facilities: 0

Recycling Coordinator: Jeff Eichler jeichler@citruscollege.edu (626) 914-8704

Facilities
No Facilities exist for this Agency

Annual Per Capita Disposal
Diversion Program Summary
Total Tonnage Diverted: 661.2
Total Tonnage Disposed: 531.0
Total Tonnage Generated: 1,192.2
Overall Diversion Percentage: 55.5%
Questions
What is the mission statement of the State agency/large State facility?
To improve a dynamic and diverse society, the mission of Citrus College is to meet the many educational needs of the students and the communities of the San Gabriel Valley by providing a center for life-long learning, career education and cultural development, in a safe friendly, accessible environment where people may develop individual excellence.
Based on the "State Agency Waste Reduction and Recycling Program Worksheet (Part III)," briefly describe the basic components of the waste stream and where these components are generated.

2000

Office Paper - Paper is generated in significant quantities in all educational and administrative support Departments. Cardboard - Bookstore, Warehouse, Child Development Center, Cafeteria, MIS Grass cuttings, green waste - Grounds Aluminum cans - Food Services/Vending Plastic beverage containers - Food Services/Vending Glass beverage containers - Food Services/Vending Waste lumber and fiber products - Performing Arts Center, Maintenance

Based on the worksheet (Part III), what is currently being done to reduce waste?

Source reduction: Electronic editing, electronic file sharing, email and memo routing are routinely encouraged and are increasingly being relied upon for efficiency and waste reduction; The intranet and internet are slowly reducing the number of hard copies of schedules, reports, spreadsheets, etc. Most departments encourage double-side copying, though few have implemented Policy on this regard. Recycling and Reuse: An office paper-recycling program is in place through campus. Mulching mowers are used exclusively on campus grounds. (30 acres mowed weekly) The Purchasing Department has an active equipment and furniture surplus program in place. Department personnel are invited to peruse equipment bound for surplus for their re-use potential. All pallets are reused and/or recycled. Most campus departments send out equipment to be repaired to extend its useful life. **Fluorescent lamps and batteries are captured and sent to recycling facilities (per the new universal waste rule) **Waste oil is captured and recycled (not listed as it is considered as a non-RCA hazardous waste). **Not counted in this survey

Based on the worksheet (Part III), briefly describe the programs to be implemented to meet the 25 percent and 50 percent waste diversion goals. Please include a program implementation timeline.

Paper and Cardboard Recycling Timeline/Fall/Winter 2000: Citrus plans to focus first on the separation and collection of paper fiber from other waste, as it is the major percentage of the trash generated. Options under consideration are -1. Commingling all paper fiber grades. 2. Separate cardboard and office paper and eventually add co-mingled of all other paper grades. The exact details of implementation are being assessed now. Recycling Awareness Education Timeline Fall 2000: We will develop an education and recycling awareness program aimed at staff and students. The first goals of the program will be (1) to reduce the use of office paper, (2) to increase recycling efforts of current office paper recycling program (3) to capture and recycle OOC grade cardboard, and (4-particularly among staff, the initial focus will be on increasing the use of electronic media to replace paper; i.e., developing electronic forms, to replace or reduce the quantity of printed application requests, class schedules, increase the use of electronic file sharing, and implement no-print policies whenever possible. Among students, the efforts will be to build awareness and participation in the collection of beverage containers. Develop a Co-mingled Glass, Plastic, Aluminum Beverage Container Recycling program. Timeline Winter/Spring 2000: We estimate that roughly 6-9 tons of aluminum, plastic and glass beverage containers could be captured annually. Timeline Fall/Winter 2001: Develop construction contract language that includes provisions for the recycling of construction and demolition waste. Timeline 2002-03: Capture and reuse 100% of all green waste generated in a composting and mulching program.

Does the State agency/large State facility have a waste reduction policy? If so, what is it? See "Waste Reduction Policies and Procedures for State Agencies" for a sample waste reduction and recycling policy statement.

No, not yet.

Briefly describe what resources (staff and/or funds) the State agency/large State facility plans to commit toward implementing its integrated waste management plan, plus meeting the waste diversion goals outlined in Public Resource Code Section 42921.

The Safety Coordinator is officially designated as the Campus Recycling Coordinator (Spring 2000) The District has committed to funding one full-time Maintenance and Operations position (the Grounds Department) that will be assigned to duties involving the hands on recycling and waste management. (Fall 2000 or Winter 2001) The District has agreed to support the program with vehicle maintenance, oil and fuel, payment of hauling fees for 3-yard bins and roll-off containers (as needed), and will provide physical space and security for recycling program equipment and the collected materials. The District will consider funding proposals for equipment such as trash compactors, cardboard bailers, and beverage recycling bins.

This question applies only for State agencies submitting a modified IWMP: Briefly describe the waste diversion program activities currently in place.

235

2000

Programs			
Program Name	Existing Planned/Expanding		Tons
Business Source Reduction	X		16.8000
Material Exchange	X		27.2000
Cardboard	X	X	3.2000
Glass	X	X	0.4000
Newspaper	X	X	1.8000
Office Paper (mixed)	X		14.0000
Plastics	X	X	0.1000
Scrap Metal	X		3.4000
Xeriscaping, grasscycling	X		240.0000
Tires	X		0.2000
Wood waste	X		3.5000
Concrete/asphalt/rubble (C&D)	X		350.0000
Rendering	X		0.6000

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>

Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199

Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

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2001



State Agency Reporting Center: Waste Management Annual Report
2001 SARC Annual Report: Citrus College

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

Alternative Name(s): 9 Citrus, Citrus Community College District

Physical Address
 1000 West Foothill Blvd.
 Glendora, CA 91741

CalRecycle Representative
 Willie Carpenter
Willie.Carpenter@CalRecycle.ca.gov
 (916) 341-6522 x

Total Number of Employees including Facilities: 1,000

Recycling Coordinator: Jeff Eichler jeichler@citruscollege.edu (626) 914-8704

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Citrus Community College District	1,000	1000 West Foothill Boulevard Glendora, CA 91741
Total Employees in Facilities:	1,000	
Export To Excel		Count: 1

Annual Per Capita Disposal

Diversion Program Summary

Total Tonnage Diverted: 2,144.0

Total Tonnage Disposed: 2,399.6

Total Tonnage Generated: 4,543.6

Overall Diversion Percentage: 47.2%

Employees

Total Number of Employees: 1,000

Non-Employee Population

Total Number of Non-employees: 11,500

Non-employee Population Type: Visitors, Inmates, etc

2001

Disposal

Total amount Disposed: 2,399.60 tons

Annual Results

	<u>Employee Population</u>			
	<u>Target</u>	<u>Annual</u>	<u>Target</u>	<u>Annual</u>
Per Capita Disposal Rate (pounds/person/day):	0.00	13.10	0.00	1.14

Questions

Is the mission statement of the State agency/large State facility the same as reported in the Integrated Waste Management Plan?

How has the waste stream, i.e. those materials disposed in landfills, changed since the Integrated Waste Management Plan was submitted?

Changes include Our waste hauler, Athens, has opened a MRF and now recycles 34% of Citrus College Trash as as indicated on This year's report. A small but consistent effort to recycle OCC cardboard has been established on Campus. It involves the four largest generators of cardboard waste. They are: District Shipping and Receiving Campus Bookstore Campus Cafeteria Campus Childcare Center Construction of new buildings have reduced the the amount of open grass areas by approximately 1 acre. Grasscycling numbers reflect this change.

What waste diversion programs are currently in place and what waste diversion programs were implemented in 2001 to meet the waste diversion goals?

1. Office Paper Recycling program continues. 2. OCC Cardboard is collected from the 3 major shipping/receiving points on campus regularly. They are: The Owl Bookstore, the District's Shipping and Receiving Department, and the Orfaea Child Development Center. 4. District purchasing and warehouse depart. manages an equipment and furniture surplus program. 5. Facilities, Performing Arts and Transportation Technology programs recycle scrap metals. The Grounds department continues to utilize Mulching mowers for grasscycling. on approximately 28 acres of grass areas 6. On-going promotion of resource reduction, reuse and recycling programs to staff, using posters, announcements in weekly bulletins and the District's intranet website.

How were the amounts of materials disposed and diverted, that were entered into the Annual Report, determined (e.g. waste assessments, per capita generation and extrapolation, actual disposal weights, or actual recycling weights)?

Our disposal company, Athens, provides us with annual tonnage of waste disposed and the estimated percentage of materials recovered at the MRF. We use actual weight slips whenever possible. In many instances, I asked for and received confirming documents from contractors listing type and descriptive actions taken to recycle C&D materials. Paper recycling program receives weight slips from recycler; Cardboard estimates are based on a few weight slips and extrapolated. I believe the numbers are conservative. Surplus'd equipment is itemized by the warehouse and purchasing department and weights are estimated figures provided by CIWMB and other sources. Annual campus-wide Departmental Survey is conducted to estimate the amounts and types of beverage container, newspaper, and other recycling activities. The District does not have the labor pool, money or time to run a formal

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beverage recycling program at this time. Departments with unique waste streams are asked to provide documents or reasonable estimates of reuse recycling activities in an annual campus survey; (e.g., Scene shop wood and metal construction materials, Transportation Technologies Programs metals scrapping programs).

What types of activities are included in each of the reported programs? For example does your agency Business Source Reduction include email, double-sided photocopying, reusing envelopes, etc.?

Business Source Reduction activities include: Increased use of electronic media for communicating via email and through the District's intranet site. Many departments now replace announcement flyers, stacks of forms and applications with downloadable electronic documents and applications. These items are now printed out only on an as-needed basis. We have begun Promoting the use of PC file documentation over hard copy files - whenever possible. We promote double-sided copying whenever feasible. A small portion of "once-used" paper (of a non-confidential nature) is regularly sent over to District's Child Development Center to be reused by the children for art programs. The other programs activities reported in Part III Section 1 are self-explanatory and represent my facilities activities.

Has the State agency/large State facility adopted or changed it's waste reduction policy?

What resources (staff and/or funds) did the State agency/large State facility commit toward implementing it's Integrated Waste Management Plan in 2001 to help meet the waste diversion goals?

One person, a portion of the RC's salary/time is devoted to developing, implementing and maintaining the Districts IWMP. An electric-powered GEM Car has been purchased for my department. Approximately 20-30% of its use/time is dedicated to paper and cardboard recycling activities.

Programs

Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X	X	0.7500
Beverage Containers	X		0.2500
Cardboard	X		8.7000
Newspaper	X		10.9200
Office Paper (mixed)	X		11.5000
Plastics	X		1.5000
Scrap Metal	X		9.9890
Xeriscaping, grasscycling	X		210.0000
White/brown goods	X		0.3750
Concrete/asphalt/rubble (C&D)	X		1750.0000
Other special waste	X		3.4500
MRF	X		136.5400

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
 Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
 Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

2001

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**State Agency Reporting Center: Waste Management Annual Report
2003 SARC Annual Report: Citrus College**

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

Alternative Name(s): 9 Citrus, Citrus Community College District

Physical Address
1000 West Foothill Blvd.
Glendora, CA 91741

CalRecycle Representative
Willie Carpenter
Willie.Carpenter@CalRecycle.ca.gov
(916) 341-6522 x

Total Number of Employees including Facilities: 1,000

Recycling Coordinator: Jeff Eichler jeichler@citruscollege.edu (626) 914-8704

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Citrus Community College District	1,000	1000 West Foothill Boulevard Glendora, CA 917411
Total Employees in Facilities:	1,000	
Export To Excel		Count: 1

Annual Per Capita Disposal
Diversion Program Summary
Total Tonnage Diverted: 1,040.2
Total Tonnage Disposed: 403.5
Total Tonnage Generated: 1,443.7
Overall Diversion Percentage: 72.1%
Employees
Total Number of Employees: 1,000
Non-Employee Population
Total Number of Non-employees: 12,000
Non-employee Population Type: Visitors, Inmates, etc



2003

Disposal

Total amount Disposed: 403.50 tons

Annual Results

	<u>Employee Population</u>			
	<u>Target</u>	<u>Annual</u>	<u>Target</u>	<u>Annual</u>
Per Capita Disposal Rate (pounds/person/day):	0.00	2.20	0.00	0.18

Questions

Is the mission statement of the State agency/large State facility the same as reported in the previous year?

How has the waste stream (i.e. those materials disposed in landfills) changed since the Integrated Waste Management Plan was submitted? (Changes include kinds and quantities of materials disposed in landfills.)

The content of the waste stream has not changed significantly. We have been able to account more accurately for some items including recycled cardboard. Our "entrepreneur" cardboard recycler has been providing me with weigh slips consistently through this calendar year. It is possible that we have underreported in previous years. Recycled tonnage from Athens Waste MRF was estimated to be 36.14% in 2003. This is 12% higher than in 2002, and 2% higher than in 2001. No significant construction occurred on campus in 2003, however, fill dirt from a project in 2001 was removed to the city of Azusa for land reclamation in 2003.

Summarize what waste diversion programs were continued or newly implemented during the report year.

Paper recycling program continues. We are now reporting recycling activities from confidential document destruction company as well as the primary campus office paper recycling program. Cardboard recycling has increased as awareness and participation by various departments grows. Reporting accuracy also increased in 2003. Conversion from paper forms to electronic forms have increased as many forms sent out to departments are now electronically available from the campus intranet for downloading and printing when they are needed. Examples include: the President's office now sends board policy and regulation update notices electronically; Admissions has instituted on-line registration as an option to paper for students, reports of injury or illness to HR, memos sent by email instead of snail, Monthly safety meeting talks continue to be sent electronically, many committees are now using electronic files and links to committee minutes. This minimizes but does not eliminate hard copy print outs. It is very difficult to accurately assess the waste minimization benefit of all of these activities, but it is significant. Greenwaste reporting has decreased slightly as more land is set aside for building construction and parking lot construction, thereby reducing the amount lawn mulching that could have been done for the full calendar year 2003. Tire recycling policy has been set in place and continues. Contractor's responsibility for C&D recycling and reporting is now part of all major construction contracts. However, no significant construction was carried out in 2003. As much as possible, useful items such as office chairs and desks are held for reuse opportunities in the warehouse. If not selected for reuse after a period of time, they are surplus out for auction. Also sent out for surplus auction are computer and electronic equipment, white and brown goods, and old office equipment, and furniture. The auction house is local and the items sold in lots to potential reusers, thereby avoiding landfills.

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2003

How were the tonnages determined for the materials disposed and diverted? (e.g. waste assessments, per capita generation and extrapolation, actual disposal weights, or actual recycling weights)

1. Actual weigh slips were used whenever possible - cardboard and office paper programs 2. Conversion charts were used when needed.- tires, surplus equipment, etc. 3. Survey of departments was used for assessing can and bottle recycling. 4. Educated guess were used to determine some items such as newspaper recycling, which is handled 99% by one department who relies on a church group to collect the paper monthly. 5. Waste tonnage and MRF recycling numbers provided by Athens Services, Inc., and is an average based on total percentage of diversion processed at the MRF.

What types of activities are included in each of the reported programs? (The following link of [category definitions](#) may assist you in answering this question.)

Source Reduction activities included: Paper form reduction Bulletin boards, Toner cartridge recycling, Electronic media Online forms, double-sided copying. Material Exchange activities included: Surplus equipment for auction. Recycling activities include: Cardboard Newspaper Office paper (white): white ledger, printer paper, etc. Office paper (mixed): colored paper, Scrap metal telephone books, soft bound text books Beverage containers recycling, including bottles, cans, and plastic: data is collected from individual efforts, no no official program exists due to lack of funds and labor to maintain such a program on campus Organic waste management: Mulching mowers are used on all lawn areas of the campus. Special waste management: C&D recycling Grease rendering recycling from food services area. Scrap metals Tires Wood waste Facility recovery MRF Hazard wastes materials: Paint wastes Used oil, antifreeze Universal wastes including, batteries, fluorescent lamps, oil filters, paint thinners

Has the State agency/large State facility adopted or changed its waste reduction policy?

What resources (staff and/or funds) did the State agency/large State facility commit toward implementing its Integrated Waste Management Plan during the report year to help meet the waste diversion goals?

No Significant changes from 2002 in terms of labor and funds committed to the integrated waste management goals in 2003. No reductions were introduced either. However, plans are being developed to construct a centralized waste collection and recycling center. Once implemented, sometime within the next 18 months, it should improve our waste reduction efforts and increase recycling significantly.

Programs

Program Name	Existing Planned/Expanding	Tons
Business Source Reduction	X	0.3500
Material Exchange	X	1.5500
Beverage Containers	X	0.1630
Cardboard	X	11.3050
Newspaper	X	3.9000
Office Paper (mixed)	X	21.6310
Scrap Metal	X	12.5510
Xeriscaping, grasscycling	X	195.0000
Tires	X	1.0600
White/brown goods	X	1.5600
Concrete/asphalt/rubble (C&D)	X	560.0000

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Rendering	X	2.8700
MRF	X	228.3000

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
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2004



State Agency Reporting Center: Waste Management Annual Report
2004 SARC Annual Report: Citrus College

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

Alternative Name(s): 9 Citrus, Citrus Community College District

Physical Address
 1000 West Foothill Blvd.
 Glendora, CA 91741

CalRecycle Representative
 Willie Carpenter
Willie.Carpenter@CalRecycle.ca.gov
 (916) 341-6522 x

Total Number of Employees including Facilities: 1,100

Recycling Coordinator: Jeff Eichler jeichler@citruscollege.edu (626) 914-8704

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Citrus Community College District	1,100	1000 West Foothill Boulevard Glendora, CA 91741
Total Employees in Facilities:	1,100	
Export To Excel		Count: 1

Annual Per Capita Disposal
Diversions Program Summary
Total Tonnage Diverted: 458.9
Total Tonnage Disposed: 380.7
Total Tonnage Generated: 839.6
Overall Diversion Percentage: 54.7%
Employees
Total Number of Employees: 1,100
Non-Employee Population
Total Number of Non-employees: 13,000
Non-employee Population Type: Visitors, Inmates, etc

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2004

Disposal

Total amount Disposed: 380.70 tons

Annual Results

	<u>Employee Population</u>			
	<u>Target</u>	<u>Annual</u>	<u>Target</u>	<u>Annual</u>
Per Capita Disposal Rate (pounds/person/day):	0.00	1.90	0.00	0.16

Questions

Is the mission statement of the State agency/large State facility the same as reported in the previous year?

How has the waste stream (i.e. those materials disposed in landfills) changed since the Integrated Waste Management Plan was submitted? (Changes include kinds and quantities of materials disposed in landfills.)

The waste stream has not changed significantly since our last plan was implemented. Better accuracy has been afforded us through increased documentation, particularly with regards to the quantity of cardboard and office paper captured and recycled. Our MRF recycling percentage in 2004 was 36%. This is consistent with year 2003, and remains an important part of the District's IWMP.

Summarize what waste diversion programs were continued or newly implemented during the report year.

Source Reduction: The increasing use of email and web documents in 2004 is significant, but very difficult to quantify. For instance, there has been a significant increase in students accessing electronic versions of class schedules, and an increase in class registration done over the internet. The District has begun reducing the number of printed schedules and other class information on paper. While residents within the District still receive free class schedules by mail, the number of schedules freely distributed on campus has been reduced. The District is also mulling the idea of charging a fee for getting a hard copy of a class schedule when on campus. The staff is learning to redirect students to access locations on campus i.e. the campus library, to view the electronic information. Staff bulletins and announcements are increasingly sent out electronically to each department. Departments then print out only what they need (if any at all). This significantly reduces the number of hard copies printed at the outset. The campus "intranet" is filled with pdf documents and links to information that was previously printed and distributed on hard copies. Staff can now print out documents and forms as they need them, thereby reducing paper usage at the source. Email attachments through intranet on the campus is very commonplace. Snail-mail delivery, while not likely to ever disappear, sees a continual drop in volume. All of the above are very time-consuming to document, but all have had a significant impact on paper waste. RECYCLING: Paper and OCC remain the focus of the District's recycling. Both paper and OCC recycling increased in 2004. More and more departments on campus, particularly the custodial department now pay closer attention to OCC recycling. The Purchasing, Warehouse, and Publications department now routinely inquire if certain fiber-based items are recyclable. Publications, which writes, edits and publishes many District documents has begun to review the number of class schedules and catalogs it produces and accesses the number that remain unused at the end of their relevancy. Most staff communication publications are now written and distributed electronically. Also as new faculty and staff are hired, there seems to be more interest in participating in the office paper recycling program. CONSTRUCTION & DEMOLITION: One major construction project was begun in 2003 and is expected to be completed in 2005. The project so far displaced no significant C&D waste. However, with its completion,

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2004

some older campus buildings are scheduled to be demolished and a significant amount of C&D is expected be recycled in 2005. **MULCHING/COMPOSTING:** The Grounds department still utilizes mulching mowers on all grassy areas. No plans for composting are in the future at this time. We continue to rely on the waste hauler's MRF to capture and recycle our greenwaste.

How were the tonnages determined for the materials disposed and diverted? (e.g. waste assessments, per capita generation and extrapolation, actual disposal weights, or actual recycling weights)

1. Whenever possible, actual weigh slips, bill-of-ladings and manifests are used. Paper, Cardboard, scrap metal, Used Oil, Batteries, paint waste recycled are examples. 2. Conversion charts were used for some items. Tires, surplus furniture and electronic equipment items are estimates based on available volume/weight conversions. 3. Surveys were used for some departments that recycled beverage containers. However, there is no formal effort to collect these items on behalf of the district- it is too labor intensive at this time. Some employee groups collect for causes, some individuals collect for personal gain - whenever possible a form is provided these groups that can then report back annually the volume/quantity/type of beverage containers captured. Conversion charts were then used to determine the weights. There are also a few homeless and or local residents who scour through campus trash receptacles for CRV containers; There is no way to accurately quantify these efforts. 4. In a few situations, the only quantifying that could be done was by extrapolating previous years numbers with a "best educated current year guess. Newspaper recycling, has been problematical in estimating the actual quantity captured. The college newspaper and the campus library are two consistent and relatively steady sources of recycled newspaper - and along with weight conversion charts to formulate a best educated estimate. 5. Grasscycling/mulching is estimated based on the number of acres cut weekly. This number has been going down due to changes in land use. It is anticipated that in 2005 it will see a further reduction due to the removal of athletic field grass and the installation of an artificial surface in the campus stadium. 6. MRF data (total waste tonnage and total MRF recycling tonnage) is supplied by our waste hauler, Athens Services.

What types of activities are included in each of the reported programs? (The following link of [category definitions](#) may assist you in answering this question.)

Source Reduction activities include: Online paper forms, pdf documents, double-sided printing/copying, bulletin board use, toner cartridge recycling, email, and email attachments. Material exchange activities include: Surplus of office furniture and used computer equipment. Recycling activities include: Cardboard, paper, newspaper, scrap metal, tires, soft-bound books, phone books, some beverage container recycling, wood waste, MRF: Whatever is not captured at the District is co-mingled with trash hauled from District by Athens Services. MRF statistics include all types of recyclable materials, including greenwaste. Organic Waste management activities: Cooking oil and grease captured and recycled from the Campus Food Services/ASCC. Hazardous and universal hazardous wastes recycling activities include: Paint waste, batteries, fluourescent lamps and ballasts, used oil and anti-freeze, electronic waste scrap(computer spare parts)

Has the State agency/large State facility adopted or changed its waste reduction policy?

What resources (staff and/or funds) did the State agency/large State facility commit toward implementing its Integrated Waste Management Plan during the report year to help meet the waste diversion goals?

No Significant changes in funding in 2004. One EH&S staff person who oversees, among many other regulatory EH&S issues , the IWM programs. Facilities staff are becoming increasingly more involved in managing waste, recycling, and recovery efforts -the grounds staff. In 2005, due to projects related to the campus master facilities plan, an integrated waste management center is to be constructed by the end of this summer - in advance of several other campus construction/renovation projects. It will include a cardboard bailor, scrap metal and other centralized recycling activities. This should involve the Facilities Department even more in all future IWM activities. More on this in the next annual report, I'm sure.

Programs

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Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X		3.7500
Material Exchange	X		2.5000
Beverage Containers	X		0.7120
Cardboard	X		14.0650
Newspaper	X		3.9000
Office Paper (white)	X		1.3300
Office Paper (mixed)	X		29.2300
Plastics	X		0.0200
Scrap Metal	X		2.6670
Xeriscaping, grasscycling	X		180.0000
Tires	X		1.0700
Scrap Metal	X		2.6670
Rendering	X		2.7500
MRF	X		214.2000

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>

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Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

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2005



State Agency Reporting Center: Waste Management Annual Report
2005 SARC Annual Report: Citrus College

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Alternative Name(s): 9 Citrus, Citrus Community College District

Physical Address
 1000 West Foothill Blvd.
 Glendora, CA 91741

CalRecycle Representative
 Willie Carpenter
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 (916) 341-6522 x

Total Number of Employees including Facilities: 1,100

Recycling Coordinator: Jeff Eichler jeichler@citruscollege.edu (626) 914-8704

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Citrus Community College District	1,100	1000 West Foothill Boulevard Glendora, CA 91741
Total Employees in Facilities:	1,100	
Export To Excel		Count: 1

Annual Per Capita Disposal
Diversion Program Summary
Total Tonnage Diverted: 610.8
Total Tonnage Disposed: 408.9
Total Tonnage Generated: 1,019.7
Overall Diversion Percentage: 59.9%
Employees
Total Number of Employees: 1,100
Non-Employee Population
Total Number of Non-employees: 13,000
Non-employee Population Type: Visitors, Inmates, etc

(16) 49

2005

Disposal

Total amount Disposed: 408.90 tons

Annual Results

	<u>Employee Population</u>			
	<u>Target</u>	<u>Annual</u>	<u>Target</u>	<u>Annual</u>
Per Capita Disposal Rate (pounds/person/day):	0.00	2.00	0.00	0.17

Questions

Is the mission statement of the State agency/large State facility the same as reported in the previous year?

How has the waste stream (i.e. those materials disposed in landfills) changed since the Integrated Waste Management Plan was submitted? (Changes include kinds and quantities of materials disposed in landfills.)

The content of the waste stream has changed slightly since our last plan was implemented. This is due in part to the increase in new construction as well as demolition activities. C&D recycling practices are employed as contractors segregate recyclable materials such as asphalt, concrete and reinforcing steel from the demolition debris. Some debris such as roofing, plaster/mesh and splintered wood debris was land filled. This office is also encouraging the practice of "deconstruction" for the remainder of buildings scheduled to be razed, which could further reduce the amount of demolition waste to be landfilled.

Summarize what waste diversion programs were continued or newly implemented during the report year.

Business source reduction activities have increased through use of electronic versions of class schedules, application processing, bulletins and interoffice correspondence, all of which contribute to the reduction of office paper use. This trend should continue as the district is introducing a new administrative software program (beginning 3/06) that offers additional on line services(SunGard Higher Education Solutions). What quantities of office paper that are used, are recycled through an existing office paper recycling program. The district now has in operation a new recycling/waste management center (RWMC). Promotional information provided about the RWMC both through a campus and local newspaper, seems to have spurred a "renewed" interest in the recycling activities on campus. It is equipped with an OCC bailer which has already increased the efficiency with which OCC is captured from the wastestream. This addition of the new RWMC will allow for the expansion of other recycling activities such as a metal recycling program that was recently launched. Newspaper is now an established recycled material as well. There are plans for capturing greenwaste, plastics, CRV containers etc. provided more labor becomes available. Efforts towards the reuse of surplus office furniture and equipment continue as staff and faculty are made aware of the availability of such discards. Material exchange activities are increasing since the recent discovery of the Cal-Max website. A buyer of plastics was found via a recent contact through this website. Compact discs, LD-PE #4 plastic film and certain plastic computer parts are some items now being collected for recycling.

How were the tonnages determined for the materials disposed and diverted? (e.g. waste assessments, per capita generation and extrapolation, actual disposal weights, or actual recycling weights)

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Weighmaster slips/certificates, manifests, bill-of-ladings and on-site scale use are used for the weights/quantities reported. IWMB conversion tables are used for items such as tires, grasscycling estimates, surplus items (brown & white goods) although some weight slips are received for surplus items. Athens Services Inc. provides the data for the waste and MRF recycling tonnages reported.

What types of activities are included in each of the reported programs? (The following link of category definitions may assist you in answering this question.)

Recycling activities on campus focus on a variety of materials including: office paper (office pack), cardboard (OCC), newspaper, paperboard, text books, magazines, phonebooks, pamphlets, scrap steel, aluminum, brass, and copper. Cooking oil/lard is also collected from food services. Refuse hauled from campus is processed by the local MRF to extract the remainder of its recyclable content. Source reduction of paper use is accomplished via Online paper forms, electronic documents and communication. The introduction of new software will affect every part of the college's Online operations which, should further enhance the reduction of paper use. The practice of grasscycling continues reducing considerable amounts of greenwaste. There is an additional reduction of turf related by-products such as thatch, fertilizer bags etc. due to the installation of 3.5 acres of artificial turf. Some composting activities are being attempted by individuals about campus, but no formal composting program has been established as of this report. The EH&S office has discussed plans to develop a composting program yet, this will depend on the level of cooperation received by departments and management.

Has the State agency/large State facility adopted or changed its waste reduction policy?

What resources (staff and/or funds) did the State agency/large State facility commit toward implementing its Integrated Waste Management Plan during the report year to help meet the waste diversion goals?

A 205,640\$ grant received from the California Community Colleges- Hazardous Substances Project Funding Program, was used in part to construct a new recycling/wastemanagement facility. In addition to achieving stormwater compliance, this project has already greatly enhanced the effectiveness of the recycling efforts on campus by consolidating all recyclables in a central location. Currently this EH&S office is staffed by one person. Funding for one part-time student assistant is available for a maximum of 20 hours per week.

Programs

Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X		4.0000
Material Exchange	X		2.5000
Beverage Containers	X		1.3240
Cardboard	X		12.8000
Newspaper	X	X	0.8420
Office Paper (mixed)	X		20.4200
Scrap Metal	X		4.9850
Special Collection Events	X	X	0.3050
Xeriscaping, grasscycling	X		143.0000
Tires	X		3.1850
Concrete/asphalt/rubble (C&D)	X		187.0000
Rendering	X		0.4950

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2005

MRF	X	229.9000
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**State Agency Reporting Center: Waste Management Annual Report
2006 SARC Annual Report: Citrus College**

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

Alternative Name(s): 9 Citrus, Citrus Community College District

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Total Number of Employees including Facilities: 1,100

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Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Citrus Community College District	1,100	1000 West Foothill Boulevard Glendora, CA 91741
Total Employees in Facilities:	1,100	
Export To Excel		Count: 1

Annual Per Capita Disposal
Diversion Program Summary
Total Tonnage Diverted: 3,825.3
Total Tonnage Disposed: 1,046.8
Total Tonnage Generated: 4,872.1
Overall Diversion Percentage: 78.5%
Employees
Total Number of Employees: 1,100
Non-Employee Population
Total Number of Non-employees: 13,000
Non-employee Population Type: Visitors, Inmates, etc

20

2006

Disposal

Total amount Disposed: 1,046.80 tons

Annual Results

	<u>Employee Population</u>			
	<u>Target</u>	<u>Annual</u>	<u>Target</u>	<u>Annual</u>
Per Capita Disposal Rate (pounds/person/day):	0.00	5.20	0.00	0.44

Questions

Is the mission statement of the State agency/large State facility the same as reported in the previous year?

How has the waste stream (i.e. those materials disposed in landfills) changed since the Integrated Waste Management Plan was submitted? (Changes include kinds and quantities of materials disposed in landfills.)

The content of the waste stream remains similar to the previous report as some additional building demolition and construction occurred. C&D recycling activities continue. The majority of demolition debris was sorted and recycled. This office continues to request of contractors deconstruction practices, yet resistance to this request persists as contractors site time/budget constraints. Consequently the demolition debris such as roof/plaster rubble etc. required landfilling. Ongoing efforts by this office to implement a green waste compost/collection operation continue to meet opposition, therefore green waste continues to be hauled and processed by the local MRF.

Summarize what waste diversion programs were continued or newly implemented during the report year.

Business source reduction activities continue aiding in efforts to further reduce office paper consumption - Newly implemented administrative software(Wing Span/Banner) and requisition system (Escape Online5) should increase electronic communication/documentation etc. There was a considerable amount of additional source reduction through material exchange and auction activities, though due to failure of communication, no back-up, weigh slips etc, are available. The district's recycling/waste management center continues to increase recycling efficiency of a number of recyclables. -The EH&S office has aquired four(1.5cu.yds.each) special event/venue CRV beverage recycling kiosks. -The use of Cal-Max has provided an outlet for the reuse of a number of surplus items otherwise destined for disposal. -A temporary (5-6 month) contact via Cal-Max, enabled the diversion of approximately 90 cubic yards of #6 polystyrene for use as an element in furniture construction (Unfortunately, it is no longer accepting). -Approximately 300lbs of LDPE #4 film was captured and shipped to a local broker.-This office also arranges numerous textbook donations to local libraries.

How were the tonnages determined for the materials disposed and diverted? (e.g. waste assessments, per capita generation and extrapolation, actual disposal weights, or actual recycling weights)

Actual recycling and diversion weights are obtained via weigh master tickets, manifests, bill of ladings and on site scales used. CIWMB conversion tables are used for extrapolation. Athens Services Inc. provides waste and MRF recycling tonnages reported.

What types of activities are included in each of the reported programs? (The following link of category definitions may assist you in answering this question.)

(21) 54

2006

Ongoing recycling activities capture materials including; paper fibers consisting of OCC, newspaper, office paper (mixed, colored ledger, office pack, magazine) paper board, textbooks, catalogs and phone books. Scrap metals including; steel, cast iron, aluminum, brass and copper. Tin cans from child development center food preparation are also also collected as are oils/fats from the campus` cafeteria. CRV beverage containers continue to be collected via a variety of individuals on campus. Printer/toner and copier cartridges in addition to all associated reprographic componets, are collected and recycled. Large (15+ gal)HDPE #2 containers as well as LDPE#4 film have been collected the past year, yet locating facilities readily accepting these materials has proved difficult. When collecting plastics, it appears that economies of scale rule the day.

Has the State agency/large State facility adopted or changed its waste reduction policy?

What resources (staff and/or funds) did the State agency/large State facility commit toward implementing its Integrated Waste Management Plan during the report year to help meet the waste diversion goals?

This office has been allotted funding for one part-time on-call position, which provides 1,000 hours of labor per assignment.

Programs

Program Name	Existing Planned/Expanding	Tons
Business Source Reduction	X	5.4500
Material Exchange	X	6.1250
Beverage Containers	X	14.5100
Cardboard	X	23.3750
Newspaper	X	3.3450
Office Paper (mixed)	X	4.7050
Scrap Metal	X	24.4790
Xeriscaping, grasscycling	X	129.0000
Tires	X	0.5800
Concrete/asphalt/rubble (C&D)	X	3455.6000
Rendering	X	1.1700
MRF	X	157.0000

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
 Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
 Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

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2007



State Agency Reporting Center: Waste Management Annual Report
2007 SARC Annual Report: Citrus College

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

Alternative Name(s): 9 Citrus, Citrus Community College District

Physical Address
 1000 West Foothill Blvd.
 Glendora, CA 91741

CalRecycle Representative
 Willie Carpenter
Willie.Carpenter@CalRecycle.ca.gov
 (916) 341-6522 x

Total Number of Employees including Facilities: 1,100

Recycling Coordinator: Jeff Eichler jeichler@citruscollege.edu (626) 914-8704

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Citrus Community College District	1,100	1000 West Foothill Boulevard Glendora, CA 91741
Total Employees in Facilities:	1,100	
Export To Excel		Count: 1

Annual Per Capita Disposal
Diversions Program Summary
Total Tonnage Diverted: 3,099.2
Total Tonnage Disposed: 802.6
Total Tonnage Generated: 3,901.8
Overall Diversion Percentage: 79.4%
Employees
Total Number of Employees: 1,100
Non-Employee Population
Total Number of Non-employees: 12,500
Non-employee Population Type: Visitors, Inmates, etc

23
56

2007

Disposal

Total amount Disposed: 802.60 tons

Annual Results

	<u>Employee Population</u>			
	<u>Target</u>	<u>Annual</u>	<u>Target</u>	<u>Annual</u>
Per Capita Disposal Rate (pounds/person/day):	0.00	4.00	0.00	0.35

Questions

Is the mission statement of the State agency/large State facility the same as reported in the previous year?

How has the waste stream (i.e. those materials disposed in landfills) changed since the Integrated Waste Management Plan was submitted? (Changes include kinds and quantities of materials disposed in landfills.)

07's waste stream changed somewhat as demolition activity lessened. New building construction continued contributing to some C&D recycling activity, steel stud and electrical installation scrap. Development of turf areas into new parking lots constituted a majority of diverted material reported and reduced the grasscycling tonnages reported.

Summarize what waste diversion programs were continued or newly implemented during the report year.

Business source reductions are seen as 15% increase in multi media use continues to aid in stabilizing paper use. New warehouse management is responsible for increases in; furniture re-use, auctions of surplus brown and white goods and non-profit donations. The campus' recycling center continues to capture a variety of recyclables.

How were the tonnages determined for the materials disposed and diverted? (e.g. waste assessments, per capita generation and extrapolation, actual disposal weights, or actual recycling weights)

Recycling and diversion weights are reported from official weigh master tickets, manifests and scales. CIWMB conversion tables and CRV per pound pricing are used for extrapolations. Athens Services Inc. provides the waste and MRF recycling tonnages.

What types of activities are included in each of the reported programs? (The following link of category definitions may assist you in answering this question.)

Ongoing recycling of the prominent recyclables in the waste stream include OCC, H&LDPE, paper fibers, scrap metals. The collection of universal and E-wastes continue as well as the recycling of toner cartridges.

Has the State agency/large State facility adopted or changed its waste reduction policy?

What resources (staff and/or funds) did the State agency/large State facility commit toward implementing its Integrated Waste Management Plan during the report year to help meet the waste diversion goals?

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2007

The District again, provided a temporary on call employee for 170 days of service

Programs		
Program Name	Existing Planned/Expanding	Tons
Business Source Reduction	X	6.3000
Material Exchange	X	2.0000
Beverage Containers	X	7.9700
Cardboard	X	21.4700
Newspaper	X	3.5700
Office Paper (white)	X	0.8150
Office Paper (mixed)	X	21.0300
Scrap Metal	X	53.4600
Special Collection Events	X	0.3300
Other Materials	X	2667.6000
Xeriscaping, grasscycling	X	100.0000
Tires	X	4.6800
White/brown goods	X	24.7250
Rendering	X	0.5000
MRF	X	184.7000

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
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**State Agency Reporting Center: Waste Management Annual Report
2008 SARC Annual Report: Citrus College**

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

Alternative Name(s): 9 Citrus, Citrus Community College District

Physical Address
1000 West Foothill Blvd.
Glendora, CA 91741

CalRecycle Representative
Willie Carpenter
Willie.Carpenter@CalRecycle.ca.gov
(916) 341-6522 x

Total Number of Employees including Facilities: 1,084

Recycling Coordinator: Jeff Eichler jeichler@citruscollege.edu (626) 914-8704

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Citrus Community College District	1,084	1000 West Foothill Boulevard Glendora, CA 91741
Total Employees in Facilities:	1,084	
Export To Excel		Count: 1

Annual Per Capita Disposal
<p>Employees</p> <p>Total Number of Employees: 1,084</p> <p>Non-Employee Population</p> <p>Total Number of Non-employees: 12,500</p> <p>Non-employee Population Type: Students</p> <p>Disposal</p> <p>Total amount Disposed: 584.40 tons</p>

26

59

2008

Annual Results

	<u>Employee Population</u>		<u>Student Population</u>	
	<u>Target</u>	<u>Annual</u>	<u>Target</u>	<u>Annual</u>
Per Capita Disposal Rate (pounds/person/day):	12.10	3.00	1.00	0.26

Questions

Is the mission statement of your State agency/large State facility the same as reported in the previous year?

What changes have there been in the waste generated or disposed by your State agency/large State facility during the report year? (For example, changes in types and/or quantities of waste.) Explain, to the best of your ability the causes for those changes.

As demolition activities continue to decline overall total disposal tonnage lessens. No significant changes seen in the content of the "normal" waste stream.

Explain any changes to waste diversion programs that were continued from the prior report year. Be sure to indicate the reason for making the changes.

Both the Child Development Center and the Cafeteria continue food composting efforts. At the height of operations this activity has the potential to divert 100+ pounds of food scrap per week. The Purchasing /warehouse department continues an electronic procedure of scanning invoices where the prior method produced multiple photocopies consuming not only large amounts of paper but the use of multiple tonner cartridges.

Explain any waste diversion programs that were newly implemented or were discontinued during the report year and explain why.

The economic down turn contributed to some changes in materials diverted. As plastics/resins (mainly #2HDPE & #4LDPE) lost value they were not readily accepted by recyclers. The situation is beginning to improve as prices begin to rebound.

What types of activities are included in each of the waste diversion programs you continued or newly implemented during the reporting year?

Citrus College remains diligent in its recycling efforts – 08's recycling activities mirror the previous year's. Ongoing efforts to reduce constituents of the waste stream continue though, with the push for a self haul green waste program including a major composting system, as well as encouraging use of electric hand dryers for the reduction of paper towel waste.

What resources (staff and/or funds) did your State agency/large State facility commit toward implementing its Integrated Waste Management Plan during the report year to help reduce disposal and meet the diversion mandate?

Funding for one "part-time on-call" recycling assistant position has been cut substantially and will likely affect next fiscal year's budget as well.

Has your State agency/large State facility adopted or changed its waste reduction policy?

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Explain how you determined the reported tons disposed? (e.g. waste assessments, per capita generation and extrapolation, actual disposal weights, etc.)

The disposal figure submitted is provided by the contracted waste collector/recycler, Athens Services.

Please provide a definition of "employee" for your State agency/large State facility. Also, what is the source of the reported number of employees and visitors/students/inmates, etc. (as applicable)?

Definition of an employee; "staff" "faculty" work either full time; 40 hour/week, part time; 19.5 hour/week, part-time on-call; works within an allocated number of hours provided a particular department. The total employee number submitted(1,084)was obtained from the payroll department. The total student population figure (12,500)was obtained from Admissions and Records.

Programs	
Program Name	Existing Planned/Expanding
Business Source Reduction	X
Material Exchange	X
Salvage Yards	X
Other Sources	X
Beverage Containers	X
Cardboard	X
Glass	X
Newspaper	X
Office Paper (white)	X
Office Paper (mixed)	X
Plastics	X
Scrap Metal	X
Special Collection Events	X
Other Materials	X
Xeriscaping, grasscycling	X
On-site composting/mulching	X
Self-haul greenwaste	X
Commercial pickup of compostables	X
Food waste composting	X
Other composting	X
Tires	X
White/brown goods	X
Scrap Metal	X
Wood waste	X
Concrete/asphalt/rubble (C&D)	X
Rendering	X
MRF	X

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State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

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**State Agency Reporting Center: Waste Management Annual Report
2009 SARC Annual Report: Citrus College**

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

Alternative Name(s): 9 Citrus, Citrus Community College District

Physical Address
1000 West Foothill Blvd.
Glendora, CA 91741

CalRecycle Representative
Willie Carpenter
Willie.Carpenter@CalRecycle.ca.gov
(916) 341-6522 x

Total Number of Employees including Facilities: 1,050

Recycling Coordinator: Jeff Eichler jeichler@citruscollege.edu (626) 914-8704

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Citrus Community College District	1,050	1000 West Foothill Boulevard Glendora, CA 91741
Total Employees in Facilities:	1,050	
Export To Excel		Count: 1

Annual Per Capita Disposal
<p>Employees</p> <p>Total Number of Employees: 1,050</p> <p>Non-Employee Population</p> <p>Total Number of Non-employees: 18,000</p> <p>Non-employee Population Type: Students</p> <p>Disposal</p> <p>Total amount Disposed: 526.50 tons</p>

30

2009

Annual Results

	<u>Employee Population</u>		<u>Student Population</u>	
	<u>Target</u>	<u>Annual</u>	<u>Target</u>	<u>Annual</u>
Per Capita Disposal Rate (pounds/person/day):	12.10	2.70	1.00	0.16

Questions

IN THE TEXT BOX BELOW, PLEASE PROVIDE ANSWERS TO A AND B.

(A) What are the major types of waste materials that your agency/facility currently disposes (not currently diverting), e.g., waste of significant weight and/or volume? If there are major waste materials that are being disposed, what is your agency/facility doing to find ways to divert these materials?

(B) Please explain any difficulties or obstacles your agency/facility encountered in trying to implement recycling or other programs to reduce the amount of waste disposed. Summarize any efforts your agency/facility made to resolve difficulties or overcome obstacles and if they were successful or not.

Green waste is currently removed via refuse bins that are processed at a local MRF. Discussions of establishing a practical separate haul green waste program continue, but the how and where coupled with budget constraints, continue to hamper these efforts. There have been attempts to collect LDPE films and #6 for recycling but finding buyers, or processors, is challenging.

Waste generation includes both materials disposed in the trash as well as materials recycled or otherwise diverted from landfill. There are many reasons why the type or amount of waste generated by your agency/facility may have changed.

SELECT YES OR NO FROM THE DROP DOWN LIST BELOW. IF YOU SELECT YES, YOU MUST PROVIDE AN EXPLANATION IN THE TEXT BOX BELOW.

Do the types or amounts of wastes generated in the last calendar year significantly differ from those that were generated by your agency/facility in the prior report year? If yes, please explain.

The reason why, the type, or amount of waste generated by your agency/facility either may have increased or decreased. For example, construction activities at your agency or facility may increase construction-related wastes; budget cuts may result in cuts to the services your agency provides and, therefore, the related wastes are no longer generated; or a shift in how you do business may create a new type of waste.

If you had changes in the types or amounts of waste generated, then that may have affected the waste diversion programs you implemented. You will be asked in Question #3 about how your waste diversion programs may have changed.

SELECT YES OR NO FROM THE DROP DOWN LIST BELOW. IF YOU SELECT YES, YOU MUST PROVIDE AN EXPLANATION IN THE TEXT BOX BELOW.

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2009

Did you make any significant changes (during the report year) to the waste diversion programs implemented by your agency/facility (such as programs to reduce waste, reuse, recycle, compost, etc.)? For example, did you start new programs, discontinue prior programs, or make significant modifications to existing programs? If yes, in the text box below, please explain why you made the change(s).

Having an accurate and consistent measurement of trash disposal is important. The annual amount of trash disposed is one factor in the calculation to determine the annual per capita disposal for your agency/facility. CalRecycle considers this calculation, in addition to the waste reduction, recycling, and other waste diversion programs your agency/facility implemented, in determining compliance with statutory mandates.

IN THE TEXT BOX BELOW, PLEASE PROVIDE ANSWERS TO A AND B.

(A) Explain how you determined the annual tons disposed by your agency for the report year (e.g. did you use actual disposal weights provided by a trash hauler, conduct a waste generation study, estimate using weight-to-volume conversions, etc.)

(B) Indicate if this is the same method used to determine tons disposed that was used for the prior report year. If not, please also explain the reason for the change.

The annual recycled and waste tonnages for 2008 and 2009 were furnished by Athens Disposal.

Having an accurate and consistent method to count employees is also important. The number of employees is one factor in the calculation to determine the annual per capita disposal for your agency/facility. (If your agency submits a modified report, per capita disposal is not calculated, but the number of employees is important in verifying your eligibility to submit a modified report).

IN THE TEXT BOX BELOW, PLEASE PROVIDE ANSWERS TO A AND B.

(A) Please explain how you determined the number of employees working for your agency (e.g. total number of full time employees; full time equivalents; total number of full and part time employees; etc.). This information is usually available from your human resources or payroll department.

(B) Indicate if you used the same method to determine the number of employees that was used for the prior report year. If not, please explain the reason for the change.

The total number of employees for 2008 and 2009 were furnished by the Payroll department.

If your agency/facility also has a non-employee population (such as students, visitors, inmates, residents, patients) that significantly contributes to waste generated, then there is a space provided to report that information in Part I – Facility Information. This information is in addition to your employee information - it does not replace it.

IN THE TEXT BOX BELOW, PLEASE PROVIDE ANSWERS TO A AND B.

(A) If you reported a number for a non-employee population, please explain how you determined that number (e.g. full time equivalent students; average number of patients during the report year; etc.)

(B) Indicate if you used the same method that was used for the prior report year. If not, please explain the reason for the change.

If you are not given the option in Part 1 - Facility Information to report an additional population, but believe doing so would be valuable, or if you provided this in the past, but no longer wish to do so, please contact your CalRecycle representative to discuss the merits of adding or deleting this option from your report.

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2009

The non-employee population number for 2008 and 2009 was furnished by the Admissions and Records Department.

For your agency/facility, if the annual per capita disposal for the current report year is more than the per capita disposal from the previous report year, then, to the best of your ability, please explain why there was an increase. (To find these numbers, click on "Current Year" under "Previous Year" under "View Report" in the left menu bar. These links display the report summary.)

2009 numbers are less than or equal to 2008

Additional information you wish to provide in your annual report.

Plans to arrange a pick up service for #2,#4 and #6 plastics through the Allan Recycling Co. are in the works. As previously mentioned, plans to implement a separate haul green waste arrangement continue. A reduction of paper towel waste will occur as high efficiency electric hand dryers will equip a new 31,000 sq/ft building as well as some additional existing buildings.

Programs

Program Name	Existing Planned/Expanding	
Business Source Reduction	X	
Material Exchange	X	
Salvage Yards	X	
Other Sources	X	
Beverage Containers		X
Cardboard	X	
Glass		X
Newspaper	X	
Office Paper (white)	X	
Office Paper (mixed)	X	
Plastics	X	
Scrap Metal	X	
Special Collection Events		X
Other Materials		X
Xeriscaping, grasscycling	X	
On-site composting/mulching	X	
Self-haul greenwaste		X
Commercial pickup of compostables		X
Tires	X	

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2009

Scrap Metal	X
Concrete/asphalt/rubble (C&D)	X
Rendering	X
MRF	X

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

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State Agency Reporting Center: Waste Management Annual Report
2010 SARC Annual Report: Citrus College

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

Alternative Name(s): 9 Citrus, Citrus Community College District

Physical Address
 1000 West Foothill Blvd.
 Glendora, CA 91741

CalRecycle Representative
 Willie Carpenter
Willie.Carpenter@CalRecycle.ca.gov
 (916) 341-6522 x

Total Number of Employees including Facilities: 997

Recycling Coordinator: Jeff Eichler jeichler@citruscollege.edu (626) 914-8704

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Citrus Community College District	997	1000 West Foothill Boulevard Glendora, CA 91741
Total Employees in Facilities:	997	
Export To Excel		Count: 1

Annual Per Capita Disposal
<p>Employees</p> <p>Total Number of Employees: 997</p> <p>Non-Employee Population</p> <p>Total Number of Non-employees: 21,856</p> <p>Non-employee Population Type: Students</p> <p>Disposal</p> <p>Total amount Disposed: 450.00 tons</p>

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2010

Annual Results

	<u>Employee Population</u>		<u>Student Population</u>	
	<u>Target</u>	<u>Annual</u>	<u>Target</u>	<u>Annual</u>
Per Capita Disposal Rate (pounds/person/day):	12.10	2.50	1.00	0.11

Questions

IN THE TEXT BOX BELOW, PLEASE PROVIDE ANSWERS TO A and B.

We would like to understand what is still being thrown away and help you find ways to increase recycling.

- Please describe the types of waste that are thrown away.
- What difficulties or obstacles have you had with finding ways to recycle these wastes?

A. plastics including #'s 1,2,3,4,5,6 & 7, green waste, pallets papertowel waste, food packaging and occasional demolition waste including concrete, soil, PVC scraps etc. B. previous attempts to recycle #'s 1,2&4 were hindered as local recyclers request large, bailed quantities of this material which requires a suitable bailer to accomplish. Green waste; no committment(yet)from management to commence self-haul GW program, but the topic is still alive. Additionally, budget/staff constraints remain an issue as focusing on the capture of additional consituents from the wastestream is labor intensive.

SELECT YES OR NO FROM THE DROP DOWN LIST BELOW. IF YOU SELECT YES, YOU MUST DESCRIBE IN THE TEXT BOX BELOW.

Were there any changes in your recycling/waste reduction programs during the report year? For example, did you start, discontinue, or make significant changes to your recycling/waste reduction programs?

.

IN THE TEXT BOX BELOW, PLEASE ANSWER THE FOLLOWING QUESTION.

If the per capita disposal for the current report year is greater than the per capita disposal from the previous report year, then, to the best of your ability, explain why there was an increase. (To find these numbers, look for "View Report" in the left menu and click either "Current Year" or "Previous Year" to display a report summary.)

2009 2.7 > 2010 2.5

IN THE TEXT BOX BELOW, PLEASE PROVIDE ANSWERS TO A AND B.

In Section III, you entered total tons disposed (thrown away at a landfill) by your agency/facility during the report year. Having an accurate method to consistently calculate this number each year is important because it is used in the calculation to determine the report year per capita disposal for your agency/facility.

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Examples of types of methods that may be used include, but are not limited to, conducting a waste generation study, using actual disposal weights provided by a trash hauler, or estimating using weight-to-volume conversions.

- A. Explain the method you, or the person that provided you with this number, used to calculate the total tons disposed. Please provide a detailed explanation of the method so that it could be used in the event someone else from your agency/facility had to produce the same number.
- B. Is this the same method used for last year's report? If not, explain the reason for the change.

A. Citrus College is part of a fixed, daily Ware Disposal Inc. route. Ware Disposal Inc. has estimated the weights (through weight to volume conversions) of the containers on said route and assigns a percentage to each jurisdiction as part of that route. On a quarterly basis, we sample loads at our facility to determine actual disposal weights so that the estimated weights assigned to Citrus College can be as close to reality as possible. B. This is the same method used in 2009's report.

IN THE TEXT BOX BELOW, PLEASE PROVIDE ANSWERS TO A AND B.

In Part I of this report, you entered the number of employees for your agency/facility. This information is usually available from your human resources or payroll department. Having an accurate method to consistently calculate this number each year is important because it is used in the calculation to determine the report year per capita disposal for your agency/facility.

(Note: If your agency submits a modified report, per capita disposal is not calculated, but the number of employees is important in verifying your continued eligibility to submit a modified report).

IN THE TEXT BOX BELOW, PLEASE PROVIDE ANSWERS TO A AND B.

- A. Explain the method you, or the person that provided you with this number, used to calculate the number of employees (e.g. total number of full time employees, full time equivalents, total number of full and part time employees, etc.). Please provide a detailed explanation of the method so that it could be used in the event someone else from your agency/facility had to produce the same number.
- B. Is this the same method used for last year's report? If not, explain the reason for the change.

The Office of Human Resources provided the information from their 2010-2011 Classified, Faculty, Child Development Center, Management & Supervisor/Confidential Rundown.

IN THE TEXT BOX BELOW, PLEASE PROVIDE ANSWERS TO A AND B. (Skip to the next question if you did not enter a non-employee population in Part I.)

NOTE: If there was not an option in Part I to report an additional population, but you believe doing so would be valuable, or if you provided this in the past, but no longer wish to do so, please contact your CalRecycle representative to discuss the merits of adding or deleting this option for future reports.

If your agency/facility also has a non-employee population (such as students, visitors, inmates, residents, patients, etc.) that significantly contributes to the waste your agency/facility creates, Part I of this report asks you for a number for that population. This information is in addition to your employee information - it does not replace it.

- A. Explain the method you (or the person that provided you with this number) used to calculate that number (e.g. full time equivalent students, average number of patients during the report year, etc.). Please provide a detailed explanation of the method so that it could be used in the event someone else from your agency/facility had to produce the same number.
- B. Is this the same method you used for last year's report? If not, explain the reason for the change.

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2010

The 21,856 is actual unduplicated headcount of students who enrolled in at least one semester through summer, fall, winter, and spring provided by the IT department.

Additional information you wish to provide in your annual report.

As with many public sector agencies, the California Community Colleges recognize the economic, environmental, and social benefits of resource efficiency and sustainability. The passage of the California Global Warming Solutions Act (AB-32) adds urgency and complexity to Districts working toward these goals. Many Districts are well along the path to sustainability, but others are working to find the resources to tackle the problem. To assist with the current and anticipated challenges in the realm of sustainability, Citrus College has partnered with the CCC Chancellor's Office to lead the development of the Sustainability Template Plan. The Sustainability Template Plan will be designed as a comprehensive toolkit to be used at Citrus College and other CCC Districts and campuses to better enable them to satisfy state regulations, take advantage of available resources and complimentary programs, and adopt the Best Practices of others who are further along this path. This plan will allow Citrus College to refocus energy toward its current recycling/solid waste diversion programs, raising them to a more efficient level of sustainability.

Programs

Program Name	Existing Planned/Expanding	
Business Source Reduction	X	
Material Exchange	X	
Salvage Yards	X	
Other Sources	X	
Beverage Containers		X
Cardboard	X	
Glass		X
Newspaper	X	
Office Paper (white)	X	
Office Paper (mixed)	X	
Plastics		X
Scrap Metal	X	
Special Collection Events		X
Other Materials		X
Xeriscaping, grasscycling	X	
On-site composting/mulching		X
Self-haul greenwaste		X
Commercial pickup of compostables		X
Food waste composting		X
Other composting		X
Tires	X	
White/brown goods	X	
Scrap Metal	X	

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Wood waste		X
Concrete/asphalt/rubble (C&D)		X
Rendering	X	
Other special waste		X
MRF	X	

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

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Tab 5

http://www.citruscollege.edu/finance/safety/Pages/RecyclingProgram.aspx

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STUDENTS EMPLOYEES COMMUNITY ATHLETICS

Citrus College

Finance, Administrative Services » Environmental Health and Safety » Recycling Program

Employee Safety Guidelines

- Alcohol, Drugs and Tobacco
- Disaster and Emergency Operations
- Fire Safety
- Hazard Communication
- Injury and Illness Prevention
- Pathogen Exposure
- People Working Safely
- Reporting Accidents, Injuries
- Sexual Harassment
- Working Safely

Safety and Emergency Resources

- Earthquake Safety Video
- Emergency Evacuation
- Emer Response Procedures
- FluShot

Citrus generated almost 1,200 tons of waste in 2000. The two biggest components of our waste turn out to be green waste (240 tons) and paper products (70 tons). This shouldn't come as any surprise, if you think about it for a minute. After all, Citrus has about 30 acres of landscaping and athletic fields to maintain, and most of us handle and generate paper documents, mail and files in various amounts on a daily basis.


Reducing Waste Makes Sense

When our trash goes to a landfill, along with the trash of millions of other people and thousands of other businesses, it does not go away just because we no longer see it. Californians sent more than 60 million tons of trash to various landfills last year. And, as our population expands and its hyper-consuming patterns continue, so too will the trash it generates.

Our trash is not environmentally benign, as it decomposes, poisons and chemicals leach down into our soil, our groundwater and vent into the air. Most of us depend on groundwater for our drinking water, and all of us must breathe the air. In short, our wasteful habits continually revisit us in the form of unhealthy pollution.

Recently, legislation titled AB75 was enacted. Like AB939, which mandated California cities to reduce their share of landfill waste by half, AB75 similarly requires that all state and public agencies develop an "integrated waste management program" to reduce the amount of trash going into landfills by 50% by 2004. This requirement puts formally voluntary recycling programs, source reduction strategies and reuse programs into an entirely new light. They are now indispensable tools for waste management.

Over the years, Citrus has implemented several programs to help reduce the amount of waste going into our trash. We hope to start others soon. Read on to find out how you can help.

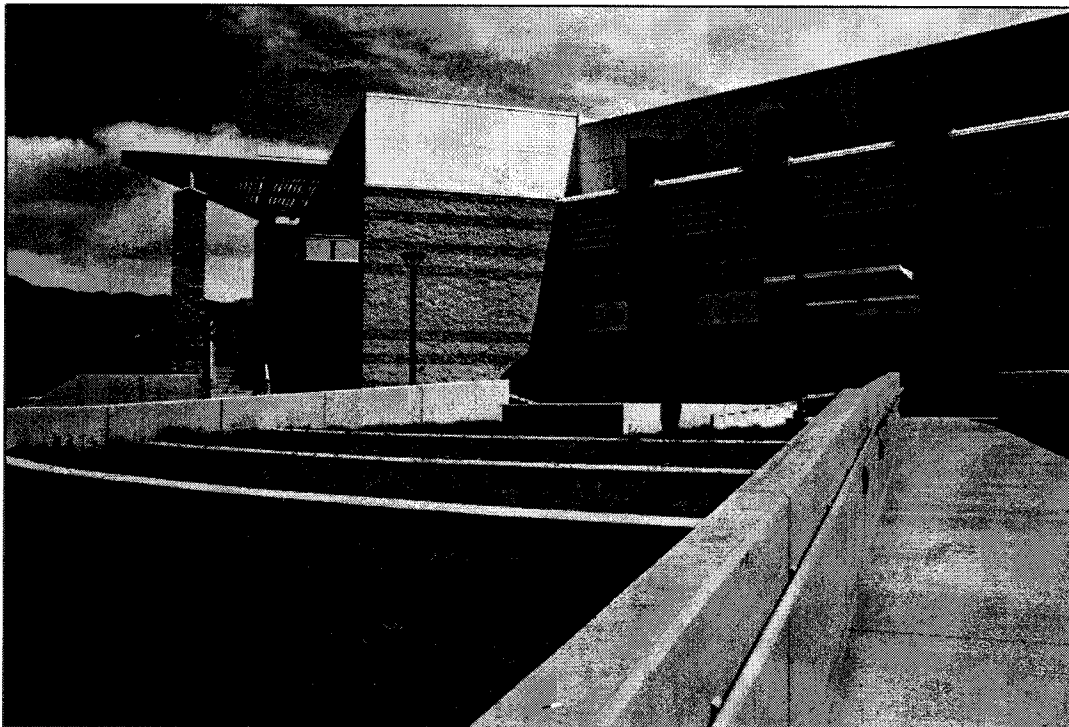


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Tab 6



Citrus Community College Sustainability Plan



Produced by the
Citrus College Sustainability Committee

August 2012

ACKNOWLEDGMENTS

The authors of this plan would like to acknowledge the following individuals for their efforts and support in the creation of the Citrus College Sustainability Plan.

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 - Mrs. Joanne Montgomery – President
 - Mrs. Susan M. Keith – Vice President
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**SECTION 1.
EXECUTIVE SUMMARY**

As with many public sector agencies, Citrus Community College recognizes the environmental, economic, and social benefits of resource efficiency and sustainability. The passage of the California Global Warming Solutions Act (AB-32) in 2006 and the establishment of a Sustainability Policy by the CCC Board of Governors have made it imperative for California Community Colleges to develop an organized, comprehensive approach that incorporates the elements of sustainability, satisfies state regulations, takes advantage of available resources and complimentary programs, and adopts the Best Practices of others who are further along this path.

To meet these challenges, Citrus College has participated in the development of the California Community Colleges Sustainability Template. The culmination of the project is the Pilot Demonstration of the Template at Citrus College and the development of this campus-specific Sustainability Plan.

Sustainability is defined as "meeting the needs of the present without compromising the ability of future generations to meet their own needs." The purpose of this Sustainability Plan is to prepare Citrus Community College for the anticipated environmental and regulatory challenges of the 21st century, to guide the campus towards becoming a more sustainable institution, and to prepare students for the green economy.

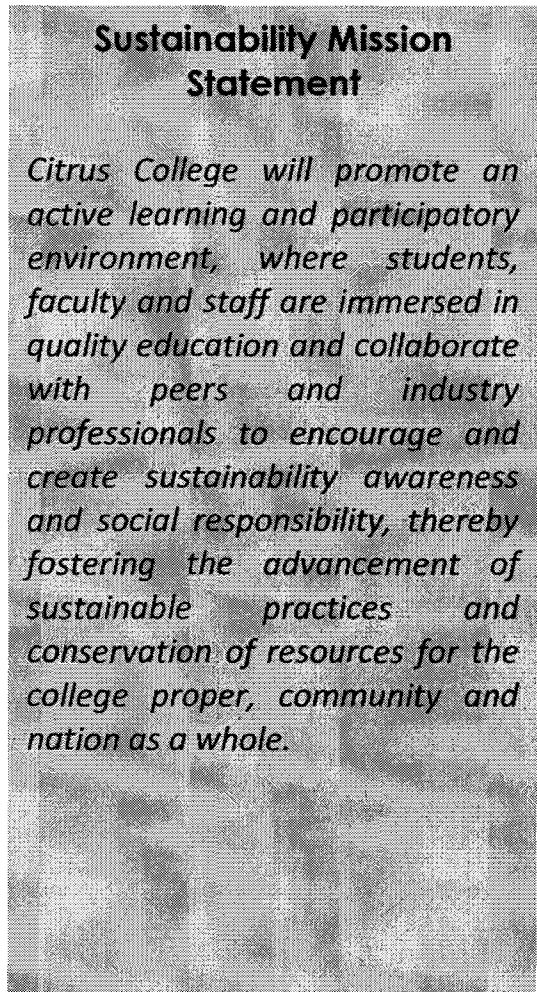
The following Sustainability Plan articulates the mission and goals established by the College for sustainability, as well as the strategies to meet these goals. This Plan has been developed by the Citrus College Sustainability Committee, which includes students, faculty, and staff. The Committee has developed this Sustainability Plan in coordination with the many different campus stakeholders to ensure that the plan meets the different needs of the College.

For questions or comments to this plan, please contact:

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Sustainability Mission Statement

Citrus College will promote an active learning and participatory environment, where students, faculty and staff are immersed in quality education and collaborate with peers and industry professionals to encourage and create sustainability awareness and social responsibility, thereby fostering the advancement of sustainable practices and conservation of resources for the college proper, community and nation as a whole.



SECTION 2.

BACKGROUND

2.1 HISTORY OF SUSTAINABILITY EFFORTS TO DATE

Citrus College has been at the forefront of sustainability since the mid 1990's and has made significant strides in energy efficiency. As new technologies are developed, the College has installed energy efficient lighting, installed and maintained Heating Ventilation and Air Conditioning (HVAC) and lighting Energy Management Systems, installed lighting motion sensors throughout the campus, installed lighting control systems in classrooms, implemented server and desktop virtualization, designed all new buildings to a U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) Silver equivalent rating, constructed a new central plant with chilled water storage to be used during peak hours for heating and cooling, installed energy efficient boilers, and connected existing buildings to the central plant. Citrus College continues to identify new sustainable technologies for the built environment and promotes sustainable practices with students, faculty and staff.

While the primary focus of campus efforts have been in energy conservation, there are many other areas of sustainability where active programs are being implemented. With the assistance of a state grant, Citrus College has also developed a sophisticated recycling program and constructed a materials recycling facility on campus to sort recyclables from the campus waste stream. The College has implemented water conservation strategies and storm water pollution prevention measures, and has adopted a green purchasing program for cleaning and custodial supplies. Finally, the Citrus College administration has been involved with the Los Angeles Metropolitan Transportation Agency (MTA) in the advance planning of the Gold Line light rail extension and a station adjacent to the college which will provide the opportunity to significantly reduce single occupancy vehicle commutes by students, faculty, and staff.



For a complete listing and description of existing Citrus College sustainability efforts see the Implementation Programs and Plans Checklist, which is in Appendix 2.

2.2 CREATION OF THE SUSTAINABILITY PLAN

To create this Sustainability Plan, Citrus College followed the process and utilized the tools provided in the California Community Colleges Sustainability Template. The process is illustrated in the flow chart above. The

implementation of the sustainability planning process and the resulting Sustainability Plan are described in the following chapters.

2.3 THE POLICY CONTEXT OF SUSTAINABILITY PLANNING

Sustainability can provide environmental, economic, and social benefits to campuses. However, there are other motivations for Citrus College to pursue these practices. The State of California has been active in establishing aggressive policies and standards for environmental protection and reducing greenhouse gas (GHG) emissions that contribute to global warming. In 1970, the State adopted the California Environmental Quality Act (CEQA) with the goal to inform governments and the public about potential environmental impacts of projects. From 2005 onward, legislation has been passed to directly regulate GHG emissions by utilizing incentive mechanisms, cap-and-trade programs, and mandatory reporting while encouraging voluntary activities such as purchasing emissions offsets and offering renewable energy certificates (RECs). Compliance with state policies and regulations regarding these issues are an important factor for consideration by Citrus College.

The following sections outline the numerous policy and regulatory drivers that contributed to the creation of this Plan.

2.3.1 CCC BOARD OF GOVERNORS ENERGY AND SUSTAINABILITY POLICY

To encourage the CCCs to pursue a more sustainable future, the CCC Board of Governors approved the Energy and Sustainability Policy in January 2008, which puts forth goals for each campus to reduce their energy consumption from its 2001-02 baseline by 15 percent by 2011-12. It also sets goals for minimum efficiency standards of new construction and renovation projects and provides an incentive of 2 percent of construction cost for new construction projects and 3 percent of construction cost for modernization projects. The policy also sets goals for energy independence through the purchase and generation of renewable power and energy conservation through the pursuit of energy efficiency projects, sustainable building practices, and physical plant management.

The CCC Board of Governors Energy and Sustainability Policy can be found here:

http://www.cccco.edu/Portals/4/Executive/Board/2008_agendas/january/3-1_Attachment_CCC%20Energy%20and%20Sustainability%20Policy%2011-9-07%20FINAL.pdf

2.3.2 CALIFORNIA STATE CLIMATE REGULATIONS

2.3.2.1 *State of California Executive Order S-3-05*

Executive Order S-3-05 was signed by the Governor of California in 2005, thereby identifying the California Environmental Protection Agency (Cal/EPA) as the primary state agency responsible for establishing climate change emission reduction targets throughout the state. The Climate Action Team, a multi-agency group comprised of various state agencies, was formed to implement the Executive Order S-3-05. Shortly thereafter in 2006, the team introduced GHG emission reduction strategies and practices to reduce global warming. These measures are aimed at meeting the Executive Order's long term goal of reducing GHG emission to 80 percent below 1990 levels by 2050.

2.3.2.2 Global Warming Solutions Act of 2006 (AB-32)

The Global Warming Solutions Act, or Assembly Bill 32 (AB-32) adopted in 2006, establishes two key requirements in regard to climate change reduction measures. The first requires that California GHG emissions be capped at 1990 levels by 2020, and the second establishes an enforcement mechanism for the GHG emissions reduction program with monitoring and reporting implemented by the California Air Resources Board (CARB).

In 2008, the Assembly Bill 32 Scoping Plan was released by CARB which describes measures to implement the requirements set by AB-32. In addition to partnering with local governments to encourage the establishment of regional emission reduction goals and community regulations, the Scoping Plan uses various mechanisms to reduce emissions state-wide, including incentives, direct regulation, and compliance mechanisms.

2.3.2.3 Assembly Bill 1493 (The Pavley Bill)

Assembly Bill 1493, widely known as "The Pavley Bill", was passed in 2002 and authorizes CARB to establish regulations to reduce the GHG emissions from passenger cars and light trucks by 18 percent by 2020 and 27 percent by 2030 from 2002 levels. This aggressive bill was temporarily blocked by the US EPA in March 2008 and later received a waiver of approval for implementation throughout California in June 2009.

2.3.2.4 Low Carbon Fuel Standard (LCFS)

The Low Carbon Fuel Standard (LCFS) was established in January 2007 by Executive Order S-01-07 and requires California fuel providers to decrease lifecycle fuel carbon intensity of transportation fuels by 10 percent from 2007 levels by 2020.

2.3.2.5 California Renewables Portfolio Standard

The California Renewables Portfolio Standard (RPS) was established in 2002 under Senate Bill 1078 and mandated that electrical corporations increase its total procurement of eligible renewable resources by at least 1 percent a year to reach a goal of 20 percent electricity generation from renewable resources. These goals were accelerated in 2006 under Senate Bill 107, which mandated that at least 20 percent of the total electricity sold be generated from renewable resources by the end of 2010. The RPS was further extended in 2008 by Executive Order S-14-08, which requires that 33 percent of total electricity sales be generated from renewable resources by 2020.

2.3.2.6 Senate Bill 97

Senate Bill 97, passed in 2007, required the Governor's Office of Planning and Research (OPR) to develop and recommend amendments to CEQA Guidelines for addressing GHG emissions related to land use planning. The amendments to CEQA were approved and became effective in March 2010, thereafter requiring all CEQA documentation to include and comply with the new amendments established for addressing greenhouse gas emissions.

2.3.2.7 Senate Bill 375

Senate Bill 375 was passed in 2008 to reduce GHG emissions caused indirectly by urban sprawl throughout California. The bill offers incentives for local governments to execute planned growth and development patterns around public transportation in addition to revitalizing existing communities. Metropolitan Planning Organizations (MPOs) will work with CARB to reduce vehicle miles traveled by creating sustainable urban plans with a comprehensive focus on housing, transportation, and land use. Urban projects consistent with the MPO's Sustainable Community Strategy (SCS) can bypass the CEQA's GHG emission environmental review. This provides developers with an incentive to comply with local planning strategies which support the State's greater effort for overall emission reduction in the land use and transportation sector.

2.3.2.8 Regional Air Pollution Control Districts (APCD) and Air Quality Management Districts (AQMD)

In 1947, the California Air Pollution Control Act was passed and authorized the creation of Air Pollution Control Districts (APCDs) and Air Quality Management Districts (AQMDs) in every county. APCDs and AQMDs are tasked with meeting federal and state air pollution requirements set by the Clean Air Act and can develop regulations to achieve the necessary public health standards, though these regulations need approval from CARB and the US EPA. APCDs and AQMDs have jurisdiction over businesses and stationary sources of emissions and can offer varying levels of outreach, grants, and CEQA review and technical assistance to interested public and private parties. The APCDs and AQMDs do not have the authority to regulate mobile air pollution sources, which is the responsibility of CARB, and must defer to state or federal regulations provided by the California Air Resources Board and the U.S. Environmental Protection Agency.

2.4 CAMPUS SUSTAINABILITY COMMITTEE

In order to manage the process and to develop this Sustainability Plan, the campus established the Citrus College Sustainability Committee, consisting of faculty from the Physical and Natural Science Department, Career Technical and Continuing Education Department, Student Services, staff from college administration, the Facilities Department, and students from the Earth Club, Volunteer Corps and the DEEP intern program to provide representation from the different campus stakeholders. The Committee will be responsible for developing and implementing the sustainability programs and projects described in this Plan to achieve the sustainability goals.

SECTION 3.

MISSION STATEMENT, GOALS, AND PRIORITIES

The Campus Sustainability Committee has developed the following Sustainability Mission Statement to guide Citrus College in its Sustainability Planning efforts.

Citrus College will promote an active learning and participatory environment, where students, faculty and staff are immersed in quality education and collaborate with peers and industry professionals to encourage and create sustainability awareness and social responsibility, thereby fostering the advancement of sustainable practices and conservation of resources for the college proper, community and nation as a whole.

On April 3, 2012, the Citrus Community College Board Of Trustees made a commitment to improve college sustainability by adopting the Sustainability Mission Statement by Resolution No. 2011-12-08.

To realize this Mission Statement, the Sustainability Committee has defined the following sustainability goals and priorities. The goals and priorities for the Sustainability Plan reflect campus needs, interests, and available resources. The Goals listed are not necessarily ranked by priority. Priorities for all goals and implementation programs are contained in the Implementation Programs and Plans Checklist contained in Exhibit 2.

Sustainability Plan Goals and Criteria

Goal Number	Area of Sustainability	Established Goal
1	Economic Return on Investment	Evaluate the return on investment of capital improvements in sustainability based on life-cycle Net Present Value (NPV).
2	Energy Efficiency	Reduce overall campus energy consumption by 6 percent within two years. Establish new reduction goals after two years based on planned activities and additional opportunities.
3	The Built Environment	Construct all major capital projects to meet LEED Silver "equivalent" standard, with goals to reduce energy and water use, wastewater discharges, and sustainable landscaping practices.
4	Technology Utilization	Continue to take advantage of new technologies in all areas of waste reduction, energy usage and sustainable culture.
5	Leadership and Champions	Identify campus community members who will be enthusiastic, involved, reasonable, and responsible to lead the campus in its sustainability efforts and to set the example for generations to come.

Goal Number	Area of Sustainability	Established Goal
6	Solid Waste Management	Continue to implement the recycling program, expand it to include all sectors of recycling and waste reduction to landfills, comply with recycling program requirements of AB-341, and strive to meet the statewide landfill diversion goal of 75 percent by 2020.
7	Transportation	Reduce the reliance of students, faculty and staff on single occupancy vehicle commutes by 5 percent within the next five years. Encourage the utilization of public bus and rail transportation, car pooling, and bicycling to campus.
8	Communication and Education	Develop and implement a program to raise awareness in the campus community to inspire behavioral changes to enhance sustainability. Program will be initiated by the fall 2013 semester.
9	Campus and Community Involvement	Increase community awareness and support of the College sustainability efforts through the use of targeted media. Program will be initiated by the fall 2013 semester.
10	Curriculum	When appropriate to a program of study, encourage the inclusion of sustainability content (social responsibility, sustainable development strategies, and carbon management) into curriculum and/or instructional material.
11	Continuous Improvement	Citrus College will improve existing sustainability efforts by analyzing and auditing current activities to identify changes to processes and to increase effectiveness and to develop future goals. Analysis of energy and water usage and solid waste management programs will be completed by January 2014.
12	Greenhouse Gas Reduction	Continue to reduce Greenhouse Gas emissions through the implementation of the Citrus College Sustainability Plan. Consider a future Climate Action Planning process to meet AB-32 requirements.

The goals and criteria established for the Sustainability Plan will be monitored during Plan implementation as described in Section 5, "Monitor and Report Performance".

SECTION 4.**PROGRAMS AND PROJECTS FOR IMPLEMENTATION**

Based on the goals and priorities described in Section 3, the Sustainability Committee has selected the following programs and projects for implementation to actively improve campus sustainability.

These programs and projects are also reflected in the Implementation Programs and Plans Checklist, located in Appendix 2, which outlines the details of each action item, its priorities, responsibility for implementation, schedules, and estimated cost of each program or project. The Checklist will be used by the Sustainability Committee to manage the implementation process.

These key actions were selected from a menu of suggested programs and projects from Section 7 of the California Community College Sustainability Template. As a result, the major headings and individual programs and projects are numbered to reflect the numbering system outlined in the Template and Implementation Planning Checklist.

7.1 MANAGEMENT AND ORGANIZATIONAL STRUCTURE

In order to implement an effective Sustainability Plan, it will be important for Citrus College to have a policy mandate for sustainability, the institutional structure required to manage the process, and the financial and programmatic expertise to accomplish Plan goals. The College will implement the following programs to meet this requirement.

7.1.2.1 ADOPT A DISTRICT SUSTAINABILITY POLICY

The Citrus CCD Board of Trustees adopted a Sustainability Mission Statement and expressed its support for the development of this Sustainability Plan by passing Resolution No. 2011-12-08 at its April 3, 2012 meeting. This provides the policy mandate for the Sustainability Committee and the College at large to create and implement the Citrus College Sustainability Plan.

7.1.2.3 APPOINT A CAMPUS SUSTAINABILITY COMMITTEE

The Campus Sustainability Committee, consisting of students, faculty, and staff was established in March 2012 to develop the Sustainability Plan and to manage and track its implementation. The Committee will meet bi-monthly for the foreseeable future to implement the Plan and to report progress to the college community. A complete listing of committee members is included in Appendix 1.

7.1.2.5 EMPLOY SUSTAINABILITY PROFESSIONALS, AS REQUIRED

Many of the programs and projects that will be implemented as part of the Sustainability Plan will require expertise that the college does not possess. As needed, the Sustainability Committee will recommend to college administration if specialized professional assistance is required to accomplish the goals of the Plan.

7.1.2.7 INTEGRATE SUSTAINABILITY PLANNING INTO CAMPUS MASTER PLAN

The Educational and Facilities Master Plan and sustainability planning should be integrated and simultaneous. As the Educational and Facilities Master Plan is reviewed and revised, elements of the Sustainability Plan will be incorporated to ensure that the college goals for sustainability are reflected in this over-arching planning document.

7.2 ENERGY EFFICIENCY

Energy efficiency is one of the most cost effective ways to reduce campus energy use and its carbon footprint. When implemented properly, efficiency measures can decrease energy use without compromising comfort and can improve indoor air quality and enhance student, faculty, and staff performance. Energy efficiency will be a higher priority than renewable or other on-site energy generation due to more favorable economics and to avoid over-sizing renewable energy systems.

The following energy efficiency programs and projects will be implemented at Citrus College.

7.2.2.1 SET ENERGY EFFICIENCY GOALS

It is important to set goals for the reduction of any resource in order to define success. During the development of the Sustainability Plan, one of the key goals established by the Sustainability Committee was to *"Reduce overall campus energy consumption by 6 percent within two years. Establish new reduction goals after two years based on planned activities and additional opportunities"*. The College's Director of Facilities and Construction will be responsible for the implementation and monitoring of this goal.

7.2.2.2 EVALUATE MECHANISMS FOR THE IMPLEMENTATION OF ENERGY EFFICIENCY PROJECTS

Citrus College will evaluate various mechanisms for the identification and implementation of energy efficiency projects and programs, including the use of in-house staff, engineering consultants, and contractors. The College has already been successful in leveraging expertise and resources from Southern California Edison and the CCC/IOU Energy Efficiency Partnership for the identification of energy savings projects on the campus.

7.2.2.3 CONDUCT A FACILITY PRIORITIZATION SURVEY

The College's Director of Facilities and Construction is currently performing a Facility Prioritization Survey of the campus. The survey will be used to establish priorities for conducting comprehensive facility energy audits, which are currently planned by Southern California Edison. Buildings will be prioritized based on energy use intensity (EUI) (i.e. electricity and natural gas use per gross square foot per year), with buildings with the highest energy use intensity given highest priority. Where metered data does not exist, those buildings that are believed to be high energy users by college staff will be targeted first.

7.2.2.4 CONDUCT COMPREHENSIVE FACILITY ENERGY AUDITS

As described above, plans are in place to perform comprehensive energy audits at targeted facilities on campus in the very near future. These audits will be performed by Southern California Edison (SCE) and the CCC/IOU Energy Efficiency Partnership. An audit report will be issued by SCE and will identify low cost and no cost energy efficiency improvements, as well as retrofit and capital improvement project opportunities with detailed energy savings and economic calculations.

7.2.2.5 IMPLEMENT NEW AND EXISTING AUDIT RECOMMENDATION

Based upon the results of the audits and available resources, the College will initiate implementation of the audit recommendations. Priorities will be determined by current energy usage, return on the investment, and available resources.

7.2.2.8 IDENTIFY AND TAKE ADVANTAGE OF GRANT AND INCENTIVE PROGRAMS

The College has been and continues to be an active participant in the CCC/IOU Energy Efficiency Partnership incentive program, SCE Savings by Design program, and actively explores and takes advantage of grants where appropriate.

7.2.2.2.9.2 EFFICIENT LIGHTING AND LIGHTING CONTROLS

Citrus College has performed a variety of energy efficient lighting retrofit projects in recent years, including state-of-the art classroom and office lighting. The College is currently working with the CCC/IOU Partnership on an advanced LED exterior lighting pilot project which will result in a "piggy-back" RFP that can be used by any CCC campus.

7.3 FACILITIES OPERATION

In addition to installing energy efficient equipment, Citrus College strives to operate high-performing facilities, buildings, and energy infrastructure systems that are optimized for inhabitant comfort, productivity, and energy and resource efficiency. Current and planned activities in this area are described below.

7.3.2.1 ENCOURAGE AND SUPPORT ENERGY EFFICIENCY TRAINING OF STAFF

As part of the personnel development program, Citrus College continues to train and keep facilities staff abreast of the latest in energy saving maintenance measures and technologies.

7.3.2.2 INSTALL ENERGY MANAGEMENT SYSTEMS

Citrus College has installed a computerized Energy Management System (EMS) to provide centralized reporting and control of campus energy related activities. Campus staff strives to achieve optimum efficiency in the use of natural gas, electricity, or other energy resources to meet the heating, cooling, and lighting needs of the

buildings and facilities. The existing EMS system that controls lighting and HVAC was installed many years ago and is continually maintained and updated as necessary. The long term plan when resources become available is to expand and upgrade the EMS system.

7.3.2.5 OPTIMIZE HVAC EQUIPMENT SCHEDULING

Citrus College employs a scheduled maintenance and operations plan for the HVAC equipment and building occupancy scheduling to avoid cooling and heating spaces when unnecessary. The planned Retro-commissioning (RCx) project for the central plant chilled water and hot water systems will further improve optimization of HVAC systems.

7.3.2.6 ACTIVATE ENERGY-SAVING FEATURES FOR APPLIANCES AND COMPUTERS

The College activates energy-saving features on all appliances and computer equipment, such as power-saving modes on PCs, copiers, printers, and other office equipment. Citrus College has installed server and desktop virtualization and PC power management systems to reduce computer energy use. The college has also installed plug load occupancy sensor strips at work stations to further reduce energy use of office and classroom equipment.

7.3.2.7 PURSUE MONITORING-BASED COMMISSIONING (MBCX)/RETRO-COMMISSIONING (RCX)

Citrus College is participating in a Southern California Edison Retro-commissioning (RCx) pilot program to improve central plant operations. RCx is a process that identifies individual energy efficiency measures to improve the control of the system to reduce energy use.

At a future time the College may consider an MBCx program for buildings. MBCx is a process that optimizes building performance for comfort and energy use through the use of permanent whole-building metering and energy monitoring.

7.4 SUSTAINABLE BUILDING PRACTICES

Construction and renovation of new and existing facilities provides a significant opportunity to reduce the environmental impacts of the built environment through sustainable building practices. Citrus College incorporates energy and resource efficient "Green Building" practices in the design and construction of all new and renovated facilities.

7.4.2.1 ESTABLISH A GREEN BUILDING STANDARD

Citrus College has established the U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) Silver "equivalent" rating as their building standard. All architect and engineering contracts incorporate this design standard requirement. The LEED rating system is an industry "Best Practice" and is commonly used in higher education and commercial building construction.

7.4.2.2 IMPLEMENT SUSTAINABLE DESIGN PRACTICES

All campus new construction, renovation, maintenance, and repair projects are designed with consideration of College sustainability goals and all applicable energy codes and regulations. Energy efficiency and sustainable design is addressed early in the project planning and design phases to maximize cost effectiveness. Citrus College takes full advantage of the SCE Savings by Design program, which provides technical expertise and incentives to incorporate sustainable design practices in all new construction and building renovation projects.

7.4.2.3 USE AN INTEGRATED SYSTEMS APPROACH IN BUILDING DESIGN

Sustainable building goals are evaluated in a cost effective manner by identifying economic and environmental performance criteria, evaluating life cycle savings, and adopting an integrated systems approach. Such an approach treats the entire building as one system and recognizes that individual building features, such as lighting, windows, heating and cooling systems, should be evaluated and designed as interactive systems. This integrated approach to sustainable design is a feature of the SCE Savings by Design "Whole Building" process employed at the College.

7.6 TRANSPORTATION, COMMUTING, AND CAMPUS FLEET & TRAVEL

Citrus College will strive to reduce Vehicle Miles Traveled (VMT) for students, faculty, and staff commuting to the campus in an effort to reduce greenhouse gas emissions and minimize the infrastructure costs related to parking. The following programs will be implemented.

7.6.2.1 UNDERSTAND COMMUTE AND TRAVEL PATTERNS

A first step for improving commute and travel patterns at Citrus College will be to get a better understanding of how students, faculty, and staff get to the campus. This will be done through commuter surveys, which will be made quick and easy to fill out in order to maximize the number of responses received. In the past, faculty and staff surveys were attempted with limited success. A stepped up effort will be made in this area to include students. Incentives may be offered to improve participation.

7.6.2.2 ENCOURAGE AND ENHANCE PUBLIC TRANSPORTATION AND RIDESHARING OPTIONS

Public transportation is an important strategy to reduce VMT's and resulting greenhouse gases. The Los Angeles Metropolitan Transit Agency (MTA) is planning a Gold Line Light Rail stop adjacent to the College with its planned extension in 2015. Citrus College has been in discussion with the MTA about this project, and the College has purchased the property across the street from the campus where the station will be located. This station will greatly enhance public transportation options for students, faculty, and staff commuting to the College. For more information on this light rail extension go to: www.foothillextension.org.

Citrus College will also evaluate programs offered by the MTA to encourage bus ridership to the campus in the near term.

7.6.2.3 ENCOURAGE AND ENHANCE BICYCLING OPTIONS

The College will work to improve bicycle commuting options at the campus as well as bicycle circulation throughout campus. Plans will be developed to provide secure storage for bikes and additional bike racks on campus. Outreach and education to help commuters overcome obstacles related to bicycling will be implemented, for example, to encourage commuters to utilize existing shower facilities and changing rooms for those who bike to campus.

7.6.2.5 ENHANCE STUDENT DISTANCE LEARNING

Citrus College will explore additional distance learning classes via the internet, which cuts down travel to and from campus and will explore increasing accessibility of courses to more student demographics. Faculty members of the Sustainability Committee will evaluate opportunities for Distance Learning and bring them back to the full committee for discussion.

7.7 WATER, WASTEWATER, AND SUSTAINABLE LANDSCAPING

Water conservation is an important component of sustainability and is aggressively pursued by Citrus College. The college strives to reduce potable water use as well as waste water discharges to both the sewer and storm water systems. In addition, the college reduces waste water pollution by minimizing chemical fertilizers and pesticide use in association with landscaping practices.

7.7.2.2 IMPLEMENT WATER CONSERVATION STRATEGIES

The College has made water conservation a priority for environmental purposes as well as to avoid penalties for excessive water use from the local water and wastewater utilities. Citrus College has installed artificial turf on football fields, softball fields and the driving range. In addition to eliminating the need for irrigation, the need for air polluting lawn mowers, chemical pesticides and fertilizers, and maintenance labor have been reduced.



7.7.2.3 REDUCE STORM WATER, SEWER DISCHARGES, AND WATER POLLUTION

Storm water discharges are a prime source of pollutants entering the environment and place the college at risk for fines or other regulatory penalties. The artificial turf installed at Citrus College provides storm water retention features that allow run-off to percolate into the ground. In addition, the college has constructed subsurface retention basins under the parking lots to reduce storm drain discharges and utilizes sand bags when needed to reduce storm water pollution.

7.7.2.4 ADOPT SUSTAINABLE LANDSCAPING PRACTICES

Sustainable landscaping practices not only conserve water, but can contribute to achieving many other goals for sustainability. All new and replanted landscaping on campus is required to be water conserving and drought tolerant.

7.8 SOLID WASTE REDUCTION AND MANAGEMENT

Citrus College already has a very successful recycling program that reduces greenhouse gas emissions and landfill deposits. The measures identified in the Sustainability Plan are intended to improve this program and expand efforts into source-separated recycling and green waste/food waste composting. If designed effectively, minimizing solid waste can save the college money and create revenue streams that can be reinvested in the campus. The college will employ the principles of Reduce, Reuse, and Recycle in its solid waste reduction program. 



7.8.2.1 CREATE WASTE REDUCTION GOALS

The college will develop goals to reduce the waste stream and increase the waste diversion of readily recyclable and compostable materials. Citrus College currently diverts roughly 50 percent of its waste stream from the landfill and would like to increase this diversion rate by employing additional waste reduction strategies. The Sustainability Committee has adopted the following diversion goal for this Plan: *Continue to implement the recycling program, expand it to include all sectors of recycling and waste reduction to landfills, comply with recycling program requirements of AB-341, and strive to meet the statewide landfill diversion goal of 75 percent by 2020.* This will require the college to regularly measure the amount and type of waste being land filled, recycled and composted.

7.8.2.2 MAXIMIZE PROGRAMS OFFERED BY CONTRACTED WASTE HAULER

Citrus College will maximize programs offered by its contracted waste hauler. These may include recycling programs, and green waste (such as yard trimmings) or food waste composting. The college already performs construction and demolition (C&D) recycling. Since there may be variations in programs offered by different haulers, Citrus College will evaluate the services offered by all available haulers to best meet the sustainability goals of the campus and contract with a hauler that provides the desired services at favorable economics. It may be necessary for the College to employ multiple waste haulers in order to receive all of the different desired services.

7.8.2.4 IMPROVE EXISTING RECYCLING PROGRAMS

As stated above, Citrus College has a very successful recycling program in place resulting in an approximately 50 percent diversion rate. The current program is based on sorting of recyclables at the central Materials Recycling Facility (MRF) on campus. This rate could be increased by implementing a "source-separated" program by providing separate bins around campus to facilitate source separation of paper, plastic, bottles, cans, and hazardous waste like batteries to improve diversion rates and proper disposal. A source-separated program will 

be evaluated for implementation by the Sustainability Committee.

7.8.2.6 GREEN WASTE AND FOOD WASTE COMPOSITING

Citrus College can further reduce its waste stream by implementing green waste and food waste composting. This can be done through on-site composting or by using services provided by a local waste hauler. The Sustainability Committee will explore alternatives for both on-site composting, potentially managed by students, or third party services through a waste hauler.

7.9 GREEN PURCHASING

Citrus College has adopted purchasing policies to meet the goals of environmental, economic, and social sustainability and to use its market power to influence suppliers to be more sustainable, as described below.

7.9.2.2 GREEN PURCHASING PRACTICES

Citrus College strives to purchase materials and equipment that is recyclable, packaged in recycled materials, and is sustainable. Standards have been established for the purchasing of cleaning materials and other chemicals on campus, and custodians use biodegradable cleaning materials and reduce the use of chemicals that may be harmful to the environment and the health of those who are exposed to those chemicals.

7.10 STUDENT AND CURRICULUM DEVELOPMENT

The mission of Citrus College is to deliver high quality instruction to students both within and beyond traditional geographical boundaries and to provide an open and welcoming culture that supports student completion and success. With the economics of environmental sustainability becoming increasingly important in all facets of society, the College has a responsibility to play a role in moving current and future generations toward a sustainable future.

By demonstrating social responsibility, sustainable development strategies and carbon management through the implementation of the Sustainability Plan, and encouraging the inclusion of sustainability content in courses, the college can play a key role in realizing the goals of this plan. Use of the campus wide sustainable infrastructure as a pedagogical tool, amplification of holistic or systems thinking, and integration of sustainability into coursework when relevant will advance the academic community toward desired educational outcomes for sustainable development.

Citrus College will strive to create learning opportunities for student involvement and encourage active sharing of current and evolving content to support implementation of the plan. Through the Sustainability Plan initiatives, faculty, staff, administrators, and students will have opportunities to collaborate, participate and serve as effective agents for positive change.

7.10.2.3 UTILIZE DIFFERENT PATHWAYS TO INTEGRATE SUSTAINABILITY INTO THE CURRICULUM

The Sustainability Plan will influence the inclusion of sustainable topics in many campus venues. It is anticipated that the dialogue within and across instructional programs will result in the exploration and implementation of a variety of approaches, i.e., use of supplemental materials, assignments, work experience, service learning or, in some cases, curriculum integration. As actualization of sustainability content permeates the campus, it is anticipated that many new and innovative methods, not yet considered, will emerge. Some areas of study, such as economics, the sciences, sociology and career technical education may present clear links to sustainability, while others may have less obvious connections but would still benefit from the inclusion of sustainability, such as ethics and political science. It is believed that examples of sustainability and ecology in literature and mathematics can enrich the respective courses, and assignments or projects in a course can have a sustainability theme to add another dimension. Citrus College science faculty are exploring the use of this approach to incorporate sustainability practices in their curriculum design. As they realize success, their outcomes will be shared to encourage broader participation of colleagues as they explore approaches customized to their discipline.

7.10.2.5 TRAINING OPPORTUNITIES FOR STUDENTS

Students can enhance classroom learning with hands-on experience by applying what they have learned to the real world. Citrus College is currently one of three community colleges participating in the Southern California Edison Developing Energy Efficiency Professionals (DEEP) student internship program. DEEP is an employment development program that trains and educates California Community College students in the areas of energy efficiency and demand side reduction through classroom learning, projects, and outreach within the campus community. Along with preparing students for green careers, the program will produce reductions in operational costs for the college by promoting the understanding of electricity demand response, resource conservation, and carbon emission reduction. There were four DEEP interns at Citrus College for the 2011-2012 academic year, and all four participated in the development of the Citrus College Sustainability Plan.

7.11 CAMPUS AND COMMUNITY OUTREACH & AWARENESS

The sustainability of a college is highly dependent on the actions of individual students, faculty, and staff. While having energy efficient equipment, installing low flow water devices, and providing separate bins for source separation of waste can make a District more sustainable, behavioral changes can have a large impact on the effectiveness of these projects. Additionally, it is important to maintain transparency and keep the campus and local community informed of the District's progress with sustainability plan implementation. This is hard work and contributions to the District's sustainability should be recognized. Citrus College will implement the following programs related to campus and community outreach and awareness.

7.11.2.1 CREATE A WEBSITE DEDICATED TO CAMPUS SUSTAINABILITY

Citrus College will create a page on the college website dedicated to spreading information about sustainability practices and the implementation of the Sustainability Plan. The website will serve as a publicity tool for sustainability events and student groups and as a coordination tool for conveying information to the local community about sustainability programs. This will be managed by student members of the Sustainability Committee with college administration oversight and will be kept up to date with the latest campus developments and links to any public reports about campus sustainability efforts.

7.11.2.2 HOLD WORKSHOPS AND PRESENTATIONS

The Sustainability Committee will hold open workshops or presentations to allow members of the campus and community to stay informed about sustainability activities, ask questions, and participate in decisions. Workshops and presentations will be well publicized and open to all, and they will be led by individuals who can knowledgeably field questions from the audience and efficiently facilitate the workshop process. The model for the workshops will be the successful Campus Sustainability Forum held on April 24, 2012.

SECTION 5.

MEASURE AND REPORT PERFORMANCE

As with any successful program, the ongoing progress and performance of sustainability plan activities will be *monitored and compared to goals and criteria*. This will require continuous participation of the Sustainability Committee, and other participants in the process. To communicate results and ensure transparency and accountability, the *results of the Sustainability Plan activities will be communicated to the larger campus community on a regular basis*.

The following section describes the process for measuring and reporting sustainability activities and achievements.

5.1 MEASURING PERFORMANCE

In order to monitor Citrus College's progress towards its sustainability goals, the Campus Sustainability Committee plans to collect information on the following key metrics at regular intervals as described below. Metrics for progress measurement will be tied to the criteria defined for each goal established in Section 3 of the Sustainability Plan.

Goal Number	Area of Sustainability	Performance Metric	Measurement Frequency
1	Economic Return on Investment	Evaluate the return on investment of capital improvements in sustainability based on life-cycle Net Present Value (NPV). For each proposed capital improvement project, the college will perform a Net Present Value calculation that accounts for initial costs, any financing costs, cost savings, appropriate discount rate, and effective life of improvement. Projects with a positive NPV will be given priority for implementation.	With each proposed Capital Improvement Project
2	Energy Efficiency	Reduce overall campus energy consumption by 6 percent within two years. Monitor total annual electricity and natural gas at the college master meters. Establish a baseline from 2012 usage. Establish new reduction goals after two years based on planned activities and additional opportunities.	Establish baseline with 2012 usage. Monitor annually.

Goal Number	Area of Sustainability	Performance Metric	Measurement Frequency
3	The Built Environment	Construct all major capital projects to meet LEED Silver "equivalent" standard, with goals to reduce energy and water use, wastewater discharges, and sustainable landscaping practices. Require this standard with all design and construction contracts. Require project architect to complete LEED checklist that demonstrates Silver rating and to verify that selected measures are implemented. This requirement does not mandate registration or project certification by the USGBC or LEED, but uses that process as an "equivalent" self-certification of projects.	With each major Capital Improvement Project
4	Technology Utilization	Continue to take advantage of new technologies in all areas of waste reduction, energy usage and sustainable culture. The Citrus College Sustainability Committee will review new technology options for campus construction projects, operations and maintenance as it relates to sustainability. The staff will enlist assistance for this effort from SCE and SCG and the CCC/IOU Energy Efficiency Partnership.	Initial evaluation in 2013. Review annually.
5	Leadership and Champions	Identify campus community members who will be enthusiastic, involved, reasonable, and responsible to lead the campus in its sustainability efforts and to set the example for generations to come. This will be accomplished by establishing the Citrus College Sustainability Committee as a permanent sub-committee of the Physical Resources Committee and by actively recruiting interested and motivated students, faculty, and staff into its membership.	Ongoing
6	Solid Waste Management	Continue to improve the recycling program, expand it to include all sectors of recycling and waste reduction to landfills, comply with recycling program requirements of AB-341, and strive to meet the statewide landfill diversion goal of 75 percent by 2020. Establish 2012 as a baseline year for diversion measurement, and monitor annually to achieve goal by 2020.	Baseline measurement at end of 2012. Monitor annually until 2020.

Goal Number	Area of Sustainability	Performance Metric	Measurement Frequency
7	Transportation	Reduce the reliance of students, faculty and staff on single occupancy vehicle commutes by 5 percent within the next five years. Encourage the utilization of public bus and rail transportation, car pooling, and bicycling to campus. Conduct annual surveys to determine total Vehicle Miles Traveled reduced/single occupancy vehicles reduced.	Baseline measurement at end of 2012. Monitor annually for five years.
8	Communication and Education	Develop and implement a program to raise awareness in the campus community to inspire behavioral changes to enhance sustainability.	Program initiation by Fall Semester 2013.
9	Campus and Community Involvement	Increase community awareness and support of the College sustainability efforts through the use of targeted media.	Program initiation by Fall Semester 2013.
10	Curriculum	Develop an Implementation Plan to achieve Curriculum Goals as described in Section 3 by the Fall Semester of 2013.	Implementation Plan developed by Fall Semester 2013.
11	Continuous Improvement	Citrus College will improve existing sustainability efforts by analyzing and auditing current activities to identify changes to processes and to increase effectiveness and to develop future goals. Analysis of energy and water usage and solid waste management programs will be completed by January 2014.	Continuous improvement analysis to be complete by January 2014.
12	Greenhouse Gas Reduction	Continue to reduce Greenhouse Gas emissions through the implementation of the Citrus College Sustainability Plan. Consider a future Climate Action Planning process to meet AB-32 requirements.	Consider the implementation of a Climate Action Plan to meet AB-32 within five years of Sustainability Plan adoption.

5.2 REPORTING PERFORMANCE

In order to keep the campus community informed of the progress of the Sustainability Plan activities, the Campus Sustainability Committee will create a webpage dedicated to sustainability on the Citrus College website. The Sustainability website will be developed by the Committee and maintained by the Office of the Vice President of Finance and Administrative Services.

The Campus Sustainability Committee will continue to meet bi-monthly to review progress with Plan implementation and to discuss changes or new initiatives.

5.2.1 CAMPUS WORKSHOPS

The Campus Sustainability Committee will hold periodic workshops open to all campus members throughout the implementation phases of the Plan. This will be designed to encourage a two-way dialogue where information is provided to the campus community and feedback is solicited and incorporated into the plan. These workshops will be patterned after the Sustainability Forum held on campus in April 2012.

Tab 7

Solid Waste Disposal Rates



RATES

Effective November 1, 2014

Payment at the scales must be in cash, credit card (MC, American Express, & Discover only), debit card, or by pre-arranged credit. No checks are accepted.

LANDFILLS

Calabasas Landfill, Agoura ⁽¹⁾⁽²⁾

50 miles from Campus

Municipal Solid and Inert Waste	\$40.82 per ton
Hard-to-Handle Bulky Items	\$48.79 per ton
Tires	\$84.82 per ton
Special Handling	\$57.32 per ton
Minimum Charge (Municipal Solid and Inert Waste)	\$39.25 per load
Pull-Offs	\$33.00 each
Segregated Uncontaminated Green Waste (1-ton minimum charge)	\$27.48 per ton
Clean, segregated asphalt (\$50.00 per load minimum)	\$20.00 per ton

Additional Fees: Uncovered Loads Capable of Producing Litter and Non-Manifested Tire Loads Surcharge (\$4.40 minimum) \$4.40 per ton

Scholl Canyon Landfill, Glendale ⁽¹⁾⁽³⁾

19 miles from Campus

Municipal Solid and Inert Waste	\$49.18 per ton
Hard-to-Handle Bulky Items	\$58.24 per ton
Tires	\$92.93 per ton
Special Handling	\$66.99 per ton
Minimum Charge (Municipal Solid and Inert Waste)	\$48.44 per load
Pull-Offs	\$40.00 each
Segregated Uncontaminated Green Waste (1-ton minimum charge)	\$30.54 per ton
Clean Dirt (\$40.00 per load minimum)	\$6.00 per ton
Clean, segregated asphalt (\$30.00 per load minimum)	\$8.50 per ton

Additional Fees: Uncovered Loads Capable of Producing Litter and Non-Manifested Tire Loads Surcharge (\$5.00 minimum) \$5.00 per ton

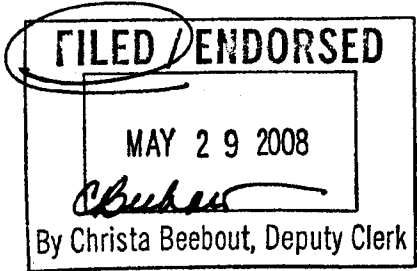
Please Note:

- All rates excluding pull-offs, green waste, asphalt and clean dirt include the following fees:
 - *California Integrated Solid Waste Management Fee: \$1.40 per ton
 - *L. A. County Solid Waste Management Fee: \$1.50 per ton
 - *L. A. County Department of Health Services Regulation Service Fee: \$0.36 per ton
- All rates and surcharges include the L.A. County Business License Tax: 10% of gross receipts, excluding state and local fees and taxes.
- All rates and surcharges (except for Clean Dirt) include the City of Glendale - Scholl Canyon Landfill Assessment: 25% of gross receipts; vehicles owned and operated by the City of Glendale are exempt.
- Rate effective as noted and subject to change pursuant to SERRF Joint Powers Agreement.
- Rates effective as noted and subject to change pursuant to CREF Operating Agreement.
- High Energy Waste consists of dry scrap wood, textile waste, unrecyclable paper and cardboard and additional unrecyclable materials.
- USDA Regulated Waste is the destruction of regulated foreign waste in accordance with the regulation of the United States Department of Agriculture ("USDA") and the terms of the Facility USDA compliance agreement.
- Recyclables must be comprised of metals, clear plastic film, plastic containers, glass, paper or cardboard. The percent recyclables is defined as the weight of recyclables in each load divided by the total weight of the load.
- http://www.lacsd.org/solidwaste/swfacilities/solid_waste_disposal_and_recyclables_rates.asp

source: www.lacsd.org/solidwaste/swfacilities

Tab 8

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SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO

STATE OF CALIFORNIA, DEPARTMENT,
OF FINANCE, CALIFORNIA INTEGRATED
WASTE MANAGEMENT BOARD,

Dept. 33

No. 07CS00355

Petitioners,

v.

RULING ON SUBMITTED MATTER

COMMISSION ON STATE MANDATES,

Respondent.

SANTA MONICA COMMUNITY COLLEGE
DISTRICT, LAKE TAHOE COMMUNITY
COLLEGE DISTRICT,

Real Parties in Interest.

In this mandate proceeding, the court must determine the extent to which the reimbursement of a California Community College under section 6 of article XIII B of the California Constitution for the costs that the College incurs in implementing a state-mandated integrated waste management plan pursuant to Public Resources Code section 42920 et seq. is subject to offset by cost savings realized and revenues received during implementation of the plan. For the reasons set forth below, the court determines that the college's reimbursement is subject to such offset.

1 BACKGROUND

2 Public Resources Code section 42920 et seq. was enacted to require each state
3 agency to adopt and implement an integrated waste management plan (IWM plan) that would
4 reduce solid waste, reuse materials whenever possible, recycle recyclable materials and procure
5 products with recycled content in all agency offices and facilities. (Pub. Resources Code §
6 42920, subd. (b). See Stats. 1999, ch. 764 (A.B. 75).) These statutory provisions require that
7 each state agency, in implementing the plan, divert at least 25 percent of its solid waste from
8 landfill disposal by January 1, 2002, and divert at least 50 percent of its solid waste from landfill
9 disposal on and after January 1, 2004. (Pub. Resources Code § 42921.) Each agency must also
10 submit an annual report to petitioner Integrated Waste Management Board summarizing its
11 progress in reducing solid waste pursuant to Public Resources Code section 42921 and providing
12 related information, including calculations of its annual disposal reduction.

13 Any cost savings realized as a result of the state agency's IWM plan must, to the
14 extent feasible, be redirected to the plan to fund the implementation and administrative costs of
15 the plan in accordance with Public Contract Code sections 12167 and 12167.1. (Pub. Resources
16 Code § 42925, subd. (a).) Public Contract Code sections 12167 and 12167.1 are part of the State
17 Assistance for Recycling Markets Act, which was originally enacted in 1989 for the purpose of
18 fostering the procurement and use of recycled paper products and other recycled resources in
19 daily state operations (See Pub. Contract Code §§ 12153, 12160; Stats. 1989, ch. 1094.) As
20 amended in 1992, sections 12167 and 12167.1 provide for the deposit of revenues received from
21 the collection and sale of recyclable materials in state and legislative offices in specified accounts
22 for the purpose of offsetting recycling costs; revenues not exceeding \$2000 annually are
23 continuously appropriated without regard to fiscal years for expenditure by state agencies to
24 offset the recycling costs; and revenues exceeding \$2000 annually are available for expenditure
25 by the state agencies upon appropriation by the Legislature.

26 The IWM plan requirements under Public Resources Code section 42920 et seq.
27 apply to the California Community Colleges pursuant to Public Resources Code sections 40148
28 and 40196, which include California Community Colleges and their campuses in the definitions

1 of "large state facility" and "state agency" for purposes of IWM plan requirements. The
2 provisions of the State Assistance for Recycling Markets Act, including the provisions of Public
3 Contract Code sections 12167 and 12167.1, apply to California Community Colleges only to the
4 limited extent that sections 12167 and 12167.1 are referenced in Public Resources Code section
5 42925; California Community Colleges are not defined as state agencies or otherwise subject to
6 the Act's provisions for the procurement and use of recycled products in daily state operations.

7 For purposes of section 6 of article XIII B of the California Constitution and the
8 statutes implementing section 6 (Gov. Code § 17500 et seq.), California Community Colleges are
9 defined as school districts and treated as local governments eligible for reimbursement of any
10 state-mandated costs that they incur in carrying out statutory IWM plan requirements. (See Gov.
11 Code §§ 17514, 17519.) Section 6 and Government Code section 17514 provide for the
12 reimbursement of a local government's increased costs of carrying out new programs or higher
13 levels of service that are mandated by the state pursuant to a statute enacted on or after January 1,
14 1975, or an executive order implementing a statute enacted on or after January 1, 1975. Such
15 reimbursement is precluded pursuant to Government Code section 17556, subdivision (e), if the
16 statute or executive order provides for offsetting savings that result in no net costs to the local
17 government or includes additional revenue specifically intended to fund the costs of the state
18 mandated program in an amount sufficient to cover the costs.

19 Real parties in interest Santa Monica Community College District and Tahoe
20 Community College District sought section 6 reimbursement of their IWM plan costs pursuant to
21 Public Resources Code section 42920 et seq. by filing a test claim with respondent pursuant to in
22 March 2001. (Administrative Record, pp. 51-74 (AR 51-93). See Gov. Code § 17550 et seq.)
23 Respondent adopted a statement of decision granting the test claim in part on March 25, 2004
24 (AR 1135-1176), after receiving and considering public comments on the test claim, including
25 comments from petitioners opposing the claim. (AR 351-356, 359-368.) Respondent found that
26 specified IWM plan requirements under Public Resources Code section 42920 et seq. imposes a
27 reimbursable state-mandated program on California Community Colleges within the meaning of
28 section 6 and Government Code section 17514. Respondent further found that the requirement

1 of Public Resources Code section 42925, that cost savings realized as a result of an IWM plan be
2 redirected to plan implementation and administrative costs, did not preclude a reimbursable
3 mandate pursuant to subdivision (e) of Government Code section 17556 because there was
4 neither evidence of offsetting savings that would result in "no net costs" to a California
5 Community College implementing an IWM plan nor evidence of revenues received from plan
6 implementation "in an amount sufficient to fund" the cost of the state-mandated program.
7 Respondent noted that the \$2000 in revenue available annually to a community college pursuant
8 to Public Contract Code section 12167.1 would be insufficient to offset the college's costs of
9 plan implementation and that any revenues would be identified as offsets in the parameters and
10 guidelines to be adopted for reimbursement of claims by California Community Colleges for the
11 IWM plan mandates imposed by Public Resources Code section 42920 et seq.

12 Thereafter, on March 30, 2005, respondent adopted parameters and guidelines
13 pursuant to Government Code section 17556 based on a proposal by real parties and public
14 comments, including comments by petitioners. (AR 1483-1496.) Section VII of the parameters
15 and guidelines, concerning offsetting revenues and reimbursements, indicates that a claim by a
16 California Community College for reimbursement of costs incurred in implementing an IWM
17 plan must identify and deduct from the claim all reimbursement received from any source for the
18 mandate. Section VII further indicates that the revenues specified in Public Resources Code
19 section 42925 and Public Contract Code sections 12167 and 12167.1 must offset the costs
20 incurred by a California Community College for the recycling mandated by Public Resources
21 Code section 42920 et seq. These offsetting revenues include, pursuant to section 12167.1,
22 revenues up to \$2000 annually from the college's sale of recyclable materials which are
23 continuously appropriated for expenditure by the college to offset its recycling costs and
24 revenues in excess of \$2000 annually when appropriated by the Legislature.

25 In adopting section VII of the parameters and guidelines, respondent rejected the
26 position of petitioner Integrated Waste Management Board that the parameters and guidelines
27 should require California Community Colleges to identify in their reimbursement claims any
28 offsetting savings in reduced or avoided landfill disposal costs likely to result from their

1 diversion of solid waste from landfills pursuant to the mandates of Public Resources Code
2 section 42921. (AR 1194-1199.) This rejection was based on three grounds: that "cost savings"
3 in Public Resources Code section 42925 meant "revenues" received and directed "in accordance
4 with Sections 12167 and 12167.1 of the Public Contract Code"; reduced or avoided disposal
5 costs could not qualify as offsetting cost savings for the diversion costs because the disposal
6 costs had not previously been reimbursed by the state and were not included in the reimbursable
7 mandates of Public Resources Code section 42920 et seq.; and the redirection of cost savings to
8 IWM plan implementation and administration costs under section 42925 was "only to the extent
9 feasible" and not mandatory, thus allowing a California Community College to redirect cost
10 savings to other campus programs upon a finding that it was not feasible to use the savings for
11 IWM plan implementation. (AR 98-1199.) On these grounds, respondent omitted from section
12 VII of the parameters and guidelines any language about offsetting savings, including a
13 boilerplate provision stating "Any offsetting savings the claimant experiences in the same
14 program as a result of the same statutes or executive orders found to contain the mandate shall be
15 deducted from the costs claimed."

16 On October 26, 2006, respondent adopted a statewide cost estimate for the
17 reimbursement of costs incurred by California Community Colleges in implementing IWM plan
18 mandates pursuant to Public Resources Code section 42920 et seq. (AR 1641-1650.)
19 Respondent noted comments by petitioners that the lack of a requirement in the parameters and
20 guidelines for information on offsetting cost savings by the community colleges had resulted in
21 an inaccurate Statewide Cost Estimate. (AR 1647.) A request by petitioner Integrated Waste
22 Management Board to amend the parameters and guidelines to include additional information
23 about offsetting savings was distributed for public comment. (AR 1647-1648, 1859-873.)

24 ANALYSIS

25 Section 6 of article XIII B of the California Constitution, as implemented by
26 Government Code section 17514, provides for the reimbursement of actual increased costs
27 incurred by a local government or school district in implementing a new program or higher level
28 of service of an existing program mandated by statute, such as the IWM plan requirements of

1 Public Resources Code section 42920 et seq. (See *County of Fresno v. State of California* (1991)
2 51 Cal.3d 482, 487; *County of Sonoma v. Commission on State Mandates*, (2000) 84 Cal.App.4th
3 1264, 1283-1284.) Reimbursement is not available under section 6 and section 17514 to the
4 extent that the local government or school district is able to provide the mandated program or
5 increased service level without actually incurring increased costs. (*Ibid.*) For example,
6 reimbursement is not available if the statute mandating the new program or increased service
7 level provides for offsetting savings which result in no net costs to the local government or
8 school district or includes revenues sufficient to fund the state mandate. (See Gov. Code §
9 17556, subd. (e). See also Cal. Code Regs., tit. 2, § 1183.1(a)(7), (a)(8) (requiring parameters
10 and guidelines for claiming reimbursable costs to identify offsetting revenues and savings
11 resulting from implementation of state-mandated program).) Because section VII of the IWM
12 plan parameters and guidelines adopted by respondent do not require a California Community
13 College to identify and deduct offsetting cost savings from its claimed reimbursable costs and
14 unduly limit the deduction of offsetting revenues, section VII contravenes the rule of section 6
15 and section 17514 that only actual increased costs of a state mandate are reimbursable.¹

16 Cost Savings

17 In complying with the mandated solid waste diversion requirements of Public
18 Resources Code section 42921, California Community Colleges are likely to experience cost
19 savings in the form of reduced or avoided costs of landfill disposal. The reduced or avoided
20 costs are a direct result and an integral part of the IWM plan mandates under Public Resources
21 Code section 42920 et seq.: as solid waste diversion occurs, landfill disposal of the solid waste
22 and associated landfill disposal costs are reduced or avoided. Indeed, diversion is defined in
23 terms of landfill disposal for purposes of the IWM plan mandates. (See Pub. Resources Code §§
24 40124 (“‘diversion’ means activities which reduce or eliminate the amount of solid waste from
25 solid waste disposal for purposes of this division [i.e., division 30, including § 42920 et seq.]”),

26
27 ¹ There is no indication in the administrative record or in the legal authorities provided to the court that, as
28 respondent argues, a California Community College might not receive the full reimbursement of its actual increased
costs required by section 6 if its claims for reimbursement of IWM plan costs were offset by realized cost savings
and all revenues received from plan activities.

1 40192, subd. (b) (for purposes of Part 2 (commencing with Section 40900), 'disposal' means the
2 management of solid waste through landfill disposal or transformation at a permitted solid waste
3 facility.”.)

4 Such reduction or avoidance of landfill fees and costs resulting from solid waste
5 diversion activities under § 42920 et seq. represent savings which must be offset against the costs
6 of the diversion activities to determine the reimbursable costs of IWM plan
7 implementation -- i.e., the actual increased costs of diversion -- under section 6 and section
8 17514. Similarly, under Public Resources Code section 42925, such offsetting savings must be
9 redirected to fund IWM plan implementation and administration costs in accordance with Public
10 Contract Code section 12167. The amount or value of the savings may be determined from the
11 calculations of annual solid waste disposal reduction or diversion which California Community
12 Colleges must annually report to petitioner Integrated Waste Management Board pursuant to
13 subdivision (b)(1) of Public Resources Code section 42926.

14 Respondent's three grounds for omitting offsetting savings from section VII of the
15 IWM plan parameters and guidelines are flawed. First, as explained above, the reduced or
16 avoided costs of landfill disposal are an integral part of the IWM diversion mandates under
17 Public Resources Code section 42920 et seq. Therefore, respondent's conclusion that reduced or
18 avoided disposal costs could not qualify as offsetting cost savings for diversion costs, based on
19 the erroneous premise that the reduced or avoided disposal costs were not part of the
20 reimbursable mandates of Public Resources Code section 42920 et seq., is wrong.

21 Second, respondent incorrectly interpreted the phrase "to the extent feasible" in
22 Public Resources Code section 42925 to mean that the redirection of cost savings resulting from
23 diversion activities by California Community Colleges to fund their IWM plan implementation
24 and administration costs was not mandatory and that the colleges could direct the cost savings to
25 other campus programs upon a finding of infeasibility. Respondent's interpretation is contrary to
26 the manifest legislative intent and purpose of section 42925, that cost savings be used to fund
27 IWM plan costs. In light of this legislative purpose, the phrase "to the extent feasible"
28 reasonably refers to situations where, as a practical matter, the reductions in landfill fees and

1 costs saved as a result of diversion activities by the colleges may not be available for redirection.
2 For example, a college may not have budgeted or allocated funds for landfill fees and costs
3 which they did not expect to incur as a result of their diversion activities.

4 Third, respondent incorrectly interpreted "cost savings realized as a result of the state
5 agency integrated waste management plan" in Public Resources Code section 42925 to mean
6 "revenues received from [a recycling] plan and any other activity involving the collection and
7 sale of recyclable materials" under Public Contract Code sections 12167 and 12167.1. This
8 interpretation, based in turn on a strained interpretation of the phrase "in accordance with
9 Sections 12167 and 12167.1 of the Public Contract Code" at the end of section 42925, used the
10 substantive content of sections 12167 and 12167.1 to redefine "cost savings" in a manner directly
11 contradicting its straightforward description in section 42925. The consequences of this
12 redefinition are unreasonable: the interpretation effectively denies the existence of cost savings
13 resulting from IWM plan implementation and eliminates any possibility of redirecting such cost
14 savings to fund IWM plan implementation and administration costs, thereby defeating the
15 express legislative purpose of section 42925.

16 The reference to Public Contract Code sections 12167 and 12167.1 in Public
17 Resources Code section 42925 may be reasonably interpreted in a manner that preserves section
18 42925's straightforward description of "cost savings" and legislative purpose. The reference to
19 sections 12167 and 12167.1 in section 42925 reflects an effort by the Legislature to coordinate
20 the procedures of two programs involving recycling activities exclusively or primarily by state
21 agencies, the State Assistance for Recycling Markets Act set forth at Public Contracts Code
22 section 12150 et seq. and the IWM provisions of Public Resources Code section 42920 et seq.
23 (See Senate Committee on Environmental Quality, Bill Analysis of A.B. 75, 1999-2000 Reg.
24 Sess., as amended April 27, 1999, p. 6 (need to ensure consistency and avoid conflicts between
25 A.B. 75 and Public Contract Code provisions relating to state agency reporting on recycling,
26 depositing revenues from recycled materials etc.)) By requiring the redirection of cost savings
27 from state agency IWM plans to fund plan implementation and administration costs "in
28 accordance with Sections 12167 and 12167.1 of the Public Contract Code," section 42925

1 assures that cost savings realized from state agencies' IWM plans are handled in a manner
2 consistent with the handling of revenues received from state agencies' recycling plans under the
3 State Assistance for Recycling Markets Act. Thus, in accordance with section 12167, state
4 agencies, along with California Community Colleges which are defined as state agencies for
5 purposes of IWM plan requirements in Public Resources Code section 42920 et seq. (Pub.
6 Resources Code §§ 40196, 40148), must deposit cost savings resulting from IWM plans in the
7 Integrated Waste Management Account in the Integrated Waste Management Fund; the funds
8 deposited in the Integrated Waste Management Account, upon appropriation by the Legislature,
9 may be expended by the Integrated Waste Management Board for the purpose of offsetting IWM
10 plan costs. In accordance with section 12167.1 and notwithstanding section 12167, cost savings
11 from the IWM plans of the agencies and colleges that do not exceed \$2000 annually are
12 continuously appropriated for expenditure by the agencies and colleges for the purpose of
13 offsetting IWM plan implementation and administration costs; cost savings resulting from IWM
14 plans in excess of \$2000 annually are available for such expenditure by the agencies and colleges
15 when appropriated by the Legislature.

16 Accordingly, respondent had no proper justification for omitting offsetting cost
17 savings from the parameters and guidelines for claiming reimbursable costs of IWM plan
18 implementation under Public Resources Code section 42920 et seq. The court will order the
19 issuance of a writ of mandate requiring respondent to correct this omission through an
20 amendment of the parameters and guidelines.

21 Revenues

22 As indicated previously in this ruling, section VII of the parameters and guidelines
23 for claiming reimbursement of IWM plan costs provides for offsetting revenues that are governed
24 by Public Contract Code sections 12167 and 12167.1. Revenues derived from the sale of
25 recyclable materials by a California Community College are deposited in the Integrated Waste
26 Management Account. Revenues that do not exceed \$2000 annually are continuously
27 appropriated for expenditure by the college for the purpose of offsetting recycling program costs
28 upon approval by the Integrated Waste Management Board, and revenues exceeding \$2000

1 annually are available for such expenditure by the college when appropriated by the Legislature.
2 To the extent so approved by the board or appropriated by the Legislature, these revenue amounts
3 offset or reduce the reimbursable costs incurred by the college in implementing an IWM plan
4 under Public Resources Code section 42920 et seq.

5 Although Public Contract Code sections 12167 and 12167.1 apply to California
6 Community Colleges for the purpose of offsetting savings pursuant to the terms of Public
7 Resources Code section 42925, sections 12167 and 12167.1 do not apply to the colleges for the
8 purpose of offsetting revenues or, indeed, any other purpose. Sections 12167 and 12167.1 apply
9 exclusively to state agencies and institutions; the colleges, which are school districts rather than
10 state agencies, are not specially defined as state agencies for purposes of the State Assistance for
11 Recycling Markets Act of which sections 12167 and 12167.1 are a part. Therefore, sections
12 12167 and 12167.1 do not properly govern the revenues generated by the colleges' recycling
13 activities pursuant to their IWM plans. The limits and conditions placed by sections 12167 and
14 12167.1 on the expenditure of recycling revenues for the purpose of offsetting recycling program
15 costs are simply inapplicable to the revenues generated by the colleges' recycling activities.

16 The provisions of Public Resources Code section 42920 et seq. do not address the
17 use of revenues generated by recycling activities of California Community Colleges under IWM
18 plans to offset reimbursable plan costs. Thus, use of the revenues to offset reimbursable IWM
19 plan costs is governed by the general principles of state mandates, that only the actual increased
20 costs of a state-mandated program are reimbursable and, to that end, revenues provided for by the
21 state-mandated program must be deducted from program costs. (See Cal. Const., art. XIII B, § 6;
22 Gov.Code §§ 17514, 17556, subd. (e); *County of Fresno v. State of California* (1991) 51 Cal.3d
23 482, 487; *County of Sonoma v. Commission on State Mandates*, (2000) 84 Cal.App.4th 1264,
24 1284.) These principles are reflected in respondent's regulation which requires, without
25 limitation or exception, the identification of offsetting revenues in the parameters and guidelines
26 for reimbursable cost claims. (Cal. Code Regs., tit. 2, § 1183.1(a)(7).)

27 In sum, respondent erred in adopting parameters and guidelines which, pursuant to
28 Public Contract Code sections 12167 and 12167.1, limited and conditioned the use of revenues

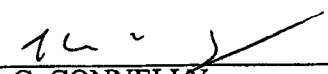
1 generated by recycling activities of California Community Colleges under IWM plans to offset
2 the colleges' reimbursable plan costs. Because the use of revenues to offset the reimbursable
3 costs of IWM plan are properly governed by section 6 principles without the limitations and
4 conditions imposed by sections 12167 and 12167.1, the court will order the issuance of a writ of
5 mandate requiring respondent to correct its error through an amendment of the parameters and
6 guidelines.

7 RELIEF

8 The petition is granted. Counsel for petitioners is directed to prepare a proposed
9 judgment and proposed writ of mandate consistent with this ruling, serve it on counsel for
10 respondent for approval as to form, and then submit it to the court pursuant to rule 3. 1312 of the
11 California Rules of Court.

12 Dated: May 29, 2008



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LLOYD G. CONNELLY
Judge of the Superior Court

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SACRAMENTO

Gordon D Schaber Courthouse
720 Ninth STREET
Sacramento, CA 95814-1311

SHORT TITLE: ST OF CA DEPT OF FINANCE. ETAL VS. COMMISSION ON ST MANDATES

CLERK'S CERTIFICATE OF SERVICE BY MAIL

**CASE NUMBER:
07CS00355**

I certify that I am not a party to this cause. I certify that a true copy of the attached was mailed following standard court practices in a sealed envelope with postage fully prepaid, addressed as indicated below. The mailing and this certification occurred at Sacramento, California, on 05/30/2008.

Clerk of the Court, by: /s/ C Beebout *C Beebout*, Deputy

Leslie R Lopez
P.O.Box 944255
Sacramento, CA 94244

Camille Shelton
980 Ninth Street # 300
Sacramento, CA 95814

Jack C Woodside
P.O.Box 944255
Sacramento, CA 94244

Lisa Rose
*Santa Monica Community College Dist.
1900 Pico Blvd
Santa Monica*

Eric Feller
980 9th Street # 300
Commission on State Mandates
Sacramento, CA 95814

Roberta Mason
*Lake Tahoe Community College Dist.
One College Dr.
South Lake Tahoe, CA 96150*

Additional names and address attached.

CLERK'S CERTIFICATE OF SERVICE BY MAIL

Page: 1

Tab 9

Citrus Community College District
 Legislatively Mandated Integrated Waste Management Program

Offsetting Savings

FY's 1999-00 through 2000-01, and 2003-04 through 2010-11

Review ID #: S14-MCC-901

Citrus College											
Fiscal Year	Dates	Calendar Year	Tonnage Diverted	Tonnage Disposed	Total Tonnage Generated	Actual Diversion Percentage	Maximum Allowable Diversion Percentage	Is the Diversion % (column D) LESS THAN or EQUAL to the Maximum Diversion %	Allocated Diversion % If "YES", unlimited off.savings = 100% If "NO", limited off.savings = (E / D)	State-wide Average Landfill Fee (Per Ton)	Offsetting Savings I = A * G * H
					C = A + B	D = A / C					
1999-00	1/1/00 - 6/30/00	2000	330.60	265.50	596.10	55.46%	25.00%	NO	45.08%	\$ 36.39	(5,423)
											(5,423)
2000-01	7/1/00 - 12/31/00	2000	330.60	265.50	596.10	55.46%	25.00%	NO	45.08%	\$ 36.39	(5,423)
	1/1/01 - 6/30/01	2001	1,072.00	1,199.80	2,271.80	47.19%	25.00%	NO	52.98%	\$ 36.39	(20,668)
											(26,091)
2003-04	7/1/03 - 12/31/03	2003	520.10	201.75	721.85	72.05%	50.00%	NO	69.40%	\$ 36.83	(13,294)
	1/1/04 - 6/30/04	2004	229.45	190.35	419.80	54.66%	50.00%	NO	91.47%	\$ 38.42	(8,064)
											(21,358)
2004-05	7/1/04 - 12/31/04	2004	229.45	190.35	419.80	54.66%	50.00%	NO	91.47%	\$ 38.42	(8,064)
	1/1/05 - 6/30/05	2005	305.40	204.45	509.85	59.90%	50.00%	NO	83.47%	\$ 39.00	(9,942)
											(18,006)
2005-06	7/1/05 - 12/31/05	2005	305.40	204.45	509.85	59.90%	50.00%	NO	83.47%	\$ 39.00	(9,942)
	1/1/06 - 6/30/06	2006	1,912.65	523.40	2,436.05	78.51%	50.00%	NO	63.69%	\$ 46.00	(56,036)
											(65,978)
2006-07	7/1/06 - 12/31/06	2006	1,912.65	523.40	2,436.05	78.51%	50.00%	NO	63.69%	\$ 46.00	(56,036)
	1/1/07 - 6/30/07	2007	1,549.60	401.30	1,950.90	79.43%	50.00%	NO	62.95%	\$ 48.00	(46,823)
											(102,859)
2007-08	7/1/07 - 12/31/07	2007	1,549.60	401.30	1,950.90	79.43%	50.00%	NO	62.95%	\$ 48.00	(46,823)
	1/1/08 - 6/30/08	2008 *	1,549.60	401.30	1,950.90	79.43%	50.00%	NO	62.95%	\$ 51.00	(49,749)
											(96,572)
2008-09	7/1/08 - 12/31/08	2008 *	1,549.60	401.30	1,950.90	79.43%	50.00%	NO	62.95%	\$ 51.00	(49,749)
	1/1/09 - 6/30/09	2009 *	1,549.60	401.30	1,950.90	79.43%	50.00%	NO	62.95%	\$ 55.00	(53,651)
											(103,400)
2009-10	7/1/09 - 12/31/09	2009 *	1,549.60	401.30	1,950.90	79.43%	50.00%	NO	62.95%	\$ 55.00	(53,651)
	1/1/10 - 6/30/10	2010 *	1,549.60	401.30	1,950.90	79.43%	50.00%	NO	62.95%	\$ 56.00	(54,626)
											(108,277)
2010-11	7/1/10 - 10/7/10	2010*	774.80	200.65	975.45	79.43%	50.00%	NO	62.95%	\$ 56.00	(27,313) 3 months of diversion only
											(27,313)
											(575,277)

* Note: In 2008, CalRecycle began focusing on "per-capita disposal" instead of "diversion percentage." Therefore, beginning in 2008, CalRecycle no longer required the districts to report the actual amount of tonnage diverted. As a result, we used the tonnage diverted in 2007 to calculate the offsetting savings for FY's 2007-08, 2008-09, and 2009-10. If the district is able to support a lower amount of tonnage diverted for either 2008, 2009, or 2010, we will revise the amounts accordingly.

Tab 10

Kurokawa, Lisa

From: Kurokawa, Lisa
Sent: Wednesday, August 07, 2013 4:36 PM
To: 'rbuchwald@citruscollege.edu'
Cc: Martin, Alexandra L. (AMartin@sco.ca.gov)
Subject: Adjustment to the Citrus CCD's Integrated Waste Management claims
Attachments: Offsetting Savings Calculation.xlsx; Narrative of Adjustment.pdf; Waste Management Report of Diversion.pdf; September 10, 2008 Final Staff Analysis.pdf; Fiscal Analysis.pdf; Amended Parameters and Guidelines.pdf

Ms. Buchwald,

My name is Lisa Kurokawa and I'm an Audit Manager with the State Controller's Office, Division of Audits, Mandated Cost Claim Bureau. The reason I am contacting you is because the State Controller's Office will be adjusting Citrus CCD's Integrated Waste Management (IWM) claims for FY's 1999-00, 2000-01, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, and 2010-11 by \$371,120. The district contracted with SixTen and Associates to prepare these claims.

Unreported Offsetting Savings

We are making this adjustment because the district understated the offsetting savings realized as a result of implementing its IWM plan. For the fiscal years in the review period, the district realized savings of \$575,277, yet only reported \$571, resulting in an understatement of \$574,706. Please see the attached "Offsetting Savings Calculation" and the attached "Narrative of Adjustment" for an explanation of the adjustment. To calculate the offsetting savings realized by the district, we used the "tonnage diverted" that the district reported to CalRecycle in accordance with Public Resource Code section 42926, subsection (b)(1) (as shown on the attached "Waste Management Report of Diversion").

Background regarding the Offsetting Savings Adjustment

Here's some background information regarding the offsetting savings adjustment:

- In 2007, CalRecycle filed a petition for writ of mandate requesting that the Commission on State Mandates (CSM) issue new parameters and guidelines that give full consideration to the cost savings (e.g. avoided landfill disposal fees) that a district realizes as a result of implementing an IWM program. On June 30, 2008, the court ruled that the CSM was required to amend the parameters and guidelines to require districts to identify and offset from their claims, costs savings.
- In the September 10, 2008 CSM's final staff analysis and proposed amendments to the parameters and guidelines (attached - see the 2nd paragraph on page 3/22), the CSM quotes the court ruling that says: "Cost savings may be calculated from the calculations of annual solid waste disposal reduction or diversion that community colleges must annually report to the Board pursuant to PRC section 42926, subdivision (b)(1)." Furthermore, the amended parameters and guidelines apply retroactively to the original period of reimbursement because the court's decision interprets the test claim statutes as a question of law (see the middle of page 6/22).

Financial Summary

For the fiscal years in the review period, the district claimed reimbursement of \$378,779 for the IWM Program. However, because of the offsetting savings adjustment, we have found that \$7,659 is allowable and \$371,120 is unallowable (please see the attached "Fiscal Analysis" for a summary of the claimed, allowable, and unallowable costs by fiscal year). The State has made no payment to the district; therefore, the State will pay the district \$7,659 contingent upon available appropriations.

Attached Documentation

I have attached the following documentation for you to review:

- Offsetting Savings Calculations
- Narrative of Adjustment
- Waste Management Report of Diversion (taken directly from CalRecycle's website)
- September 10, 2008 Final Staff Analysis (from the Commission on State Mandates)
- Amended Parameters and Guidelines (See the "Offsetting Savings" section on page 11 of 12)
- Fiscal Analysis (Summary of claimed, allowable, and unallowable costs by fiscal year)

I will attach the IWM Claims for on a separate email because the file size is too large (3 MB).

Meeting to discuss?

At this point, we would like for the district to review this documentation and let us know if you have any questions or concerns. Also, if you are interested, we are willing to have a meeting to discuss this adjustment in more detail?

If we don't hear back from the district by **Friday, August 23, 2013**, we will assume that the district has no questions regarding this adjustment and we will proceed with processing a letter report explaining the reason for the adjustment .

Thank you,

Lisa Kurokawa

Audit Manager
State Controller's Office
Division of Audits | Mandated Cost Bureau
(916) 327-3138 - Office | (916) 549-2753 - Work Cell
lkurokawa@sco.ca.gov

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Tab 11

Kurokawa, Lisa

From: Rosalinda Buchwald <RBuchwald@CITRUSCOLLEGE.EDU>
Sent: Tuesday, August 27, 2013 1:11 PM
To: Kurokawa, Lisa
Cc: Martin, Alexandra L.; Carol Horton; Carol Cone; Kbpsixten@aol.com
Subject: RE: Adjustment to the Citrus CCD's Integrated Waste Management claims

Ms. Kurokawa,

Thank you for sending me all of the information. I apologize for not responding before August 23, 2013. As it stands now we do not agree with the audit methodology. We do have a general understanding of the issues involved, so you may proceed with the audit report, at which time the District may respond in detail. Thank you,



Rosalinda Buchwald

Director of Fiscal Services
Citrus Community College District
1000 W. Foothill Blvd.
Glendora, CA 91741-1899
(626) 914-8897

From: LKurokawa@sco.ca.gov [mailto:LKurokawa@sco.ca.gov]
Sent: Monday, August 26, 2013 8:48 AM
To: Rosalinda Buchwald
Cc: AMartin@sco.ca.gov
Subject: RE: Adjustment to the Citrus CCD's Integrated Waste Management claims

Ms. Buchwald,

I haven't heard back from the district regarding my August 7, 2013 email identifying an adjustment to the district's Integrated Waste Management (IWM) claims for FY's 1999-00 through 2010-11, excluding FY's 2001-02 and 2002-03? To summarize, we have determined that the district underreported the offsetting savings realized as a result of implementing the district's IWM Plan. For these FY's, the district realized savings of \$575,277, yet only reported \$571, resulting in an understatement of \$574,706.

For these FY's, the district claimed reimbursement of \$378,779 for the IWM Program. However, because of the offsetting savings adjustment, we have determined that \$7,659 is allowable and \$371,120 is unallowable. The State has made no payments to the district; therefore, the State will pay the district \$7,659, contingent upon available appropriations.

As mentioned in the email below, we are willing to meet with the district to discuss this adjustment. However, since we haven't heard back from the district, we will assume that the district has no questions regarding this adjustment and we will proceed with issuing a letter report notifying the district "officially" of the adjustment.

If you have any questions regarding this adjustment, please don't hesitate to call.

Thank you,

Lisa Kurokawa
Audit Manager

State Controller's Office
Division of Audits | Mandated Cost Bureau
(916) 327-3138 - Office | (916) 549-2753 - Work Cell
lkurokawa@sco.ca.gov

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From: Kurokawa, Lisa
Sent: Wednesday, August 07, 2013 4:38 PM
To: 'rbuchwald@citruscollege.edu'
Cc: Martin, Alexandra L. (AMartin@sco.ca.gov)
Subject: RE: Adjustment to the Citrus CCD's Integrated Waste Management claims

Ms. Buchwald,

As mentioned in the email below, I have attached the IWM claims for FY's 1999-00 through 2010-11, excluding FY's 2001-02 and 2002-03.

Again, we would like for you to review this documentation and let us know if you have any questions or concerns. Also, if you are interested (?), we are willing to come down and meet with you, in person, to discuss this adjustment in more detail.



Please let us know how you wish to proceed?

Thank you,

Lisa Kurokawa
Audit Manager
State Controller's Office
Division of Audits | Mandated Cost Bureau
(916) 327-3138 - Office | (916) 549-2753 - Work Cell
lkurokawa@sco.ca.gov

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From: Kurokawa, Lisa
Sent: Wednesday, August 07, 2013 4:36 PM
To: 'rbuchwald@citruscollege.edu'
Cc: Martin, Alexandra L. (AMartin@sco.ca.gov)
Subject: Adjustment to the Citrus CCD's Integrated Waste Management claims

Ms. Buchwald,

My name is Lisa Kurokawa and I'm an Audit Manager with the State Controller's Office, Division of Audits, Mandated Cost Claim Bureau. The reason I am contacting you is because the State Controller's Office will be adjusting Citrus CCD's Integrated Waste Management (IWM) claims for FY's 1999-00, 2000-01, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, and 2010-11 by \$371,120. The district contracted with SixTen and Associates to prepare these claims.

Unreported Offsetting Savings

We are making this adjustment because the district understated the offsetting savings realized as a result of implementing its IWM plan. For the fiscal years in the review period, the district realized savings of \$575,277, yet only reported \$571, resulting in an understatement of \$574,706. Please see the attached "Offsetting Savings Calculation" and the attached "Narrative of Adjustment" for an explanation of the adjustment. To calculate the offsetting savings realized by the district, we used the "tonnage diverted" that the district reported to CalRecycle in accordance with Public Resource Code section 42926, subsection (b)(1) (as shown on the attached "Waste Management Report of Diversion").

Background regarding the Offsetting Savings Adjustment

Here's some background information regarding the offsetting savings adjustment:

- In 2007, CalRecycle filed a petition for writ of mandate requesting that the Commission on State Mandates (CSM) issue new parameters and guidelines that give full consideration to the cost savings (e.g. avoided landfill disposal fees) that a district realizes as a result of implementing an IWM program. On June 30, 2008, the court ruled that the CSM was required to amend the parameters and guidelines to require districts to identify and offset from their claims, costs savings.
- In the September 10, 2008 CSM's final staff analysis and proposed amendments to the parameters and guidelines (attached - see the 2nd paragraph on page 3/22), the CSM quotes the court ruling that says: "Cost savings may be calculated from the calculations of annual solid waste disposal reduction or diversion that community colleges must annually report to the Board pursuant to PRC section 42926, subdivision (b)(1)." Furthermore, the amended parameters and guidelines apply retroactively to the original period of reimbursement because the court's decision interprets the test claim statutes as a question of law (see the middle of page 6/22).

Financial Summary

For the fiscal years in the review period, the district claimed reimbursement of \$378,779 for the IWM Program. However, because of the offsetting savings adjustment, we have found that \$7,659 is allowable and \$371,120 is unallowable (please see the attached "Fiscal Analysis" for a summary of the claimed, allowable, and unallowable costs by fiscal year). The State has made no payment to the district; therefore, the State will pay the district \$7,659 contingent upon available appropriations.

Attached Documentation

I have attached the following documentation for you to review:

- Offsetting Savings Calculations
- Narrative of Adjustment
- Waste Management Report of Diversion (taken directly from CalRecycle's website)
- September 10, 2008 Final Staff Analysis (from the Commission on State Mandates)
- Amended Parameters and Guidelines (See the "Offsetting Savings" section on page 11 of 12)
- Fiscal Analysis (Summary of claimed, allowable, and unallowable costs by fiscal year)

I will attach the IWM Claims for on a separate email because the file size is too large (3 MB).

Meeting to discuss?

At this point, we would like for the district to review this documentation and let us know if you have any questions or concerns. Also, if you are interested, we are willing to have a meeting to discuss this adjustment in more detail?

If we don't hear back from the district by **Friday, August 23, 2013**, we will assume that the district has no questions regarding this adjustment and we will proceed with processing a letter report explaining the reason for the adjustment.

Thank you,

Lisa Kurokawa

Audit Manager

State Controller's Office

Division of Audits | Mandated Cost Bureau

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Tab 12

Understanding SB 1016 Solid Waste Per Capita Disposal Measurement Act



1

Intro

Hello, and thank you for your interest in this quick overview of The Solid Waste Per Capita Disposal Measurement Act – also known as SB1016. I am _____ of the California Integrated Waste Management Board.

The Integrated Waste Management Act of 1989 (AB 939) was revolutionary legislation that changed the way California managed its trash, its landfills, and most importantly – its resources.

Not only did 939 get California to divert a mandated 50 percent of its waste, it surpassed that goal as California achieved 58 percent diversion in 2007.

But we are far from finished. While the 50 percent target remains unchanged, the passage of SB 1016 will simplify the way jurisdictions measure their waste stream and put more emphasis on successful recycling and diversion program implementation.

[Slide 1]

So how does SB 1016 affect your waste management practices? This presentation will provide a very brief overview that will answer some frequently asked questions about the legislation and will provide resources for additional information.

Source:
www.calrecycle.ca.gov/igcentral/goalmeasure/Tools/SimplePresen.pdf

1

From Diversion...

- ***Diversion Rate:***
 - Complex mathematical calculations and estimates
 - 18-24 months to determine final calculations
 - Focus on 50 percent rather than implementing effective programs

2

The calculation of a jurisdiction's diversion numbers has always played a major role in AB 939.

However, [click] it has long been described as an inefficient, overly complex process – one that takes [click] between 18 and 24 months to complete.

[click] It also improperly places focus on achieving satisfactory numbers rather than implementing successful waste reduction and recycling programs.

[next slide]

...to Disposal

- **Per Capita Disposal Rate:**
 - Simplifies: calculates disposal per person within a jurisdiction
 - Six months to determine final calculations
 - Less “bean counting” and more resources towards program implementation

3

SB 1016 **[click]** simplifies the measurement process – moving away from the complexities of diversion estimates and instead measuring per capita *disposal* - that is, disposal per person within a particular Jurisdiction.

This shift from diversion to disposal provides much more accurate measurements, **[click]** takes less time to calculate – 6 months vs. 18-24 – and allows jurisdictions **[click]** to apply resources toward building successful programs rather than crunching numbers.

[next slide]

How does this Change 50%?

- Old system: 50% or MORE *Diversion* plus program implementation equals success
- New system: 50% or LESS *Disposal* plus program implementation equals success
- Under SB 1016, lower per capita disposal equal less waste

4

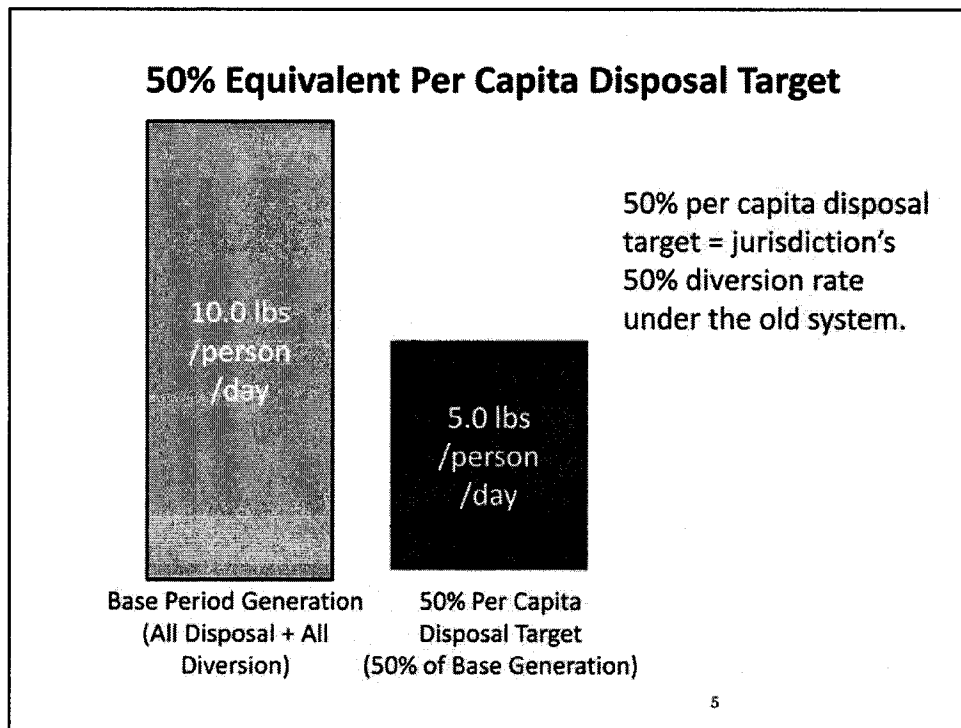
This change in measurement does change how we look at the numbers, however the intent remains the same – reducing our waste disposal.

Under the old system, **[click]** if a jurisdiction *diverted* 50 percent of its waste or MORE, and it was fully implementing its recycling and related programs, then it had met its mandate and was moving in the right direction.

Now, under SB 1016, each jurisdiction will have a disposal target that is the equivalent of 50 percent diversion, and that target will be expressed on a *per capita basis*. **[click]** If a jurisdiction *disposes* less than its 50 percent equivalent per capita disposal target AND is implementing its recycling and related programs, it has met the mandate.

You are used to thinking about a diversion rate of *over* 50 percent as being great news! **[click]** But now, you should be thinking that if your per-capita disposal rate is *less than* your target, then that means you're doing a great job with your programs and now that is great news!





Confused? Perhaps this slide will help.

[click] A jurisdiction with a base waste generation rate of 10 pounds per person per day will have a **TARGET [click]** of getting that rate to 5 pounds per person per day, or 50 percent. As you can see, under this new system, a low per capita disposal is a good thing.

In short, the lower the percentage, the less waste a jurisdiction is generating - thus the better it is doing.

Also, an important point to remember **[click]** - if your jurisdiction was at 50 percent diversion under the old system, in most cases, your jurisdiction will remain at 50 percent under the new system—it is just measured in terms of per capita disposal now.

[next slide]

Each Jurisdiction is Unique

- Differing demographics and industrial bases within jurisdictions
- Impossible to compare targets and progress to other jurisdictions

6

Remember that each jurisdiction is unique! **[click]** Each one has its own 50 percent equivalent disposal target, different demographics and industrial bases.

You may be used to comparing your diversion rate with other jurisdictions in the region, but because the per-capita disposal calculation is unique to each jurisdiction, **[click]** it is impossible to compare targets and disposal rates.

Compliance Impacts of SB 1016

- Compliance remains unchanged
- Disposal number is a factor to consider, but does NOT determine compliance
- Evaluation focused on how jurisdictions are implementing their programs
- Technical assistance for struggling programs

7

SB 1016 does not change AB 939's 50 percent requirement—it just measures it differently.

[click] A jurisdiction's compliance is also the same under the new system as it was under the old system. Under both systems, the most important aspect of compliance is program implementation. However, the new system further emphasizes the importance of program implementation.

To evaluate compliance, the Board will look at a jurisdiction's per-capita disposal rates as an indicator of how well its programs are doing to keep or reduce disposal at or below a jurisdiction's unique 50% equivalent disposal target.

[click] But the numbers are simply one of several factors – as opposed to being the primary factor – that the Board uses to determine compliance.

[click] The priority of the Board is to evaluate that a jurisdiction is continuing to implement the programs it chose and is making progress in meeting its target.

If a jurisdiction is struggling to meet its 50 percent target, **[click]** the Board will provide increased technical assistance to help determine why that may be and work with them to make any necessary program modifications.

[next slide]

SB 1016 Recap What Stakeholders Asked For!

- Simplified, accurate and timely
- Maintains 50% requirement
- Emphasis on program implementation instead of number crunching
- Increase CIWMB staff field presence to provide technical assistance

8

SB 1016 was developed - in response to recommendations from you and the CIWMB – **[click]** to create a measurement system that is less complex, more accurate, and more timely than it has been in the past.

[click]

The shift to a per capita disposal system with **[click]** continuing emphasis on successful program implementation, **[click]** as well as an increase in technical assistance to jurisdictions, is the next step to improving waste management practices in California.

It creates a clearer picture of where we stand in our waste reduction efforts - but most importantly, SB 1016 allows us to better see where improvements are needed and to address those areas.

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I'm sure you have plenty of questions regarding the finer points of SB 1016 and the Board has a number of staff available to provide any additional information and expertise you might need regarding this important piece of legislation. **[click]** Please do not hesitate to contact them if you have any questions.

[Closing]

It is my hope that you have found this brief introduction to SB 1016 useful and informative. California is a global leader in environmental protection, and it is our work here at the State and Local levels that is so vital to that success.

We at the Board thank you for your efforts thus far, and we look forward to continued success working with you

Thank you very much for your time.

Tab 13



State Agency Waste Management: Annual Report Diversion Programs to Report

In each reporting year, state agencies must select which diversion programs to report, and describe how programs are implemented. This list of materials and program activities is offered to help state agencies prepare for the annual report.

Recycling

Recycling is the practice of collecting and diverting materials from the waste stream for remanufacturing into new products, such as recycled-content paper. The programs listed reflect this practice.

The annual report will ask you to identify the materials that are collected for recycling at your facility/facilities and provide details describing your recycling activities.

- ➔ Beverage containers
- ➔ Glass Plastics (#3-7)
- ➔ Carpet
- ➔ Cardboard
- ➔ Newspaper
- ➔ Office paper (white)
- ➔ Office paper (mixed)
- ➔ Confidential shredded paper
- ➔ Copier/toner cartridges
- ➔ Scrap metal
- ➔ Wood waste
- ➔ Textiles
- ➔ Ash Sludge (sewage/industrial)
- ➔ Tires
- ➔ White goods
- ➔ Construction materials/debris
- ➔ Rendering
- ➔ Other
- ➔ None

Information About Hazardous Waste Materials:

These following materials are deemed as hazardous, and cannot be disposed in a landfill. Proper handling is required and does not count as diversion. These hazardous materials are regulated by the California Department of Toxic Substances Control. Please see the Department's website for their disposal guidelines.



①

- ➔ Universal Waste - radios, stereo equipment, printers, VCR/DVD players, calculators, cell phones, telephones, answering machines, microwave ovens, cathode ray tubes, cathode ray glass, all types of batteries, lamps (compact fluorescent lightbulbs, commercial fluorescent lights), mercury containing equipment, non-empty aerosol cans (containing propane, butane pesticides), and other common electronic devices.
- ➔ Electronic Waste - common electronic devices that are identified as hazardous waste, such as computers and Central Processing Units (CPUs), laptops, monitors and televisions, etc.
- ➔ Additional hazardous wastes should be properly managed: antifreeze, asbestos, paint, treated wood, used oil, etc.

Organics Recycling

Programs that increase diversion of organic materials from landfill disposal for beneficial uses such as compost, mulch, and energy production.

The annual report will ask you to identify the organic materials, how they are diverted by your facility/facilities, and provide details describing your organics recycling programs.

- ➔ Xeriscaping (climate appropriate landscaping)
- ➔ Grasscycling
- ➔ Green Waste - On-site composting and mulching
- ➔ Green Waste - Self-haul
- ➔ Green Waste - Commercial pickup
- ➔ Food scraps - On-site composting and mulching
- ➔ Food scraps - Self-haul
- ➔ Food scraps - Commercial pickup
- ➔ Other

Material Exchange

Programs that promote the exchange and reuse of unwanted or surplus materials. The reuse of materials/products results in the conservation of energy, raw resources, landfill space, and the reduction of green house gas emissions, purchasing costs, and disposal costs.

The annual report will ask you to identify your agency/facility's efforts to donate or exchanges materials, supplies, equipment, etc., and provide details describing your material exchange activities.

- ➔ Nonprofit/school donations
- ➔ Internal property reutilizations
- ➔ State surplus (accepted by DGS)
- ➔ Used book exchange/buy backs
- ➔ Employee supplies exchange
- ➔ Other

Waste Prevention/Re-use

Programs in this section support (a) Waste Prevention: actions or choices that reduce waste, and prevent the generation of waste in the first place; and (b) Re-use: using an object or material again, either for its original purpose or for a similar purpose, without significantly altering the physical form of the object or material.

The annual report will ask you to select the common waste prevention and reuse activities implemented at your facility/facilities, and provide details describing your waste prevention and re-use programs.

②

- ➔ Paper forms reduction - online forms
- ➔ Bulletin boards
- ➔ Remanufactured toner cartridges
- ➔ Retreaded/Recapped tires
- ➔ Washable/Reusable cups, service ware
- ➔ Reusable boxes
- ➔ Reusable pallets
- ➔ Reusable slip sheets
- ➔ Electronic document storage
- ➔ Intranet
- ➔ Reuse of office furniture, equipment & supplies
- ➔ Reuse of packing materials
- ➔ Reuse of construction/remodeling materials
- ➔ Double-sided copies
- ➔ Email vs. paper memos
- ➔ Food Donation
- ➔ Electric air hand-dryers
- ➔ Remanufactured equipment
- ➔ Rags made from waste cloth or reusable rags
- ➔ Preventative maintenance
- ➔ Used vehicle parts
- ➔ Used Tires
- ➔ Other
- ➔ None

Green Procurement

Programs that promote green purchasing practices, including the purchase of goods and materials that are made from recycled or less harmful ingredients such as, post-consumer recycled content copy paper or less toxic cleaning products. [View sample policies](#) and the [Department of General Services Buying Green website](#).

The annual report will ask you to identify how your agency is closing the recycling loop (such as buying post-consumer recycled content products), and provide details describing your procurement programs/policies and the types of green products your agency is procuring. [View SABRC Report](#)

- ➔ Recycled Content Product (RCP) procurement policy
- ➔ Environmentally Preferable Purchasing (EPP) procurement policy
- ➔ Staff procurement training regarding RCP/EPP practices
- ➔ RCP/EPP language included in procurement contracts for products and materials
- ➔ Other green procurement activities

Training and Education

Programs to reduce trash, re-use, recycle, compost, and to buy green products are more effective when employees are aware, involved and motivated. How does your agency train and educate employees, and non-employees (if applicable) regarding existing waste management and recycling programs?

The annual report will ask you to identify how your agency trains and educates employees, and non-employees (if applicable) regarding efforts to reduce waste, reuse, recycle, compost, and buy green products, and explain how you also educate your suppliers, customers, and/or your community about your efforts to reduce, reuse, recycle, compost, and buy recycled products.

- ➔ Web page (intranet or internet)
- ➔ Signage (signs, posters, including labels for recycling bins)
- ➔ Brochures, flyers, newsletters, publications, newspaper articles/ads
- ➔ Office recycling guide, fact sheets
- ➔ New employee package
- ➔ Outreach (internal/external) e.g. environmental fairs
- ➔ Seminars, workshops, special speakers
- ➔ Employee incentives, competitions/prizes
- ➔ Awards program
- ➔ Press releases
- ➔ Employee training
- ➔ Waste audits, waste evaluations/surveys
- ➔ Special recycling/reuse events
- ➔ Other

Please contact your CalRecycle local assistance representative for individual assistance.

Last updated: August 31, 2012

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>

Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199

Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

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Tab 14



LINDA S. ADAMS
SECRETARY FOR ENVIRONMENTAL
PROTECTION

CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD



ARNOLD SCHWARZENEGGER
GOVERNOR

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September 21, 2009

Paula Higashi
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95864

Re: **Development Of Revised Statewide Cost Estimate**
Request to Amend Parameters and Guidelines
Integrated Waste Management Board 05-PGA-16
Public Resources Code Sections 40148, 40196.3, 42920-42928
Public Contract Code Sections 12167 and 12167.1
Statutes 1999, Chapter 764; Statutes 1992, Chapter 1116
State Agency Model Integrated Waste Management Plan (February 2000)

Dear Ms. Higashi:

You have requested a "revised estimate of avoided disposal costs and sales of recyclable materials, based on the information reported to the CIWMB by the 45 claimant districts" for use in developing an accurate revised statewide cost estimate. Compiling this information required a significant effort on the part of a number of our staff and I wanted to express our appreciation for the additional time you have allowed us to respond.

Enclosed you will find summary spreadsheets containing information on each district to the extent it was available for the years involved with this claim. These summary sheets were built from a number of other spreadsheets detailing disposal reduction amounts for waste, and recovered materials by types, such as glass, paper, etc. I have only enclosed the summary sheets in hard copy due to the large amount of paper involved and the inability to fit much of the information on one page at a time. I will be separately e-mailing those documents to you so that your staff may review them in a more readily useable format. For those parties that are also receiving a copy of this letter, if you would like me to e-mail these additional documents to you, please send your e-mail address with a request to me at eblock@ciwmb.ca.gov.

There are several things I must note about the enclosed information. We could not provide information about the years 1999 and 2000 because plans were first coming in during that period and community colleges were not yet reporting their results. Starting in 2001, the data is based on a calendar year, not a fiscal year, as that is the way in which the information was reported to us. We have not provided 2008 data as we have not received and reviewed all of that information yet. Districts do not report their reduced disposal costs or sales of recyclable materials per se, they report their reduction in disposal and the amounts of recyclable materials they have recovered. We then took that data and used average estimated rates for disposal costs and sale of recyclable commodities for the years involved to develop monetary estimates.

Finally, you will notice that despite some significant offsets and available revenue, some community college districts still show a cost for implementation. I want to make clear that it is the CIWMB's position that these claim amounts are still inaccurate – the amounts claimed far exceed

September 21, 2009
Paula Higashi
Page 2

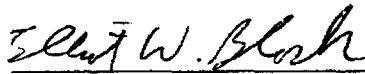
reasonable costs for the programs implemented, particularly when compared to other similar costs from other claimants. While the CIWMB understands that a more detailed level of claim review will occur at a later date, we still believe that the Commission should not include claims that are inaccurate on their face in the calculations of estimated statewide costs.

Once you have had a chance to review this information, you will see that most of the claimants have neglected to provide information to you on offsets and revenues that they reported to us as part of their annual reports. As we have previously indicated, we believe once these numbers are factored in, and other inaccuracies are corrected – the claimants will in fact be owed nothing from the state because the programs that they were required to institute saved them money, rather than costing money.

I realize there is a lot of detail in the information provided and e-mailed separately. Please feel free to let me know if you would like to meet with our staff to obtain any additional information or explanations on how this data was derived. I can be reached at 916-341-6080 if you would like to make arrangements to discuss this further. Thank you for your consideration.

I certify, under penalty of perjury, that I am an authorized representative of the California Integrated Waste Management Board and that the statements made in this document are true and correct to the best of my personal knowledge and belief.

Executed this 21st day of September, 2009 in Sacramento, California, by:



Elliot Block
Chief Counsel
California Integrated Waste Management Board

PROOF OF SERVICE

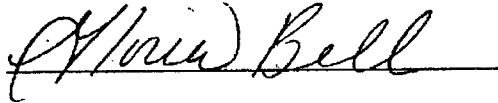
Development Of Revised Statewide Cost Estimate
Integrated Waste Management Board 05-PGA-16

I, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within-entitled cause; my business address is 1001 I Street, 23rd floor, Sacramento, California, 95814.

On September 21, 2009, I served the attached Letter With Enclosures Regarding The Development Of Revised Statewide Cost Estimate to the Commission on State Mandates and by placing a true copy thereof to the Commission and to all of those listed on the attached mailing list enclosed in a sealed envelope with postage thereon fully prepaid in the U. S. Mail at Sacramento, California, in the normal pickup location at 1001 I Street, 23rd floor, for Interagency Mail Service, addressed as follows:

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 on September 21, 2009 at Sacramento, California.

A handwritten signature in cursive script that reads "Maria Bell". The signature is written in black ink and is positioned above a horizontal line.

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5

District / College	Total claimed - (offsets + avoided disposal) for 2001	Total claimed - (offsets + avoided disposal) for 2002	Total claimed - (offsets + avoided disposal) for 2003	Total claimed - (offsets + avoided disposal) for 2004	Total claimed - (offsets + avoided disposal) for 2005	Total claimed - (offsets + avoided disposal) for 2006	Total claimed - (offsets + avoided disposal) for 2007	Grand Total For All Years
Allan Hancock CCD								
Allan Hancock College								
	\$ (13,459.07)	\$ (48,899.21)	\$ (1,185.78)	\$ (8,674.97)	\$ (24,695.78)	\$ (38.54)	\$ (37,252.08)	\$ (134,205.44)
Butte CCD								
Butte College								
	\$ (143,534.70)	\$ (43,154.69)	\$ (46,261.79)	\$ (49,695.92)	\$ (55,239.65)	\$ (62,209.06)	\$ (50,768.13)	\$ (450,863.94)
Cabrillo CCD								
Cabrillo College								
	\$ (14,118.44)	\$ (17,179.18)	\$ (22,818.54)	\$ (18,143.93)	\$ (15,381.47)	\$ (5,411.70)	\$ (25,913.23)	\$ (118,966.49)
Chabot-Las Positas CCD								
Chabot College								
Las Positas College								
	\$ 80,384.42	\$ 81,333.13	\$ 96,103.70	\$ 116,858.89	\$ 159,153.07	\$ 37,557.42	\$ 27,527.32	\$ 598,917.94
Citrus CCD								
Citrus College								
	\$ (60,776.76)	\$ (26,665.64)	\$ (24,284.47)	\$ (2,624.48)	\$ (11,795.19)	\$ (132,644.25)	\$ (83,666.70)	\$ (342,457.49)
Coast CCD								
Coastline Community College								
Golden West College								
Orange Coast College								
	\$ (86,379.58)	\$ (30,046.73)	\$ 149.92	\$ (29,469.60)	\$ 21,164.81	\$ (49,415.73)	\$ (148,200.90)	\$ (322,197.80)
Sequoias CCD								
College of the Sequoias								
	\$ (10,834.92)	\$ (10,310.03)	\$ (20,686.69)	\$ (22,958.41)	\$ (28,017.19)	\$ (33,123.41)	\$ (42,730.48)	\$ (168,661.12)
Contra Costa CCD								

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District / College	Total claimed - (offsets + avoided disposal) for 2001	Total claimed - (offsets + avoided disposal) for 2002	Total claimed - (offsets + avoided disposal) for 2003	Total claimed - (offsets + avoided disposal) for 2004	Total claimed - (offsets + avoided disposal) for 2005	Total claimed - (offsets + avoided disposal) for 2006	Total claimed - (offsets + avoided disposal) for 2007	Grand Total For All Years
Contra Costa College								
Diablo Valley College								
Los Medanos College								
	\$ (9,721.43)	\$ (17,093.76)	\$ (21,268.27)	\$ (34,617.79)	\$ (38,088.70)	\$ (44,388.20)	\$ (93,161.02)	\$ (258,339.18)
El Camino CCD								
El Camino College								
Compton Community Educational Center								
	\$ 31,005.91	\$ 14,677.70	\$ 3,983.50	\$ 13,877.75	\$ (46,510.53)	\$ 8,980.07	\$ (8,815.19)	\$ 17,199.21
Foothill-DeAnza CCD								
DeAnza College								
Foothill College								
	\$ (76,543.42)	\$ (314,355.47)	\$ (108,315.26)	\$ (110,536.86)	\$ (236,092.97)	\$ (181,090.89)	\$ (153,776.91)	\$ (1,180,711.77)
Gavilan Joint CCD								
Gavilan College								
	\$ 63,323.67	\$ 62,091.56	\$ 36,358.77	\$ 45,610.46	\$ 43,765.48	\$ (408,713.79)	\$ 38,836.07	\$ (118,727.79)
Glendale CCD								
Glendale Community College								
	\$ (34,513.22)	\$ 18,688.38	\$ 72,574.80	\$ 46,948.46	\$ 56,408.12	\$ 54,814.00	\$ 80,453.34	\$ 295,373.88
Grossmont-Cuyamaca CCD								
Cuyamaca College								
Grossmont College								
	\$ (137,664.73)	\$ 39,437.16	\$ 39,263.89	\$ (115,710.42)	\$ (721,030.27)	\$ 116,609.81	\$ (597.11)	\$ (779,691.67)
Hartnell CCD								
Hartnell Community College								
	\$ 30,209.01	\$ 43,437.20	\$ 18,598.88	\$ (12,568.36)	\$ 5,597.45	\$ (20,014.70)	\$ (84,752.35)	\$ (19,492.87)



District / College	Total claimed - (offsets + avoided disposal) for 2001	Total claimed - (offsets + avoided disposal) for 2002	Total claimed - (offsets + avoided disposal) for 2003	Total claimed - (offsets + avoided disposal) for 2004	Total claimed - (offsets + avoided disposal) for 2005	Total claimed - (offsets + avoided disposal) for 2006	Total claimed - (offsets + avoided disposal) for 2007	Grand Total For All Years
Lassen CCD								
Lassen College								
	\$ (10,880.06)	\$ (15,900.70)	\$ (9,691.47)	\$ (15,708.67)	\$ (13,755.67)	\$ (18,911.66)	\$ (23,146.91)	\$ (107,995.14)
Long Beach CCD								
Long Beach City College								
	\$ 11,682.69	\$ 16,676.15	\$ 12,275.70	\$ (101,090.71)	\$ 10,735.82	\$ (16,139.13)	\$ (10,663.06)	\$ (76,522.54)
Los Rios CCD								
American River College								
Cosumnes River College								
Folsom Lake College								
Sacramento City College								
	\$ (32,892.88)	\$ (93,854.42)	\$ (66,912.90)	\$ (96,455.32)	\$ (1,231,937.81)	\$ (19,344.10)	\$ (37,187.40)	\$ (1,578,584.82)
Marin CCD								
College of Marin								
	\$ (13,631.22)	\$ (10,468.62)	\$ (1,086.09)	\$ 8,419.85	\$ 9,879.65	\$ 4,744.82	\$ (19,837.14)	\$ (21,978.75)
Merced CCD								
Merced College								
	\$ (208,871.37)	\$ 12,812.47	\$ 15,089.74	\$ 6,851.73	\$ 4,494.98	\$ 35,310.27	\$ 34,030.21	\$ (100,281.96)
MiraCosta CCD								
MiraCosta College								
	\$ (7,547.86)	\$ (10,795.92)	\$ (38,401.45)	\$ (16,505.89)	\$ (55,895.14)	\$ (77,153.72)	\$ (41,286.71)	\$ (247,586.68)
Monterey CCD								
Monterey Peninsula College								
	\$ (12,928.87)	\$ (18,782.43)	\$ (20,194.80)	\$ (28,059.36)	\$ (25,043.13)	\$ (29,633.94)	\$ (18,153.85)	\$ (152,796.37)

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District / College	Total claimed - (offsets + avoided disposal) for 2001	Total claimed - (offsets + avoided disposal) for 2002	Total claimed - (offsets + avoided disposal) for 2003	Total claimed - (offsets + avoided disposal) for 2004	Total claimed - (offsets + avoided disposal) for 2005	Total claimed - (offsets + avoided disposal) for 2006	Total claimed - (offsets + avoided disposal) for 2007	Grand Total For All Years
Mt. San Antonio CCD								
Mt. San Antonio College	\$ 3,452.14	\$ (22,145.81)	\$ 5,517.39	\$ (8,624.39)	\$ 23,867.20	\$ 38,421.14	\$ 34,257.98	\$ 74,745.65
North Orange Cty CCD								
Cypress College								
Fullerton College	\$ (3,105.41)	\$ (80,224.30)	\$ (129,370.31)	\$ (134,735.18)	\$ (193,425.60)	\$ (249,952.05)	\$ (34,409.44)	\$ (825,222.29)
Palo Verde CCD								
Palo Verde College	\$ 71,930.00	\$ 58,605.46	\$ 56,129.09	\$ 59,374.79	\$ 65,689.95	\$ 63,553.71	\$ 26,730.81	\$ 402,013.80
Palomar CCD								
Palomar College	\$ 65,958.21	\$ 72,504.57	\$ 101,216.85	\$ 58,994.82	\$ 40,096.59	\$ 40,897.25	\$ 65,760.78	\$ 445,429.07
Pasadena CCD								
Pasadena City College	\$ 164,564.73	\$ 238,657.67	\$ 256,456.32	\$ 235,830.32	\$ 245,767.58	\$ 14,930.51	\$ 270,023.24	\$ 1,426,230.37
Rancho Santiago CCD								
Santa Ana College	\$ 58,373.70	\$ 49,973.24	\$ 54,125.17	\$ 115,919.38	\$ 67,374.86	\$ 141,308.96	\$ 60,312.53	\$ 547,387.84
Santiago Canyon College								
Redwoods CCD								
College of the Redwoods	\$ (2,801.78)	\$ 31,802.33	\$ 33,184.43	\$ 33,788.47	\$ 31,796.19	\$ 6,146.67	\$ (79,700.05)	\$ 54,216.27
San Bernardino CCD								
Crafton Hills College								

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District / College	Total claimed - (offsets + avoided disposal) for 2001	Total claimed - (offsets + avoided disposal) for 2002	Total claimed - (offsets + avoided disposal) for 2003	Total claimed - (offsets + avoided disposal) for 2004	Total claimed - (offsets + avoided disposal) for 2005	Total claimed - (offsets + avoided disposal) for 2006	Total claimed - (offsets + avoided disposal) for 2007	Grand Total For All Years
San Bernardino Valley College	\$ (3,452.57)	\$ (10,621.38)	\$ (28,228.29)	\$ (19,861.75)	\$ (239,409.28)	\$ (322,864.10)	\$ (995,388.02)	\$ (1,619,825.40)
San Joaquin Delta CCD								
San Joaquin Delta College	\$ (22,828.64)	\$ (16,462.40)	\$ (28,689.47)	\$ (38,053.60)	\$ (42,871.30)	\$ (38,021.93)	\$ 19,183.93	\$ (167,743.42)
San Jose CCD								
Evergreen Valley College								
San Jose City College	\$ (10,767.02)	\$ 191,233.96	\$ 238,555.16	\$ 256,890.84	\$ 286,824.48	\$ 192,184.29	\$ 374,162.79	\$ 1,529,084.50
San Luis Obispo CCD								
Cuesta College	\$ (23,187.77)	\$ (17,819.63)	\$ (19,530.76)	\$ (18,509.76)	\$ (20,925.33)	\$ 37,492.56	\$ 38,224.33	\$ (24,256.35)
San Mateo Co CCD								
College of San Mateo								
Skyline College	\$ (29,194.91)	\$ (9,486.68)	\$ (11,855.60)	\$ (128,527.81)	\$ (4,882.60)	\$ (97,026.52)	\$ (89,080.30)	\$ (370,054.41)
Santa Clarita CCD								
College of the Canyons	\$ (10,541.53)	\$ (14,971.73)	\$ (23,555.53)	\$ (27,139.81)	\$ (31,272.84)	\$ (40,175.65)	\$ (52,109.34)	\$ (199,766.43)
Santa Monica CCD								
Santa Monica College	\$ (970,517.06)	\$ (24,520.06)	\$ (128,695.11)	\$ (270,723.06)	\$ (205,658.62)	\$ (400,814.98)	\$ (185,388.10)	\$ (2,186,316.99)
Shasta Tehama CCD								
Shasta College	\$ (8,132.25)	\$ (21,651.17)	\$ (15,267.68)	\$ (66,984.34)	\$ (25,203.34)	\$ (8,982.40)	\$ (17,649.48)	\$ (163,870.65)

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District / College	Total claimed - (offsets + avoided disposal) for 2001	Total claimed - (offsets + avoided disposal) for 2002	Total claimed - (offsets + avoided disposal) for 2003	Total claimed - (offsets + avoided disposal) for 2004	Total claimed - (offsets + avoided disposal) for 2005	Total claimed - (offsets + avoided disposal) for 2006	Total claimed - (offsets + avoided disposal) for 2007	Grand Total For All Years
Sierra Joint CCD								
Sierra College	\$ 15,932.10	\$ 19,408.44	\$ 3,580.84	\$ (8,663.27)	\$ (11,695.66)	\$ (10,453.94)	\$ (11,149.13)	\$ (3,040.62)
Siskiyou CCD								
College of the Siskiyous	\$ 7,292.15	\$ (4,206.06)	\$ 20,877.40	\$ 4,816.74	\$ 12,846.77	\$ (17,859.70)	\$ (18,158.82)	\$ 5,608.47
Solano Co CCD								
Solano Community College	\$ (5,346.21)	\$ (122,573.58)	\$ (13,171.70)	\$ (18,882.42)	\$ (15,244.51)	\$ (40,396.03)	\$ (28,572.29)	\$ (244,186.73)
State Center CCD								
Fresno City College								
Reedley College	\$ (3,269.73)	\$ (1,709.91)	\$ (2,020.77)	\$ (14,798.60)	\$ (14,351.89)	\$ (8,247.29)	\$ (21,339.27)	\$ (65,737.47)
Victor Valley CCD								
Victor Valley College	\$ 36,238.51	\$ 53,336.44	\$ 56,722.89	\$ 53,200.88	\$ 55,662.05	\$ 17,841.05	\$ 10,432.65	\$ 283,434.46
West Kern CCD								
Taft College	\$ 3,941.58	\$ 8,389.09	\$ 7,629.30	\$ 5,452.23	\$ 8,117.72	\$ 10,136.37	\$ (10,150.87)	\$ 33,515.41
West Valley-Mission CCD								
Mission College	\$ (12,760.67)	\$ (5,787.41)	\$ (12,321.50)	\$ (15,665.07)	\$ (16,507.43)	\$ (7,764.51)	\$ (27,755.78)	\$ (98,562.37)
Yosemite CCD								
West Valley College								

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District / College	Total claimed - (offsets + avoided disposal) for 2001	Total claimed - (offsets + avoided disposal) for 2002	Total claimed - (offsets + avoided disposal) for 2003	Total claimed - (offsets + avoided disposal) for 2004	Total claimed - (offsets + avoided disposal) for 2005	Total claimed - (offsets + avoided disposal) for 2006	Total claimed - (offsets + avoided disposal) for 2007	Grand Total For All Years
	\$ (105,973.59)	\$ (91,365.78)	\$ (106,050.59)	\$ (96,710.98)	\$ (39,130.58)	\$ (123,975.15)	\$ (117,158.48)	\$ (680,365.15)
Yuba CCD								
Yuba College	\$ (12,880.59)	\$ (21,586.25)	\$ (21,248.02)	\$ (41,669.46)	\$ (182,486.12)	\$ (56,694.98)	\$ (26,149.84)	\$ (362,715.27)
GRAND TOTAL	\$ (1,454,769.47)	\$ (109,573.99)	\$ 207,280.89	\$ (509,534.59)	\$ (2,397,305.81)	\$ (1,700,533.15)	\$ (1,514,132.40)	\$ (7,478,568.53)

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District / College	Avoided Cost 2001	Avoided Cost 2002	Avoided Cost 2003	Avoided Cost 2004	Avoided Cost 2005	Avoided Cost 2006	Avoided Cost 2007	Grand Total For All Years
Landfill cost per ton	\$ 36.39	\$ 36.17	\$ 36.83	\$ 38.42	\$ 39.00	\$ 46.00	\$ 49.00	
Allan Hancock CCD	\$ 12,898.44	\$ 58,686.19	\$ 15,678.90	\$ 19,224.60	\$ 34,251.75	\$ 23,809.60	\$ 46,574.99	
Allan Hancock College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 12,898.44	\$ 58,686.19	\$ 15,678.90	\$ 19,224.60	\$ 34,251.75	\$ 23,809.60	\$ 46,574.99	\$ 211,124.46
Butte CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Butte College	\$ 140,510.89	\$ 39,841.26	\$ 40,434.55	\$ 42,795.27	\$ 43,669.47	\$ 50,620.70	\$ 53,343.85	
	\$ 140,510.89	\$ 39,841.26	\$ 40,434.55	\$ 42,795.27	\$ 43,669.47	\$ 50,620.70	\$ 53,343.85	\$ 411,215.98
Cabrillo CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cabrillo College	\$ 7,433.75	\$ 8,477.52	\$ 15,803.75	\$ 9,953.09	\$ 9,086.22	\$ 11,676.64	\$ 12,300.96	
	\$ 7,433.75	\$ 8,477.52	\$ 15,803.75	\$ 9,953.09	\$ 9,086.22	\$ 11,676.64	\$ 12,300.96	\$ 74,731.93
Chabot-Las Positas CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Chabot College	\$ 15,935.18	\$ 15,412.04	\$ 16,278.86	\$ 16,336.18	\$ 14,594.19	\$ 24,228.20	\$ 56,415.17	
Las Positas College	\$ 4,570.58	\$ 4,864.87	\$ 6,062.22	\$ 7,380.48	\$ 5,100.42	\$ 18,082.60	\$ 7,608.97	
	\$ 20,505.77	\$ 20,276.90	\$ 22,341.08	\$ 23,716.67	\$ 19,694.61	\$ 42,310.80	\$ 64,024.14	\$ 212,869.96
Citrus CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Citrus College	\$ 77,880.02	\$ 43,047.73	\$ 38,148.88	\$ 17,523.78	\$ 23,800.18	\$ 175,911.77	\$ 150,622.33	
	\$ 77,880.02	\$ 43,047.73	\$ 38,148.88	\$ 17,523.78	\$ 23,800.18	\$ 175,911.77	\$ 150,622.33	\$ 526,934.69
Coast CCD	\$ 3,042.20	\$ 3,616.64	\$ 3,347.11	\$ 5,758.77	\$ 7,845.36	\$ 5,196.71	\$ 6,346.58	
Coastline Community College	\$ 3,640.46	\$ 3,657.04	\$ 5,851.55	\$ 5,185.05	\$ 8,134.50	\$ 13,262.49	\$ 6,673.21	
Golden West College	\$ 16,646.02	\$ 17,077.38	\$ 21,101.90	\$ 40,968.67	\$ 28,081.95	\$ 84,803.21	\$ 34,882.86	
Orange Coast College	\$ 54,714.91	\$ 27,944.44	\$ 41,899.10	\$ 54,368.14	\$ 46,801.17	\$ 77,922.16	\$ 187,207.44	
	\$ 78,043.60	\$ 52,295.49	\$ 72,199.65	\$ 106,280.63	\$ 90,862.98	\$ 181,184.57	\$ 235,110.09	\$ 815,977.01
Sequoias CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
College of the Sequoias	\$ 11,390.07	\$ 12,326.74	\$ 12,503.79	\$ 12,774.65	\$ 16,048.50	\$ 18,763.40	\$ 19,835.20	
	\$ 11,390.07	\$ 12,326.74	\$ 12,503.79	\$ 12,774.65	\$ 16,048.50	\$ 18,763.40	\$ 19,835.20	\$ 103,642.34
Contra Costa CCD	\$ 462.15	\$ 453.93	\$ 750.96	\$ 593.59	\$ 649.35	\$ 616.40	\$ 618.63	
Contra Costa College	\$ 2,216.15	\$ 3,121.47	\$ 3,319.86	\$ 5,755.32	\$ 5,495.10	\$ 6,517.74	\$ 21,320.39	
Diablo Valley College	\$ 4,779.10	\$ 6,584.75	\$ 7,775.55	\$ 9,545.45	\$ 8,788.65	\$ 8,864.20	\$ 34,707.68	

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District / College	Avoided Cost 2001	Avoided Cost 2002	Avoided Cost 2003	Avoided Cost 2004	Avoided Cost 2005	Avoided Cost 2006	Avoided Cost 2007	Grand Total For All Years
Landfill cost per ton	\$ 36.39	\$ 36.17	\$ 36.83	\$ 38.42	\$ 39.00	\$ 46.00	\$ 49.00	
Los Medanos College	\$ 2,241.62	\$ 3,023.81	\$ 3,577.11	\$ 6,045.39	\$ 5,967.00	\$ 5,416.50	\$ 23,793.91	
	\$ 9,699.03	\$ 13,183.97	\$ 15,423.48	\$ 21,939.74	\$ 20,900.10	\$ 21,414.84	\$ 80,440.61	\$ 183,001.76
El Camino CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
El Camino College	\$ 9,026.18	\$ 14,298.00	\$ 68,860.68	\$ 30,109.75	\$ 81,400.41	\$ 45,523.90	\$ 58,023.60	
Compton Community Educational Center	\$ -	\$ 12,205.93	\$ 18,442.99	\$ -	\$ 5,296.20	\$ 6,459.92	\$ 4,975.95	
	\$ 9,026.18	\$ 26,503.93	\$ 87,303.67	\$ 30,109.75	\$ 86,696.61	\$ 51,983.82	\$ 62,999.55	\$ 354,623.51
Foothill-DeAnza CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
DeAnza College	\$ 32,354.35	\$ 53,028.84	\$ 60,438.03	\$ 54,560.24	\$ 29,246.10	\$ 46,469.20	\$ 34,848.80	
Foothill College	\$ 29,888.93	\$ 239,980.72	\$ 21,240.23	\$ 25,622.30	\$ 177,391.50	\$ 96,991.00	\$ 48,637.40	
	\$ 62,243.28	\$ 293,009.55	\$ 81,678.26	\$ 80,182.54	\$ 206,637.60	\$ 143,460.20	\$ 83,486.20	\$ 950,697.63
Gavilan Joint CCD	\$ 4,395.91	\$ 962.12	\$ 22,934.04	\$ 9,977.67	\$ 13,724.10	\$ 462,088.40	\$ 12,725.30	
Gavilan College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 4,395.91	\$ 962.12	\$ 22,934.04	\$ 9,977.67	\$ 13,724.10	\$ 462,088.40	\$ 12,725.30	\$ 526,807.55
Glendale CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Glendale Community College	\$ 67,633.54	\$ 24,092.11	\$ 20,052.83	\$ 18,820.04	\$ 19,254.69	\$ 20,434.58	\$ 24,842.51	
	\$ 67,633.54	\$ 24,092.11	\$ 20,052.83	\$ 18,820.04	\$ 19,254.69	\$ 20,434.58	\$ 24,842.51	\$ 195,130.30
Grossmont-Cuyamaca CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cuyamaca College	\$ 8,082.58	\$ 9,992.69	\$ 9,189.82	\$ 44,981.75	\$ 51,054.08	\$ 14,811.08	\$ 15,052.31	
Grossmont College	\$ 179,799.35	\$ 14,593.87	\$ 16,097.29	\$ 138,480.66	\$ 770,299.14	\$ 18,147.46	\$ 69,446.72	
	\$ 187,881.93	\$ 24,586.56	\$ 25,287.11	\$ 183,462.42	\$ 821,353.22	\$ 32,958.54	\$ 84,499.03	\$ 1,360,028.81
Hartnell CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Hartnell Community College	\$ 9,850.77	\$ 11,350.51	\$ 11,983.01	\$ 30,470.90	\$ 13,861.77	\$ 15,832.28	\$ 81,052.86	
	\$ 9,850.77	\$ 11,350.51	\$ 11,983.01	\$ 30,470.90	\$ 13,861.77	\$ 15,832.28	\$ 81,052.86	\$ 174,402.10
Lassen CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Lassen College	\$ 12,649.89	\$ 13,968.85	\$ 9,951.47	\$ 13,079.32	\$ 11,591.97	\$ 14,887.90	\$ 14,577.99	
	\$ 12,649.89	\$ 13,968.85	\$ 9,951.47	\$ 13,079.32	\$ 11,591.97	\$ 14,887.90	\$ 14,577.99	\$ 90,707.39



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District / College	Avoided Cost 2001	Avoided Cost 2002	Avoided Cost 2003	Avoided Cost 2004	Avoided Cost 2005	Avoided Cost 2006	Avoided Cost 2007	Grand Total For All Years
Landfill cost per ton	\$ 36.39	\$ 36.17	\$ 36.83	\$ 38.42	\$ 39.00	\$ 46.00	\$ 49.00	
Long Beach CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Long Beach City College	\$ 8,442.48	\$ 11,914.40	\$ 12,142.85	\$ 190,270.06	\$ 15,359.76	\$ 28,050.80	\$ 17,461.64	
	\$ 8,442.48	\$ 11,914.40	\$ 12,142.85	\$ 190,270.06	\$ 15,359.76	\$ 28,050.80	\$ 17,461.64	\$ 283,641.98
Los Rios CCD	\$ 1,676.12	\$ 2,536.78	\$ 2,386.47	\$ 2,548.01	\$ 3,563.43	\$ 3,013.55	\$ 3,358.80	
American River College	\$ 10,192.11	\$ 16,360.41	\$ 20,682.99	\$ 24,871.96	\$ 24,963.51	\$ 29,823.64	\$ 32,529.14	
Cosumnes River College	\$ 4,919.93	\$ 39,787.40	\$ 7,275.55	\$ 7,805.60	\$ 79,703.52	\$ 31,698.60	\$ 21,073.43	
Folsom Lake College	\$ -	\$ -	\$ -	\$ -	\$ 1,107,929.20	\$ 3,039.68	\$ 3,390.95	
Sacramento City College	\$ 2,867.17	\$ 11,460.46	\$ 10,382.75	\$ 12,514.55	\$ 13,676.52	\$ 15,381.94	\$ 16,503.20	
	\$ 19,655.33	\$ 70,145.06	\$ 40,727.76	\$ 47,740.12	\$ 1,229,836.18	\$ 82,957.41	\$ 76,855.52	\$ 1,567,917.37
Marin CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
College of Marin	\$ 6,328.95	\$ 8,319.10	\$ 6,279.15	\$ 6,689.31	\$ 6,134.31	\$ 8,623.62	\$ 7,396.06	
	\$ 6,328.95	\$ 8,319.10	\$ 6,279.15	\$ 6,689.31	\$ 6,134.31	\$ 8,623.62	\$ 7,396.06	\$ 49,770.49
Merced CCD	\$ 96,369.45	\$ 479.61	\$ -	\$ -	\$ -	\$ -	\$ -	
Merced College	\$ 93,531.03	\$ 20,609.67	\$ 23,141.03	\$ 36,825.19	\$ 45,099.21	\$ 43,589.60	\$ 46,244.24	
	\$ 189,900.49	\$ 21,089.28	\$ 23,141.03	\$ 36,825.19	\$ 45,099.21	\$ 43,589.60	\$ 46,244.24	\$ 405,889.03
MiraCosta CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
MiraCosta College	\$ 4,475.97	\$ 7,197.83	\$ 30,858.02	\$ 15,185.89	\$ 53,120.26	\$ 71,094.70	\$ 53,322.63	
	\$ 4,475.97	\$ 7,197.83	\$ 30,858.02	\$ 15,185.89	\$ 53,120.26	\$ 71,094.70	\$ 53,322.63	\$ 235,255.30
Monterey CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Monterey Peninsula College	\$ 4,995.62	\$ 7,797.53	\$ 7,418.67	\$ 13,562.26	\$ 10,310.43	\$ 11,389.60	\$ 12,558.70	
	\$ 4,995.62	\$ 7,797.53	\$ 7,418.67	\$ 13,562.26	\$ 10,310.43	\$ 11,389.60	\$ 12,558.70	\$ 68,032.80
Mt. San Antonio CCD	\$ 14,546.17	\$ 18,580.17	\$ 19,429.67	\$ 29,518.85	\$ 27,925.56	\$ 37,847.42	\$ 38,030.37	
Mt. San Antonio College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 14,546.17	\$ 18,580.17	\$ 19,429.67	\$ 29,518.85	\$ 27,925.56	\$ 37,847.42	\$ 38,030.37	\$ 185,878.21
North Orange Cty CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cypress College	\$ 1,146.29	\$ 13,146.71	\$ 15,485.91	\$ 25,016.80	\$ 43,624.62	\$ 28,653.40	\$ 33,754.63	

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District / College	Avoided Cost 2001	Avoided Cost 2002	Avoided Cost 2003	Avoided Cost 2004	Avoided Cost 2005	Avoided Cost 2006	Avoided Cost 2007	Grand Total For All Years
Landfill cost per ton	\$ 36.39	\$ 36.17	\$ 36.83	\$ 38.42	\$ 39.00	\$ 46.00	\$ 49.00	
Fullerton College	\$ 280.57	\$ 17,914.75	\$ 55,345.66	\$ 56,346.89	\$ 58,599.18	\$ 191,717.10	\$ 2,914.32	
	\$ 1,426.85	\$ 31,061.46	\$ 70,831.57	\$ 81,363.69	\$ 102,223.80	\$ 220,370.50	\$ 36,668.95	\$ 543,946.81
Palo Verde CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Palo Verde College	\$ -	\$ 2,188.29	\$ 2,265.05	\$ 1,085.37	\$ 6,405.75	\$ 5,014.00	\$ 6,529.25	
	\$ -	\$ 2,188.29	\$ 2,265.05	\$ 1,085.37	\$ 6,405.75	\$ 5,014.00	\$ 6,529.25	\$ 23,487.70
Palomar CCD	\$ 10,892.07	\$ 19,027.73	\$ 12,101.97	\$ 27,658.37	\$ 60,461.47	\$ 26,242.26	\$ 30,766.86	
Palomar College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 10,892.07	\$ 19,027.73	\$ 12,101.97	\$ 27,658.37	\$ 60,461.47	\$ 26,242.26	\$ 30,766.86	\$ 187,150.73
Pasadena CCD	\$ 5,775.09	\$ 8,005.51	\$ 13,507.40	\$ 28,267.13	\$ 29,476.67	\$ 206,035.01	\$ 23,677.93	
Pasadena City College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 5,775.09	\$ 8,005.51	\$ 13,507.40	\$ 28,267.13	\$ 29,476.67	\$ 206,035.01	\$ 23,677.93	\$ 314,744.74
Rancho Santiago CCD	\$ 1,893.19	\$ 2,300.05	\$ 2,145.35	\$ 3,369.82	\$ 1,857.57	\$ 1,426.00	\$ 1,567.36	
Santa Ana College	\$ 1,183.04	\$ 14,755.19	\$ 12,746.86	\$ 22,414.19	\$ 28,720.81	\$ 28,541.62	\$ 31,082.66	
	\$ 3,076.23	\$ 17,055.24	\$ 14,892.21	\$ 25,784.01	\$ 30,578.38	\$ 29,967.62	\$ 32,650.02	\$ 154,003.71
Santiago Canyon College								
Redwoods CCD	\$ 786.02	\$ 1,150.21	\$ 2,781.25	\$ 4,308.80	\$ 4,621.11	\$ 7,326.42	\$ 14,085.05	
College of the Redwoods	\$ 42,561.02	\$ 13,087.03	\$ 10,123.50	\$ 10,595.20	\$ 8,517.17	\$ 9,900.12	\$ 20,711.81	
	\$ 43,347.04	\$ 14,237.24	\$ 12,904.75	\$ 14,904.00	\$ 13,138.28	\$ 17,226.54	\$ 34,796.86	\$ 150,554.71
San Bernardino CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Crafton Hills College	\$ 22,434.44	\$ 23,394.76	\$ 24,270.97	\$ 25,464.78	\$ 25,454.91	\$ 18,739.02	\$ 29,902.25	
San Bernardino Valley College	\$ 13,908.26	\$ 19,076.06	\$ 35,538.74	\$ 18,776.62	\$ 241,390.11	\$ 344,128.30	\$ 990,051.37	
	\$ 36,342.69	\$ 42,470.81	\$ 59,809.71	\$ 44,241.40	\$ 266,845.02	\$ 362,867.32	\$ 1,019,953.62	\$ 1,832,530.58
San Joaquin Delta CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
San Joaquin Delta College	\$ 16,534.09	\$ 11,376.15	\$ 21,616.78	\$ 24,257.00	\$ 32,345.00	\$ 28,926.36	\$ 33,623.31	
	\$ 16,534.09	\$ 11,376.15	\$ 21,616.78	\$ 24,257.00	\$ 32,345.00	\$ 28,926.36	\$ 33,623.31	\$ 168,678.70
San Jose CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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District / College	Avoided Cost 2001	Avoided Cost 2002	Avoided Cost 2003	Avoided Cost 2004	Avoided Cost 2005	Avoided Cost 2006	Avoided Cost 2007	Grand Total For All Years
Landfill cost per ton	\$ 36.39	\$ 36.17	\$ 36.83	\$ 38.42	\$ 39.00	\$ 46.00	\$ 49.00	
Evergreen Valley College	\$ 9,446.84	\$ 31,721.81	\$ 28,128.99	\$ 29,191.29	\$ 34,148.36	\$ 34,656.08	\$ 30,805.86	
San Jose City College	\$ 10,041.82	\$ 16,153.16	\$ 8,399.93	\$ 19,877.85	\$ 10,347.64	\$ 166,758.97	\$ 16,725.42	
	\$ 19,488.66	\$ 47,874.97	\$ 36,528.91	\$ 49,069.14	\$ 44,496.00	\$ 201,415.05	\$ 47,531.27	\$ 446,404.01
San Luis Obispo CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cuesta College	\$ 14,154.84	\$ 13,404.96	\$ 16,676.26	\$ 13,242.22	\$ 14,828.00	\$ 17,394.90	\$ 23,889.46	
	\$ 14,154.84	\$ 13,404.96	\$ 16,676.26	\$ 13,242.22	\$ 14,828.00	\$ 17,394.90	\$ 23,889.46	\$ 113,590.63
San Mateo Co CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
College of San Mateo	\$ 6,096.78	\$ 17,866.89	\$ 21,602.38	\$ 139,365.09	\$ 19,560.84	\$ 29,220.67	\$ 22,601.25	
Skyline College	\$ 13,068.09	\$ 10,780.47	\$ 10,726.37	\$ 12,508.13	\$ 12,074.40	\$ 57,144.47	\$ 49,543.02	
	\$ 19,164.87	\$ 28,647.36	\$ 32,328.75	\$ 151,873.22	\$ 31,635.24	\$ 86,365.14	\$ 72,144.27	\$ 422,158.85
Santa Clarita CCD	\$ 10,471.22	\$ 11,556.32	\$ 16,774.22	\$ 17,932.54	\$ 19,513.65	\$ 25,042.40	\$ 29,694.00	
College of the Canyons	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 10,471.22	\$ 11,556.32	\$ 16,774.22	\$ 17,932.54	\$ 19,513.65	\$ 25,042.40	\$ 29,694.00	\$ 130,984.35
Santa Monica CCD	\$ 994,431.35	\$ 97,145.39	\$ 217,496.99	\$ 346,715.14	\$ 290,473.17	\$ 488,949.64	\$ 327,850.18	
Santa Monica College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 994,431.35	\$ 97,145.39	\$ 217,496.99	\$ 346,715.14	\$ 290,473.17	\$ 488,949.64	\$ 327,850.18	\$ 2,763,061.86
Shasta Tehama CCD	\$ 5,074.95	\$ 17,259.96	\$ 7,966.70	\$ 57,606.60	\$ 15,253.68	\$ 19,997.86	\$ 18,083.25	
Shasta College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 5,074.95	\$ 17,259.96	\$ 7,966.70	\$ 57,606.60	\$ 15,253.68	\$ 19,997.86	\$ 18,083.25	\$ 141,243.00
Sierra Joint CCD	\$ 7,441.76	\$ 10,422.39	\$ 14,958.87	\$ 20,504.75	\$ 21,989.37	\$ 26,471.16	\$ 28,738.50	
Sierra College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 7,441.76	\$ 10,422.39	\$ 14,958.87	\$ 20,504.75	\$ 21,989.37	\$ 26,471.16	\$ 28,738.50	\$ 130,526.80
Siskiyou CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
College of the Siskiyou	\$ 7,202.67	\$ 17,743.56	\$ 5,516.40	\$ 17,513.37	\$ 15,415.53	\$ 16,526.42	\$ 16,452.24	
	\$ 7,202.67	\$ 17,743.56	\$ 5,516.40	\$ 17,513.37	\$ 15,415.53	\$ 16,526.42	\$ 16,452.24	\$ 96,370.19
Solano Co CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	



District / College	Avoided Cost 2001	Avoided Cost 2002	Avoided Cost 2003	Avoided Cost 2004	Avoided Cost 2005	Avoided Cost 2006	Avoided Cost 2007	Grand Total For All Years
Landfill cost per ton	\$ 36.39	\$ 36.17	\$ 36.83	\$ 38.42	\$ 39.00	\$ 46.00	\$ 49.00	
Solano Community College	\$ 27,769.21	\$ 149,566.57	\$ 30,519.92	\$ 35,637.85	\$ 32,687.30	\$ 35,202.42	\$ 38,327.75	
	\$ 27,769.21	\$ 149,566.57	\$ 30,519.92	\$ 35,637.85	\$ 32,687.30	\$ 35,202.42	\$ 38,327.75	\$ 349,711.02
State Center CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fresno City College	\$ 14,495.59	\$ 11,320.12	\$ 12,458.48	\$ 14,579.24	\$ 14,660.49	\$ 17,456.54	\$ 16,964.78	
Reedley College	\$ 13,227.77	\$ 14,757.36	\$ 14,818.92	\$ 24,158.88	\$ 25,174.50	\$ 29,237.60	\$ 28,748.30	
	\$ 27,723.36	\$ 26,077.48	\$ 27,277.40	\$ 38,738.12	\$ 39,834.99	\$ 46,694.14	\$ 45,713.08	\$ 252,058.57
Victor Valley CCD	\$ 13,133.51	\$ 12,673.06	\$ 13,159.36	\$ 23,109.63	\$ 19,132.62	\$ 80,315.54	\$ 21,930.15	
Victor Valley College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 13,133.51	\$ 12,673.06	\$ 13,159.36	\$ 23,109.63	\$ 19,132.62	\$ 80,315.54	\$ 21,930.15	\$ 183,453.87
West Kern CCD	\$ 2,893.01	\$ 3,012.96	\$ 3,237.36	\$ 3,638.37	\$ 3,613.35	\$ 14,408.58	\$ 9,604.00	
Taft College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 2,893.01	\$ 3,012.96	\$ 3,237.36	\$ 3,638.37	\$ 3,613.35	\$ 14,408.58	\$ 9,604.00	\$ 40,407.63
West Valley-Mission CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Mission College	\$ 10,653.17	\$ 7,476.34	\$ 15,092.57	\$ 16,286.24	\$ 15,892.50	\$ 17,504.38	\$ 19,429.48	
	\$ 10,653.17	\$ 7,476.34	\$ 15,092.57	\$ 16,286.24	\$ 15,892.50	\$ 17,504.38	\$ 19,429.48	\$ 102,334.68
Yosemite CCD	\$ 68,733.80	\$ 71,285.64	\$ 76,429.62	\$ 57,126.31	\$ 37,918.14	\$ 137,038.60	\$ 43,932.42	
West Valley College	\$ 10,931.92	\$ 14,945.44	\$ 23,601.77	\$ 24,700.22	\$ 20,920.38	\$ 19,562.88	\$ 193,402.02	
	\$ 79,665.72	\$ 86,231.09	\$ 100,031.38	\$ 81,826.53	\$ 58,838.52	\$ 156,601.48	\$ 237,334.44	\$ 800,529.16
Columbia College CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Modesto Junior College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Yuba CCD	\$ 18,242.31	\$ 18,373.49	\$ 15,238.08	\$ 21,656.36	\$ 162,123.39	\$ 42,854.89	\$ 37,483.58	
Yuba College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 18,242.31	\$ 18,373.49	\$ 15,238.08	\$ 21,656.36	\$ 162,123.39	\$ 42,854.89	\$ 37,483.58	\$ 315,972.09
GRAND TOTAL	\$ 2,335,292.73	\$ 1,480,541.11	\$ 1,392,454.20	\$ 2,103,013.79	\$ 4,146,421.15	\$ 3,723,284.80	\$ 3,471,177.20	\$ 18,652,184.99



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District / College	Total Estimated Available Revenue for Total Materials / College 2001	Total Estimated Available Revenue for Total Materials / College 2002	Total Estimated Available Revenue for Total Materials / College 2003	Total Estimated Available Revenue for Total Materials / College 2004	Total Estimated Available Revenue for Total Materials / College 2005	Total Estimated Available Revenue for Total Materials / College 2006	Total Estimated Available Revenue for Total Materials / College 2007	Total Estimated Available Revenue for Total Materials / College for all
Allan Hancock CCD	\$ 7,062.63	\$ 11,412.03	\$ 5,880.88	\$ 10,759.37	\$ 12,127.03	\$ 10,984.94	\$ 17,070.09	\$ 75,296.98
Allan Hancock College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 7,062.63	\$ 11,412.03	\$ 5,880.88	\$ 10,759.37	\$ 12,127.03	\$ 10,984.94	\$ 17,070.09	\$ 75,296.98
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Butte CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Butte College	\$ 3,023.82	\$ 3,313.43	\$ 5,827.23	\$ 6,900.65	\$ 11,570.18	\$ 11,588.36	\$ 17,540.28	\$ 59,763.96
	\$ 3,023.82	\$ 3,313.43	\$ 5,827.23	\$ 6,900.65	\$ 11,570.18	\$ 11,588.36	\$ 17,540.28	\$ 59,763.96
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cabrillo CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cabrillo College	\$ 6,684.69	\$ 8,701.65	\$ 7,014.79	\$ 8,190.85	\$ 6,295.25	\$ 8,137.06	\$ 13,612.27	\$ 58,636.56
	\$ 6,684.69	\$ 8,701.65	\$ 7,014.79	\$ 8,190.85	\$ 6,295.25	\$ 8,137.06	\$ 13,612.27	\$ 58,636.56
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chabot-Las Positas CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chabot College	\$ 5,087.37	\$ 7,479.29	\$ 8,299.46	\$ 4,440.79	\$ 4,343.06	\$ 5,439.09	\$ 20,058.18	\$ 55,147.23
Las Positas College	\$ 1,953.45	\$ 2,046.69	\$ 2,171.76	\$ 646.65	\$ 1,748.27	\$ 2,294.69	\$ 3,320.36	\$ 14,181.87
	\$ 7,040.82	\$ 9,525.97	\$ 10,471.23	\$ 5,087.44	\$ 6,091.32	\$ 7,733.78	\$ 23,378.54	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Citrus CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Citrus College	\$ 1,910.73	\$ 3,004.91	\$ 2,776.59	\$ 4,304.69	\$ 3,357.02	\$ 13,546.48	\$ 17,281.37	\$ 46,181.79
	\$ 1,910.73	\$ 3,004.91	\$ 2,776.59	\$ 4,304.69	\$ 3,357.02	\$ 13,546.48	\$ 17,281.37	\$ 46,181.79
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coast CCD	\$ 742.87	\$ 1,263.62	\$ 1,318.97	\$ 1,941.99	\$ 2,657.46	\$ 855.47	\$ 1,473.86	\$ 10,254.25
Coastline Community College	\$ 294.98	\$ 506.02	\$ 718.91	\$ 660.08	\$ 2,267.19	\$ 1,643.03	\$ 3,595.39	\$ 9,685.60
Golden West College	\$ 2,590.86	\$ 3,004.83	\$ 4,895.22	\$ 8,704.43	\$ 10,181.55	\$ 8,083.98	\$ 13,065.76	\$ 50,526.62
Orange Coast College	\$ 16,992.27	\$ 12,549.77	\$ 16,713.32	\$ 21,188.47	\$ 19,785.02	\$ 25,603.69	\$ 54,369.79	\$ 167,202.32
	\$ 20,620.99	\$ 17,324.24	\$ 23,646.42	\$ 32,494.97	\$ 34,891.21	\$ 36,186.16	\$ 72,504.81	\$ 237,668.80
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sequoias CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College of the Sequoias	\$ 5,128.85	\$ 6,711.29	\$ 8,182.90	\$ 10,183.76	\$ 11,968.69	\$ 14,360.01	\$ 22,895.28	\$ 79,430.78
	\$ 5,128.85	\$ 6,711.29	\$ 8,182.90	\$ 10,183.76	\$ 11,968.69	\$ 14,360.01	\$ 22,895.28	\$ 79,430.78
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contra Costa CCD	\$ 1,026.27	\$ 1,088.23	\$ 1,337.46	\$ 1,734.27	\$ 2,304.04	\$ 1,770.52	\$ 1,491.41	\$ 10,752.20
Contra Costa College	\$ 4,344.51	\$ 5,930.25	\$ 6,831.49	\$ 9,271.61	\$ 9,816.57	\$ 6,401.14	\$ 22,010.10	\$ 64,605.67
Diablo Valley College	\$ 2,282.02	\$ 4,169.38	\$ 4,726.35	\$ 6,732.82	\$ 9,046.73	\$ 8,209.67	\$ 10,826.50	\$ 45,993.47
Los Medanos College	\$ 5,217.60	\$ 5,692.94	\$ 6,460.48	\$ 8,784.35	\$ 10,346.26	\$ 6,592.04	\$ 6,639.41	\$ 49,733.08
	\$ 12,870.41	\$ 16,880.79	\$ 19,355.78	\$ 26,523.05	\$ 31,513.60	\$ 22,973.36	\$ 40,967.42	\$ 171,084.41
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
El Camino CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
El Camino College	\$ 2,170.92	\$ 3,383.13	\$ 2,392.30	\$ 3,983.50	\$ 9,858.40	\$ 8,393.22	\$ 15,127.21	\$ 45,308.68
Compton Community Educational Center	\$ -	\$ 3,115.24	\$ 1,010.00	\$ -	\$ 3,787.51	\$ 1,737.89	\$ 753.44	\$ 10,404.08

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District / College	Total Estimated Available Revenue for Total Materials / College 2001	Total Estimated Available Revenue for Total Materials / College 2002	Total Estimated Available Revenue for Total Materials / College 2003	Total Estimated Available Revenue for Total Materials / College 2004	Total Estimated Available Revenue for Total Materials / College 2005	Total Estimated Available Revenue for Total Materials / College 2006	Total Estimated Available Revenue for Total Materials / College 2007	Total Estimated Available Revenue for Total Materials / College for all
	\$ 2,170.92	\$ 6,498.37	\$ 3,402.30	\$ 3,983.50	\$ 13,645.92	\$ 10,131.11	\$ 15,880.65	\$ 55,712.76
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Foothill-DeAnza CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DeAnza College	\$ 7,843.06	\$ 7,694.99	\$ 11,661.38	\$ 17,909.13	\$ 13,802.10	\$ 15,483.93	\$ 25,990.52	\$ 100,385.11
Foothill College	\$ 6,457.09	\$ 13,650.92	\$ 14,975.62	\$ 17,588.19	\$ 27,349.27	\$ 26,172.76	\$ 44,300.19	\$ 150,494.04
	\$ 14,300.15	\$ 21,345.91	\$ 26,637.00	\$ 35,497.32	\$ 41,151.37	\$ 41,656.69	\$ 70,290.71	\$ 250,879.14
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gavilan Joint CCD	\$ 1,487.42	\$ 4,286.32	\$ 9,508.19	\$ 11,167.87	\$ 11,004.42	\$ 14,730.39	\$ 19,228.63	\$ 71,413.24
Gavilan College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 1,487.42	\$ 4,286.32	\$ 9,508.19	\$ 11,167.87	\$ 11,004.42	\$ 14,730.39	\$ 19,228.63	\$ 71,413.24
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Glendale CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Glendale Community College	\$ 4,251.68	\$ 2,615.50	\$ 1,714.37	\$ 3,573.50	\$ 3,397.19	\$ 1,992.43	\$ 4,081.15	\$ 21,625.82
	\$ 4,251.68	\$ 2,615.50	\$ 1,714.37	\$ 3,573.50	\$ 3,397.19	\$ 1,992.43	\$ 4,081.15	\$ 21,625.82
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grossmont-Cuyamaca CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cuyamaca College	\$ 550.53	\$ 1,455.20	\$ 1,012.79	\$ 1,587.54	\$ 730.52	\$ 652.18	\$ 4,913.85	\$ 10,902.61
Grossmont College	\$ 4,976.27	\$ 5,353.08	\$ 5,150.20	\$ 5,994.47	\$ 6,197.52	\$ 8,755.47	\$ 13,496.23	\$ 49,923.25
	\$ 5,526.80	\$ 6,808.29	\$ 6,163.00	\$ 7,582.01	\$ 6,928.05	\$ 9,407.65	\$ 18,410.08	\$ 60,825.86
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hartnell CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hartnell Community College	\$ 4,024.22	\$ 4,629.29	\$ 5,648.11	\$ 6,381.46	\$ 9,233.78	\$ 10,510.42	\$ 13,728.49	\$ 54,155.77
	\$ 4,024.22	\$ 4,629.29	\$ 5,648.11	\$ 6,381.46	\$ 9,233.78	\$ 10,510.42	\$ 13,728.49	\$ 54,155.77
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lassen CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lassen College	\$ 2,726.17	\$ 1,931.85	\$ 1,500.00	\$ 2,629.35	\$ 2,163.70	\$ 4,023.76	\$ 8,568.92	\$ 23,543.75
	\$ 2,726.17	\$ 1,931.85	\$ 1,500.00	\$ 2,629.35	\$ 2,163.70	\$ 4,023.76	\$ 8,568.92	\$ 23,543.75
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long Beach CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long Beach City College	\$ 2,369.83	\$ 1,540.45	\$ 5,271.45	\$ 6,517.66	\$ 1,807.42	\$ 3,510.33	\$ 3,745.42	\$ 24,762.56
	\$ 2,369.83	\$ 1,540.45	\$ 5,271.45	\$ 6,517.66	\$ 1,807.42	\$ 3,510.33	\$ 3,745.42	\$ 24,762.56
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Los Rios CCD	\$ 570.11	\$ 1,140.59	\$ 1,951.34	\$ 2,932.98	\$ 3,055.31	\$ 309.62	\$ 850.07	\$ 10,810.02
American River College	\$ 17,955.75	\$ 36,523.96	\$ 40,950.75	\$ 55,630.70	\$ 64,384.00	\$ 64,943.62	\$ 69,002.43	\$ 349,391.21
Cosumnes River College	\$ 3,020.27	\$ 4,165.53	\$ 2,273.05	\$ 8,415.41	\$ 5,251.28	\$ 5,296.95	\$ 11,033.52	\$ 39,456.02
Folsom Lake College	\$ -	\$ -	\$ -	\$ -	\$ 1,144.04	\$ 856.50	\$ 1,174.86	\$ 3,175.40
Sacramento City College	\$ 2,119.41	\$ 2,553.28	\$ -	\$ 1,197.11	\$ -	\$ -	\$ -	\$ 5,869.80
	\$ 23,685.54	\$ 44,383.36	\$ 45,175.14	\$ 68,176.20	\$ 73,834.63	\$ 71,406.69	\$ 82,060.88	\$ 408,702.45
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marin CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College of Marin	\$ 7,302.27	\$ 2,149.52	\$ 3,770.94	\$ 4,866.84	\$ 4,805.04	\$ 8,083.56	\$ 12,441.08	\$ 43,419.26

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District / College	Total Estimated Available Revenue for Total Materials / College 2001	Total Estimated Available Revenue for Total Materials / College 2002	Total Estimated Available Revenue for Total Materials / College 2003	Total Estimated Available Revenue for Total Materials / College 2004	Total Estimated Available Revenue for Total Materials / College 2005	Total Estimated Available Revenue for Total Materials / College 2006	Total Estimated Available Revenue for Total Materials / College 2007	Total Estimated Available Revenue for Total Materials / College for all
	\$ 7,302.27	\$ 2,149.52	\$ 3,770.94	\$ 4,866.84	\$ 4,805.04	\$ 8,083.56	\$ 12,441.08	\$ 43,419.26
Merced CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Merced College	\$ 10,288.44	\$ 77.29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,365.73
	\$ 20,576.88	\$ 5,538.25	\$ 5,273.23	\$ 5,497.08	\$ 5,467.81	\$ 7,001.13	\$ 17,698.55	\$ 56,687.20
MiraCosta CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MiraCosta College	\$ 3,071.89	\$ 3,598.09	\$ 7,543.43	\$ 1,320.00	\$ 2,774.87	\$ 6,059.02	\$ 9,240.07	\$ 33,607.38
	\$ 3,071.89	\$ 3,598.09	\$ 7,543.43	\$ 1,320.00	\$ 2,774.87	\$ 6,059.02	\$ 9,240.07	\$ 33,607.38
Monterey CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monterey Peninsula College	\$ 7,933.25	\$ 10,984.90	\$ 12,776.14	\$ 14,497.10	\$ 14,732.70	\$ 18,244.34	\$ 27,144.15	\$ 106,312.56
	\$ 7,933.25	\$ 10,984.90	\$ 12,776.14	\$ 14,497.10	\$ 14,732.70	\$ 18,244.34	\$ 27,144.15	\$ 106,312.56
Mt. San Antonio CCD	\$ 2,863.69	\$ 5,368.64	\$ 4,131.94	\$ 4,732.54	\$ 4,457.24	\$ 2,876.44	\$ 4,483.65	\$ 28,914.14
Mt. San Antonio College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 2,863.69	\$ 5,368.64	\$ 4,131.94	\$ 4,732.54	\$ 4,457.24	\$ 2,876.44	\$ 4,483.65	\$ 28,914.14
North Orange Cty CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cypress College	\$ 1,332.07	\$ 18,697.34	\$ 19,300.38	\$ 6,322.71	\$ 39,092.99	\$ 5,695.06	\$ 13,654.72	\$ 104,095.27
Fullerton College	\$ 346.49	\$ 30,465.51	\$ 39,238.36	\$ 47,048.79	\$ 52,108.81	\$ 43,207.50	\$ 72,248.76	\$ 284,664.22
	\$ 1,678.56	\$ 49,162.85	\$ 58,538.74	\$ 53,371.49	\$ 91,201.80	\$ 48,902.55	\$ 85,903.48	\$ 388,759.48
Palo Verde CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Palo Verde College	\$ -	\$ 1,299.26	\$ 1,698.86	\$ 1,536.85	\$ 2,499.30	\$ 3,014.29	\$ 5,551.95	\$ 15,600.50
	\$ -	\$ 1,299.26	\$ 1,698.86	\$ 1,536.85	\$ 2,499.30	\$ 3,014.29	\$ 5,551.95	\$ 15,600.50
Palomar CCD	\$ 7,897.72	\$ 10,315.69	\$ 8,601.18	\$ 11,312.81	\$ 10,151.94	\$ 11,518.48	\$ 17,183.37	\$ 76,981.20
Palomar College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 7,897.72	\$ 10,315.69	\$ 8,601.18	\$ 11,312.81	\$ 10,151.94	\$ 11,518.48	\$ 17,183.37	\$ 76,981.20
Pasadena CCD	\$ 1,157.17	\$ 3,969.83	\$ 6,853.28	\$ 3,561.55	\$ 12,146.75	\$ 6,933.48	\$ 11,056.83	\$ 45,678.89
Pasadena City College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 1,157.17	\$ 3,969.83	\$ 6,853.28	\$ 3,561.55	\$ 12,146.75	\$ 6,933.48	\$ 11,056.83	\$ 45,678.89
Rancho Santiago CCD	\$ 186.25	\$ 222.65	\$ 697.88	\$ 526.34	\$ 533.72	\$ 836.64	\$ 1,317.22	\$ 4,320.70
Santa Ana College	\$ 891.83	\$ 1,992.87	\$ 934.74	\$ 2,523.27	\$ 4,386.03	\$ 4,216.78	\$ 4,880.22	\$ 19,825.75
	\$ 1,078.08	\$ 2,215.52	\$ 1,632.62	\$ 3,049.61	\$ 4,919.76	\$ 5,053.42	\$ 6,197.45	\$ 24,146.45
Santiago Canyon College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Redwoods CCD	\$ 1,633.34	\$ 2,586.21	\$ 5,729.97	\$ 8,261.74	\$ 7,339.16	\$ 15,448.46	\$ 33,467.86	\$ 74,466.74

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District / College	Total Estimated Available Revenue for Total Materials / College 2001	Total Estimated Available Revenue for Total Materials / College 2002	Total Estimated Available Revenue for Total Materials / College 2003	Total Estimated Available Revenue for Total Materials / College 2004	Total Estimated Available Revenue for Total Materials / College 2005	Total Estimated Available Revenue for Total Materials / College 2006	Total Estimated Available Revenue for Total Materials / College 2007	Total Estimated Available Revenue for Total Materials / College for all
College of the Redwoods	\$ 4,972.39	\$ 5,186.22	\$ 5,809.84	\$ 4,859.79	\$ 4,588.37	\$ 3,234.32	\$ 11,435.33	\$ 40,086.27
	\$ 6,605.74	\$ 7,772.43	\$ 11,539.81	\$ 13,121.53	\$ 11,927.53	\$ 18,682.79	\$ 44,903.19	\$ 114,553.02
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
San Bernardino CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Crafton Hills College	\$ 1,923.05	\$ 1,539.12	\$ 1,904.95	\$ 2,371.13	\$ 2,219.52	\$ 3,258.08	\$ 7,226.46	\$ 20,442.31
San Bernardino Valley College	\$ 1,155.83	\$ 1,412.45	\$ 1,842.64	\$ 7,452.23	\$ 6,816.74	\$ 6,450.70	\$ 12,932.94	\$ 38,063.52
	\$ 3,078.88	\$ 2,951.57	\$ 3,747.58	\$ 9,823.36	\$ 9,036.26	\$ 9,708.78	\$ 20,159.40	\$ 58,505.83
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
San Joaquin Delta CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
San Joaquin Delta College	\$ 6,294.55	\$ 5,086.25	\$ 7,072.69	\$ 13,796.60	\$ 10,526.30	\$ 9,095.57	\$ 12,355.76	\$ 64,227.73
	\$ 6,294.55	\$ 5,086.25	\$ 7,072.69	\$ 13,796.60	\$ 10,526.30	\$ 9,095.57	\$ 12,355.76	\$ 64,227.73
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
San Jose CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Evergreen Valley College	\$ 3,963.82	\$ 1,615.75	\$ 1,787.70	\$ 2,189.17	\$ 900.68	\$ 5,268.50	\$ 4,226.84	\$ 19,952.46
San Jose City College	\$ 3,777.54	\$ 6,056.32	\$ 4,735.22	\$ 5,141.86	\$ 5,647.84	\$ 6,861.17	\$ 9,358.09	\$ 41,578.03
	\$ 7,741.36	\$ 7,672.07	\$ 6,522.92	\$ 7,331.02	\$ 6,548.52	\$ 12,129.66	\$ 13,584.93	\$ 61,530.49
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
San Luis Obispo CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cuesta College	\$ 9,032.93	\$ 4,414.67	\$ 2,854.50	\$ 5,267.54	\$ 6,097.33	\$ 5,142.54	\$ 11,093.21	\$ 43,902.72
	\$ 9,032.93	\$ 4,414.67	\$ 2,854.50	\$ 5,267.54	\$ 6,097.33	\$ 5,142.54	\$ 11,093.21	\$ 43,902.72
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
San Mateo Co CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College of San Mateo	\$ 4,465.86	\$ 19,230.20	\$ 15,890.63	\$ 13,691.14	\$ 11,581.45	\$ 6,933.74	\$ 7,911.47	\$ 79,704.48
Skyline College	\$ 6,964.18	\$ 5,595.11	\$ 6,047.22	\$ 8,523.45	\$ 8,397.91	\$ 10,185.64	\$ 13,880.56	\$ 59,594.09
	\$ 11,430.04	\$ 24,825.31	\$ 21,937.85	\$ 22,214.59	\$ 19,979.36	\$ 17,119.38	\$ 21,792.03	\$ 139,298.57
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Clarita CCD	\$ 2,030.31	\$ 3,415.41	\$ 8,204.31	\$ 10,816.27	\$ 11,759.19	\$ 15,133.25	\$ 22,415.34	\$ 73,774.09
College of the Canyons	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 2,030.31	\$ 3,415.41	\$ 8,204.31	\$ 10,816.27	\$ 11,759.19	\$ 15,133.25	\$ 22,415.34	\$ 73,774.09
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Monica CCD	\$ 8,804.71	\$ 12,628.67	\$ 12,866.13	\$ 11,045.91	\$ 22,883.45	\$ 13,431.34	\$ 22,553.92	\$ 104,214.14
Santa Monica College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 8,804.71	\$ 12,628.67	\$ 12,866.13	\$ 11,045.91	\$ 22,883.45	\$ 13,431.34	\$ 22,553.92	\$ 104,214.14
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shasta Tehama CCD	\$ 3,057.30	\$ 4,391.20	\$ 7,300.98	\$ 9,377.74	\$ 9,949.66	\$ 9,237.54	\$ 15,158.23	\$ 58,472.65
Shasta College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 3,057.30	\$ 4,391.20	\$ 7,300.98	\$ 9,377.74	\$ 9,949.66	\$ 9,237.54	\$ 15,158.23	\$ 58,472.65
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sierra Joint CCD	\$ 2,864.14	\$ 5,779.17	\$ 6,730.28	\$ 13,015.52	\$ 17,831.29	\$ 20,930.78	\$ 35,535.63	\$ 102,686.82
Sierra College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 2,864.14	\$ 5,779.17	\$ 6,730.28	\$ 13,015.52	\$ 17,831.29	\$ 20,930.78	\$ 35,535.63	\$ 102,686.82

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District / College	Total Estimated Available Revenue for Total Materials / College 2001	Total Estimated Available Revenue for Total Materials / College 2002	Total Estimated Available Revenue for Total Materials / College 2003	Total Estimated Available Revenue for Total Materials / College 2004	Total Estimated Available Revenue for Total Materials / College 2005	Total Estimated Available Revenue for Total Materials / College 2006	Total Estimated Available Revenue for Total Materials / College 2007	Total Estimated Available Revenue for Total Materials / College for all
Siskiyou CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College of the Siskiyou	\$ 1,089.18	\$ 1,131.51	\$ 805.21	\$ 2,004.89	\$ 1,790.70	\$ 1,333.28	\$ 1,706.58	\$ 9,861.34
	\$ 1,089.18	\$ 1,131.51	\$ 805.21	\$ 2,004.89	\$ 1,790.70	\$ 1,333.28	\$ 1,706.58	\$ 9,861.34
Solano Co CCD	\$ 550.00	\$ 200.00	\$ 50.00	\$ 90.00	\$ 100.00	\$ 210.73	\$ 363.56	\$ 1,564.29
Solano Community College	\$ -	\$ 4,658.01	\$ 3,287.78	\$ 3,861.56	\$ 3,992.20	\$ 4,982.88	\$ 9,433.98	\$ 30,216.42
	\$ 550.00	\$ 4,858.01	\$ 3,337.78	\$ 3,951.56	\$ 4,092.20	\$ 5,193.61	\$ 9,797.54	\$ 31,780.71
State Center CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fresno City College	\$ 3,417.69	\$ 5,614.45	\$ 7,129.42	\$ 10,995.57	\$ 10,359.16	\$ 13,848.57	\$ 11,908.84	\$ 63,273.70
Reedley College	\$ 4,577.68	\$ 6,352.98	\$ 5,564.95	\$ 8,186.92	\$ 7,681.74	\$ 8,581.58	\$ 14,168.35	\$ 55,114.20
	\$ 7,995.37	\$ 11,967.43	\$ 12,694.37	\$ 19,182.49	\$ 18,040.90	\$ 22,430.15	\$ 26,077.19	\$ 118,387.90
Victor Valley CCD	\$ 10,233.98	\$ 8,637.50	\$ 7,274.75	\$ 7,815.49	\$ 6,164.33	\$ 5,743.41	\$ 6,365.21	\$ 52,234.66
Victor Valley College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 10,233.98	\$ 8,637.50	\$ 7,274.75	\$ 7,815.49	\$ 6,164.33	\$ 5,743.41	\$ 6,365.21	\$ 52,234.66
West Kern CCD	\$ 711.42	\$ 785.95	\$ 788.35	\$ 2,095.40	\$ 792.93	\$ 833.05	\$ 2,396.87	\$ 8,403.97
Taft College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 711.42	\$ 785.95	\$ 788.35	\$ 2,095.40	\$ 792.93	\$ 833.05	\$ 2,396.87	\$ 8,403.97
West Valley-Mission CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mission College	\$ 2,107.50	\$ 1,114.07	\$ 2,628.94	\$ 3,878.83	\$ 5,294.93	\$ 5,299.13	\$ 8,326.30	\$ 28,649.69
	\$ 2,107.50	\$ 1,114.07	\$ 2,628.94	\$ 3,878.83	\$ 5,294.93	\$ 5,299.13	\$ 8,326.30	\$ 28,649.69
Yosemite CCD	\$ 23,754.95	\$ 3,416.93	\$ 4,926.50	\$ 6,904.32	\$ 5,201.11	\$ 5,377.18	\$ 9,039.78	\$ 58,620.77
West Valley College	\$ 5,219.92	\$ 5,249.76	\$ 8,689.71	\$ 11,014.13	\$ 8,353.95	\$ 8,279.49	\$ 15,489.26	\$ 62,296.22
	\$ 28,974.87	\$ 8,666.70	\$ 13,616.21	\$ 17,918.45	\$ 13,555.06	\$ 13,656.67	\$ 24,529.04	\$ 120,916.99
Columbia College CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Modesto Junior College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Yuba CCD	\$ 4,106.28	\$ 5,901.76	\$ 9,730.94	\$ 22,926.11	\$ 31,641.73	\$ 27,261.09	\$ 4,414.26	\$ 105,982.18
Yuba College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 4,106.28	\$ 5,901.76	\$ 9,730.94	\$ 22,926.11	\$ 31,641.73	\$ 27,261.09	\$ 4,414.26	\$ 105,982.18
GRAND TOTAL	\$ 295,133.74	\$ 387,515.88	\$ 488,649.37	\$ 549,282.80	\$ 642,049.66	\$ 622,928.35	\$ 961,310.21	\$ 3,827,540.90

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Tab 15

RE: Rancho Santiago CCD IWM Audit Questions

Tuesday, March 12, 2013
3:14 PM

Subject	RE: Rancho Santiago CCD IWM Audit Questions
From	Kustic, Debra
To	Kurokawa, Lisa
Sent	Wednesday, April 04, 2012 9:21 AM

Hi Lisa,

See the highlighted part of the e-mail below for the 2008 and 2009. We are not able to get the 2011 data at this time – it has not yet been compiled. We can check later with the external organization that does track that info, but they are a private entity, so we never know for sure if they will continue to be willing to provide it to us.

I am out of the office next week, so let's try to connect the week of April 16th.

Debra

From: Kustic, Debra
Sent: Tuesday, March 20, 2012 2:26 PM
To: 'Martin, Alexandra L.'
Cc: Kurokawa, Lisa
Subject: RE: Rancho Santiago CCD IWM Audit Questions



Hi,

I was able to get answers for your questions related to Rancho Santiago CCD.

There are 3 landfills on Orange County – Bowerman, Prims Desecha, and Olinda Alpha. All three have the same rates, and it was \$22/ton for haulers that hold franchise agreements from 1997-2010. The County entered in a long term contract with cities, franchised waste haulers, and sanitary districts in 1997 in order to maintain a stable customer base.

Since 2010, we believe the franchised hauler rate remained about the same, but the County added a large surcharge to waste hauled by independent haulers – their rate is around \$55/ton. The difference between the true landfill rate and this added surcharge is given to cities and public entities as grants. The surcharge is supposed to make MRF processing a more appealing option versus bringing the material directly to the landfill.

Here are the disposal numbers for the two colleges in the district (in total tons and pounds/person/day). This is useful in seeing the disposal trend over time. The data only goes through 2010 as they have not yet submitted their annual report with 2011 – that reporting period is now open and reports are due by May 1st.

Santa Ana College

Year	Disposal in Tons	Lbs/person/day Disposed
------	------------------	-------------------------

2001	32.5	0.2
2002	512.7	2.8
2003	469	2.4
2004	579	3.0
2005	727.4	4.0
2006	378.9	2.0
2007	284.2	1.5
2008	311	2.1
2009	312.2	2.2
2010	331	3.2

Santiago Canyon College

Year	Disposal in Tons	Lbs/person/day Disposed
2001	105.3	3.0
2002	98.9	2.6
2003	87.8	1.7
2004	100.3	1.8
2005	97.8	1.7
2006	114.5	1.9
2007	227.4	3.1
2008	114.6	1.6
2009	109.3	1.6
2010	114.1	1.5

2007 - \$48 per ton
 2008 - \$51 per ton



Let me know if you have questions on that info.

Regarding the statewide average landfill disposal fee:

The numbers we provided to you for 2001-2004 were before my tenure – but as far as I am aware, they were the most accurate information available to us for those years.

We do not track landfill fees. The numbers we gave you for 2005-2007 we got in Sept 2009 from a third party that tracks this information. They provided us with information again in Feb 2011 and the 2007 figure was revised to \$48/ton, [REDACTED] We are appealing to them to provide us with costs for 2010 (and 2011, but it is likely that that data has yet to be compiled). However, they are not compelled to give us this data and there may be a limit to how many times they are willing to share. I will let you know if we are successful.

Also, as was the case with a few of the audits already, we can also try to provide you with the actual landfill costs for a particular area. I know that is what is preferable since fees can vary greatly from the average depending upon location. We don't always have that data, but sometimes we can get it such as the info. above for Rancho Santiago. Let us know if you have any in particular that that you want us to look into.

Regards,

Debra Kustic



California Department of Resources Recycling and Recovery

debra.kustic@calrecycle.ca.gov

Phone: 916-341-6207

Fax: 916-319-8112

Tab 16

Lanfill Disposal Fees

Tuesday, March 12, 2013
3:12 PM

Subject	Lanfill Disposal Fees
From	<u>Kustic, Debra</u>
To	Kurokawa, Lisa
Sent	Thursday, May 31, 2012 1:19 PM

Hi Lisa,

I finally got updated landfill disposal fee information! When the organization from which we get this data provided us with the 2010 and 2011 fees, they also provided us with an updated 2009 fee. I think this happens because they have had additional time to gather a more complete data set. We saw this with another year for which I had provided you with a landfill cost and when they provided us with updated figures, it had decreased.

2009: \$55/ton (previously was noted at \$54/ton)
2010: \$56/ton
2011: \$56/ton



If you have any questions, please let me know.

Regards,

Debra Kustic



California Department of Resources Recycling and Recovery
debra.kustic@calrecycle.ca.gov
Phone: 916-341-6207
Fax: 916-319-8112

DECLARATION OF SERVICE BY EMAIL

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 980 Ninth Street, Suite 300, Sacramento, California 95814.

On January 16, 2015, I served the:

State Controller's Office (SCO) Comments on IRC

Integrated Waste Management, 14-0007-I-03

Public Resources Code Section 40418, 40196.3, 42920-42928;

Public Contract Code Section 12167 and 12167.1

Statutes 1992, Chapter 1116 (AB 3521); Statutes 1999, Chapter 764 (AB 75)

Fiscal Years: 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011

Citrus Community College District, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

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 on January 16, 2015 at Sacramento, California.



Lorenzo Duran
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 11/19/14

Claim Number: 14-0007-I-03

Matter: Integrated Waste Management

Claimant: Citrus Community College District

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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November 16, 2016

Ms. Claudette Dain
Citrus Community College District
Finance and Administrative Services
1000 West Foothill Boulevard
Glendora, CA 91741-1899

Ms. Jill Kanemasu
State Controller's Office
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

And Parties, Interested Parties, and Interested Persons (See Mailing List)

Re: **Draft Proposed Decision, Schedule for Comments, and Notice of Hearing**
Integrated Waste Management, 14-0007-I-03
Public Resources Code Sections 40148, 40196.3, 42920-42928;
Public Contract Code Sections 12167 and 12167.1;
Statutes 1999, Chapter 764 (AB 75); Statutes 1992, Chapter 1116 (AB 3521);
State Agency Model Integrated Waste Management Plan (February 2000)
Fiscal Years 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007,
2007-2008, 2008-2009, 2009-2010, and 2010-2011
Citrus Community College District, Claimant

Dear Ms. Dain and Ms. Kanemasu:

The Draft Proposed Decision for the above-captioned matter is enclosed for your review and comment.

Written Comments

Written comments may be filed on the Draft Proposed Decision by **December 7, 2016**. Please note that all representations of fact submitted to the Commission must be signed under penalty of perjury by persons who are authorized and competent to do so and must be based upon the declarant's personal knowledge, information, or belief. (Cal. Code Regs., tit. 2, § 1187.5.)

You are advised that comments filed with the Commission on State Mandates (Commission) are required to be simultaneously served on the other interested parties on the mailing list, and to be accompanied by a proof of service. However, this requirement may also be satisfied by electronically filing your documents. Refer to http://www.csm.ca.gov/dropbox_procedures.php on the Commission's website for electronic filing instructions. (Cal. Code Regs., tit. 2, § 1181.3.)

If you would like to request an extension of time to file comments, please refer to section 1187.9(a) of the Commission's regulations.

Hearing

This matter is set for hearing on **Friday, January 27, 2017**, at 10:00 a.m., State Capitol, Room 447, Sacramento, California. The proposed decision will be issued on or about January 13, 2017. Please let us know in advance if you or a representative of your agency

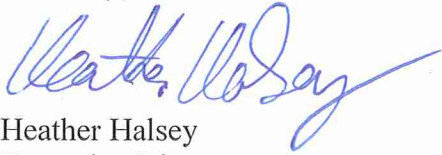
Ms. Dain and Ms. Kanemasu

November 16, 2016

Page 2

will testify at the hearing, and if other witnesses will appear. If you would like to request postponement of the hearing, please refer to section 1187.9(b) of the Commission's regulations.

Sincerely,



Heather Halsey
Executive Director

ITEM _
INCORRECT REDUCTION CLAIM
DRAFT PROPOSED DECISION

Public Resources Code Sections 40148, 40196.3, 42920-42928; Public Contract Code Sections 12167 and 12167.1; Statutes 1999, Chapter 764 (AB 75); Statutes 1992, Chapter 1116 (AB 3521); State Agency Model Integrated Waste Management Plan (February 2000).

Integrated Waste Management

Fiscal Years 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011.

14-0007-I-03

Citrus Community College District, Claimant

EXECUTIVE SUMMARY

Overview

This Incorrect Reduction Claim (IRC) addresses reductions made by the State Controller’s Office (Controller) to reimbursement claims of the Citrus Community College District (claimant) for fiscal years 1999-2000, 2000-2001, and 2003-2004 through 2010-2011 under the *Integrated Waste Management* program, 00-TC-07. The reductions were made on the ground that the claimant did not identify and deduct from its reimbursement claims offsetting savings resulting from the claimant’s diversion of solid waste and the associated reduction or avoidance of costs incurred in landfill deposit fees.

Staff finds that the Controller’s reduction of costs is correct as a matter of law and is not arbitrary, capricious, or entirely lacking in evidentiary support. Staff recommends that the Commission deny this IRC.

The *Integrated Waste Management* Program

The test claim statutes require each community college district¹ to adopt and implement, in consultation with the California Integrated Waste Management Board (CIWMB, now known as CalRecycle), an integrated waste management (IWM) plan to govern the district’s efforts to reduce solid waste, reuse materials, recycle recyclable materials and procure products with recycled content in all agency offices and facilities. To implement their plans, community college districts must divert from landfill disposal at least 25 percent of generated solid waste by January 1, 2002, and at least 50 percent by January 1, 2004. Public Resources Code section 42925, as added by the test claim statutes, further provides that “[a]ny cost savings realized as a

¹ The test claim statutes apply to “state agencies” but defines them to include “the California Community Colleges” (Pub. Res. Code, § 40196.3.) Community college districts are the only local government to which the test claim statutes apply.

result of the state agency integrated waste management plan shall, to the extent feasible, be redirected to the agency's integrated waste management plan to fund plan implementation and administration costs, in accordance with Sections 12167 and 12167.1 of the Public Contract Code.”

On March 24, 2004, the Commission adopted the Test Claim Statement of Decision and determined that the test claim statutes impose a reimbursable mandate on community colleges, and that cost savings under Public Resources Code section 42925 did not result in a denial of the Test Claim because there was no evidence of offsetting savings that would result in no net costs to a community college district. The Parameters and Guidelines were adopted on March 30, 2005, to provide reimbursement for the activities approved in the Statement of Decision, and did not include a requirement for claimants to identify and deduct cost savings.

After adoption of the Parameters and Guidelines, the Department of Finance (Finance) and the California Integrated Waste Management Board (CIWMB) challenged the Statement of Decision and Parameters and Guidelines, arguing that the Commission did not properly account for all the offsetting cost savings from avoided disposal costs, or offsetting revenues from the sale of recyclable materials in the Statement of Decision or Parameters and Guidelines. On May 29, 2008, the Sacramento County Superior Court partially agreed with the petitioners and directed the Commission to amend the Parameters and Guidelines to:

1. [R]equire community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167 .1, cost savings realized as a result of implementing their plans; and
2. [R]equire community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims all of the revenue generated as a result of implementing their plans, without regard to the limitations or conditions described in sections 12167 and 12167.1 of the Public Contract Code.²

In accordance with this court ruling, the Commission amended the Parameters and Guidelines on September 26, 2008.

Procedural History

The claimant signed its 1999-2000, 2000-2001, 2003-2004, and 2004-2005 reimbursement claims on September 26, 2005.³ The claimant signed its 2005-2006 reimbursement claim on December 1, 2006,⁴ its 2006-2007 reimbursement claim on January 18, 2008,⁵ its 2007-2008

² Exhibit X, *State of California v. Commission on State Mandates*, (Super. Ct., Sacramento County, 2008, No. 07CS00355, Peremptory Writ of Mandate).

³ Exhibit A, IRC, pages 223, 230, 236, and 241.

⁴ Exhibit A, IRC, page 247.

⁵ Exhibit A, IRC, page 253.

reimbursement claim on December 15, 2008,⁶ its 2008-2009 reimbursement claim on January 13, 2010,⁷ its 2009-2010 reimbursement claim on January 10, 2011,⁸ and its 2010-2011 reimbursement claim on January 20, 2012.⁹ The Controller issued the final audit report on September 11, 2013.¹⁰ The claimant filed this IRC on July 14, 2014.¹¹ The Controller filed late comments on the IRC on January 16, 2015.¹² Commission staff issued the Draft Proposed Decision on November 16, 2016.¹³

Commission Responsibilities

Government Code section 17561(d) authorizes the Controller to audit the claims filed by local agencies and school districts and to reduce any claim for reimbursement of state-mandated costs that the Controller determines is excessive or unreasonable.

Government Code Section 17551(d) requires the Commission to hear and decide a claim that the Controller has incorrectly reduced payments to the local agency or school district. If the Commission determines that a reimbursement claim has been incorrectly reduced, section 1185.9 of the Commission's regulations requires the Commission to send the decision to the Controller and request that the costs in the claim be reinstated.

The Commission must review questions of law, including interpretation of parameters and guidelines, de novo, without consideration of legal conclusions made by the Controller in the context of an audit. The Commission is vested with exclusive authority to adjudicate disputes over the existence of state-mandated programs within the meaning of article XIII B, section 6.¹⁴ The Commission must also interpret the Government Code and implementing regulations in accordance with the broader constitutional and statutory scheme. In making its decisions, the Commission must strictly construe article XIII B, section 6 of the California Constitution and not

⁶ Exhibit A, IRC, page 258.

⁷ Exhibit A, IRC, page 264.

⁸ Exhibit A, IRC, page 270.

⁹ Exhibit A, IRC, page 276 (this claim states it is for 7/1/10 to 10/7/10).

¹⁰ Exhibit A, IRC, page 25 (Final Audit Report).

¹¹ Exhibit A, IRC.

¹² Exhibit B, Controller's Late Comments on the IRC. Note that Government Code section 17553(d) states: "the Controller shall have no more than 90 days after the claim is delivered or mailed to file any rebuttal to an incorrect reduction claim. The failure of the Controller to file a rebuttal to an incorrect reduction claim shall not serve to delay the consideration of the claim by the Commission." However, in this instance, due to the backlog of IRCs, these late comments have not delayed consideration of this item and so have been included in the analysis and Proposed Decision.

¹³ Exhibit C, Draft Proposed Decision.

¹⁴ *Kinlaw v. State of California* (1991) 54 Cal.3d 326, 331-334; Government Code sections 17551, 17552.

apply it as an “equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities.”¹⁵

With regard to the Controller’s audit decisions, the Commission must determine whether they were arbitrary, capricious, or entirely lacking in evidentiary support. This standard is similar to the standard used by the courts when reviewing an alleged abuse of discretion of a state agency.¹⁶

The Commission must also review the Controller’s audit in light of the fact that the initial burden of providing evidence for a claim of reimbursement lies with the claimant.¹⁷ In addition, section 1185.1(f)(3) and 1185.2(c) of the Commission’s regulations requires that any assertions of fact by the parties to an IRC must be supported by documentary evidence. The Commission’s ultimate findings of fact must be supported by substantial evidence in the record.¹⁸

Claims

The following chart provides a brief summary of the claims and issues raised and staff’s recommendation.

Issue	Description	Staff Recommendation
The Controller’s reduction of costs claimed based on understated cost savings resulting from implementation of the IWM plan.	Pursuant to the ruling and writ issued by the Sacramento Superior Court in <i>State of California v. Commission on State Mandates</i> , (Super. Ct., Sacramento County, 2008, No. 07CS00355), the amended Parameters and Guidelines require claimants to identify and offset from their claims, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1, cost savings realized as a result of implementing their plans, and	<i>Correct</i> – Based on the claimant’s annual reports to the CIWMB showing that the claimant diverted solid waste in amounts that exceed the state mandate, the Controller correctly presumed, consistent with the presumption in the test claim statutes and the court’s interpretation of those statutes and without any evidence to the contrary, that the allocated percentage of waste required to be diverted

¹⁵ *County of Sonoma v. Commission on State Mandates* (2000), 84 Cal.App.4th 1264, 1281, citing *City of San Jose v. State of California* (1996) 45 Cal.App.4th 1802, 1817.

¹⁶ *Johnston v. Sonoma County Agricultural Preservation and Open Space District* (2002) 100 Cal.App.4th 973, 983-984; *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547.

¹⁷ *Gilbert v. City of Sunnyvale* (2005) 130 Cal.App.4th 1264, 1274-1275.

¹⁸ Government Code section 17559(b), which provides that a claimant or the state may commence a proceeding in accordance with the provisions of section 1094.5 of the Code of Civil Procedure to set aside a decision of the Commission on the ground that the Commission’s decision is not supported by substantial evidence in the record.

	<p>apply the cost savings to fund plan implementation and administration costs.</p> <p>The test claim statutes, presume that by complying with the mandate to reduce and divert solid waste through the IWM program, landfill fees are reduced or avoided and cost savings are realized. As indicated in the court’s ruling, the amount or value of the cost savings may be determined from the calculations of annual solid waste disposal reduction or diversion, which community colleges are required to annually report to the CIWMB. There is a rebuttable statutory presumption of cost savings. However, the claimant has not filed any evidence to rebut the presumption and show that cost savings were not, in fact, realized. The claimant has the burden of proof on this issue.</p>	<p>by the state results in offsetting savings in an amount equal to the avoided landfill fee per ton of waste diverted. The Controller did not use the actual percentage of waste diverted by the claimant, which exceeded the amount mandated by the state, so that the claimant would not be penalized. The avoided landfill disposal fee was based on the statewide average disposal fee provided by the CIWMB for each fiscal year in the audit period. The claimant has not filed any evidence to rebut the statutory presumption of cost savings. Thus, the Controller’s reduction of costs is correct as a matter of law.</p> <p>Moreover, there is no evidence that the Controller’s calculations of cost savings are incorrect as a matter of law, or are arbitrary, capricious, or without evidentiary support.</p>
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Staff Analysis

The IWM program requires community college districts to reduce solid waste, reuse materials whenever possible, recycle recyclable materials, and procure products with recycled content in all agency offices and facilities. To implement their plans, community college districts must divert from landfill disposal at least 25 percent of generated solid waste by January 1, 2002, and at least 50 percent by January 1, 2004. Public Resources Code section 42925 as added by the test claim statutes further provide that “[a]ny cost savings realized as a result of the state agency integrated waste management plan shall, to the extent feasible, be redirected to the agency’s integrated waste management plan to fund plan implementation and administration costs, in accordance with Sections 12167 and 12167.1 of the Public Contract Code.”

The Test Claim Statement of Decision and Parameters and Guidelines were challenged by Finance and CIWMB on the ground that the Commission failed to identify cost savings from the

program from reduced or avoided landfill disposal fees.¹⁹ The court granted the petition for writ of mandate, finding that offsetting savings are, by statutory definition, likely to occur as a result of implementing the mandated activities. Reduced or avoided costs “are a direct result and an integral part of the IWM plan mandated under Public Resources Code section 42920 et seq.: as solid waste diversion occurs, landfill disposal of the solid waste and associated landfill disposal costs are reduced or avoided.” As the court held, “landfill fees resulting from solid waste diversion activities under § 42920 et seq. represent savings *which must be offset* against the costs of the diversion activities to determine the reimbursable costs. . . .”²⁰ The writ directed the Commission to amend the Parameters and Guidelines to require claimants to “identify and offset from their claims, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1, cost savings realized as a result of implementing their plans,” and apply the cost savings to fund plan implementation and administration costs.²¹

The test claim statutes, therefore, presume that by complying with the mandate to reduce and divert solid waste through the IWM program, landfill fees are reduced or avoided and cost savings are realized. As indicated in the court’s ruling, the amount or value of the cost savings may be determined from the calculations of annual solid waste disposal reduction or diversion, which community colleges are required to annually report to the CIWMB.²² The statutory presumption of cost savings controls unless the claimant files evidence to rebut the presumption and shows that cost savings were not, in fact, realized. The claimant has the burden of proof on this issue. Under the mandates statutes and regulations, the claimant is required to show that it has incurred increased costs mandated by the state when submitting a reimbursement claim to the Controller’s Office, and the burden to show that any reduction made by the Controller is incorrect.²³

In this case, the claimant argues that no cost savings were realized.²⁴ However, based on the claimant’s annual reports to the CIWMB showing that the claimant diverted solid waste in amounts that exceed the state mandate,²⁵ the Controller correctly presumed, consistent with the presumption in the test claim statutes and the court’s interpretation of those statutes and without any evidence to the contrary, that the allocated percentage of waste required to be diverted by the state results in offsetting savings in an amount equal to the avoided landfill fee per ton of waste diverted. The Controller did not use the actual percentage of waste diverted by the claimant, which exceeded the amount mandated by the state, so that the claimant would not be penalized.²⁶ The avoided landfill disposal fee was based on the statewide average disposal fee provided by

¹⁹ Exhibit B, Controller’s Late Comments on the IRC, pages 103-114.

²⁰ Exhibit B, Controller’s Late Comments on the IRC, page 109.

²¹ Exhibit X, *State of California v. Commission on State Mandates* (Super. Ct., Sacramento County, 2008, No. 07CS00355, Peremptory Writ of Mandate).

²² Exhibit B, Controller’s Late Comments on the IRC, page 109.

²³ Evidence Code section 500; Government Code sections 17514, 17551, 17558.7, 17560.

²⁴ Exhibit A, IRC, page 9.

²⁵ Exhibit B, Controller’s Late Comments on the IRC, pages 34-72.

²⁶ Exhibit B, Controller’s Late Comments on the IRC, page 19.

the CIWMB for each fiscal year in the audit period, and the claimant has not filed any evidence to support a finding that the statewide average disposal fee is incorrect, or arbitrary, or capricious. Nor has the claimant filed any evidence to rebut the statutory presumption of cost savings. Thus, the Controller's reduction of costs is correct as a matter of law.

Moreover, there is no evidence that the Controller's calculations of cost savings are incorrect as a matter of law, or are arbitrary, capricious, or without evidentiary support.

Accordingly, the Controller's reduction of costs is correct as a matter of law and not arbitrary, capricious, or lacking in evidentiary support.

Conclusion

Staff finds that the Controller's reductions are correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support.

Staff Recommendation

Staff recommends that the Commission adopt the Proposed Decision to deny the IRC.

Staff further recommends that the Commission authorize staff to make any technical, non-substantive changes to Proposed Decision following the hearing.

BEFORE THE
 COMMISSION ON STATE MANDATES
 STATE OF CALIFORNIA

**IN RE INCORRECT REDUCTION CLAIM
 ON:**

Public Resources Code Sections 40148, 40196.3, 42920-42928; Public Contract Code Sections 12167 and 12167.1; Statutes 1999, Chapter 764 (AB 75); Statutes 1992, Chapter 1116 (AB 3521); State Agency Model Integrated Waste Management Plan (February 2000).

Fiscal Years 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011

Citrus Community College District, Claimant

Case No.: 14-0007-I-03

Integrated Waste Management

DECISION PURSUANT TO
 GOVERNMENT CODE SECTION
 17500 ET SEQ.; CALIFORNIA CODE OF
 REGULATIONS, TITLE 2, DIVISION 2,
 CHAPTER 2.5, ARTICLE 7

(Adopted January 27, 2017)

DECISION

The Commission on State Mandates (Commission) heard and decided this Incorrect Reduction Claim (IRC) during a regularly scheduled hearing on January 27, 2017. [Witness list will be included in the adopted Decision.]

The law applicable to the Commission’s determination of a reimbursable state-mandated program is article XIII B, section 6 of the California Constitution, Government Code section 17500 et seq., and related case law.

The Commission [adopted/modified] the Proposed Decision to [approve/partially approve/deny] the IRC by a vote of [vote count will be included in the adopted Decision] as follows:

Member	Vote
Ken Alex, Director of the Office of Planning and Research	
Richard Chivaro, Representative of the State Controller	
Mark Hariri, Representative of the State Treasurer, Vice Chairperson	
Sarah Olsen, Public Member	
Eraina Ortega, Representative of the Director of the Department of Finance, Chairperson	
Carmen Ramirez, City Council Member	
Don Saylor, County Supervisor	

Summary of the Findings

This IRC addresses reductions made by the State Controller's Office (Controller) to reimbursement claims of the Citrus Community College District (claimant) for fiscal years 1999-2000, 2000-2001,²⁷ and 2003-2004 through 2010-2011 under the *Integrated Waste Management* program, 00-TC-07. The reductions were made on the ground that the claimant did not identify and deduct from its claims offsetting savings from the claimant's diversion of solid waste and the associated reduction or avoidance of costs incurred in landfill deposit fees.

The IWM program requires community college districts to reduce solid waste, reuse materials whenever possible, recycle recyclable materials, and procure products with recycled content in all agency offices and facilities. To implement their plans, community college districts must divert from landfill disposal at least 25 percent of generated solid waste by January 1, 2002, and at least 50 percent by January 1, 2004. Public Resources Code section 42925, as added by the test claim statutes, further provides that "[a]ny cost savings realized as a result of the state agency integrated waste management plan shall, to the extent feasible, be redirected to the agency's integrated waste management plan to fund plan implementation and administration costs, in accordance with Sections 12167 and 12167.1 of the Public Contract Code."

The Controller's audit findings are based on the court's ruling in *State of California v. Commission on State Mandates*, (Super. Ct., Sacramento County, 2008, No. 07CS00355, Peremptory Write of Mandate) and the resulting amendment to the Parameters and Guidelines. The court found that offsetting savings are, by statutory definition, likely to occur as a result of implementing the mandated activities. Reduced or avoided costs "are a direct result and an integral part of the IWM plan mandated under Public Resources Code section 42920 et seq.: as solid waste diversion occurs, landfill disposal of the solid waste and associated landfill disposal costs are reduced or avoided." As the court held, "landfill fees resulting from solid waste diversion activities under § 42920 et seq. represent savings *which must be offset* against the costs of the diversion activities to determine the reimbursable costs. . . ."²⁸

The test claim statutes, therefore, presume that by complying with the mandate to reduce and divert solid waste through the IWM program, landfill fees are reduced or avoided and cost savings are realized. As indicated in the court's ruling, the amount or value of the cost savings may be determined from the calculations of annual solid waste disposal reduction or diversion, which community colleges are required to annually report to the California Integrated Waste Management Board (CIWMB).²⁹ The statutory presumption of cost savings controls unless the claimant files evidence to rebut the presumption and shows that cost savings were not, in fact, realized. The claimant has the burden of proof on this issue. Under the mandates statutes and

²⁷ In the cover letter to the audit report, the Controller stated: "We did not include the costs claimed for the period of July 1, 2001, through June 30, 2003, in the review period because the statute of limitations to initiate the review had expired before we began the review." See Exhibit A, IRC, page 25 (Final Audit Report). Note that for the remaining fiscal years, at the time the IRC was filed, no payment had been made to claimant so that the statute of limitations on initiating an audit had not yet begun to run.

²⁸ Exhibit B, Controller's Late Comments on the IRC, page 109.

²⁹ Exhibit B, Controller's Late Comments on the IRC, page 109.

regulations, the claimant is required to show that it has incurred increased costs mandated by the state when submitting a reimbursement claim to the Controller's Office, and the burden to show that any reduction made by the Controller is incorrect.

Based on the claimant's annual reports to the CIWMB, showing that the claimant diverted solid waste in amounts that exceed the state mandate, the Controller correctly presumed, consistent with the presumption in the test claim statutes and the court's interpretation of those statutes and without any evidence to the contrary, that the allocated percentage of waste required to be diverted by the state results in offsetting savings in an amount equal to the avoided landfill fee per ton of waste diverted. The Controller did not use the actual percentage of waste diverted by the claimant, which exceeded the amount mandated by the state, so that the claimant would not be penalized.³⁰ The avoided landfill disposal fee was based on the statewide average disposal fee provided by the CIWMB for each fiscal year in the audit period, and the claimant has not filed any evidence to support a finding that the statewide average disposal fee is incorrect, or arbitrary or capricious. The claimant has not filed any evidence to rebut the statutory presumption of cost savings. Thus, the Controller's reduction of costs is correct as a matter of law.

Moreover, there is no evidence that the Controller's calculations of cost savings are incorrect as a matter of law, or are arbitrary, capricious, or without evidentiary support.

Accordingly, the Controller's reduction of costs is correct as a matter of law and not arbitrary, capricious, or lacking in evidentiary support. The Commission denies this IRC.

COMMISSION FINDINGS

I. Chronology

- 09/26/2005 Claimant signed its 1999-2000, 2000-2001, 2003-2004, and 2004-2005 reimbursement claims.³¹
- 12/01/2006 Claimant signed its 2005-2006 reimbursement claim.³²
- 01/18/2008 Claimant signed its 2006-2007 reimbursement claim.³³
- 12/15/2008 Claimant signed its 2007-2008 reimbursement claim.³⁴
- 01/13/2010 Claimant signed its 2008-2009 reimbursement claim.³⁵
- 01/10/2011 Claimant signed its 2009-2010 reimbursement claim.³⁶

³⁰ Exhibit B, Controller's Late Comments on the IRC, page 19.

³¹ Exhibit A, IRC, pages 223, 230, 236, and 241.

³² Exhibit A, IRC, page 247.

³³ Exhibit A, IRC, page 253.

³⁴ Exhibit A, IRC, page 258.

³⁵ Exhibit A, IRC, page 264.

³⁶ Exhibit A, IRC, page 270.

- 01/30/2012 Claimant signed its 2010-2011 reimbursement claim.³⁷
- 09/11/2013 Controller issued the Final Audit Report.³⁸
- 07/14/2014 Claimant filed this IRC.³⁹
- 01/16/2015 Controller filed late comments on the IRC.⁴⁰
- 11/16/2016 Commission staff issued the Draft Proposed Decision.⁴¹

II. Background

A. The *Integrated Waste Management Program*

The test claim statutes require each community college district⁴² to adopt and implement, in consultation with the California Integrated Waste Management Board (CIWMB, now the California Department of Resources Recycling and Recovery, or CalRecycle) an IWM plan to govern the district’s efforts to reduce solid waste, reuse materials whenever possible, recycle recyclable materials, and procure products with recycled content in all agency offices and facilities.⁴³ To implement their plans, districts must divert from landfill disposal at least 25 percent of generated solid waste by January 1, 2002, and at least 50 percent by January 1, 2004. To divert means to “reduce or eliminate the amount of solid waste from solid waste disposal...”⁴⁴

CIWMB developed and adopted a model IWM plan on February 15, 2000, and the test claim statutes provide that if a district does not adopt an IWM plan, the CIWMB model plan governs the community college.⁴⁵ Each district is also required to report annually to CIWMB on its progress in reducing solid waste; and the reports’ minimum contents are specified in statute.⁴⁶

³⁷ Exhibit A, IRC, page 276 (This claim states it is for 7/1/10 to 10/7/10).

³⁸ Exhibit A, IRC, page 25 (Final Audit Report).

³⁹ Exhibit A, IRC.

⁴⁰ Exhibit B, Controller’s Late Comments on the IRC. Note that Government Code section 17553(d) states: “the Controller shall have no more than 90 days after the claim is delivered or mailed to file any rebuttal to an incorrect reduction claim. The failure of the Controller to file a rebuttal to an incorrect reduction claim shall not serve to delay the consideration of the claim by the Commission.” However, in this instance, due to the backlog of IRCs, these late comments have not delayed consideration of this item and so have been included in the analysis and Proposed Decision.

⁴¹ Exhibit C, Draft Proposed Decision.

⁴² The test claim statutes apply to “state agencies” and define them to include “the California Community Colleges” (Pub. Res. Code, § 40196.3).

⁴³ Public Resources Code section 42920(b).

⁴⁴ Public Resources Code section 40124.

⁴⁵ Public Resources Code section 42920(b)(3).

⁴⁶ Public Resources Code section 42926.

The test claim statutes also required, when entering into or renewing a lease, a community college to ensure that adequate areas are provided for and adequate personnel are available to oversee collection, storage, and loading of recyclable materials in compliance with CIWMB's requirements.⁴⁷ Additionally, the test claim statutes added Public Resources Code section 42925(a), which addressed cost savings from IWM plan implementation:

Any cost savings realized as a result of the state agency integrated waste management plan shall, to the extent feasible, be redirected to the agency's integrated waste management plan to fund plan implementation and administration costs, in accordance with Sections 12167 and 12167.1 of the Public Contract Code.

The Public Contract Code sections referenced in section 42925 require that revenue received as a result of the community college's IWM plan be deposited in CIWMB's Integrated Waste Management Account. After July 1, 1994, CIWMB was authorized to spend the revenue upon appropriation by the Legislature to offset recycling program costs. Annual revenue under \$2,000 is to be continuously appropriated for expenditure by the community colleges, whereas annual revenue over \$2,000 is available for expenditures upon appropriation by the Legislature.⁴⁸

On March 24, 2004, the Commission adopted the *Integrated Waste Management* Statement of Decision and determined that the test claim statutes impose a reimbursable state-mandated program on community college districts. The Commission also found that cost savings under Public Resources Code section 42925 did not preclude a reimbursable mandate under Government Code section 17556(e) because there was no evidence that offsetting savings would result in no net costs to a community college implementing an IWM plan, nor evidence that revenues received from plan implementation would be "in an amount sufficient to fund" the cost of the state-mandated program. The Commission found that any revenues received would be identified as offsetting revenue in the Parameters and Guidelines.

The Parameters and Guidelines were adopted on March 30, 2005, and authorize reimbursement for the increased costs to perform the following activities:

- A. One-Time Activities (Reimbursable starting January 1, 2000)
 - 1. Develop the necessary district policies and procedures for the

⁴⁷ Public Resources Code section 42924(b).

⁴⁸ Public Contract Code sections 12167 and 12167.1 are part of the State Assistance for Recycling Markets Act, which was originally enacted in 1989 to foster the procurement and use of recycled paper products and other recycled resources in daily state operations (See Pub. Contract Code, §§ 12153, 12160; Stats. 1989, ch. 1094). The Act, including sections 12167 and 12167.1, apply to California Community Colleges only to the limited extent that these sections are referenced in Public Resources Code section 42925. California Community Colleges are not defined as state agencies or otherwise subject to the Act's provisions for the procurement and use of recycled products in daily state operations. See Exhibit B, Controller's Late Comments on the IRC, page 105 (*State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates, et al.* (Sacramento County Superior Court, Case No. 07CS00355)).

implementation of the integrated waste management plan.

2. Train district staff on the requirements and implementation of the integrated waste management plan (one-time per employee). Training is limited to the staff working directly on the plan.

B. Ongoing Activities (*Reimbursable starting January 1, 2000*)

1. Complete and submit to the Board the following as part of the State Agency Model Integrated Waste Management Plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.):
 - a. state agency or large state facility information form;
 - b. state agency list of facilities;
 - c. state agency waste reduction and recycling program worksheets that describe program activities, promotional programs, and procurement activities, and other questionnaires; and
 - d. state agency integrated waste management plan questions.

NOTE: Although reporting on promotional programs and procurement activities in the model plan is reimbursable, implementing promotional programs and procurement activities is not.

2. Respond to any Board reporting requirements during the approval process. (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
3. Consult with the Board to revise the model plan, if necessary. (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
4. Designate one solid waste reduction and recycling coordinator for each college in the district to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928). The coordinator shall implement the integrated waste management plan. The coordinator shall act as a liaison to other state agencies (as defined by section 40196.3) and coordinators. (Pub. Resources Code, § 42920, subd. (c).)
5. Divert at least 25 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2002, and at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting activities. Maintain the required level of reduction, as approved by the Board. (Pub. Resources Code, §§ 42921 & 42922, subd. (i).)

C. Alternative Compliance (*Reimbursable from January 1, 2000 – December 31, 2005*)

1. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2002 deadline to divert 25

percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c).)

- a. Notify the Board in writing, detailing the reasons for its inability to comply.
 - b. Request of the Board an alternative to the January 1, 2002 deadline.
 - c. Provide evidence to the Board that the college is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan.
 - d. Provide information that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college.
 - e. Submit a plan of correction that demonstrates that the college will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be implemented to meet those requirements, and the means by which these programs will be funded.
2. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2004 deadline to divert 50 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42922, subds. (a) & (b).)
- a. Notify the Board in writing, detailing the reasons for its inability to comply.
 - b. Request of the Board an alternative to the 50-percent requirement.
 - c. Participate in a public hearing on its alternative requirement.
 - d. Provide the Board with information as to:
 - (i) the community college's good faith efforts to implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board;
 - (ii) the community college's inability to meet the 50 percent diversion requirement despite implementing the measures in its plan;

- (iii) how the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve; and,
- (iv) the circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.⁴⁹

D. Accounting System (*Reimbursable starting January 1, 2000*)

Developing, implementing, and maintaining an accounting system to enter and track the college's source reduction, recycling and composting activities, the cost of those activities, the proceeds from the sale of any recycled materials, and such other accounting systems which will allow it to make its annual reports to the state and determine waste reduction. Note: only the pro-rata portion of the costs incurred to implement the reimbursable activities can be claimed.

E. Annual Report (*Reimbursable starting January 1, 2000*)

Annually prepare and submit, by April 1, 2002, and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report must encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i).)

1. calculations of annual disposal reduction;
2. information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors;
3. a summary of progress made in implementing the integrated waste management plan;
4. the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.);
5. for a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension;
6. for a community college that has been granted an alternative source

⁴⁹ These alternative compliance and time extension provisions in part C were sunset on January 1, 2006, but were included in the adopted Parameters and Guidelines.

reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.

F. Annual Recycled Material Reports (*Reimbursable starting July 1, 1999*)

Annually report to the Board on quantities of recyclable materials collected for recycling. (Pub. Contract Code, § 12167.1.) (See Section VII. regarding offsetting revenues from recyclable materials.)

The Parameters and Guidelines further require that each claimed reimbursable cost be supported by contemporaneous source documentation.⁵⁰

And as originally adopted, the Parameters and Guidelines required community college districts to identify and deduct from their reimbursement claims all of the offsetting revenues received from the sale of recyclable materials, limited by the provisions of Public Resources Code section 42925 and Public Contract Code section 12167.1. The Parameters and Guidelines did not contain any provisions requiring community colleges to identify and deduct from their claims offsetting cost savings resulting from the solid waste diversion activities required by the test claim statutes.⁵¹

B. Superior Court Decision Regarding Cost Savings and Offsets Under the Program

After the Parameters and Guidelines were adopted, Finance and the CIWMB filed a petition for a writ of mandate pursuant to Government Code section 17559, requesting the court to direct the Commission to set aside the test claim Statement of Decision and Parameters and Guidelines and to issue a new Decision and Parameters and Guidelines that give full consideration to the cost savings and offsetting revenues community college districts will achieve by complying with the test claim statute, including all cost savings achieved through avoided landfill disposal fees and revenues received from the collection and sale of recyclable materials. The petition further argued that Public Contract Code sections 12167 and 12167.1 do not require community college districts to deposit revenues received from the collection and sale of recyclable materials into the Integrated Waste Management Account, as determined by the Commission, but instead allow community college districts to retain all revenues received. The petition contended that such revenues must be identified as offsetting revenues and applied to the costs of the program, without the community college district obtaining the approval of the Legislature or the CIWMB.

On May 29, 2008, the Sacramento County Superior Court entered judgment granting the petition for writ of mandate, and found that the Commission's treatment of cost savings and revenues in the Parameters and Guidelines was erroneous and required that the Parameters and Guidelines be amended. The court found "no indication in the administrative record or in the legal authorities provided to the court that, as respondent [Commission] argues, a California Community College might not receive the full reimbursement of its actual increased costs required by section 6 if its claims for reimbursement of IWM plan costs were offset by realized cost savings and all

⁵⁰ Exhibit A, IRC, pages 41-44 (Parameters and Guidelines, adopted March 30, 2005).

⁵¹ Exhibit A, IRC, page 46 (Parameters and Guidelines, adopted March 30, 2005).

revenues received from the plan activities.”⁵² Instead, the court recognized that community colleges are “likely to experience costs savings in the form of reduced or avoided costs of landfill disposal” as a result of the mandated activities in Public Resources Code section 42921 because reduced or avoided costs “are a direct result and an integral part of the IWM plan mandated under Public Resources Code section 42920 et seq.: as solid waste diversion occurs, landfill disposal of the solid waste and associated landfill disposal costs are reduced or avoided.” The court noted that “diversion is defined in terms of landfill disposal for purposes of the IWM plan mandates” and cited the statutory definition of diversion: “activities which reduce or eliminate the amount of solid waste from solid waste disposal for purposes of this division [i.e., division 30, including § 42920 et seq.]” as well as the statutory definition of disposal: “the management of solid waste through landfill disposal or transformation at a permitted solid waste facility.”⁵³

The court explained that:

[R]eduction or avoidance of landfill fees resulting from solid waste diversion activities under § 42920 et seq. represent savings *which must be offset* against the costs of the diversion activities to determine the reimbursable costs of the IWM plan implementation . . . The amount or value of the savings may be determined from the calculations of annual solid waste disposal reduction or diversion which California Community Colleges must annually report to petitioner Integrated Waste Management Board pursuant to subdivision (b)(1) of Public Resources Code section 42926.⁵⁴

The court harmonized section 42925(a) with Public Contract Code sections 12167 and 12167.1:

By requiring the redirection of cost savings from state agency IWM plans to fund plan implementation and administration costs “in accordance with Sections 12167 and 12167.1 of the Public Contract Code,” section 42925 assures that cost savings realized from state agencies’ IWM plans are handled in a manner consistent with the handling of revenues received from state agencies’ recycling plans under the State Assistance for Recycling Markets Act. Thus, in accordance with section 12167, state agencies, along with California Community Colleges which are defined as state agencies for purposes of IWM plan requirements in Public Resources Code section 42920 et seq. [citations omitted], must deposit cost savings resulting from IWM plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the Integrated Waste Management Board for the purpose of offsetting IWM plan costs. In accordance with section 12167.1 and notwithstanding section 12167, cost savings from the IWM plans of the agencies and colleges that do not exceed \$2000 annually are continuously appropriated for expenditure by the agencies and colleges for the purpose of offsetting IWM plan implementation and administration costs; cost savings resulting from IWM plans

⁵² Exhibit B, Controller’s Late Comments on the IRC, page 108 (Ruling on Submitted Matter).

⁵³ Exhibit B, Controller’s Late Comments on the IRC, page 108 (Ruling on Submitted Matter).

⁵⁴ Exhibit B, Controller’s Late Comments on the IRC, page 109 (Ruling on Submitted Matter).

in excess of \$2000 annually are available for such expenditure by the agencies and colleges when appropriated by the Legislature.⁵⁵

The court issued a writ of mandate directing the Commission to amend the Parameters and Guidelines to require community college districts claiming reimbursable costs of an integrated waste management plan to:

1. Identify and offset from their claims, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1, cost savings realized as a result of implementing their plans; and
2. Identify and offset from their claims all of the revenue generated as a result of implementing their plans, without regard to the limitations or conditions described in sections 12167 and 12167.1 of the Public Contract Code.⁵⁶

C. Parameters and Guidelines Amendment Pursuant to the Writ

In compliance with the writ, the Commission amended the Parameters and Guidelines on September 26, 2008 to add section VIII. Offsetting Cost Savings, which states:

Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management plans shall be identified and offset from this claim as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1. Pursuant to these statutes, community college districts are required to deposit cost savings resulting from their Integrated Waste Management plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the California Integrated Waste Management Board for the purpose of offsetting Integrated Waste Management plan costs. Subject to the approval of the California Integrated Waste Management Board, cost savings by a community college that do not exceed two thousand dollars (\$2,000) annually are continuously appropriated for expenditure by the community college for the purpose of offsetting Integrated Waste Management program costs. Cost savings exceeding two thousand dollars (\$2,000) annually may be available for expenditure by the community college only when appropriated by the Legislature. To the extent so approved or appropriated and applied to the college, these amounts shall be identified and offset from the costs claimed for implementing the Integrated Waste Management Plan.⁵⁷

Section VII. of the Parameters and Guidelines, on Offsetting Revenues, was amended as follows (amendments reflected in ~~strikeout~~ and underline):

⁵⁵ Exhibit B, Controller's Late Comments on the IRC, page 110-111 (Ruling on Submitted Matter).

⁵⁶ Exhibit X, *State of California v. Commission on State Mandates* (Super. Ct., Sacramento County, 2008, No. 07CS00355, Peremptory Writ of Mandate).

⁵⁷ Exhibit A, IRC page 59 (Amended Parameters and Guidelines, adopted Sept. 26, 2008).

Reimbursement for this mandate from any source, including but not limited to, services fees collected, federal funds, and other state funds allocated to any service provided under this program, shall be identified and ~~deducted~~ offset from this claim. Offsetting revenue shall include all revenues generated from implementing the Integrated Waste Management Plan. ~~the revenues cited in Public Resources Code section 42925 and Public Contract Code sections 12167 and 12167.1.~~

~~Subject to the approval of the California Integrated Waste Management Board, revenues derived from the sale of recyclable materials by a community college that do not exceed two thousand dollars (\$2,000) annually are continuously appropriated for expenditure by the community college for the purpose of offsetting recycling program costs. Revenues exceeding two thousand dollars (\$2,000) annually may be available for expenditure by the community college only when appropriated by the Legislature. To the extent so approved or appropriated and applied to the college, these amounts are a reduction to the recycling costs mandated by the state to implement Statutes 1999, chapter 764.~~

In addition, revenue from a building-operating fee imposed pursuant to Education Code section 76375, subdivision (a) if received by a claimant and the revenue is applied to this program, shall be deducted from the costs claimed.⁵⁸

All other requirements in the Parameters and Guidelines remained the same.

The CIWMB also requested additional amendments to the Parameters and Guidelines for this hearing, which were denied by the Commission. CIWMB requested that the offsetting savings language be changed to require community college districts to provide offsetting savings information *whether or not* the offsetting savings generated in a fiscal year exceeded the \$2,000 continuous appropriation required by Public Contract Code sections 12167 and 12167.1. The Commission denied the request because the proposed language went beyond the scope of the court's judgment and writ.⁵⁹ As the Court's Ruling finds:

By requiring the redirection of cost savings from state agency IWM plans to fund plan implementation and administration costs "in accordance with Sections 12167 and 12167.1 of the Public Contract Code," section 42925 assures that cost savings realized from state agencies' IWM plans are handled in a manner consistent with the handling of revenues received from state agencies' recycling plans under the State Assistance for Recycling Markets Act. Thus, in accordance with section 12167, state agencies, along with California Community Colleges which are defined as state agencies for purposes of IWM plan requirements in Public Resources Code section 42920 et seq. [citations omitted], must deposit cost savings resulting from IWM plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the

⁵⁸ Exhibit A, IRC, pages 58-59.

⁵⁹ Exhibit X, Excerpt from the Minutes, for the September 26, 2008 Meeting of the Commission on State Mandates.

Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the Integrated Waste Management Board for the purpose of offsetting IWM plan costs. In accordance with section 12167.1 and notwithstanding section 12167, cost savings from the IWM plans of the agencies and colleges that do not exceed \$2000 annually are continuously appropriated for expenditure by the agencies and colleges for the purpose of offsetting IWM plan implementation and administration costs; cost savings resulting from IWM plans in excess of \$2000 annually are available for such expenditure by the agencies and colleges when appropriated by the Legislature.⁶⁰

The CIWMB also requested additional language to require community college districts to analyze specified categories of potential cost savings when filing their reimbursement claims. The Commission found that the court determined that the amount or value of cost savings is already available from the annual report the community college districts provide to the CIWMB pursuant to Public Resources Code section 42926(b). This report is required to include the district's "calculations of annual disposal reduction" and "information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors." Thus, the Commission denied the request and adopted the staff analysis finding that the request went beyond the scope of the court's writ and judgment. The Commission also noted that the request was the subject of separate pending request filed by CIWMB to amend the Parameters and Guidelines and, thus, would be further analyzed for that matter.

D. Subsequent Request by the CIWMB to Amend the Parameters and Guidelines to Require Detailed Reports on Cost Savings and Revenues

The CIWMB filed a request to amend the Parameters and Guidelines to include a requirement for community college districts to submit a separate worksheet and report with their reimbursement claims analyzing the costs incurred and avoided and any fees received relating to staffing, overhead, materials, storage, transportation, equipment, the sale of commodities, avoided disposal fees, and any other revenue received relating to the mandated program as specified by the CIWMB. The Commission rejected the request for the following reasons: there is no requirement in statute or regulation that community college districts perform the analysis specified by the CIWMB; the Commission has no authority to impose additional requirements on community college districts regarding this program; the offsetting cost savings paragraph in the Parameters and Guidelines already identifies the offsetting savings consistent with the language of Public Resources Code section 42925(a), Public Contract Code sections 12167 and 12167.1, and the court's judgment and writ; and information on cost savings is already available in the community colleges' annual reports submitted to CIWMB, as required by Public Resources Code section 42926(b)(1).⁶¹

⁶⁰ Exhibit B, Controller's Late Comments on the IRC, page 110-111 (Ruling on Submitted Matter).

⁶¹ Exhibit X, Item 9, Final Staff Analysis of Proposed Amendments to the Parameters and Guidelines for *Integrated Waste Management*, 05-PGA-16, January 30, 2009, pages 2-3.

E. The Controller’s Audit

The Controller audited claimant’s reimbursement claims for the 1999-2000, 2000- 2001, and 2003-2004 through 2010-2011 fiscal years (the audit period). The claims for 2001-2002 and 2002-2003 were not audited because, according to the Controller, the statute of limitations to initiate the review had expired before the Controller began the review.⁶²

Of the \$378,779 claimed for the audit period, the Controller found that \$371,120 was unallowable and \$7,659 was allowable for fiscal year 1999-2000 only, because the claimant underreported cost savings, by identifying savings of only \$571,⁶³ during the audit period. The Controller’s audit finding is based on the court’s ruling and the resulting amendment to the Parameters and Guidelines, which state that “the amount or value of the cost savings may be determined from the calculations of annual solid waste disposal reduction or diversion which California Community Colleges must annually report to petitioner Integrated Waste Management Board pursuant to subdivision (b)(l) of Public Resources Code section 42926.”

The Controller used the solid waste diversion percentages to calculate offsetting savings with the following formula:

$$\begin{array}{rcccl}
 & \text{Allocated Diversion \%} & & & \\
 & \text{-----} & & & \\
 & \text{Maximum} & & & \text{Avoided} \\
 & \text{Allowable} & & & \text{Landfill} \\
 \text{Offsetting} & & & & \text{Disposal Fee} \\
 \text{Savings} & = & \frac{\text{Diversion \%}}{\text{Actual}} & \times & \text{Tonnage} \times \text{Diverted} & \times & \text{(per Ton)} \\
 \text{Realized} & & \text{Diversion \%} & & & & \\
 & & & & & &
 \end{array}$$

This formula divides the percentage of solid waste required to be diverted (25 percent for 1999-2001 and 50 percent for 2003-2011) by the actual percentage of solid waste diverted (as reported by the claimant to CIWMB). The resulting quotient is then multiplied by the tons of solid waste diverted (as annually reported by the claimant to the CIWMB), multiplied by the avoided landfill disposal fee (based on the statewide average fee). The Controller state’s that “[t]his calculation determines the cost that the district did not incur for solid waste disposal as a result of implementing its IWM plan.”⁶⁴

The Controller provides an example of how this formula works. In calendar year 2007, the claimant reported that it diverted 3,099.2 tons of solid waste and disposed of 802.6 tons, which totals 3,901.8 tons of solid waste generated for that year. Diverting 3,099.2 tons out of the 3,901.8 tons of total waste generated, results in a diversion percentage of 79.43 percent (more

⁶² Exhibit A, IRC, page 25 (Final Audit Report).

⁶³ The claimant asserts that the \$571 was offsetting revenues, and that it realized no cost savings. (Exhibit A, IRC, pages 16-18.)

⁶⁴ Exhibit A, IRC, pages 34 and 35 (Final Audit Report).

than the 50 percent required).⁶⁵ The Controller did not want to penalize the claimant for diverting more solid waste than what was mandated⁶⁶ and, thus, allocated the diversion percentage by dividing the mandated diversion percentage (50 percent) by the actual diversion percentage (79.43 percent), which equals 62.95 percent. The allocated diversion percentage of 62.95 percent is then multiplied by the 3,099.2 tons diverted that year, which equals 1,950.9 tons of diverted solid waste, instead of the 3,099.2 tons actually diverted. The allocated 1,950.9 tons of diverted waste is then multiplied by the statewide average disposal fee per ton, which in calendar year 2007 was \$48, for “offsetting cost savings” for calendar year 2007 of \$93,646.⁶⁷ The audit report states that the claimant did not provide documentation supporting a different disposal fee.⁶⁸

In 2008, the CIWMB stopped requiring community college districts to report the actual amount of tonnage diverted (CIWMB changed focus to "per-capita disposal" instead of a "diversion percentage"). Consequently, the Controller used the claimant’s reported 2007 diversion percentage to calculate the offsetting savings for the last half of fiscal year 2007-2008, as well as for fiscal years 2008-2009, 2009-2010, and 2010-2011. According to the Controller, the claimant did not provide documentation supporting a different diversion percentage.

The Controller calculated total offsetting savings for the audit period at \$575,277, which adjusted for the \$571 in cost savings reported, amounts to cost savings of \$574,706.⁶⁹

III. Positions of the Parties

A. Citrus Community College District

The claimant contends that the audit reductions are incorrect and requests the reinstatement of the full amount reduced, \$371,120. The claimant alleges that it did not realize any cost savings as a result of the mandate and quotes the superior court decision (as discussed in the background above) that cost savings will “most likely” occur as a result of reduced or avoided costs of landfill disposal. Claimant argues that:

The court presupposes a previous legal requirement for districts to incur landfill disposal fees to divert solid waste. Thus, potentially relieved of the need to incur new or additional landfill fees for increased waste diversion, a cost savings would occur. There is no finding of fact or law in the court decision or from the

⁶⁵ Exhibit B, Controller’s Late Comments on the IRC, pages 19-20, 116 (Controller’s calculations of offsetting savings for the audit period).

⁶⁶ Exhibit B, Controller’s Late Comments on the IRC, page 19.

⁶⁷ Exhibit B, Controller’s Late Comments on the IRC, pages 19, 116 (Controller’s calculations of offsetting savings for the audit period).

⁶⁸ Exhibit A, IRC, page 35 (Final Audit Report).

⁶⁹ Exhibit A, IRC, pages 34-36 (Final Audit Report); Exhibit B, Controller’s Late Comments on the IRC, page 22.

Commission Statement of Decision for the test claim for this assumed duty to use landfills.⁷⁰

Claimant further argues that the offsetting savings provision in the Parameters and Guidelines does not assume that the cost savings occurred, but instead requires that the cost savings be *realized*. For the savings to be realized, the claimant contends that the following chain of events are required:

The cost savings must exist (avoided landfill costs); be converted to cash; amounts in excess of \$2,000 per year deposited in the state fund; and, these deposits by the districts appropriated by the Legislature to districts for purposes of mitigating the cost of implementing the plan. None of those prerequisite events occurred so no cost savings were "realized" by the District. Regardless, the adjustment cannot be applied to the District since no state appropriation of the cost savings was made to the District.⁷¹

The claimant also argues that the Parameters and Guidelines are silent as to how to calculate the avoided costs, but that the court provided two alternative methods, either disposal reduction or diversion reported by districts. The Controller used the diversion percentage, which assumes, without findings of fact, that all diversion tonnage is landfill disposal tonnage reduction. The claimant contends that the Controller's calculation of cost savings is wrong because: (1) the formula is a standard of general application that was not adopted pursuant to the Administrative Procedure Act and is therefore an unenforceable underground regulation; (2) the Controller's formula assumes facts not in evidence, such as applying the same percentage of waste diverted in 2007 to all subsequent years without evidence in the record, and assumes that all tonnage diverted would have been disposed in a landfill, although some waste may have been composted or may not apply to the mandate (e.g. paint); and (3) the landfill disposal fee, a statewide average calculated by the CIWMB, does not include the data used to generate the average fee amounts, so the average is unknown and unsupported by the audit findings.⁷²

Claimant also argues that application of the formula is incorrect. Since no landfill costs were claimed, none can be offset, so the offsets are not properly matched to relevant costs. Moreover, the Controller's calculation method prevents the claimant from receiving full reimbursement of its actual increased program costs. Claimant contends, using audit results for 23 other claimants under the *Integrated Waste Management* program, the application of the Controller's formula has arbitrary results because the percentages of allowed costs for those claimants ranges from zero to 83.4 percent.

The claimant further alleges that the audit report erroneously recognized only \$571 as the claimed offsetting recycling *revenues*, when in fact \$17,074 of offsetting revenue and other reimbursements were reported and offset by the claimant. The claimant concludes that it

⁷⁰ Exhibit A, IRC, page 11.

⁷¹ Exhibit A, IRC, page 13.

⁷² Exhibit A, IRC, pages 14-16.

properly reported the recycling income as a reduction of total claimed costs, which was not subject to state appropriation in the form of cost savings.⁷³

Finally, the claimant argues: (1) the Controller used the wrong standard of review in that the claimed costs were not found to be excessive or unreasonable, as required by Government Code section 17561(d)(2); and (2) the Controller has the burden of proof as to the propriety of its audit findings “because it bears the burden of going forward and because it is the party with the power to create, maintain, and provide evidence regarding its auditing methods and procedures, as well as the specific facts relied upon for its audit findings.”⁷⁴

B. State Controller’s Office

The Controller maintains that the audit findings are correct and that the offsetting savings were correctly reduced from the costs claimed. The Controller notes that the claimant does not provide an alternative for how undiverted solid waste would be disposed of if not at a landfill. In addition, the claimant does not state that it disposed of its solid waste at any location other than a landfill or used any other means to dispose of its waste rather than to contract with a commercial waste hauler.

The Controller concludes that the claimant’s comments relating to legal requirements regarding alternatives for the disposal of solid waste are irrelevant. The Controller cites the claimant’s annual reports of tonnage disposed for each year of the audit, and argues that the claimant “does not indicate in these annual reports that it used any other methodology to dispose of solid waste.”⁷⁵ The Controller also cites the claimant’s recycling program website, which indicates that it disposes of waste in a landfill, and concludes that the claimant “acknowledges its use of landfills for solid waste disposal” and that “it realized a reduction of solid waste disposal through implementation of its IWM plan.”⁷⁶ According to the Controller:

Unless the district had an undisclosed arrangement with its commercial waste hauler (Athens Services, Inc.), the district did not dispose of its solid waste at a landfill for no cost. For example, Citrus College is located in Glendora, CA. An internet search for landfill fees revealed that the Scholl Canyon Landfill in Glendale, California (19 miles from Citrus College), currently charges \$49.18 per ton to dispose of solid waste [citation omitted]. Therefore, the higher rate of diversion, the less trash that is disposed at a landfill, resulting in cost savings to the district.⁷⁷

The Controller also points to comments the claimant made in its August 2012 Sustainability Plan about how recycling programs can save money and create revenue streams.

As far as the claimant not remitting cost savings from the implementation of its IWM plan into the Integrated Waste Management Account in compliance with the Public Contract Code, the

⁷³ Exhibit A, IRC, pages 16-18.

⁷⁴ Exhibit A, IRC, page 21.

⁷⁵ Exhibit B, Controller’s Late Comments on the IRC, page 17.

⁷⁶ Exhibit B, Controller’s Late Comments on the IRC, pages 17 and 74.

⁷⁷ Exhibit B, Controller’s Late Comments on the IRC, page 17.

Controller asserts that the claimant is not precluded from the requirement to do so, as indicated in the Parameters and Guidelines and the court ruling. The Controller also points to the claimant's statement in its August 2012 Sustainability Plan of its "*very successful recycling program in place* resulting in an approximately 50 percent diversion rate"⁷⁸ The Controller says this evidence supports that the claimant realized cost savings that should have been remitted to the state and that must be used to fund IWM plan costs.

In response to the claimant's argument that the Controller's formula is a standard of general application that is an underground regulation, the Controller responds that the calculation is a "court approved methodology" to determine the "required offset." The Controller also states that the claimant did not amend any of its reimbursement claims after the Parameters and Guidelines were amended in September 2008. According to the Controller: "We believe that this "court identified" approach provides a reasonable methodology to identify the applicable offsets, especially when you consider the district's admission of savings through an efficiently designed program."⁷⁹

The Controller also contends that it "allocated" the offsetting savings to avoid penalizing the claimant for diverting amounts beyond the minimum percentage of diversion required. According to the Controller:

As there is no State mandate to exceed solid waste diversion greater than 25% for calendar years 2002 and 2003 or greater than 50% for calendar year 2004 and beyond, there is no basis for calculating offsetting savings realized for actual diversion percentages that exceeded the levels set by statute."⁸⁰

The Controller notes that after the passage of Statutes 2008, chapter 343, CIWMB no longer required districts to report their tonnage diverted, but they are still required to divert 50 percent of their solid waste. Defending its use of the claimant's 2007 reported diversion to calculate claimant's offsets for 2007-2008 through 2010-2011, the Controller calls the 2007 report a "fair representation" of 2008 -2010 "because the district's recycling processes have already been established and committed to." The Controller notes that the claimant's reported information on per-capita disposal is well below the target rate for 2008, 2009 and 2010, so "the district far surpassed its requirement to divert more than 50% of its solid waste." The Controller cites the claimant's 2008 report that says its recycling activities "mirror the previous years," as well as claimant's plans to add a "self-haul green waste program" and "electric hand dryers." Based on these claimant statements, the Controller asserts that its savings calculations for 2007-2008 through 2010-2011 may be understated.⁸¹

The Controller also responded to claimant's argument against the assumption that all tonnage diverted would have been disposed in a landfill, even though some waste may have been composted or may not apply to the mandate (e.g. paint). Noting that it was not until 2008 that claimant reported that its on-site composting/mulching program was planned/expanding, and that

⁷⁸ Exhibit B, Controller's Late Comments on the IRC, pages 18 and 92.

⁷⁹ Exhibit B, Controller's Late Comments on the IRC, page 19.

⁸⁰ Exhibit B, Controller's Late Comments on the IRC, page 19.

⁸¹ Exhibit B, Controller's Late Comments on the IRC, page 20.

no direct costs were claimed for 2008-2009 through 2010-2011 for time spent composting or mulching, the Controller concluded that composted material, if any, would not be a significant amount diverted. The Controller also states that claimant's reference to paint disposal is irrelevant because hazardous waste is not included in the diversion amounts that claimant reported, and therefore, are not included in the Controller's offsetting savings calculation.

Regarding the data for the statewide disposal fee, the Controller states the information was provided by CIWMB, is included in the record, and is based on private surveys of a large percentage of landfills across California. In addition, claimant "did not provide any information, such as its contract with or invoices received from its commercial waste hauler (Athens Services, Inc.) to support either the landfill fees actually incurred by the district or to confirm that the statewide average landfill fee was greater than landfill fees incurred by the district."⁸²

In response to the claimant's argument that it "did not claim landfill costs, so there are none to be offset," the Controller answers that the mandated program does not reimburse claimants for landfill costs incurred to dispose of solid waste, so none would be claimable. Rather, the mandated program reimburses claimants to divert solid waste from disposal, which according to the Controller, results in both a reduction of solid waste going to a landfill in compliance with its IWM plan, and the associated costs of having the waste hauled there, which are required to offset reimbursement claims.

In response to the claimant's argument that "the adjustment method does not match or limit the landfill costs avoided to landfill costs, if any, actually claimed," the Controller quotes Public Resources Code section 42925 that "cost savings realized as a result of the IWM plan are to fund plan *implementation and administration costs.*" The Controller argues that offsetting savings applies to the whole program and is not limited to solid waste diversion activities. The Controller also cites the reimbursable activities in the Parameters and Guidelines that refer to "implementation of the IWM plan," concluding that it is reasonable that offsetting savings from implementing the plan be offset against direct costs to implement the plan. The Controller also asserts, in response to claimant's reference to other IWM audits, that other audits are irrelevant to the current issue.

The Controller disagrees with the claimant that it reported \$17,074 as offsetting recycling revenues. The report identifies \$16,504 of offsetting revenues and \$571 as offsetting savings reported by the district in the report's Finding and Recommendation. If the entire \$17,074 (\$16,054+\$571 minus \$1 rounding error) was related to recycling revenues, the Controller states that the claimant did not follow the claiming instructions for reporting offsetting savings and other reimbursements. The Controller also notes that there is no evidence supporting the amounts the claimant realized as recycling revenues, but that if the claimant is correct, then total offsets may be understated and total program costs may be overstated.

The Controller also disagrees with claimant's assertion that it used the wrong standard of review because it did conclude that the claims were excessive. As to the burden of proof, the Controller states that it used data from the claimant's annual reports from implementing its IWM program.

⁸² Exhibit B, Controller's Late Comments on the IRC, page 22.

IV. Discussion

Government Code section 17561(d) authorizes the Controller to audit the claims filed by local agencies and school districts and to reduce any claim for reimbursement of state mandated costs that the Controller determines is excessive or unreasonable.

Government Code Section 17551(d) requires the Commission to hear and decide a claim that the Controller has incorrectly reduced payments to the local agency or school district. If the Commission determines that a reimbursement claim has been incorrectly reduced, section 1185.9 of the Commission's regulations requires the Commission to send the decision to the Controller and request that the costs in the claim be reinstated.

The Commission must review questions of law, including interpretation of the parameters and guidelines, de novo, without consideration of legal conclusions made by the Controller in the context of an audit. The Commission is vested with exclusive authority to adjudicate disputes over the existence of state-mandated programs within the meaning of article XIII B, section 6.⁸³ The Commission must also interpret the Government Code and implementing regulations in accordance with the broader constitutional and statutory scheme. In making its decisions, the Commission must strictly construe article XIII B, section 6 of the California Constitution and not apply it as an "equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities."⁸⁴

With regard to the Controller's audit decisions, the Commission must determine whether they were arbitrary, capricious, or entirely lacking in evidentiary support. This standard is similar to the standard used by the courts when reviewing an alleged abuse of discretion of a state agency.⁸⁵ Under this standard, the courts have found that:

When reviewing the exercise of discretion, "[t]he scope of review is limited, out of deference to the agency's authority and presumed expertise: 'The court may not reweigh the evidence or substitute its judgment for that of the agency. [Citation.]'" ... "In general ... the inquiry is limited to whether the decision was arbitrary, capricious, or entirely lacking in evidentiary support. . . ." [Citations.] When making that inquiry, the " "court must ensure that an agency has adequately considered all relevant factors, and has demonstrated a rational connection between those factors, the choice made, and the purposes of the enabling statute." [Citation.]' "⁸⁶

⁸³ *Kinlaw v. State of California* (1991) 54 Cal.3d 326, 331-334; Government Code sections 17551, 17552.

⁸⁴ *County of Sonoma v. Commission on State Mandates* (2000) 84 Cal.App.4th 1264, 1281, citing *City of San Jose v. State of California* (1996) 45 Cal.App.4th 1802, 1817.

⁸⁵ *Johnston v. Sonoma County Agricultural Preservation and Open Space Dist.* (2002) 100 Cal.App.4th 973, 983-984. See also *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547.

⁸⁶ *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547-548.

The Commission must review the Controller’s audit in light of the fact that the initial burden of providing evidence for a claim of reimbursement lies with the claimant.⁸⁷ In addition, sections 1185.1(f)(3) and 1185.2(c) of the Commission’s regulations require that any assertions of fact by the parties to an IRC must be supported by documentary evidence. The Commission’s ultimate findings of fact must be supported by substantial evidence in the record.⁸⁸

The Controller’s Reduction of Costs Is Correct as a Matter of Law and Is Not Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support.

- A. The test claim statutes presume that by complying with the mandate to reduce and divert solid waste through the IWM program, landfill fees are reduced or avoided and cost savings are realized.

The test claim statute added Public Resources Code section 42925(a), which provides that “Any cost savings realized as a result of the state agency integrated waste management plan shall, to the extent feasible, be redirected to the agency’s integrated waste management plan to fund plan implementation and administration costs, in accordance with Sections 12167 and 12167.1 of the Public Contract Code.”

In the court’s Ruling on Submitted Matter, the court recognized that community colleges are “likely to experience costs savings in the form of reduced or avoided costs of landfill disposal” as a result of the mandated activities in Public Resources Code section 42921 because reduced or avoided costs “are a direct result and an integral part of the IWM plan mandated under Public Resources Code section 42920 et seq.: as solid waste diversion occurs, landfill disposal of the solid waste and associated landfill disposal costs are reduced or avoided.” The court noted that “diversion is defined in terms of landfill disposal for purposes of the IWM plan mandates.” The statutory definition of diversion provides that “activities which reduce or eliminate the amount of solid waste from solid waste disposal for purposes of this division.” And the statutory definition of disposal is “the management of solid waste through landfill disposal or transformation at a permitted solid waste facility.”⁸⁹ The court explained that:

[R]eduction or avoidance of landfill fees resulting from solid waste diversion activities under § 42920 et seq. represent savings *which must be offset* against the costs of the diversion activities to determine the reimbursable costs of the IWM plan implementation . . . The amount or value of the savings may be determined from the calculations of annual solid waste disposal reduction or diversion which California Community Colleges must annually report to petitioner Integrated Waste Management Board pursuant to subdivision (b)(l) of Public Resources Code section 42926.⁹⁰

⁸⁷ *Gilbert v. City of Sunnyvale* (2005) 130 Cal.App.4th 1264, 1274-1275.

⁸⁸ Government Code section 17559(b), which provides that a claimant or the state may commence a proceeding in accordance with the provisions of section 1094.5 of the Code of Civil Procedure to set aside a decision of the Commission on the ground that the Commission’s decision is not supported by substantial evidence in the record.

⁸⁹ Exhibit B, Controller’s Late Comments on the IRC, page 108 (Ruling on Submitted Matter).

⁹⁰ Exhibit B, Controller’s Late Comments on the IRC, page 109 (Ruling on Submitted Matter).

The court harmonized section 42925(a) with Public Contract Code sections 12167 and 12167.1:

By requiring the redirection of cost savings from state agency IWM plans to fund plan implementation and administration costs “in accordance with Sections 12167 and 12167.1 of the Public Contract Code,” section 42925 assures that cost savings realized from state agencies’ IWM plans are handled in a manner consistent with the handling of revenues received from state agencies’ recycling plans under the State Assistance for Recycling Markets Act. Thus, in accordance with section 12167, state agencies, along with California Community Colleges which are defined as state agencies for purposes of IWM plan requirements in Public Resources Code section 42920 et seq. [citations omitted], must deposit cost savings resulting from IWM plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the Integrated Waste Management Board for the purpose of offsetting IWM plan costs. In accordance with section 12167.1 and notwithstanding section 12167, cost savings from the IWM plans of the agencies and colleges that do not exceed \$2000 annually are continuously appropriated for expenditure by the agencies and colleges for the purpose of offsetting IWM plan implementation and administration costs; cost savings resulting from IWM plans in excess of \$2000 annually are available for such expenditure by the agencies and colleges when appropriated by the Legislature.⁹¹

Thus, the court found that offsetting savings are, by statutory definition, likely to occur as a result of implementing the mandated activities. Reduced or avoided costs “are a direct result and an integral part of the IWM plan mandated under Public Resources Code section 42920 et seq.: as solid waste diversion occurs, landfill disposal of the solid waste and associated landfill disposal costs are reduced or avoided.”⁹² As the court held, “landfill fees resulting from solid waste diversion activities under § 42920 et seq. represent savings *which must be offset* against the costs of the diversion activities to determine the reimbursable costs. . . .”⁹³

The statutes, therefore, presume that by complying with the mandate to reduce and divert solid waste through the IWM program, landfill fees are reduced or avoided and cost savings are realized. As indicated in the court’s ruling, the amount or value of the cost savings may be determined from the calculations of annual solid waste disposal reduction or diversion, which community colleges are required to annually report to the CIWMB. The amount of cost savings realized must be identified by the claimant and used to offset the costs incurred to comply with IWM plan implementation and administration activities approved for reimbursement in the Parameters and Guidelines. Accordingly, the court’s ruling requires claimants to report in their reimbursement claims the costs incurred to comply with the reimbursable activities, and the cost

⁹¹ Exhibit B, Controller’s Late Comments on the IRC, page 110-111 (Ruling on Submitted Matter).

⁹² Exhibit B, Controller’s Late Comments on the IRC, page 108 (Ruling on Submitted Matter).

⁹³ Exhibit B, Controller’s Late Comments on the IRC, page 109 (Ruling on Submitted Matter).

savings from reduction or diversion from landfill disposal, for a bottom line request for reimbursement of the net increased costs.

The Parameters and Guidelines are consistent with the court's ruling and require in Section IV. that "[t]he 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." Section VIII. requires that "[r]educed or avoided costs realized from implementation of the community college districts' Integrated Waste Management plans shall be identified and offset from this claim as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1." The court's decision and the amended Parameters and Guidelines are binding.⁹⁴

B. The claimant exceeded the mandate to divert solid waste, but has filed no evidence to rebut the presumption that cost savings are realized. Therefore, the Controller's reduction of costs is correct as a matter of law.

In this case, the claimant reported no cost savings in its reimbursement claims and asserts that no cost savings were realized, but does not explain why.⁹⁵

The record shows that the claimant complied with the mandate and diverted more solid waste for calendar years 2000-2001 and 2003-2007 than what was mandated by the state. The mandate requires community colleges to divert at least 25 percent of all its solid waste from landfill disposal or transformation facilities by January 1, 2002, through source reduction, recycling, and composting activities, and divert at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004.⁹⁶ The claimant's annual reports to the CIWMB for these years report overall diversion percentages that range from 47.2 percent to 79.4 percent of the total tonnage of waste generated.⁹⁷ In 2008, the CIWMB stopped requiring community college districts to report the actual amount and percentage of tonnage diverted, and instead required community colleges to report the "per-capita disposal" of waste. The claimant's 2008, 2009, and 2010 reports continue to show that the claimant had solid waste reduction programs in place, including programs for beverage containers, cardboard, newspaper, office paper, plastics, scrap metal, xeriscaping and grasscycling, food waste composting, other composting, and used a MRF (Material Recovery Facility).⁹⁸ The 2008 report also explains that the "economic down turn contributed to some changes in material diverted. As plastics/resins (mainly #2HDPE & #4LDPE) lost value they were not readily accepted by retailers. The situation is beginning to improve as prices begin to rebound." The report further states that "Citrus College remains diligent in its recycling efforts – 08's recycling activities mirror the previous years."⁹⁹ And the

⁹⁴ *California School Boards Association v. State of California* (2009) 171 Cal.App.4th 1183, 1201.

⁹⁵ Exhibit A, IRC, page 9.

⁹⁶ Exhibit A, IRC, page 59 (Parameters and Guidelines, section IV.(B)(5)); Public Resources Code sections 42921 and 42922(i).

⁹⁷ Exhibit B, Controller's Late Comments on the IRC, pages 34-58.

⁹⁸ Exhibit B, Controller's Late Comments on the IRC, pages 59-72.

⁹⁹ Exhibit B, Controller's Late Comments on the IRC, page 60.

2009 report does not identify any significant changes to the waste diversion programs implemented by the claimant.¹⁰⁰

The record also contains a copy of a page from the claimant’s recycling program website, which summarized the mandated program, and states in relevant part the following:

Citrus generated almost 1,200 tons of waste in 2000. The two biggest components of our waste turns out to be green waste (240 tons) and paper products (70 tons). This shouldn’t come as any surprise, if you think about it for a minute. After all, Citrus has about 30 acres of landscaping and athletic fields to maintain, and most of us handle and generate paper products, mail and files in various amounts on a daily basis.

Reducing Waste Makes Sense

When our trash goes to a landfill, along with the trash of millions of other people and thousands of other businesses, it does not go away just because we no longer see it. Californians sent more than 60 million tons of trash to various landfills last year. And, as our population expands and its hyper-consuming patterns continue, so too will the trash it generates.

[¶]

Recently, legislation titled AB75 [the test claim statute] was enacted. . . . AB75 similarly requires that all state and public agencies develop an “integrated waste management program” to reduce the amount of trash going into landfills by 50% by 2004. This requirement puts formally voluntary recycling programs, source reduction strategies and reuse programs into an entirely new light. They are now indispensable tools for waste management.

Over the years, Citrus has implemented several programs to help reduce the amount of waste going into our trash. We hope to start others soon. . . .¹⁰¹

In addition, the claimant’s August 2012 Sustainability Plan states that:

Citrus College already has a very successful recycling program that reduces greenhouse gas emissions and landfill deposits. The measures identified in the Sustainability Plan are intended to improve this program and expand efforts into source-separated recycling and green waste/food waste composting. If designed effectively, minimizing solid waste can save the college money and create revenue streams that can be reinvested in the campus. . . .¹⁰²

The record also shows that the tonnage of solid waste that was not diverted was disposed at a landfill. The annual reports filed by the claimant with the CIWMB during the audit period identify the total tonnage of waste disposed, the use of a disposal waste hauler (Athens

¹⁰⁰ Exhibit B, Controller’s Late Comments on the IRC, page 65.

¹⁰¹ Exhibit B, Controller’s Late Comments on the IRC, page 74.

¹⁰² Exhibit B, Controller’s Late Comments on the IRC, page 92.

Disposal), and statements in the 2005 and 2006 reports that demolition debris such as roof/plaster rubble, and wood required landfilling, rather than diversion.¹⁰³

Based on this documentation, the Controller correctly presumed, consistent with the presumption in the test claim statutes and the court’s interpretation of those statutes and without any evidence to the contrary, that the allocated percentage of waste required to be diverted by the state results in offsetting savings in an amount equal to the avoided landfill fee per ton of waste diverted. The Controller did not use the actual percentage of waste diverted by the claimant, which exceeded the amount mandated by the state, so that the claimant would not be penalized.¹⁰⁴ The avoided landfill disposal fee was based on the statewide average disposal fee provided by the CIWMB for each fiscal year in the audit period.¹⁰⁵

The statutory presumption of cost savings controls unless the claimant files evidence to rebut the presumption and shows that cost savings were not, in fact, realized.¹⁰⁶ The claimant has the burden of proof on this issue. Under the mandates statutes and regulations, the claimant is required to show that it has incurred increased costs mandated by the state when submitting a reimbursement claim to the Controller’s Office, and the burden to show that any reduction made by the Controller is incorrect.¹⁰⁷ The Parameters and Guidelines, as amended pursuant to the

¹⁰³ Exhibit B, Controller’s Late Comments on the IRC, pages 50 and 54.

¹⁰⁴ Exhibit B, Controller’s Late Comments on the IRC, page 19.

¹⁰⁵ Exhibit A, IRC, page 35.

¹⁰⁶ Government Code section 17559, which requires that the Commission’s decisions be supported by substantial evidence in the record. See also, *Coffy v. Shiimoto* (2015) 60 Cal.4th 1198, 1209, a case interpreting the rebuttable presumption in Vehicle Code section 23152 that if a person had 0.08 percent or more, by weight, of alcohol in the blood at the time of testing, then it is presumed by law that he or she had 0.08 percent or more, by weight, of alcohol in the blood at the time of driving, unless he or she files evidence to rebut the presumption. The court states that unless and until evidence is introduced that would support a finding that the presumption does not exist, the statutory presumption that the person was driving over the legal limit remains the finding of fact.

¹⁰⁷ Evidence Code section 500, which states the following: “Except as otherwise provided by law, a party has the burden of proof as to each fact the existence or nonexistence of which is essential to the claim for relief or defense that he is asserting.” See also, *Simpson Strong-Tie Co., Inc. v. Gore* (2010) 49 Cal.4th 12, 24, where the court recognized that “the general principle of Evidence Code 500 is that a party who seeks a court’s action in his favor bears the burden of persuasion thereon.” This burden of proof is recognized throughout the architecture of the mandates statutes and regulations. Government Code section 17551(a) requires the Commission to hear and decide a claim filed by a local agency or school district that it is entitled to reimbursement under article XIII B, section 6. Section 17551(d) requires the Commission to hear and decide a claim by a local agency or school district that the Controller has incorrectly reduced payments to the local agency or school district. In these claims, the claimant must show that it has incurred increased costs mandated by the state. (Gov. Code, §§ 17514 [defining “costs mandated by the state”], 17560(a) [“A local agency or school district may . . . file an annual reimbursement claim that details the costs actually incurred for that fiscal year.”]; 17561

court's writ also require claimants to show the costs incurred to divert solid waste and to perform the administrative activities, and *to report and identify* the costs saved or avoided by diverting solid waste: "Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management plans *shall be* identified and offset from this claim as cost savings".¹⁰⁸ Thus, the claimant has the burden to rebut the statutory presumption and to show, with substantial evidence in the record, that the costs of complying with the mandate exceed any cost savings realized by diverting solid waste.

One possible example of when cost savings may not have been realized is with the costs to dispose and to divert waste through a MRF. The record shows that beginning in 2001, the claimant reported that "our waste hauler, Athens, has opened a MRF ["Material Recovery Facility"] and now recycles 34% of Citrus College Trash as indicated on this year's report."¹⁰⁹ A MRF is a "permitted solid waste facility where solid wastes or recyclable materials are sorted or separated, by hand or by use of machinery, for the purposes of recycling or composting."¹¹⁰ Information in a CalRecycle report on landfill tipping fees indicates a *higher cost* to dispose of waste at a MRF (\$61 statewide average per ton) than in a landfill (\$45 per ton), probably due to higher costs to process and transport waste at a MRF.¹¹¹ However, the claimant did not identify

[providing that the issuance of the Controller's claiming instructions constitutes a notice of the right of local agencies and school districts to file reimbursement claims based upon the parameters and guidelines, and authorizing the Controller to audit the records of any local agency or school district to "verify the actual amount of the mandated costs."]; 17558.7(a) ["If the Controller reduces a claim approved by the commission, the claimant may file with the commission an incorrect reduction claim pursuant to regulations adopted by the commission."]. By statute, only the local agency or school district may bring these claims, and the local entity must present and prove its claim that it is entitled to reimbursement. (See also, Cal. Code Regs., tit. 2, §§ 1185.1, et seq., which requires that the IRC contain a narrative that describes the alleged incorrect reductions, and be signed under penalty of perjury.)

¹⁰⁸ Exhibit A, IRC, page 59.

¹⁰⁹ Exhibit B, Controller's Late Comments on the IRC, page 38 (2001 Annual Report). See also Exhibit B, Controller's Late Comments on the IRC, pages 39, 44, 48, 52, 55, 58, 61, 67, 72 (Annual Reports).

¹¹⁰ California Code of Regulations, title 14, section 18720(a)(36). Another definition of MRF (in and limited to Pub. Res. Code, § 50000(a)(4)) is "a transfer station that is designed to, and, as a condition of its permit, shall, recover for reuse or recycling at least 15 percent of the total volume of material received by the facility." MRF is also defined as "An intermediate processing facility that accepts source-separated recyclables from an initial collector and processes them for wholesale distribution. The recyclable material is accumulated for shipment to brokers or recycled content manufacturers, or for export out of state." See CalRecycle, "Landfill Tipping Fees in California" February 2015, page 44.

¹¹¹ Exhibit X, California Department of Resources Recycling and Recovery, "Landfill Tipping Fees in California" February 2015, pages 12-13. MRFs and transfer stations were treated together in the survey. According to the report (page 14):

any costs incurred to divert waste through the MRF, and has not identified the costs avoided if it had not used the MRF and simply disposed of the waste in a landfill.

Accordingly, the Commission finds that the claimant has not filed any evidence to rebut the statutory presumption of cost savings. Therefore, the Controller's reduction of costs is correct as a matter of law.

C. There is no evidence that the Controller's calculations of cost savings are incorrect as a matter of law, or are arbitrary, capricious or without evidentiary support.

The claimant raises several arguments to assert that the Controller's calculation of cost savings is incorrect. These arguments, however, are not supported by the law or evidence in the record.

The claimant first contends that cost savings cannot be realized because the chain of events required by Public Contract Code sections 12167 and 12167.1 did not occur; savings have to be converted to cash, amounts in excess of \$2000 per year must be deposited in the state fund and appropriated back by the Legislature to mitigate the costs.¹¹² The Controller agrees that the claimant did not remit to the state any savings realized from the implementation of the IWM plan as required by the statutes and thus, this fact is not disputed.¹¹³ However, as indicated above, cost savings are presumed by the statutes and the claimant has not filed evidence to rebut that presumption. Thus, based on the evidence in the record, the claimant should have deposited the cost savings into the state's account as required by the test claim statutes, but failed to do so. The claimant's failure to comply with the law does not make the Controller's calculations of cost savings incorrect as a matter of law, or arbitrary or capricious. Since cost savings are presumed by the statutes, the claimant has the burden to show increased costs mandated by the state. As

Transfer stations charge a median fee of \$61 per ton for MSW [municipal solid waste], which is \$16 more per ton than the median that landfills charge for MSW. This higher fee may be a result of transportation costs as well as tipping fees incurred by the transfer station for final disposal at the landfill. The range of transfer station tipping fees, from \$0 to \$178, is higher than all other facility types surveyed. The maximum of the transfer station tipping fee data set is \$50 higher than any other facility. This suggests that transfer stations have additional costs that lead to higher tipping fees.

According to this report: "Most landfills have more than one tipping fee. They usually have a publicly posted fee for individuals or businesses "self-hauling" waste, but they also negotiate rates with solid waste haulers, cities, counties, and other facility operators. This is an important distinction because in California, only about 20 percent of disposal is self-hauled waste. The other 80 percent of disposal is transported to landfills by solid waste haulers and thus would be more likely to be subject to negotiated disposal rates. . . . Disposal tipping fees in California are as complex and varied as the state itself. Tipping fees vary due to the unique circumstances at each landfill, such as location, owner, size, proximity to other landfills, and other operational factors." The range in the report was \$0 to \$125 per ton, with a \$45 per ton median. (*Id.*, page 3).

¹¹² Exhibit A, IRC, page 13.

¹¹³ Exhibit B, Controller's Late Comments on the IRC, page 17.

the court determined, “[r]eimbursement is not available under section 6 and section 17514 to the extent that a local government or school district is able to provide the mandated program or increased level of service without actually incurring increased costs.”¹¹⁴

The claimant next contends that Controller’s formula constitutes an underground regulation.¹¹⁵ The Commission disagrees. Government Code section 11340.5 provides that no state agency shall enforce or attempt to enforce a rule or criterion which is a regulation, as defined in section 11342.600, unless it has been adopted pursuant to the Administrative Procedures Act (APA). As indicated above, however, the formula is consistent with the statutory presumption of cost savings, as interpreted by the court for this program. Interpretations that arise in the course of case-specific adjudication are not regulations.¹¹⁶ Moreover, the Controller states that it provided the claimant with the opportunity to provide an alternate methodology to calculate cost savings, but the claimant declined and simply disagreed with the audit methodology.¹¹⁷

The claimant also contends that using landfill fees in the calculation of offsetting savings is not relevant because “[t]he District did not claim landfill costs, so there are none to be offset.”¹¹⁸ The claimant’s interpretation of the cost savings requirement is not correct. The cost of disposing waste at a landfill is not eligible for reimbursement. Reimbursement is required to *divert* solid waste from the landfill through source reduction, recycling, and composting activities. As explained by the court, when community colleges comply with the mandated diversion requirements, they are likely to experience cost savings in the form of “reduced or avoided costs of landfill disposal.” The reduced or avoided costs are a direct result and an integral part of the mandated IWM plan, which must be offset against all reimbursable costs.¹¹⁹ As the court noted, diversion “means activities which reduce or eliminate the amount of solid waste from solid waste disposal.”¹²⁰

In addition, the claimant argues that the formula assumes facts without evidence in the record. For example, the claimant questions the Controller’s assumption that the diversion percentage achieved in 2007 applies equally to subsequent years, that all diverted waste would have been disposed in a landfill, and that the statewide average cost to dispose of waste at a landfill actually applied to the claimant.¹²¹ There is no evidence in the record, however, that these assumptions are wrong or arbitrary or capricious. The Controller’s audit report indicates that the claimant did not provide documentation to support different numbers.¹²²

¹¹⁴ Exhibit B, Controller’s Late Comments on the IRC, page 108 (Ruling on Submitted Matter).

¹¹⁵ Exhibit A, IRC, page 14.

¹¹⁶ *Tidewater Marine Western, Inc. v. Bradshaw* (1996) 14 Cal.4th 557, 571.

¹¹⁷ Exhibit B, Controller’s Late Comments on the IRC, pages 121-124.

¹¹⁸ Exhibit A, IRC, page 17.

¹¹⁹ Exhibit B, Controller’s Late Comments on the IRC, page 108.

¹²⁰ Exhibit B, Controller’s Late Comments on the IRC, page 108.

¹²¹ Exhibit A, IRC, pages 15-16.

¹²² Exhibit A, IRC, page 35.

The claimant also points to the Controller's audits of other community college districts, arguing that the costs allowed by the Controller in those cases vary and are arbitrary.¹²³ The Controller's audits of other community college district reimbursement claims are not relevant to the Controller's audit here. Each case depends on the documentation and evidence provided by the claimant to show increased costs mandated by the state.

Accordingly, there is no evidence that the Controller's calculations of cost savings are incorrect as a matter of law, or are arbitrary, capricious or without evidentiary support.

V. Conclusion

Based on the foregoing, the Commission concludes that the Controller's reduction of costs is correct as a matter of law and is not arbitrary, capricious, or entirely lacking in evidentiary support.

The Commission denies this IRC.

¹²³ Exhibit A, IRC, pages 17-18.

DECLARATION OF SERVICE BY EMAIL

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 980 Ninth Street, Suite 300, Sacramento, California 95814.

On November 16, 2016, I served the:

Draft Proposed Decision, Schedule for Comments, and Notice of Hearing
Integrated Waste Management, 14-0007-I-03
Public Resources Code Sections 40148, 40196.3, 42920-42928;
Public Contract Code Sections 12167 and 12167.1; Statutes 1999, Chapter 764 (AB 75);
Statutes 1992, Chapter 1116 (AB 3521); State Agency Model Integrated Waste
Management Plan (February 2000)
Fiscal Years 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007,
2007-2008, 2008-2009, 2009-2010, and 2010-2011
Citrus Community College District, Claimant

by making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

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 on November 16, 2016 at Sacramento, California.



Jill L. Magee
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 9/27/16

Claim Number: 14-0007-I-03

Matter: Integrated Waste Management

Claimant: Citrus Community College District

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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RECEIVED
November 21, 2016
Commission on
State Mandates

BETTY T. YEE
California State Controller

November 21, 2016

Heather Halsey, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Re: **Draft Proposed Decision**
Incorrect Reduction Claim
Integrated Waste Management, 14-0007-I-03
Public Resources Code Sections 40418, 40196.3, and 42920-42928
Public Contract Code Sections 12167 and 12167.1
Statutes of 1992, Chapter 1116 (AB 3521); Statutes of 1999, Chapter 764 (AB 75)
Fiscal Years: 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-07,
2007-2008, 2008-09, 2009-10, and 2010-2011
Citrus Community College District, Claimant

Dear Ms. Halsey:

The State Controller's Office (SCO) has reviewed the Commission on State Mandates' (Commission) draft proposed decision dated November 16, 2016, for the above incorrect reduction claim filed by Citrus Community College District. We support the Commission's conclusion and recommendation.

The Commission supported the SCO adjustment, totaling \$371,120, for unreported offsetting savings and stated that the reduction is correct as a matter of law and not arbitrary, capricious, or lacking in evidentiary support.

If you have any questions, please contact me by telephone at (916) 323-5849.

Sincerely,

JIM L. SPANO, Chief
Mandated Cost Audits Bureau
Division of Audits

JLS/am

17648

DECLARATION OF SERVICE BY EMAIL

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 980 Ninth Street, Suite 300, Sacramento, California 95814.

On November 22, 2016, I served the:

State Controllers Comments on the Draft Proposed Decision

Integrated Waste Management, 14-0007-I-03

Public Resources Code Sections 40148, 40196.3, 42920-42928;

Public Contract Code Sections 12167 and 12167.1; Statutes 1999, Chapter 764 (AB 75);

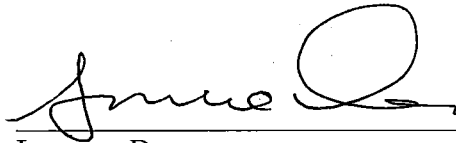
Statutes 1992, Chapter 1116 (AB 3521); State Agency Model Integrated Waste Management Plan (February 2000)

Fiscal Years 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011

Citrus Community College District, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

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 on November 22, 2016 at Sacramento, California.



Lorenzo Duran
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 9/27/16

Claim Number: 14-0007-I-03

Matter: Integrated Waste Management

Claimant: Citrus Community College District

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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December 7, 2016

VIA ELECTRONIC FILING

Heather Halsey
Executive Director
Commission on State Mandates
980 9th Street, Suite 300
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Re: Comments on Draft Proposed Decision
Integrated Waste Management, 14-0007-I-03

Dear Ms. Halsey:

We write on behalf of five California community college districts with regard to the Draft Proposed Decision on the incorrect reduction claim Integrated Waste Management, 14-0007-I-03 (IRC) issued on November 16, 2016 . The Gavilan Joint Community College District, Long Beach Community College District, North Orange County Community College District, San Mateo County Community College District, and Victor Valley Community College District (Districts)1 currently have incorrect reduction claims arising from audits under this program pending before the Commission on State Mandates (Commission) which raise similar legal issues to those addressed in the Draft Proposed Decision. The audits collectively eliminate nearly \$2 million in reimbursement from the Districts for costs which are not disputed.2 The Districts have concerns about the Draft Proposed Decision's

1 The Gavilan Joint Community College District, Long Beach Community College District, and San Mateo County Community College District have filed notices with the Commission indicating that this firm will represent them in connection with incorrect reduction claims arising from the Integrated Waste Management mandate. The North Orange County Committee College District and Victor Valley Community College District will be filing similar notices with the Commission shortly.

2 See Integrated Waste Management, 14-0007-I-04 (Galivan Joint Community College District), Integrated Waste Management, 14-0007-I-09 (Long Beach Community College District), Integrated Waste Management, 14-0007-I-08 (North Orange County Community College District), Integrated Waste Management, 14-0007-I-12 (San Mateo County Community College District), and Integrated Waste Management, 14-0007-I-06 (Victor Valley Community College District).

interpretation of the underlying audit and law and ask that the Draft Proposed Decision is revised to address these issues prior to adoption by the Commission.

The Districts' primary concern with the Draft Proposed Decision is its reliance on a "presumption" that community college districts which implement the requirements of the Program will realize cost savings which must be offset against reimbursable costs. The Districts agree that the statutes implementing the Program and the Sacramento Superior Court's ruling on the parameters and guidelines suggest it is likely that community college districts implementing the Program may realize cost savings; but respectfully disagree with the Draft Proposed Decision's assertion that this likelihood is tantamount to a "presumption" allowing the Controller to reduce actual reimbursable costs by arbitrary amounts.

The parameters and guidelines, as amended by the Commission, only allow offsets for costs which are "realized" by community college districts, not those which are presumed by the Controller to have occurred and calculated based on statewide estimated averages. This would require the Controller to investigate and audit the actual realized cost savings, if any, for each community college district instead of using one formula to apply across-the-board reductions to the reimbursable costs of nearly all community college districts. Where such supported findings are absent, the Districts believe the Controller's audit reductions should be rejected by the Commission. Further, the Districts continue to assert that the general application of the Controller's formula, which reflects its interpretation of the statutory requirements, is an underground regulation, and cannot serve as valid grounds for the audit findings. Accordingly, the Districts request that the Draft Proposed Decision be modified prior to adoption by the Commission to grant the incorrect reduction claim for the reasons detailed below.

Program & Audit

In March 2004, the Commission adopted a Test Claim Statement of Decision finding that Public Resources Code sections 40148, 50196.3, 42920-28, Public Contract Code sections 12167, 12167.1, and the State Agency Model Integrated Waste Management Plan constituted new programs or higher levels of services for community college districts within the meaning of article XIII B, section 6 of the California Constitution (Program). The statutes required each community college district to adopt and implement an integrated waste management plan to govern reductions in solid waste and set minimal requirements to divert at least 25 percent of generated solid waste from landfills by January 1, 2002, and at least 50 percent by January 1, 2004. The Commission adopted parameters and guidelines on March 30, 2005, and amended them on September 26, 2008 as a result of litigation.

The Controller conducted an audit of Citrus Community College District's (Claimant) reimbursement claims for the Program for 1999-2001 and 2003-2011 (Audit). The Audit found that the Claimant had "understated offsetting savings by \$574,706." (IRC, Ex. A, p. 9.) It explained: "We have determined that the district had reduced or avoided costs realized from implementation of its IWM plan that it did not identify and offset from its claims as cost savings." (*Id.*, at p. 10.) To calculate the asserted "reduced or avoided costs realized from implementation of its IWM plan," the Audit "multiplied the allocated diversion percentage by the tonnage diverted, and then by the avoided landfill disposal fee.... This calculation determines the cost that the district did not incur for solid waste disposal as a result of implementing its plan." (*Id.*) For purposes of this calculation, the Audit defined "tonnage diverted" as "solid

waste that the district recycled, composted, and kept out of the landfill" and defined the "landfill disposal fee" as "the statewide average disposal fee provided by CalRecycle." (*Id.*)

Draft Proposed Decision

After reviewing the Draft Proposed Decision, the Districts are concerned that it endorses audit findings by the Controller which appear based solely on unsupported presumptions. The audit findings assume much about what the Claimant did or did not do and rely on a "presumption" to force the burden on the Claimant to establish new and additional facts. This results in the Controller's use of fictional cost saving numbers to ultimately eliminate reimbursement for costs which no one disputes were actually incurred by the District to comply with this mandated program.

The Controller's statutory authority to audit claimants requires the Controller to notify the claimant of the "reason for [any] adjustment" resulting from an audit. (Govt. Code, § 17558.5, subd. (c).) Further, the Commission is tasked with reviewing the audit to insure that the Controller has not incorrectly reduced payments to local agencies. (Govt. Code, § 17551, subd. (d).) Inherent in both of these duties is the requirement for the Controller to provide, and the Commission to require from the Controller, enough of a basis for its audit findings to put the claimant on notice of the grounds for the reduction as well as to allow the Commission the ability to review that decision if it is contested.

The Draft Proposed Decision suggests the Commission "must determine whether [the Controller's audit decisions] were arbitrary, capricious, or entirely lacking in evidentiary support." (Draft Proposed Decision [DPD], p. 4.) Even under this standard however, the Commission must ultimately conclude that there was "a reasonable basis for the [Controller's] decision." (*American Coatings Association, Inc. v. South Coast Air Quality District* (2012) 54 Cal.4th 446, 421.³) In other words, the Controller's assertions are not sufficient to stand on their own. Regardless of the standard applied, the Controller must provide, at a minimum, a "reasonable basis" for its findings and supporting evidence.

It would appear that the Audit at issue, and the audits of the Districts do not meet this standard. Even if a claimant has a burden at some point to rebut the Controller's audit findings, that burden cannot absolve the Controller of its burden to support its initial decision to issue the audit findings. It cannot be that Controller can issue audit findings with only the thinnest thread of evidence and thereby shift the entire burden for supporting reimbursement to the claimant. The Commission should require more support and reject findings based only on presumptions left unsupported by law or fact.

³ *American Coatings Association, Inc.* further suggests that where decisions reviewed "apply general rules to a particular dispute in which evidence is presented and contested," the appropriate standard is the "substantial evidence" standard, not the "arbitrary and capricious standard to review quasi-legislative decisions resulting from an agency's exercise of its statutorily delegated policymaking discretion." (*Id.*)

I. Inaccurate Presumption That Mandated Activities Will Create Offsetting Savings

In short, the District's believe the Audit assumes too much with too little factual or legal support. While it may be that the activities required by the Program *may* lead to some amount of offsetting cost savings, neither the courts, the Commission, nor the law requires reduction of reimbursement for the actual costs of compliance with the Program's requirements based on the hypothetical amount of savings which *could* have been realized. The courts, the Commission and the law all indicate that such an offset is only appropriate to the extent cost savings are actually realized for a community college district as a result of its activities to comply with the Program's requirements.

The Audit, and the Draft Proposed Decision, take another tack. They adopt an approach which presumes that community college districts *will* realize cost savings as a result of implementing the Program. Under this presumption, absent evidence showing the lack of savings, those savings will be presumed and the amount calculated based on assumptions, but absent a legal or factual foundation.

As noted above, the Audit "determines" that the Claimant "had reduced or avoided costs realized from implementation of its IWM plan." In its Incorrect Reduction Claim, the Claimant explained that this "determination" was not support by fact or law and maintained that it did not "realize" any actual cost savings which might otherwise be properly offset against reimbursable costs. The Draft Proposed Decision adopts the Controller's result based on the conclusion that: "The statutes, ... presume that by complying with the mandate to reduce and divert solid waste through the IWM program, landfill fees are reduced or avoided and cost savings are realized." (DPD, p. 29.) The Districts respectfully disagree that the statutes, the courts, or the Commission have created an enforceable presumption that cost savings are "realized" simply through compliance with the Program.

The statute itself is silent as to this issue; however, it is worth noting that it only requires that a certain percentage of "all solid waste generated" be diverted, not that a certain percentage of solid waste generated be diverted *above and beyond* what was being diverted prior to the requirements. (Pub. Res. Code, § 42921.) In other words, just as it is true that diverting solid waste from landfills can result in the saving of payment of landfill fees, if an agency were already meeting, in part or full, the diversion targets identified in the statute before implementation of the mandate, the agency would not realize any costs savings from compliance with the mandate. While it may be *likely* that most agencies were required to increase diversion efforts to comply with the statute and therefore were *likely* to realize cost savings from those efforts, it is not a certainty or an appropriate presumption based on evidence in the record.

The Superior Court's holding adopts a similar understanding. The Draft Proposed Decision states that:

The Controller's audit finding is based on the court's ruling and the resulting amendment to the Parameters and Guidelines, which state that "the amount or value of the cost savings may be determined from the calculations of annual solid waste disposal reduction or diversion which California Community Colleges must

annually report to petitioner Integrated Waste Management Board pursuant to subdivision (b)(1) of Public Resources Code section 42926."

(DPD, p. 21.) To be clear, the quotation is not found in the amended parameters and guidelines itself, but rather in the Superior Court's ruling which states:

Such reduction or avoidance of landfill fees and costs resulting from solid waste diversion activities under § 42920 et seq. represent savings which must be offset against the costs of the diversion activities to determine the reimbursable costs of IWM plan implement – i.e., the actual increased costs of diversion – under section 6 and section 17514.... The amount or value of the savings may be determined from the calculations of annual solid waste disposal reduction or diversion which California Community Colleges must annually report to petitioner Integrated Waste Management Board pursuant to subdivision (b)(1) of Public Resources Code section 42926.

(Controller's Late Comments on the IRC [Controller], Tab 8 [*State of California v. Commission on State Mandates*, Sacramento Superior Court, Case No. 07CS00355, Ruling on Submitted Matter (May 29, 2008), p. 7]; emphasis added.) The context of the quotation suggests that the "cost savings" which the Superior Court suggests should be offset are those costs which "result[] from solid waste diversion activities." In fact, the Superior Court noted that community colleges are "likely," not "certain" or "presumed to" experience cost savings. (*Id.*, at p. 6.) It explained that such savings would result "as solid waste diversion occurs. (*Id.*) Again, this underlines the fact that cost savings *would* occur if additional diversion were to occur, but does not presuppose that fact. The Superior Court did not hold that in all cases the community college districts would actually increase diversion or the manner which that would take place (which itself might not result in cost savings as the Draft Proposed Decision notes [DPD, p. 33]) and could not have, as it admitted it had an insufficient records to make any holdings as to actual cost savings. (*Id.*, p. 6, fn.1.)

Finally, this sentiment is also found in the parameters and guidelines as amended by the Commission. They state that: "Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management plans shall be identified and offset from this claim as cost savings,..." (IRC, Ex. B, p. 22, emphasis added.) In other words, even the parameters and guidelines adopted after the Superior Court's ruling recognize that savings must be "realized," and may not be automatically presumed, in order to be deducted from otherwise reimbursable costs.

The Districts do not quibble with the common sense understanding that *if* you pay for a service and then stop paying for the service that could create a cost savings. The concern, however, is assuming that there is a cost savings when there is no investigation into what was actually paid or claimed. In other words, it may be "likely" that in many cases diversion would lead to cost savings, however, the fact it is likely in many cases cannot be equated with a legal presumption which allows automatic reductions in reimbursements – especially in light of the authorities cited above which all highlight the need for any cost savings to be realized to offset reimbursement.

II. There Is No Finding That Offsetting Savings Were Realized

Perhaps due to its reliance on the presumption that cost savings must be deducted from reimbursement costs, the Audit does not actually determine that cost savings were realized by the Claimant or any other district or provide any evidence of actual savings.

The Controller's audit states that: "We have determined that the district had reduced or avoided costs realized from implementation of its IWM plan that it did not identify and offset from its claims as cost savings." (IRC, Ex. A, p. 10.) The Audit identifies the amounts of solid waste it believes was diverted, uses a formula to attempt to limit it to only those levels of diversion required by the Program, and then multiplies this amount by an "avoided landfill disposal fee." (*Id.*) Missing, however, are findings or discussion of attribution of the diversion to the Program or plan itself or if the savings were "realized" as explained by the Superior Court. It is unclear how the Audit could "determine" the existence of reduced or avoided costs without these findings.

A. The Controller's Approach Does Not Attribute Savings To The IWM Plan

As explained above, cost savings to be offset against reimbursable costs are those savings "realized as a result of the state agency integrated waste plan." (Pub. Resources Code, § 42925, subd. (a).) In fact, the Audit and the Draft Proposed Decision themselves suggest that the cost savings must meet this requirement in order to be considered offsetting. (See DPD, p. 2 ["The Controller state's [*sic*] that "[t]his calculation determines the cost that the district did not incur for solid waste disposal as a result of implementing its IWM plan."]*[emphasis added]*; IRC, Ex. A, p. 11 ["As there is no State mandate to exceed solid waste diversion greater than 25% for calendar years 2002 and 2003 or greater than 50% for calendar year 2004 and beyond, there is no basis for calculating offsetting savings realized for actual diversion that exceed the levels set by statute."])

In other words, there must be a causal connection between the activities resulting in cost savings and implementation of the mandated requirements. The simultaneous existence of the cost saving activities and the plan, without a nexus, is not sufficient to transform any cost savings into offsetting savings as the Audit suggests. There is no reference in the Audit to suggest that the Controller either examined or determined that the claimed cost savings were in fact realized as a result of compliance with the mandated program.

B. Savings Were Not Deposited In The Integrated Waste Management Account Or Appropriated To The District

The Audit also appears to gloss over the fact that none of the claimed savings were deposited into the Integrated Waste Management Account or appropriated to the Claimant as described by the amended parameters and guidelines, both of which require action by CalRecycle – a state agency – not by the District. They state:

Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management plans shall be identified and offset from this claim as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1. Pursuant to these statutes,

community college districts are required to deposit cost savings resulting from their Integrated Waste Management plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the California Integrated Waste Management Board for the purpose of offsetting Integrated Waste Management plan costs. Subject to the approval of the California Integrated Waste Management Board, cost savings by a community college that do not exceed two thousand dollars (\$2,000) annually are continuously appropriated for expenditure by the community college for the purpose of offsetting Integrated Waste Management program costs. Cost savings exceeding two thousand dollars (\$2,000) annually may be available for expenditure by the community college only when appropriated by the Legislature. To the extent so approved or appropriated and applied to the college, these amounts shall be identified and offset from the costs claimed for implementing the Integrated Waste Management Plan.

(IRC, Ex. B, p 22, emphasis added.) This portion of the parameters and guidelines specifically requires a chain of events to take place in order to identify savings as "costs realized from implementation of the community college districts' Integrated Waste Management plans." There is no discussion of these requirements, however, in the Audit. In fact, the Controller admits that the steps were not taken. (Controller, p. 11.) Even if there was a statutory presumption that cost savings were realized, the Controller's admission that these requirements were not met is evidence that the presumption is rebutted in this case without further factual rebuttal from the Claimant.

III. Landfill Cost Calculation Lacks Appropriate Support

As part of its calculation of claimed cost savings, the Audit multiplies a tonnage amount by an "avoided landfill disposal fee (per ton)." The Audit indicates that it extrapolated much of the data to determine the tonnage for several years and that the fee amount used was a "statewide average disposal fee." Even after the Controller's comments on the IRC, the exact source of this amount is unclear.

The Audit notes that for 2000 through 2007, annual reports indicated the actual amount of tonnage diverted by each community college district. (IRC, Ex. A, p. 11.) Beyond 2007, however, it explains that the Audit was required to "calculate" this amount as the previous reports were no longer required. (*Id.*) The Audit does not explain or provide support for this extrapolation. The Districts believe that if they had used such "calculated" amounts in claims audited by the Controller such assertions would have been called into question if not discounted entirely.

Additionally, in its comments, the Controller suggests that amounts for 2002 through 2006 were based on a document from CalRecycle. While that document does include amounts of "landfill cost per ton," it does not provide any foundation for those figures. (Controller, Tab 14.) The Controller indicates it further relied on emails from CalRecycle employees for the 2007-2010 amounts. (*Id.*, pp. 15-16.) Those emails note that the amounts were not derived by CalRecycle, but provided from an unidentified private third party and also note that "actual landfill costs," which "vary greatly," would be the preferred way to calculate any amount. (*Id.*,

Heather Halsey
Commission on State Mandates
December 7, 2016
Page 8

Tabs 15 & 16.) In sum, the Controller has not explained how the amounts it used to eliminate reimbursement in the Audit were calculated.

IV. The Controller's Formula Is An Underground Regulation

It would also appear that the formula employed by the Controller's in the Audit, and over forty other similar audits, is a prohibited underground regulation. (Govt. Code, § 11340.5.) The formula meets both prongs of a regulation: "[i]t must apply generally; and it must implement, interpret, or make specific the law enforced or administered by the agency, or govern the agency's procedure." (*Clovis Unified School District v. Chiang* (2010) 188 Cal.App.4th 764, 800.) The fact that the formula has been used in over forty audits suggest that it applies generally and it has been used to further interpret the offsetting cost provisions of the statute.

The Draft Proposed Decision suggests the formula is not an underground regulation because it "is consistent with the statutory presumption of cost savings, as interpreted by the court for this program." The Districts, again, respectfully disagree. It is true that the Superior Court indicated that the cost savings "may be determined from the calculations of annual solid waste disposal reduction or diversion which Community Colleges must annually report to [CalRecycle]." It did not, however, require such a calculation, indicate it was the only way such costs could be calculated, or specify the use of "allocated diversion percentage" or average statewide landfill fee cost estimates. The Controller's formula goes well beyond the Superior Court's suggestion and in so doing becomes an underground regulation. Findings premised on such a prohibited regulation, including the Audit, cannot be upheld.

The Districts appreciate the opportunity to provide, and the Commission's consideration of, these comments.

Best regards,

DANNIS WOLIVER KELLEY



William B. Tunick

WBT:ah

DECLARATION OF SERVICE BY EMAIL

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 980 Ninth Street, Suite 300, Sacramento, California 95814.

On December 8, 2016, I served the:

Interested Parties' Comments on the Draft Proposed Decision

Integrated Waste Management, 14-0007-I-03

Public Resources Code Sections 40148, 40196.3, 42920-42928;

Public Contract Code Sections 12167 and 12167.1; Statutes 1999, Chapter 764 (AB 75);

Statutes 1992, Chapter 1116 (AB 3521); State Agency Model Integrated Waste Management Plan (February 2000)

Fiscal Years 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011

Citrus Community College District, Claimant

by making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

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 on December 8, 2016 at Sacramento, California.



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Claim Number: 14-0007-I-03

Matter: Integrated Waste Management

Claimant: Citrus Community College District

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Landfill Tipping Fees in California



California Department of Resources Recycling and Recovery

February 2015

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Executive Summary

For California to reach the statewide goal of 75 percent recycling (source reduction, recycling, and composting) in 2020, more waste must go to its highest and best use while minimizing greenhouse gas emissions. California must maximize source reduction, recycling, and composting while reducing disposal. Solid waste landfills compete for the same resources and wastes, so the cost of landfill disposal affects the flow of these materials. While high disposal (tipping) fees could push material away from landfills, disposal fees that are too low essentially incentivize disposal. In order to provide a broad basis for future policy development, this study explores California landfill tipping fees.

Through websites and phone surveys, CalRecycle staff gathered the publicly posted tipping fees, or gate fees, paid by “self-haul” customers delivering municipal solid waste (MSW) to all 98 active California landfills that accept waste from the public. Included in the analysis are tipping fees for MSW at transfer stations, landfills located out of state, and transformation facilities. Green waste tipping fees at landfills, transfer stations, chipping and grinding facilities, compost facilities, and biomass conversion facilities were also surveyed.

Most landfills have more than one tipping fee. They usually have a publicly posted fee for individuals or businesses “self-hauling” waste, but they also negotiate rates with solid waste haulers, cities, counties, and other facility operators. This is an important distinction because in California, only about 20 percent of disposal is self-hauled waste. The other 80 percent of disposal is transported to landfills by solid waste haulers¹ and thus would be more likely to be subject to negotiated disposal rates. A census, or statistical sampling, of negotiated rates is not included in this report, because these rates are often considered to be proprietary information and thus are not readily available. Some negotiated rates were obtained and included to provide an anecdotal narrative to help complete California’s overall tipping fee picture.

Disposal tipping fees in California are as complex and varied as the state itself. Tipping fees vary due to the unique circumstances at each landfill, such as location, owner, size, proximity to other landfills, and other operational factors. Using a single number (average or median) to describe the enormous variation in California is challenging, but it does allow for comparisons to other entities inside and outside of the state.

The tipping fee data was analyzed and the main findings were:

- The median “self-haul” tipping fee in California for MSW disposal at landfills was \$45 per ton, with a range of \$0 to \$125 per ton. Staff found the median to be a more meaningful representation of landfill tipping fees than a simple average because the range included such extremes and the distribution was asymmetrical. A majority of landfills charged \$36 to \$50 per ton (Figure 1, Table 1).
- Based on a small sample of negotiated rates among 22 landfills and various haulers, negotiated rates for MSW disposal at landfills were discounted at 20 of the landfills. The median discount for negotiated tipping fee was \$25 per ton less than their publicly posted counterparts. If this is accurate, the \$45 per ton median tipping fee is a high estimate for most landfill disposal in California. If the negotiated fees are as low as suggested by this preliminary anecdotal research, landfills are likely the cheapest path for materials to flow

down. If true, this makes building a competitive recycling and composting infrastructure very challenging.

- The median green waste tipping fee at landfills in California was \$39 per ton. More than half of landfills (58 percent) charge less for green waste than MSW, while only 16 percent charge more for green waste (Figure 4).
- California's per ton landfill tipping fee data had pronounced regional fee differences. The Bay Area and Coastal Area median tipping fees were \$68 and \$64. The Southern region median tipping fee was \$56. The Central Valley median tipping fee was \$43, with only four landfills with fees above the statewide median. The Mountain region appeared to have the lowest median of \$42, but this data set is split with half of the fees below \$42 and the other half above \$70, so the median does not describe this data well (Table 6).
- The 27 private landfills had a much narrower range in tipping fees, with a median of \$57 per ton, which was well above the \$45 median of the more variable 71 public landfills (Table 8).
- Tipping fees vary most at smaller landfills (less than 200,000 tons per year), while there is less variation in tipping fees at medium (from 200,000 tons to 1,000,000 tons per year) and larger landfills (more than 1,000,000 tons per year). Lower fees were also more common at these medium and larger landfills (Table 10).
- Areas with many nearby landfills tend to have lower tipping fees than landfills without other landfills nearby (Table 11).
- When comparing California tipping fee data to other entities that use averaged data, it is necessary to use the California average tipping fee as a more comparable metric rather than the median.
 - In the United States, the average tipping fee at landfills was \$49 in 2013, \$5 less than California's average tipping fee of \$54 per ton (Figure 12).
 - In the European Union, the average tipping fee at landfills was \$100 in 2012, nearly double California's average tipping fee of \$54 per ton (Figure 16).
- In both the United States and the European Union, states or countries that landfill more of their waste have lower average tipping fees compared to states or countries that landfill less of their waste. When viewed in this context, California charges slightly less than expected given our high percentage of waste diverted from landfills. (Figure 13 and Figure 18).

Some general conclusions can be drawn from these findings:

- Tipping fees in California are complex and have a lot of local variation.
- California has lower landfill tipping fees compared with other environmentally progressive areas such as the Northeastern and Northwestern regions of the United States and the European Union. With some exceptions, the higher the tipping fee, the lower percentage of waste a region landfills.

- California has lower landfill tipping fees than would be expected given its percentage of waste landfilled.
- California's low landfill tipping fees likely present the lowest cost option for the disposition of most of the materials that make up MSW.
- California's low landfill tipping fees do little to drive materials to higher and better uses, and may make it more difficult to reach the 75 percent statewide recycling goal by 2020. Unlike the European Union, California has not pursued policy directives that increase tipping fees or landfill taxes to dis-incentivize landfilling.
- As California moves toward its 75 percent statewide recycling goal, the resulting reduction in waste disposal will cause a sharp decline in disposal, tipping fee revenue for landfills, and governmental fee revenue for both local governments and the state. That decline in tipping fee revenue, both for landfills and agencies that charge taxes on disposal tonnages, could make it difficult to meet all statutory obligations. Imposing (or increasing) the governmental fees on landfill disposal could dis-incentivize disposal and raise needed revenue. However, with landfills projected to play a diminishing role in solid waste and materials management, disposal and diversion program funding options should be explored that are not solely reliant on landfill fees.

Introduction

A comprehensive and sustainable waste management system in California must maximize source reduction, recycling, and composting while reducing disposal. As California moves toward reducing, recycling, and composting 75 percent of waste generated in the state by 2020, CalRecycle wants to ensure that waste generated in California goes to its highest and best use while minimizing greenhouse gas emissions. As noted in the ARB 2014 Scoping Plan Update,² recycling can help minimize disposal and reduce greenhouse gas emissions. Disposal fees play an important role by influencing the flow of materials. High tipping fees could encourage waste reduction, facilitate the recovery of materials, and allow for more expensive recycling technologies, while low tipping fees could incentivize more disposal.

In 2013, a significant amount of green material was landfilled as waste (about 2 million tons) and as alternative daily cover, alternative intermediate cover, or beneficial reuse (about 2 million tons). Differentials in green waste tipping fees between disposal and recycling facilities likely impact the flow of green waste to these facilities.

In past years, CalRecycle surveyed landfill operators regarding tipping fees, but this practice ended almost 15 years ago. Articles published by BioCycle,³ Columbia University (EEC),⁴ the Environmental Protection Agency (EPA),⁵ and the National Solid Wastes Management Association (NSWMA)⁶ have discussed landfill tipping fees at a country or state level for publicly posted MSW rates, but these reports are not current, do not discuss California in depth, and do not include materials other than MSW. Additionally, the data is only collected from the largest landfills in each state. No data source exists that adequately addresses California landfill tipping fees.

The purpose of this study was to explore landfill tipping fees in California. The scope of this study was to conduct a census of the publicly posted tipping fees, or gate fees, paid by “self-haul” customers delivering municipal solid waste to landfills. Included in the analysis are similar tipping fees for MSW at transfer stations, landfills located out of state, and transformation facilities. Some data on green waste tipping fees at landfills, transfer stations, chipping and grinding facilities, compost facilities, and biomass conversion facilities were also collected. In order to provide a broad basis for future policy development, this study explores California landfill tipping fees and compares them to fees in the United States and the European Union.

The publicly posted fees researched in this study are generally accepted as an indicator of the local cost of landfilling and are also the basis for most tipping fee analyses in the current literature. The NSWMA article⁷ describes these fees as the “spot market” value and explains that fees accepted under long-term contracts, discounts, and special waste fees could be higher or lower than the spot market price described by tipping fees.

In most cases, landfills do not have just one tipping fee. Fees vary by types of material, types of delivery vehicle, volume delivered, and, most importantly, contractual relationships. This study focuses on the publicly posted fees for “self-haul” disposal of waste (described by NSWMA as the “spot market” value). Some anecdotal information is included on negotiated rates between the landfill operators and solid waste haulers, cities, or counties and other facility operators. This distinction between public rates and negotiated rates is important because in California 80 percent of the waste stream is transported to landfills by solid waste haulers,⁸ who are more likely to have a negotiated rate with a landfill. Currently it is unknown how much of the waste stream is actually

charged a negotiated rate, but for the purposes of this study it is assumed, based on research from CalRecycle's 2008 waste characterization study⁹, that 20 percent of loads, at a minimum, are charged the public rate, and 80 percent or less are subject to negotiated rates. Some negotiated rates were obtained to provide a more complete picture of California's overall tipping fee, and this area will be the subject of future research if additional data can be obtained. A census (or statistical sampling) of negotiated rates is outside the scope of this research. These data were not readily available during the data collection portion of this study and are considered proprietary business information by many in the solid waste industry.

This study also explores some of the factors that might influence tipping fees on a local level in California: region, landfill owner, county, location, landfill disposal amount, and landfill proximity (how close landfills are to each other). The factors that could be more easily quantified were explored in detail, but it is important to acknowledge that many other factors influence tipping fees, including demographics, economics, recycling rates, operating and transportation costs, land values, land acquisition costs, climate, geography, and local policies and/or regulations.

Data collected from the United States and the European Union were compared to California's average MSW tipping fee to provide a broader context and to compare policy strategies in the context of tipping fees. While there is no country-wide landfill policy in the United States, there is in the European Union. The European Union's Landfill Directive requires that by 2016, each member state landfill 35 percent or less than what they landfilled in 1995.¹⁰ This difference in mandate makes comparisons to the European Union valuable as California's progressive policies may align more closely with the European Union than with the United States as a whole. The European Union has also done more research on the effect that tipping fees and other factors have on the amount of waste landfilled.

Methodology

Data Collection

Information on public fees for self-haulers was collected in this study. Solid waste haulers that negotiated special agreements with individual landfills may pay different fees and are not reflected in the survey portion of this study. A small sample of negotiated fees was collected, and these are discussed briefly in comparison to the public fees in the results. Publicly posted fees are generally accepted as indicators of landfilling costs locally and are used in the mentioned literature.

Data was gathered for facilities and operations through facility websites or by telephone if the facility did not have a website. As a result of these surveys, facilities were categorized into one of three groups: facilities that were surveyed (accepted MSW or green waste from the public), facilities that did not accept disposal from the public, and facilities that were not surveyed. All 98 landfills that accepted waste from the public for disposal were surveyed. More detail is provided in Appendix A.

Data for each facility surveyed included the following, and is presented in Table 2:

- **Minimum Charge:** User-based fee that is a base line fee for loads that fall under a certain weight threshold (76 percent of the sample).
- **Per Ton:** Unit-based fee (weight) that is the charge for 1 ton of waste (79 percent of the sample).
- **Per Cubic Yard:** Unit-based fee (volume) that is the charge for 1 cubic yard of waste (approximately the size of a washing machine) (7 percent of the sample).
- **Per Vehicle:** User based fee that is divided into subcategories:
 - **Per Car:** User-based fee for one passenger car or SUV (17 percent of the sample).
 - **Per Truck (pick-up):** User-based fee for a small to large pickup truck (definition varies by landfill) (21 percent of sample).
 - **Per Truck Loaded Over Cab:** User-based fee for a pickup truck with waste stacked higher than the cab of the truck (~4-5 ft. high) (10 percent of the sample).
 - **Per Generic Vehicle:** User-based fee for a “vehicle,” which usually indicates that the landfill used the word “vehicle” or another vague term (auto, load) to describe its tipping fee. These definitions vary the most by landfill.
- **Standardized Tipping Fee:** For all 98 landfills (100 percent of sample), CalRecycle staff converted other fees to “\$ per ton.” The individual conversion factors used to determine these fees are discussed in the analysis section.

The standardized tipping fee is the basis for most of the analyses below, because it allows for comparisons between facilities and for data aggregation and analyses. Unless otherwise indicated, tipping fee dollar amounts are given for one ton (2,000 pounds) of material.

Data Analysis

Data on disposal tonnages for landfills and counties were obtained from CalRecycle's Disposal Reporting System (DRS),¹¹ and facility information was obtained from CalRecycle's Solid Waste Information System (SWIS).¹² Disposal data from 2012 was used in this study's analysis because at the time of the original surveys, this was the current finalized year (DRS finalizes the previous year's disposal data every June). Disposal only increased by 1 percent from 2012 to 2013, so 2012 data should accurately represent current disposal in California for the purposes of this study.

Median, Average, Weighted Average, and Range

In order to provide the most useful analysis, staff looked for an indicator that correctly expresses the central tendency of the tipping fee data points. Averages have traditionally been the most popular because they are mathematically easy to calculate. However, averages have the disadvantage of being affected by high or low outliers. For a skewed distribution with outliers, medians can be a better measure of the central tendency. The median finds the middle point in a set of data, with an equal number of values higher and lower than the median. Averages are the totaling of a list of values and dividing by the total number of values. Weighted averages, in this study, take into account how much waste each landfill disposed to calculate an average.

Because of the skewed distribution of California's tipping fee data (Figure 1), medians should be the most representative of the three measurement methods, and therefore provide the best summary. Averages are used in this study to compare fees in California with other studies from the United States and the European Union.

Conversion Factors

Conversion factors were used to create a standardized fee (in dollars per ton) for all facilities to facilitate comparisons. The conversion factors used were landfill-specific and reported to CalRecycle by the landfill in 2012 DRS annual or quarterly reports. Site-specific conversion factors were used because MSW has a wide range of conversion factors to convert from cubic yards to tons, and landfills are more aware of the type and consistency of waste they receive.

All green waste values were converted using a standard conversion factor from CalRecycle.¹³ For green waste received at chipping and grinding facilities, biomass conversion facilities, and landfills, staff use the green waste conversion factor because these operations collect more lightweight yard waste materials. A food waste conversion factor was used for compost facilities, which could receive more dense materials such as food or other organic materials.

Spatial Analysis

ArcGIS software was utilized to spatially analyze the standardized tipping fees in California (Figures 6-11). Staff investigated and looked for correlations between tipping fees and:

- Geographic region
- Public and private ownership
- Location in the state (by region and county)
- Facility disposal amount
- Landfill proximity to other landfills

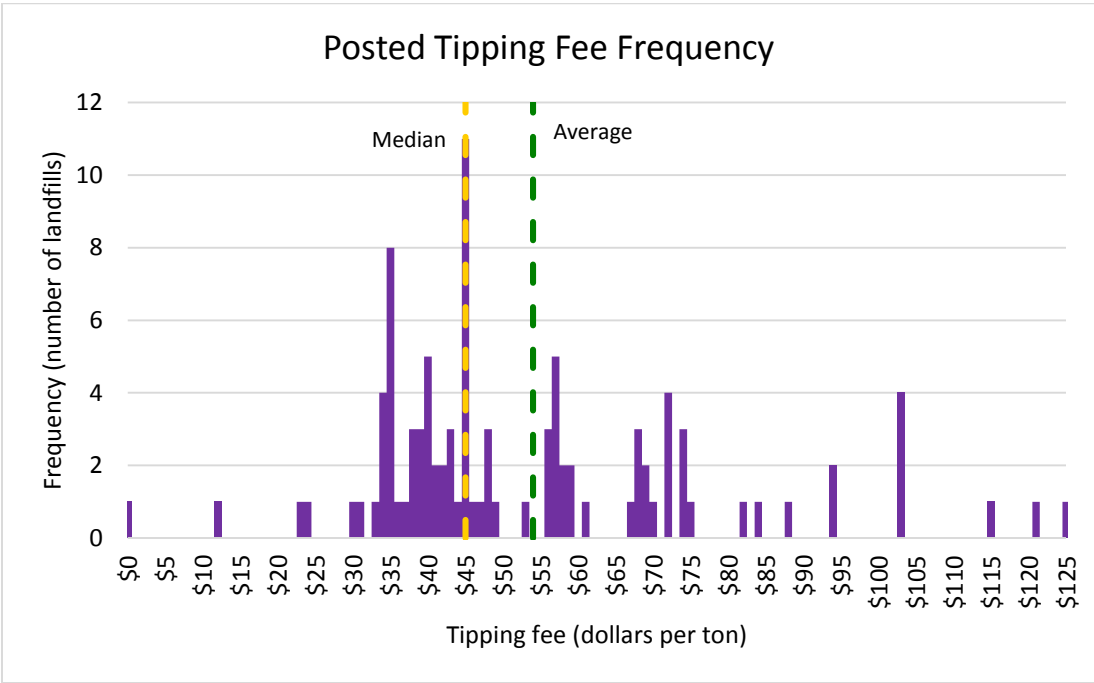
Results

Posted Landfill Tipping Fees for Municipal Solid Waste (MSW)

Publicly posted tipping fees for MSW at landfills in California were found to vary from \$0 to \$125 per ton. The median of this data set was \$45 per ton, which was the most meaningful representation of publicly posted landfill tipping fees in California. The average, \$54 per ton, was higher than 60 percent of landfills in the state, making it less useful as an overall representation of tipping fees in California. The frequency chart (Figure 1) of all the tipping fees at landfills in California illustrates these results. The standardized posted tipping fees were grouped in \$1 increments. One dollar was a small enough increment to show detail without losing the granularity of the frequency distribution.

Here, the median and average posted tipping fee in California can be compared with the frequency distribution. Due to numerous outliers and non-normal distribution, the median value is thought to be most representative of the central tendency of this data set.

Figure 1: Posted tipping fee frequency. All landfills accepting public disposal in California, by tipping fee. The yellow dashed line represents the median of the data set, and the green line represents the average of the data set.



The data presented in Table 1 summarizes the frequency chart in Figure 1. Almost half of California’s landfills charge between \$36 and \$50 per ton, supporting the use of a median value to represent the central tendency of the data set. Another frequently used statistical measure is the mode, or the most frequently observed value, which in this case is also \$45 per ton. Table 1 was also used as the basis to classify data in the map section of this study into groups of data points between \$36 and \$50, between \$51 and \$75, the low outliers (\$0 to \$35) and the high outliers (\$76 to \$125).

Table 1: Frequency from Figure 1 divided into ranges of posted tipping fee data (used in mapped data section)

Range (Per Ton)	Number of Landfills	Percentage of Landfills
\$0-\$35	12	12%
\$36-\$50	45	46%
\$51-\$75	28	29%
\$76-\$125	13	13%

Table 1 uses the “standardized tipping fees” based on tonnage. Table 2 summarizes all the landfill data collected and provides calculations for the medians, averages, and weighted averages.

Posted landfill tipping fees are generally a user-based or a unit-based fee:

- The “user-based fee” (minimum or per vehicle fee) does not vary based on the amount of waste discarded and is a standard value per user or per vehicle.
- The “unit-based fee” or variable pricing (per ton, per cubic yard, standardized fee) does vary based on the amount of waste disposed; as disposal increases, the tipping fee increases. Unit-based pricing creates an incentive to reduce the amount of waste discarded.

Landfills have different resources available for gatehouse staff to use in order to decide how much to charge a customer (e.g. operational scales, other estimation tools), but the vast majority of landfills surveyed charge a minimum fee (90 landfills) and a per ton fee (82 landfills). Less common charges were volume estimations or vehicle type charges, with less than one-third of the landfills surveyed using these charges.

The difference between the weighted and unweighted averages in Table 2 shows that, on average, landfills that receive more waste charge more for minimum fees, for a cubic yard, for pickup truck loads and for “vehicle” loads, while charging less by weight for car and truck loads stacked higher than the cab.

Finally, the “standardized” tipping fee calculated by CalRecycle staff is included in Table 2. Many landfills charge both per ton fees and per cubic yard fees, but some charge only per cubic yard fees. The 16 landfills that charge only volume fees were converted to tonnage fees for the rest of the analysis in this paper. This standardized fee allows all 98 landfills to be analyzed in one group.

The most meaningful indicator for posted landfill tipping fees is the median of \$45 per ton of MSW.

Table 2: Posted landfill MSW tipping fees.

Fee Category	Number of Landfills that Reported the Fee	Median Fee	Average Fee	Average Fee Weighted by Annual Disposal
Minimum Charge	90	\$13	\$17	\$27
Per Ton	82	\$48	\$54	\$50
Per Cubic Yard	22	\$13	\$15	\$27
Type of Vehicle				
Car	19	\$9	\$11	\$9
Truck (Pickup)	29	\$20	\$22	\$24
Truck Loaded Over Cab	14	\$34	\$31	\$29
Vehicle	13	\$15	\$22	\$36
Standardized Tipping Fee (Per Ton)	98	\$45	\$54	\$51

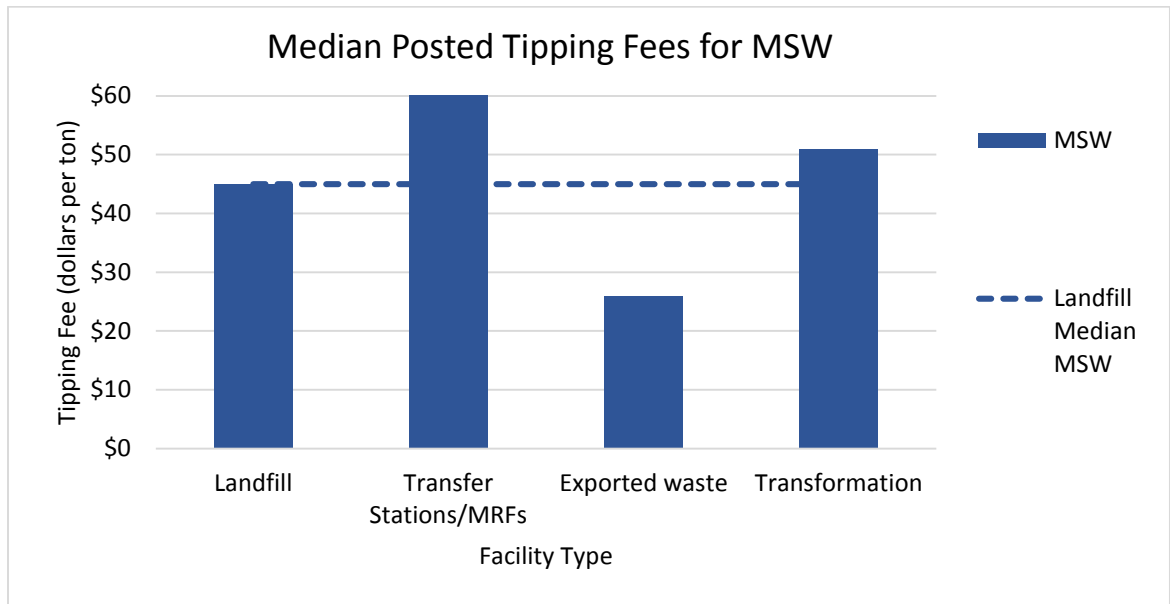
Posted Landfill MSW Tipping Fees Compared to Other Facilities

Landfill tipping fees in California were also compared to other solid waste management activities in the state. While the vast majority of waste disposed in California during 2012 was landfilled in state (96 percent), waste was also exported to landfills in Nevada and Oregon (1 percent) and sent to one of three transformation facilities (3 percent). Transfer stations also accept waste in the state for processing and transportation to landfills. Table 3 and Figure 2 summarize tipping fee survey results by facility type, material type, median, average, and range.

Table 3: Median, average, and range of posted tipping fees for each disposal facility surveyed in dollars per ton. All landfills and transformation facilities were surveyed in this study; data for other facilities are from a sampling of facilities (Appendix A).

Facility	Median MSW	Average MSW	Range MSW
Landfill	\$45	\$54	\$0- \$126
Transfer Station	\$61	\$74	\$0-\$178
Exported Waste	\$16 per cubic yard NV \$26 per ton OR	N/A	N/A
Transformation	\$52	\$52	\$50-\$53

Figure 2: Median posted tipping fees for MSW. The blue line is the landfill median. All landfills and transformation facilities were surveyed in this study; for other facilities, a portion of facilities was sampled (Appendix A).



Exports

Waste from California was exported to Lockwood Regional Landfill in Nevada and Dry Creek Landfill in Oregon in 2012. Lockwood Regional Landfill charged \$15.50 per cubic yard (California Median: \$13 per cubic yard) and Dry Creek Landfill charged \$26 per ton (California Median: \$45 per ton). While the tipping fees in Nevada were comparable to California, the Oregon tipping fee was lower than the California median. This might help explain why some border counties choose to send their waste to Oregon or Nevada rather than pay higher transportation and disposal costs at a neighboring county’s landfill. For some communities, the out-of-state landfills are closer than landfills in California.

Transformation Facilities

Transformation facilities are CalRecycle-permitted waste-to-energy facilities. Three permitted transformation facilities were in operation in California during 2012, located in Stanislaus County in the Central Valley and in Los Angeles County. These transformation facilities charge between \$50 and \$53 per ton of waste, a median (and average) of \$51.50 per ton, which is higher than the statewide landfill tipping fee median of \$45 per ton. Around the Central Valley transformation facility, four of the five landfills within 35 miles of the facility charge between \$33 and \$45, with only one facility charging more than the state median, at \$88. Around the Los Angeles County facilities, half of the landfills charge \$38 to \$41, while the other half charge between \$49 and \$59 within 35 miles. This local data again affirms why the median values are so important. When using the statewide average (\$54), transformation appears less expensive than landfilling, while transformation is actually a more expensive alternative to landfilling in California when compared to the statewide median as well as the surrounding landfills. Negotiated rates at the transformation facilities may also differ significantly from the public “self-haul” rates.

Transfer Stations

Waste can also be taken to a transfer station. There, it is either transported directly to a landfill for disposal, or the recyclables are sorted and processed for end users and recyclables markets prior to the transport of the residuals to a landfill. This consolidated waste is usually transported longer distances in fewer vehicles to a landfill. These added steps (transportation and sorting) may also play a role in the tipping fees charged at these facilities. In many counties without landfills, transfer stations are the only self-haul option for the public.

Transfer stations charge a median fee of \$61 per ton for MSW, which is \$16 more per ton than the median that landfills charge for MSW. This higher fee may be a result of transportation costs as well as tipping fees incurred by the transfer station for final disposal at the landfill. The range of transfer station tipping fees, from \$0 to \$178, is higher than all other facility types surveyed. The maximum of the transfer station tipping fee data set is \$50 higher than any other facility. This suggests that transfer stations have additional costs that lead to higher tipping fees.

Posted Landfill Tipping Fees for Green Waste

Landfills often charge different fees based on material type disposed, so the tipping fees for MSW discussed in the previous section will now be compared to green waste tipping fees at California's landfills. Many landfills charge different fees for green waste, construction waste, and hard-to-handle items such as appliances and carpet.

CalRecycle does not directly track how much green waste is disposed at landfills or how much green waste is sent to diversion facilities. However, CalRecycle does conduct periodic waste characterization studies, which provide estimates for the waste stream composition in California. Based on these studies, CalRecycle estimates that 7.1 percent of the waste disposed at landfills was green waste and 15 percent was food waste in 2008.¹⁴ Green waste landfill disposal is estimated to be about 2 million tons annually.

Landfills are required to report green waste tonnages if they are used as alternative daily cover (ADC) or alternative intermediate cover (AIC) on site. For the purposes of local jurisdiction diversion mandates, this tonnage is not considered disposal until 2020 (and would be in addition to the 7.1 percent of the waste stream*).¹⁵ Green waste ADC and AIC accounted for about 2 million tons annually.¹⁶

Most tipping fee studies, particularly those cited in this study, focus primarily on MSW at landfills. In California, the 4 million tons of green waste going to landfills annually could go to higher and better uses. Recent legislation expands organics recycling,¹⁷ and the California Air Resources Board (ARB) 2014 Scoping Plan Update¹⁸ has noted green waste recycling's potential to reduce greenhouse gas emissions.¹⁹ Redirecting this recyclable material away from the landfill can play a key role in determining whether California meets waste recycling and greenhouse gas reduction goals in the future. Given this background, it is important to understand how the fees charged for green waste vary by facility type. Twenty-two landfills (about 15 percent of landfills) are co-located with compost facilities.

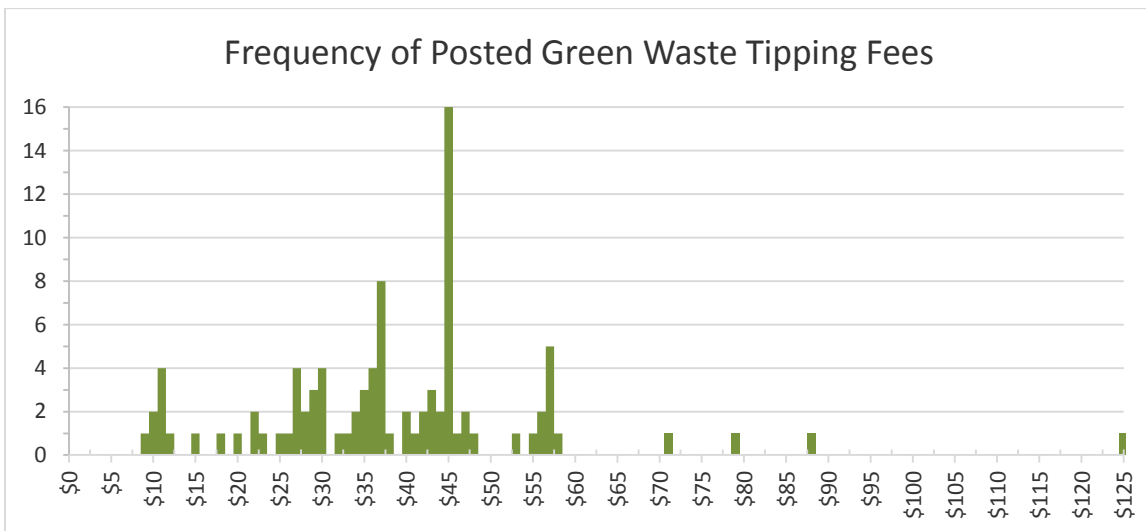
* Due to passage of AB 1594 (Williams, Chapter 719, Statutes of 2014), green waste ADC will no longer be considered diversion as of 2020.

The median public tipping fee for green waste at landfills was \$39 per ton, \$6 less than the MSW public tipping fee. The complexity in how landfills charge customers for MSW is similar for green waste material, as noted in Table 4. The median is likely a more accurate representation of green waste tipping fees, but the average is only \$1 higher.

Table 4: Posted landfill green waste tipping fees from survey in detail.

Fee Category	Number of Landfills that Reported the Fee	Median Fee	Average Fee
Minimum Charge	88	\$11	\$15
Per Ton	78	\$42	\$41
Per Cubic Yard	25	\$7	\$10
Standardized Tipping Fee (Per Ton)	97	\$39	\$40

Figure 3: Frequency of posted green waste tipping fees. Chart of all landfills accepting green waste from the public in California by tipping fee.



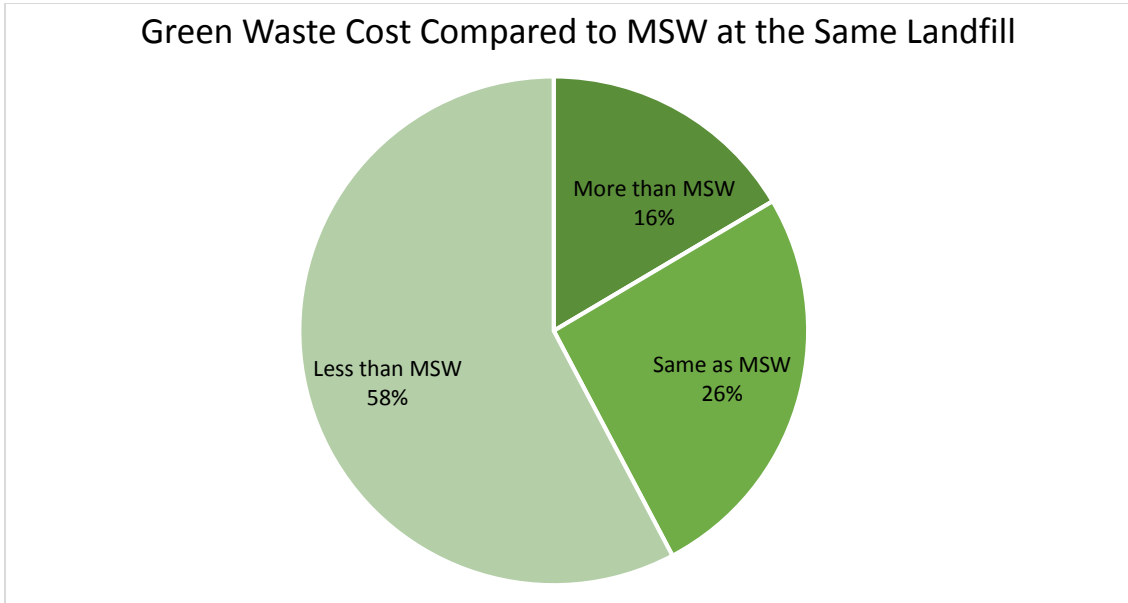
Green waste was less expensive to send to a landfill than MSW by \$6 per ton, but not all landfills charge less for green waste. Staff found that while most facilities (58 percent) charge less for green waste than MSW, there were 16 percent that charged more for green waste than for MSW (Figure 4).

Landfills might charge less for green waste than for MSW because:

- Green waste may be easier to handle.
- Green waste may be a resource when used as ADC or other purposes on-site.
- Landfills do not pay the \$1.40 state disposal fee on green waste ADC.

Landfills might charge more for green waste than for MSW to discourage green waste disposal.

Figure 4: Posted green waste cost compared to MSW at the same landfill. Chart compares the green waste fees and MSW fees at the same landfill.



Posted Landfill Green Waste Tipping Fees Compared to Other Facilities

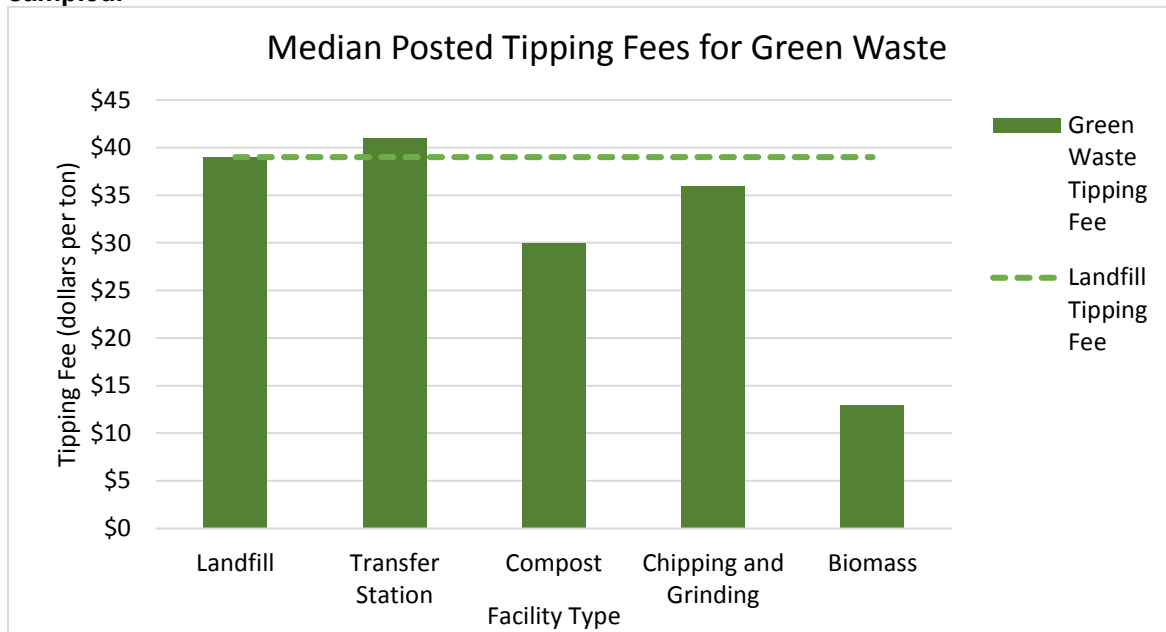
This section discusses tipping fees at facilities that dispose of MSW and green waste, and facilities that divert green waste. Table 5 and Figure 5 show the medians, averages, and ranges for green waste tipping fees by facility type.

Landfills and transfer stations (usually associated with the “disposal” of waste) charge the most per ton for green waste received compared to the other facilities surveyed in this study. Landfills and transfer stations might have the benefit of being the culturally accepted means of dealing with waste in the United States, as noted in the Columbia University study,²⁰ requiring other facilities to compete with landfills for business. It is also important to note that public fees are not paid by solid waste haulers with negotiated rates, so the dynamics of the fees actually charged by landfills or other facilities may be complex.

Table 5: Posted green waste tipping fees at disposal and diversion facilities that accept green waste in California.

Facility	Median Green Waste	Average Green Waste	Range Green Waste
Landfill	\$39	\$40	\$9-\$126
Transfer Station	\$41	\$49	\$0-\$178
Compost	\$30	\$30	\$0-\$127
Chipping and Grinding	\$36	\$40	\$0-\$128
Biomass	\$13	\$16	\$0-\$47

Figure 5: Median posted tipping fees for green waste. The green line is the landfill median. All landfills were surveyed in this study; other facilities have a portion of facilities sampled.



A substantial amount of green waste generated in California goes to facilities other than landfills. In California, disposal is tracked in CalRecycle’s DRS, but for the most part diverted materials are not directly tracked. Green waste materials can be recovered for recycling at some transfer stations (those that act as material recovery facilities), converted into energy at a biomass conversion facility, processed at a chipping and grinding facility for future use, or composted at a composting facility (includes anaerobic digestion). Compost, chipping and grinding facilities, and biomass conversion facilities capture organic material and process or convert the material for a more beneficial use. The products from these facilities are sold to agricultural and horticultural consumers as soil amendment and mulch or to public utilities as electricity from biomass conversion. There are more than 350 of these facilities in California.

Compost, chipping and grinding facilities, and biomass conversion facilities that accept green waste on average charge less than disposal facilities accepting green waste. As an incentive to secure feedstock, green waste diversion facilities may take green waste for free, which significantly lowers the median fee of this data set. The pricing contrasts at green waste facilities plays out at the local level between facilities directly competing for feedstock, rather than at the statewide level. Chipping and grinding facilities charged the most per ton of green waste (\$36), which was slightly less than landfills. Compost facilities and biomass conversion facilities had lower medians than other green waste diversion facilities (\$30 and \$13 per ton respectively). Some of the difference may be attributed to the fact that green waste is not subject to the \$1.40 per ton state fee. Green waste can also be turned into a product (compost or energy) at these facilities, creating a source of revenue that could offset tipping fees. More work is needed to understand the financial complexities related to green waste handling in California.

Negotiated Tipping Fees in California

When discussing tipping fees, one must take into account the fee structures at landfills. In addition to the public “self-haul” tipping fee, landfills can have negotiated rates. Negotiated fees are tipping fees agreed to between the landfill and a city, county, hauler, or other facility. The negotiated fees are usually for a given time period and can be renegotiated once they expire. In California, solid waste haulers, which are most likely to have a negotiated fee, transport about 80 percent of the waste received at landfills.²¹ So, up to 80 percent of loads are charged a negotiated rate.

Negotiated fees may be lower or higher than the “self-haul” fee on a case-by-case basis. Based on a small sample size of 22 negotiated tipping fees at a handful of different landfills across the state, the majority of negotiated tipping fees were much lower than the public tipping fees. When taking the difference between the two, the median difference was \$25. The discount from the public fee to the negotiated fee ranged from an 11 percent discount to a 76 percent discount. Only two negotiated fees in our sample were higher than the publicly posted tipping fees, each being about 20 percent higher.

So while the public tipping fees in California have a median of \$45 per ton disposed, about 80 percent of loads at landfills in California could be charged much less in tipping fees. This lowers an already low statewide tipping fee. While this sample of negotiated rates is small, not statistically representative, and doesn’t capture every nuance of the state, the results suggest that the effective median landfill tipping fee for most waste in California could be as low as \$20 per ton.

Mapped Landfill MSW Tipping Fee Data

There are major differences between landfills in terms of demographics, ownership, scale, population, material bans, volume, types of materials handled, capacity, local regulatory policies or fees, as well as site specific factors such as terrain, climate, and accessibility. These are just a few of the ways that landfill tipping fees can be influenced. Looking at the data for the state as a whole can lead one to easily miss the nuances of local data. While not every variable that could influence how a landfill sets its tipping fee was quantified, some descriptive factors that may differentiate landfills are explored in the following maps.[†] They include:

- Regional location
- Rural or urban county location
- Public or private ownership
- 2012 disposal tonnage amounts
- Landfill proximity to other landfills

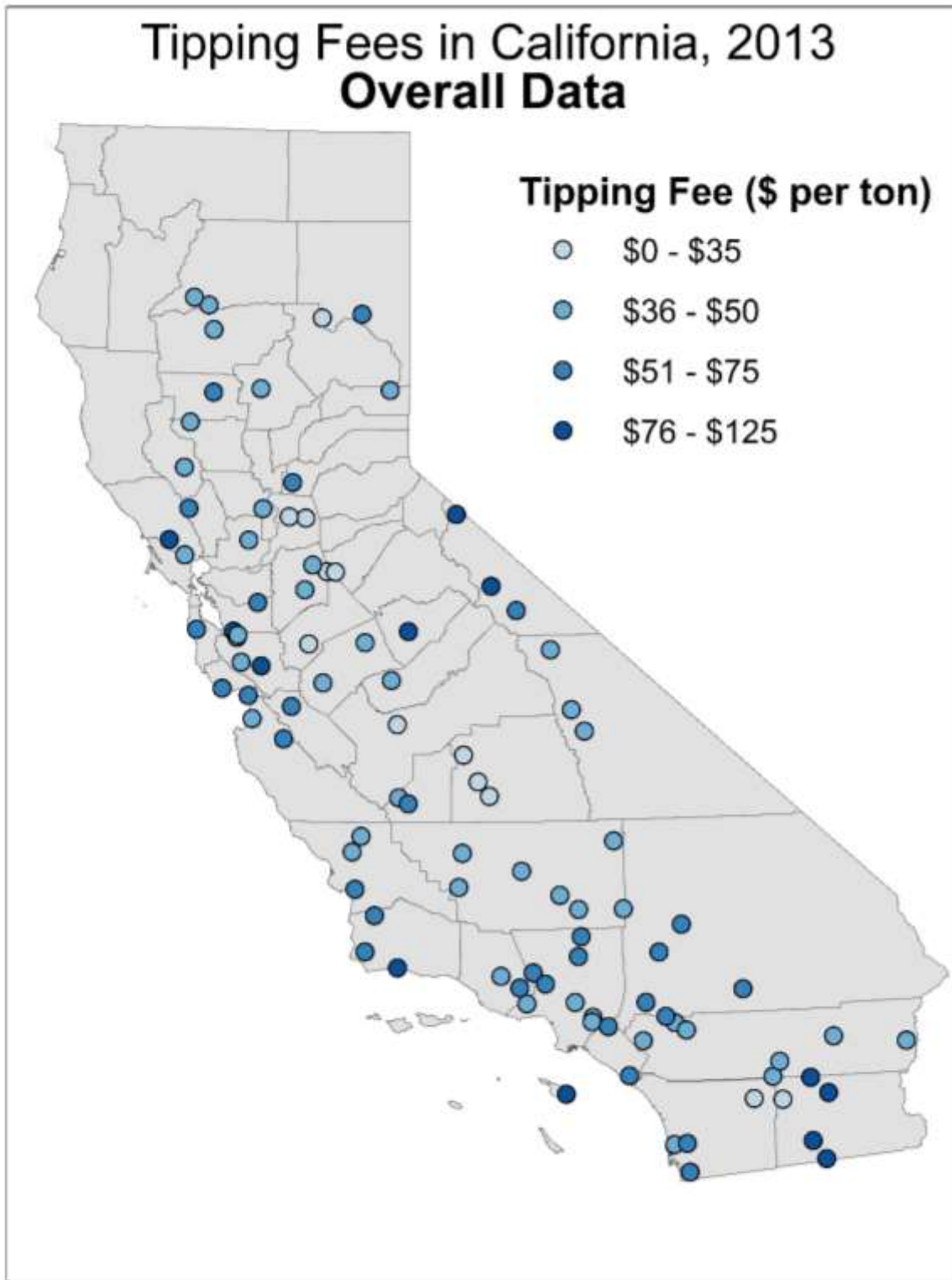
[†] All of the maps in this section present tipping fee data as \$ per ton, except for the disposal tonnage and landfill proximity comparison maps (these maps use a low, mid, high scale). The frequency graph (Figure 1) was used to choose appropriate classifications (ranges) of tipping fee data when mapping, and the classifications remain constant throughout the mapped analysis (Table 1).

Overall Data

Figure 6 presents the tipping fees for all the landfills surveyed in this study. The darker colors (higher tipping fees) occur primarily in the Bay Area and Sierra (mountainous) regions, while lighter colors fall in the Central Valley.

The detail presented on this general map emphasizes the complexity of data within the state of California, while also revealing certain patterns or data clusters. California, as a state, has a wide range of market types, communities, climates, county sizes, population centers, and concerns (environmental, business, etc.), which are just as important to understanding tipping fee data as the landfill factors stated in the previous section. California is a complex state, so, naturally, data concerning California's landfills will also be complex.

Figure 6: Overall data. Map of all landfills with tipping fees. The tipping fees are \$ per ton. See Table 1 for a breakdown of the tipping fee data.



Regional Data

Figure 7 divides the state into five regions based upon certain shared characteristics (i.e. demographics, climate, economics, and industry) that impact waste management practices. These regions are identical to those used in CalRecycle’s 2008 waste characterization study.²²

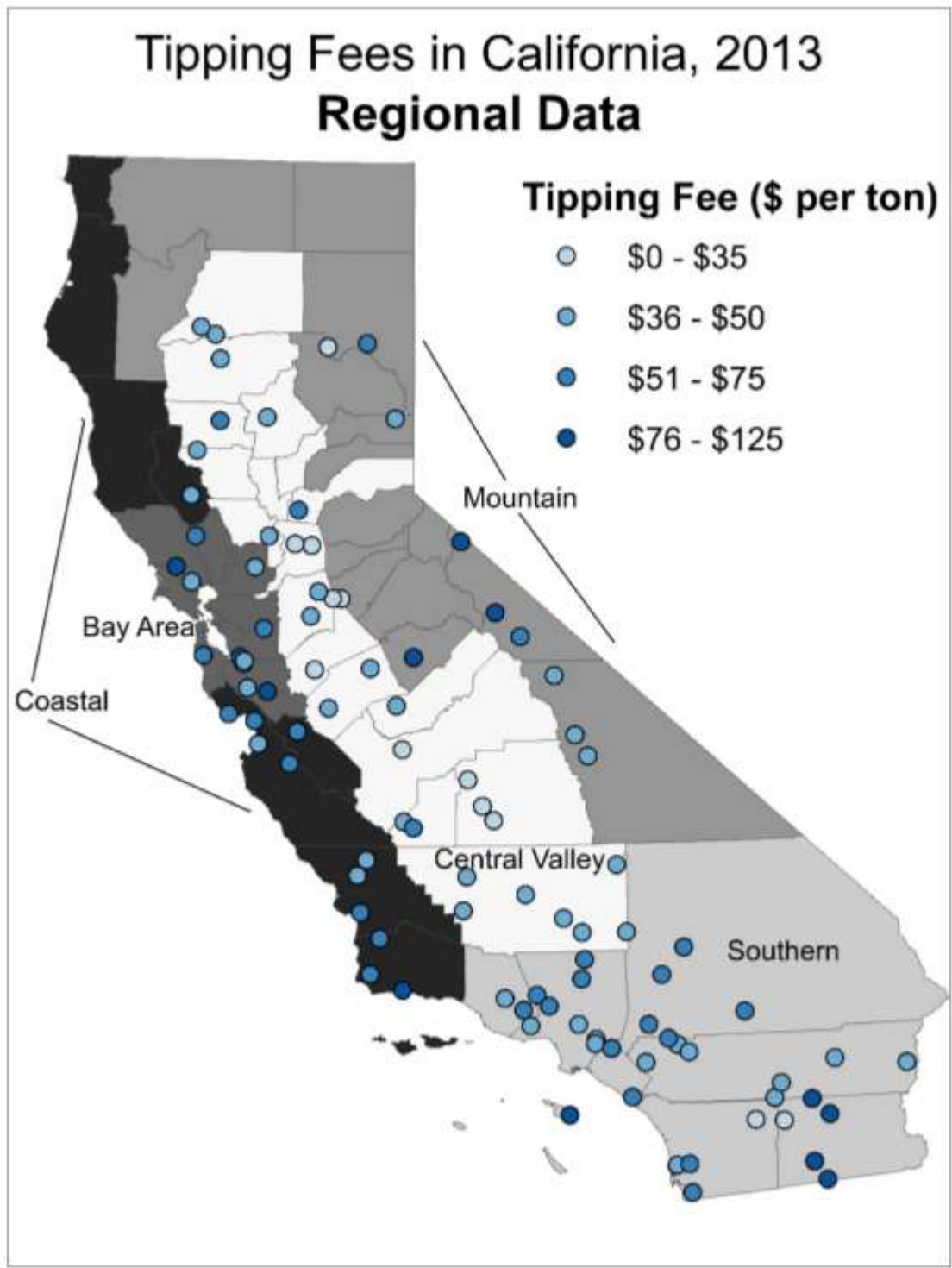
Table 6: Regional Data. Median fees for facilities in regions as drawn in Figure 7.

California Regions	Median Fee	Number of Landfills	Range of Fees	Percentage of Waste Disposed in CA
Bay Area	\$68	11	\$37 - \$115	15.5%
Coastal	\$64	12	\$45 - \$82	5%
Southern	\$56	34	\$12 - \$126	61%
Central Valley	\$43	30	\$23 - \$75	18%
Mountain	\$42	11	\$0 - \$121	0.5%

- Bay Area:** These are urban counties in the San Francisco Bay Area. They are metropolitan and have strong industrial components. Most landfills in this region are privately owned. The median tipping fee in the Bay Area region, \$68 per ton, is the highest in the state.
- Coastal:** These are northern and central coastal counties (not in the Bay Area or Southern regions). The coastal region is more populated than the rural mountain region and has a large agricultural component similar to the Central Valley. The central coast has a mix of public and private landfills. The tipping fee median in this region is \$64 per ton, with all fees in the data set at, or above, the statewide median (data range: \$45 to \$82).
- Southern:** These southern counties are strongly industrial with large populations and some agricultural influences. This region has the most landfills in the state (34) and a mix of landfill owners. The median tipping fee in this region was \$56 per ton, \$11 above the state median.
- Central Valley:** These counties between the Mountain and the Coastal regions have a major agricultural base, some important population centers, and some manufacturing. The median tipping fee is \$43 per ton and is just below the state median. The range of tipping fees has the lowest maximum in the state (\$75). Only four tipping fees in the Central Valley region are above the state median.
- Mountain:** These are rural counties with strong agricultural economies, a low population density, and a low industrial base. All landfills are publicly owned. The median of \$42 per ton is below the state median, but the data set is the only one with a clear division in fees: Half the data set is \$42 and below, the other half is \$70 and above. More counties in this region have no tipping fees (\$0) and use other methods (e.g. property taxes) to fund their landfills.

There are clear regional differences in California’s tipping fees. The Bay Area and Coastal regions have the highest median tipping fees, \$20 above the statewide median, but with different distributions. The Southern region has a lower median fee than these two regions at \$56, but it is still above the statewide median. The Mountain and Central Valley regions both fall below the statewide median.

Figure 7: Regional data. Regions are shaded to show the geographic extent. Medians are presented in Table 6. Region borders were determined using CalRecycle’s waste characterization study regions.



Owner Data

In Figure 8, tipping fees are mapped with private landfills in purple and public landfills in green. Privately owned landfills are owned by a private company, while public landfills are owned by a city, county, or federal entity (i.e. military base). Landfills owned by a public entity but operated by a private company were considered publicly owned for this analysis. Table 7 breaks down this data by the overall category, public or private, and by specific owner. In the public category only counties and cities are considered, but there are other types of public owners in California. The data presented in Table 7 shows that landfill owner has a strong correlation to tipping fees.

Table 7: Median landfill tipping fee based on owner.

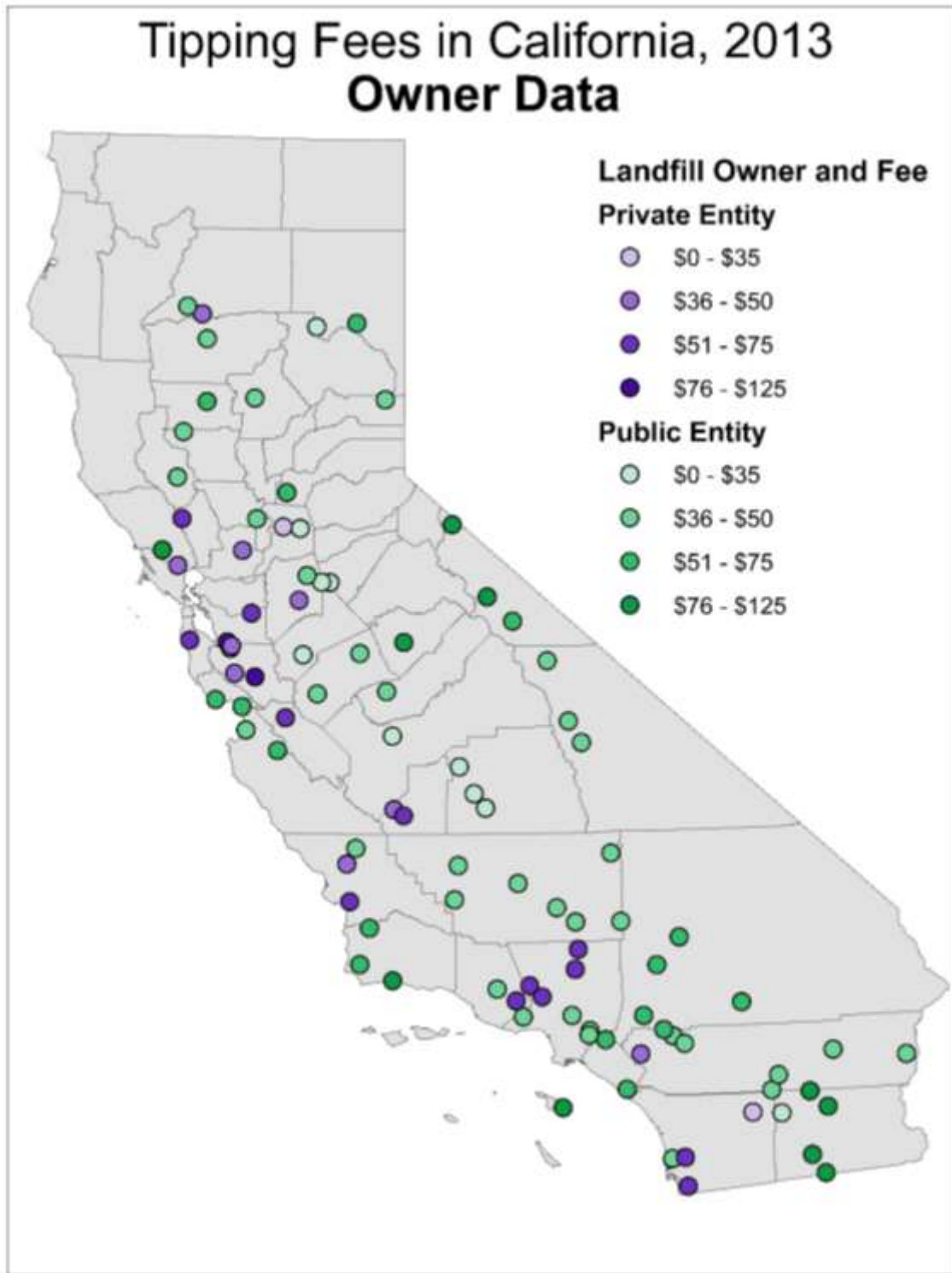
Owner	Median	Number of Facilities	Range of Fees
Public	\$45	71	\$0-\$125
City	\$49	11	\$38-\$125
County	\$45	56	\$0-\$121
Private	\$57	27	\$31-\$88
Recology	\$40	1	\$39.50
Republic	\$64	8	\$31-\$72
Waste Connections	\$60	4	\$40-\$72
Waste Management	\$56	10	\$35-\$88
Other Independent	\$45	4	\$35-\$69

Public and private landfills have considerably different median fees. Public landfills have a median fee of \$45 per ton (the same as the state); private landfills have a much higher median fee of \$57 per ton. Public landfill tipping fees range from \$0 to \$125, while private landfill tipping fees only vary from \$31 to \$88.

Private landfills are predominately located in the larger metropolitan areas of Southern California and the Bay Area, where they are more likely to be able to take advantage of economies of scale (large production of waste) to contain costs.²³ There are only a few private landfills outside of high-population areas. Conversely, public landfills are distributed throughout the state but are uncommon in the Bay Area. More than two-thirds of California's 98 landfills that accept waste from the public are owned by a public entity (71).

Public landfills rely on both public taxes and tipping fees, while private landfills rely only on tipping fees as a source of revenue.²⁴ According to national data on public landfills, 30 percent of landfills receive all their revenue from tip fees, 35 percent receive all revenue from local taxes, and 35 percent cover the costs through a combination of tip fees and local taxes.²⁵ Public entities are also responsible for an entire solid waste management program (i.e. special waste pick-up, recycling, outreach), not just the landfill. These fundamentally different funding structures based on landfill ownership likely have an impact on tipping fees.

Figure 8: Owner data. Tipping fees at public and private landfills in California. Medians and ranges are presented in Table 7. Some public landfills may be operated by private companies; these are considered public.



Rural and Urban Data

California is often considered an urban state, and the majority of landfills are located in urban areas. However, more than half of the state’s counties (34) are considered rural.[‡] During 2012, 20 rural counties had landfills. Figure 9 splits landfills into four separate categories (Table 8) and symbolizes each facility by tipping fee, owner, and county location. As a group, the 34 rural counties disposed 2,201,142 tons (7.6 percent of total disposal) in 2012, with the landfills in these rural counties making up 5.8 percent of California’s total in-state disposal. (Some rural counties export their waste to Oregon or Nevada.)

Urban landfills have a median tipping fee of \$45 per ton, the same as the statewide median tipping fee. Rural landfills have a median tipping fee that is only \$2 more than this (\$47 per ton), so it would seem that rural and urban landfills charge fairly similar rates. The maximum values between rural and urban are also similar, but the minimums are not. In fact, 4 of the lowest tipping fees are in rural counties.

Table 8: Median landfill tipping fees by rural and urban county and owner.

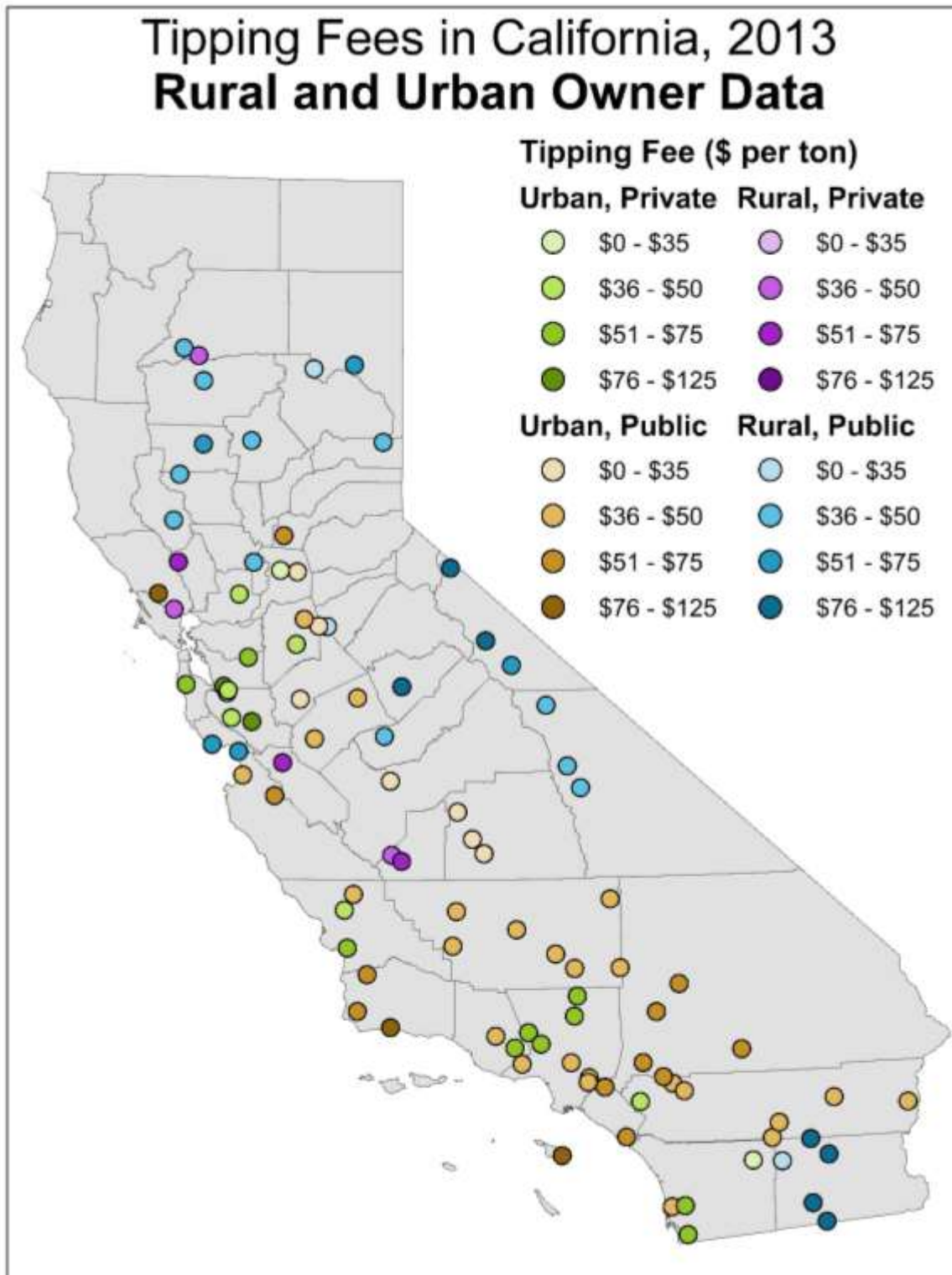
Category	Median Fee	Number of Landfills	Tipping Fee Range
Rural	\$47	32	\$0 - \$121
Public	\$47	26	\$0 - \$121
Private	\$53	6	\$38 - \$75
Urban	\$45	66	\$23 - \$125
Public	\$45	45	\$23 - \$125
Private	\$57	21	\$31 - \$88

Building on the previous section, rural landfills are also predominately owned by a public entity. Of the 32 rural landfills, more than 80% were owned by a public entity, while only 6 were owned by a private entity. Further, the 6 privately owned landfills in rural counties are located in either the more populated areas of the Central Valley or Central Coast, or along a major transportation corridor.

The most common type of landfills are publicly owned urban landfills, and these landfills charge the lowest median tipping fee (\$45 per ton). This all suggests that rural or urban county location does not influence tipping fee price as much as landfill owner.

[‡] According to Public Resources Code (PRC) Section 40183-4 rev. 2008, a rural county is defined as only disposing of 200,000 tons in a given year. Table included in Appendix B with rural counties, their disposal, and if they have a landfill or not.

Figure 9: Rural and urban owner data: Rural and urban owner tipping fees.



Disposal Tonnage and Tipping Fee Data

The amount of waste disposed at a landfill annually also appears to impact tipping fees. In Figure 10, each landfill was categorized (Table 10) based on tipping fee and amount disposed using criteria from Table 9.

Table 9: Definitions for low, mid-range, and high fees and disposal tonnages

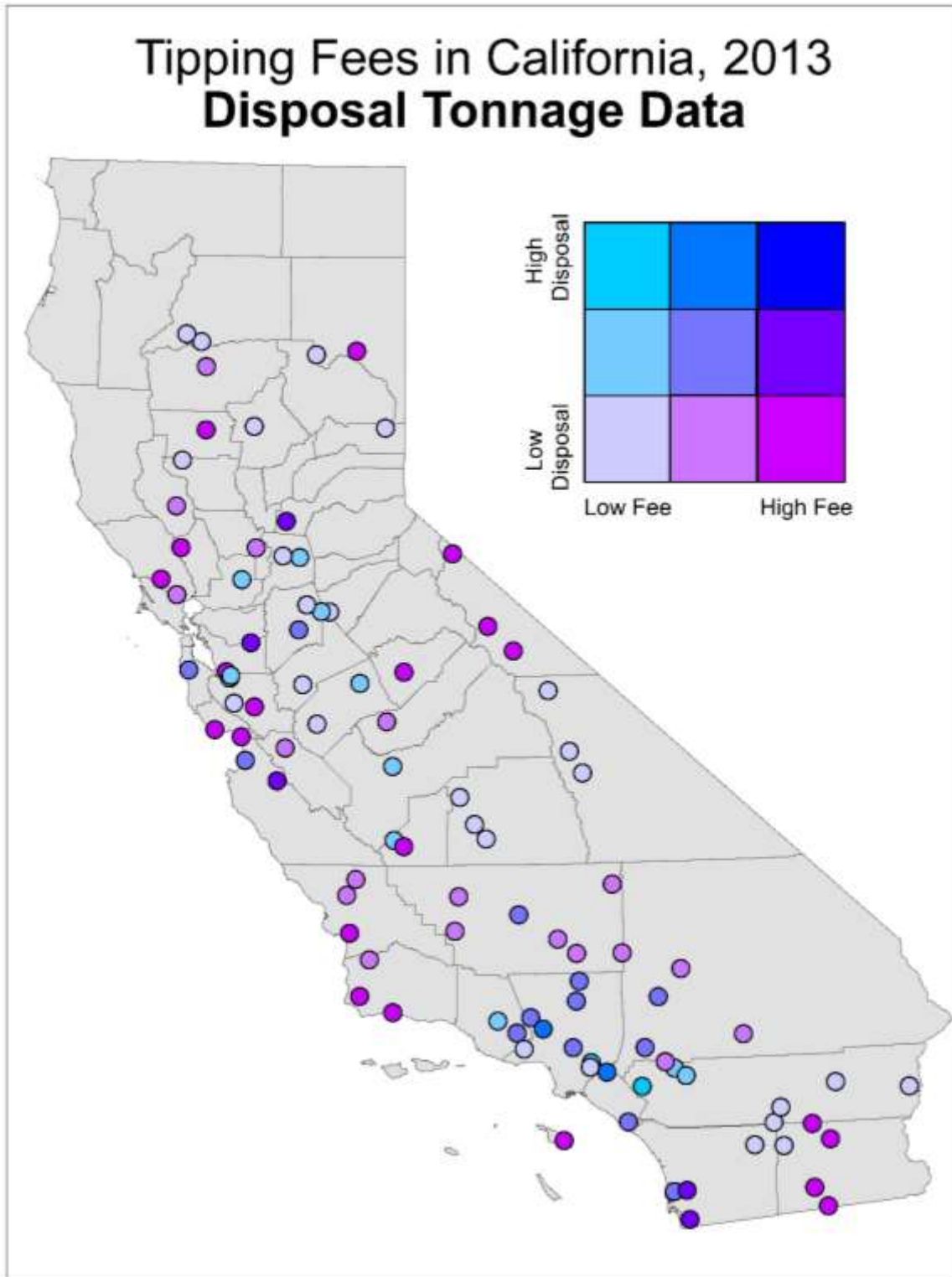
Disposal Category	Fee Category
Low Disposal <200,000	Low Fee <\$35
Mid-Range Disposal 200,000-1,000,000	Mid Fee \$35-\$75
High Disposal >1,000,000	High Fee >\$75

Two-thirds of landfills fall into the “low disposal” category and their fees span the full range from low to high. The most common combination (28 percent) was low tipping fee and low disposal landfills. One quarter of landfills are mid-range disposal and are more likely to charge low or mid-range tipping fees. The very small percentage of landfills with high disposal also charge a low or mid-range fee. Landfills taking in a high volume of waste do not appear to require as high tipping fees to support their operations. The variability in fees charged at public landfills with low volumes may suggest that some of these landfills may have a variety of funding sources other than just the tipping fee.

Table 10: Facilities that fall into each category, as defined in Table 9 (the organization of this table correlates to the key in Figure 10).

Low Fee, High Disposal 2 (2%)	Mid-Range Fee, High Disposal 2 (2%)	High Fee, High Disposal 0	4%
Low Fee, Mid-Range Disposal 10 (10%)	Mid-Range Fee, Mid-Range Disposal 13 (13%)	High Fee, Mid-Range Disposal 5 (5%)	28%
Low Fee, Low Disposal 27 (28%)	Mid-Range Fee, Low Disposal 18 (18%)	High Fee, Low Disposal 21 (22%)	68%
40%	33%	27%	100%

Figure 10: Disposal tonnage data: Map ranking disposal tonnages and tipping fees. Each point is symbolized based on its disposal rank and fee rank (Table 9 and Table 10).



Landfill Proximity and Tipping Fee Data

In Figure 11, tipping fees were clustered into low, mid-range, and high categories (same criteria as Table 9), and landfill proximity was similarly categorized using an ArcMap contouring tool.[§] The number of landfills in a given geographic area (landfill proximity) appears to have some impact on the tipping fees at landfills. The number of facilities charging within each fee category was recorded by each density range in Table 11.

Table 11: Landfill proximity and tipping fee distribution.

	Low Fee	Mid Fee	High Fee
Low Density	16	14	14
Mid-Range Density	10	13	8
High Density	13	6	4

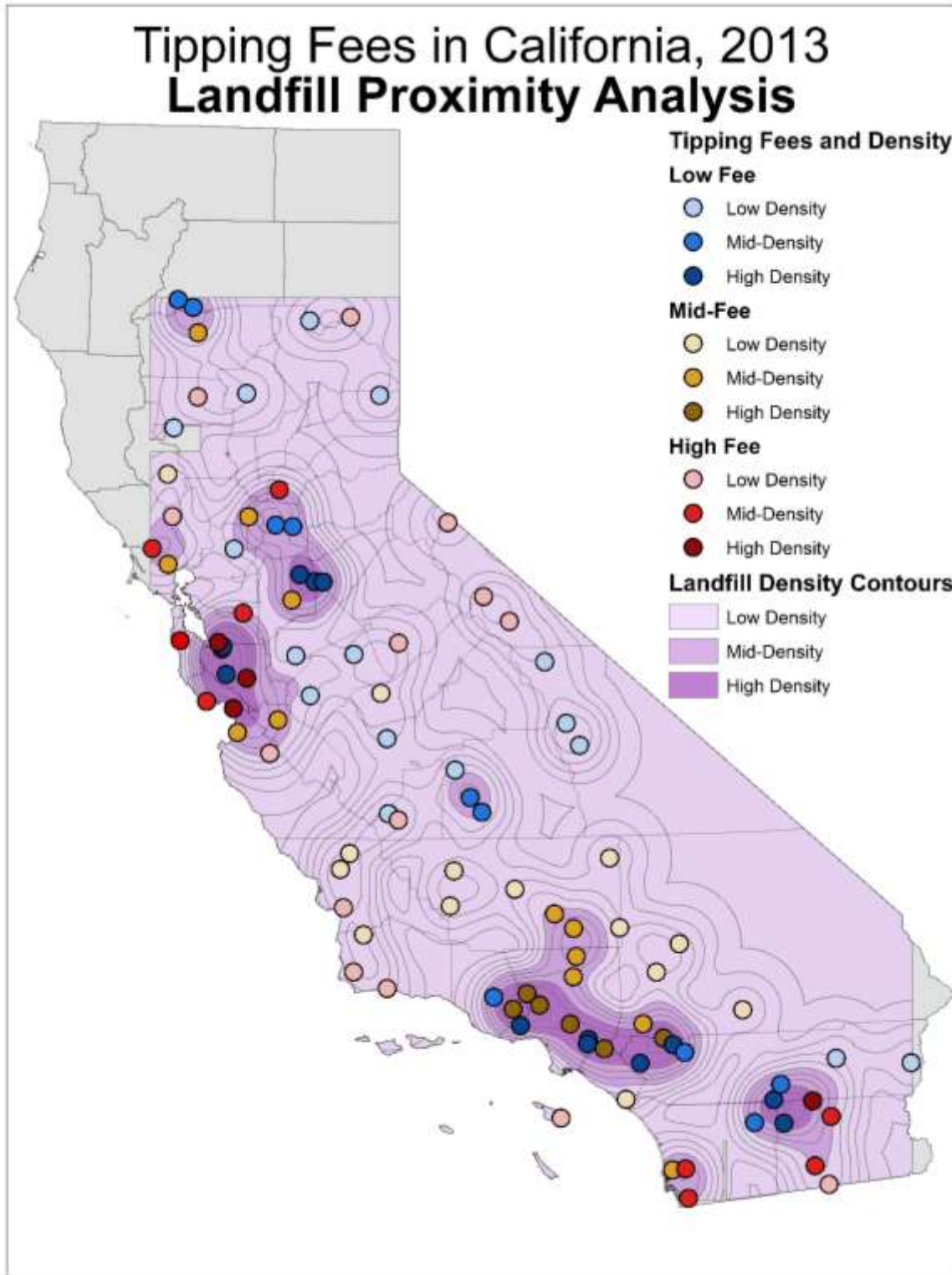
In areas with only a few landfills, there is no relationship between proximity and tipping fees. A landfill in these low-proximity areas is as likely to charge a high or low fee, suggesting that other factors besides landfill proximity are more significant in terms of setting tipping fees.

Mid-density landfill areas follow a similar pattern. Mid-density landfill areas are most likely to charge a mid-range fee, but there is only a slight difference between those likely to charge a low or high fee. This difference is so low that it suggests the same concepts as for the low density areas; there is more freedom in setting prices when a landfill is low to mid proximity areas.

Differences in tipping fees emerge in high density locations where there are more landfills located near each other. These landfills are twice as likely to charge a low fee over a mid-fee, and three times as likely to charge a low fee over a high fee. This suggests that competition between nearby landfills may result in lower tipping fees.

[§] Contours were created by first turning the landfill points into a heat or density map, with hot spots or darker areas containing more landfills than lighter areas. The contouring tool then took this raster heat-map and created contour lines, which were numbered .0002 through .0012. These contour lines were then divided by staff into regions of high density, medium-range density, and low density. (These lines are included in Figure 11).

Figure 11: Landfill proximity analysis: Tipping fees and landfill proximity (Table 11). Landfill proximity was determined using an ArcMap contouring tool, with the contours displayed here.



California Tipping Fees Compared to the United States and the European Union

U.S. Tipping Fees

To understand how tipping fees may impact waste management decision making, this study reviewed national data compiled by BioCycle²⁶ and Columbia University (EEC)²⁷ detailing landfill tipping fee data and other MSW data. Columbia University's and BioCycle's bi-annual survey, *State of Garbage in the United States*, is considered the authority on waste management practices in the United States. In 2011, Columbia University took over the research and replaced this bi-annual report with a more comprehensive study of waste management practices in the United States. The data collected by both BioCycle and Columbia rely on state-reported statistics, and for this section the latest data²⁸ from 2011 is used and presented in Figure 12. Due to the fact that Columbia and BioCycle used averages in their analysis, this section will use California's average rather than median value for comparison. It is important to note that California's average (\$54 per ton) is inflated due to skewed data, the median (\$45 per ton) is more representative, and California's predominance of negotiated tipping fees most likely drives this price even further down. Because these surveys looked at a few of the largest facilities in each state rather than a census of all facilities, the results may not be directly or completely comparable to the data gathered for this report. As in California, each state's full set of landfill tipping fees may show characteristics that would suggest that the averages for the limited samples may or may not be the best representation of their fees. As a result, these comparisons, while illustrative, should not be considered conclusive.

Figure 12 compares statewide average tipping fees in the United States to California's average tipping fee. Average tipping fees in the Northeast and West regions are the highest in the United States and are higher than California's tipping fee average. Columbia University reported an average U.S. tipping fee of \$49 for 2011.

The average tipping fee in a region generally correlates with the percentage of waste landfilled in that region (Table 12). With some exceptions, the higher the tipping fee, the lower percentage of waste a region landfills. In the Northeast and Mid-Atlantic, a greater percentage of waste is sent to waste-to-energy facilities rather than to landfills, the West sends more generated waste to be either recycled or composted, and all of these regions have the highest tipping fees in the United States. Higher landfill tipping fees may make other alternatives like transformation or recycling competitive economically. The Southern and Midwestern states charge well below California's average tipping fee, and they landfill a majority (up to 75 percent) of their waste. Higher tipping fees appear to be discouraging landfilling but may not spur recycling unless this option is specified as a priority by state-level policy, as it is in the Western states.

Figure 13 plots this information but with the added detail of each state's data and a trend line that shows the relationship between tipping fees and percentage landfilled. Based on the national data, California charges less per ton than expected based on the percentage landfilled in each state.

Figure 12: California tipping fee average compared to tipping fees in the United States. Average tipping fees for each state in 2011 (Columbia University) compared to California's average landfill tipping fee of \$54.²⁹ Dataset provided in Appendix C.

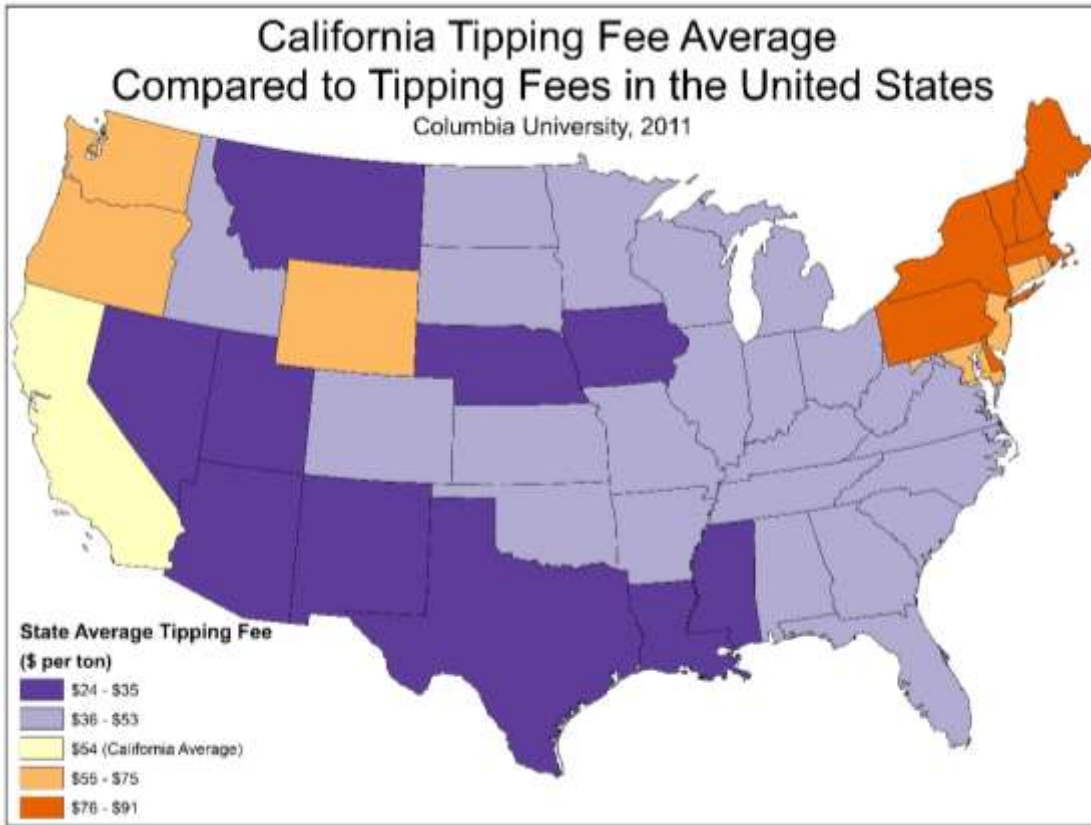


Table 12: Average tipping fees and percentage of waste landfilled (based on tonnage and tipping fees reported by Columbia University)³⁰ and using BioCycle's regions.³¹ A complete table is provided in Appendix C.

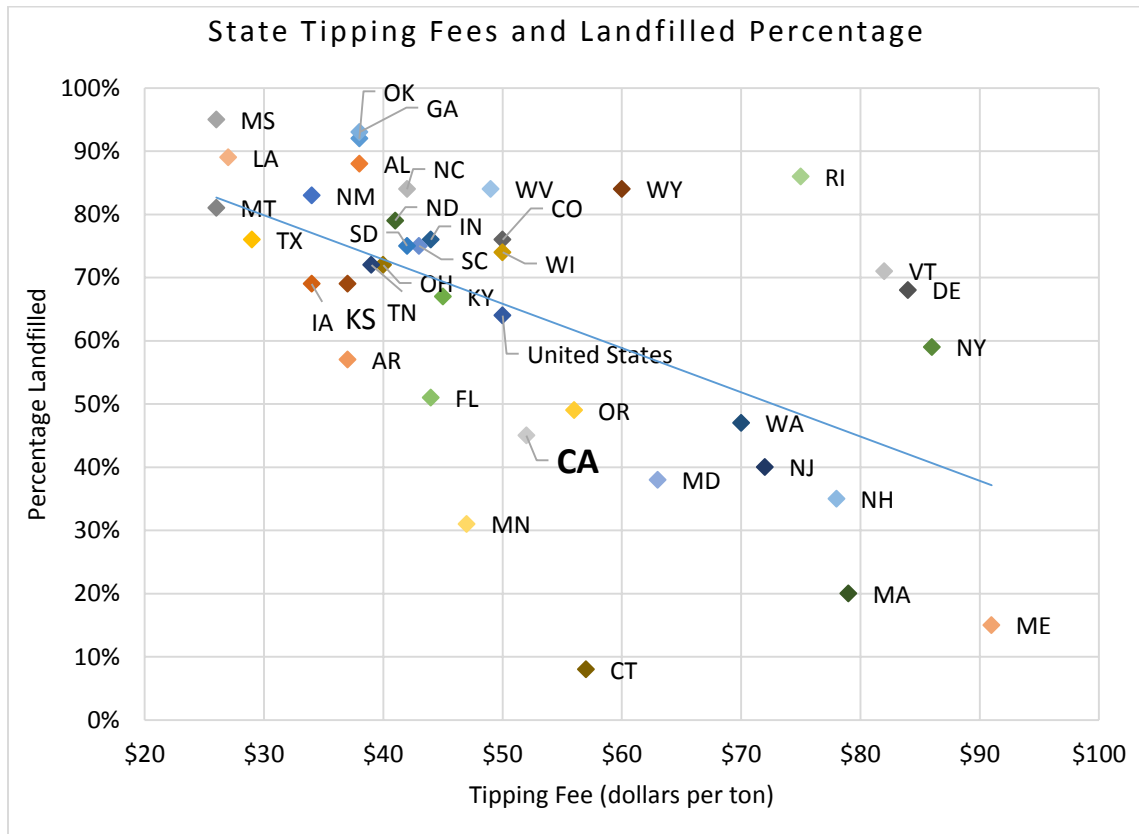
United States Regions	Tipping Fee Average	Percentage Landfilled
New England	\$77	24%
West	\$51	46%
Mid-Atlantic	\$72	49%
South	\$39	73%
Midwest	\$36	75%
Great Lakes	\$45	76%
Rocky Mountains	\$39	84%

When comparing other states to California, it is important to consider factors outside of the amount landfilled that could affect tipping fees. First, landfills in each state have various operational needs and concerns. Among others, these concerns could include operating

conditions, land value, climate, demographics, and the cost to implement technologies that protect the environment. There is also the policy side of landfilling, with jurisdictions, counties, and states across the United States regulating landfill behavior to different levels. Many states have bottle bills, landfill bans, and other policies that limit landfilling, encourage waste-to-energy projects, or incentivize recycling. While higher tipping fees may disincentivize landfilling, other programs, policies, or economic instruments likely contribute to lowering the percentage of generated waste landfilled in a state.

California appears to have a low tipping fee when compared to the United States, especially when compared to other regions that have similar environmental policies.

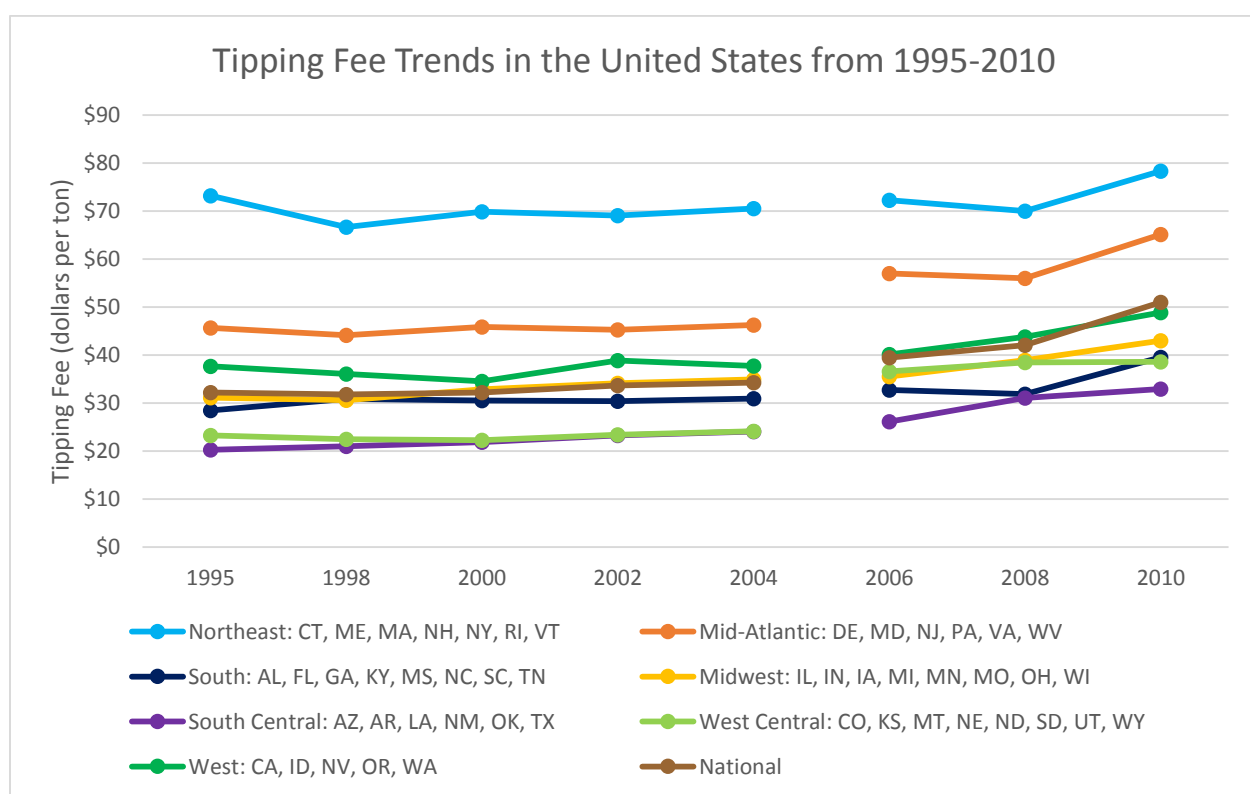
Figure 13: State tipping fees and landfilled percentage. Trend of landfill tipping fees and percentage of generation landfilled (recycled + composted + combusted + landfilled = generation, according to Columbia University)³²



Historic Tipping Fees in the United States and California

As was mentioned in the introduction, tipping fees have been the subject of research for many years. The NSWMA relied on information from the *Solid Waste Digest* to record tipping fees from 1995-2004 for seven regions of the United States and the national average. The national average and tipping fees in general stayed relatively consistent between 1995 and 2004, but between 2004 and 2010 tipping fees rose \$1.62 per year, which NSWMA has attributed, in part, to rising fuel costs (Figure 14).³³

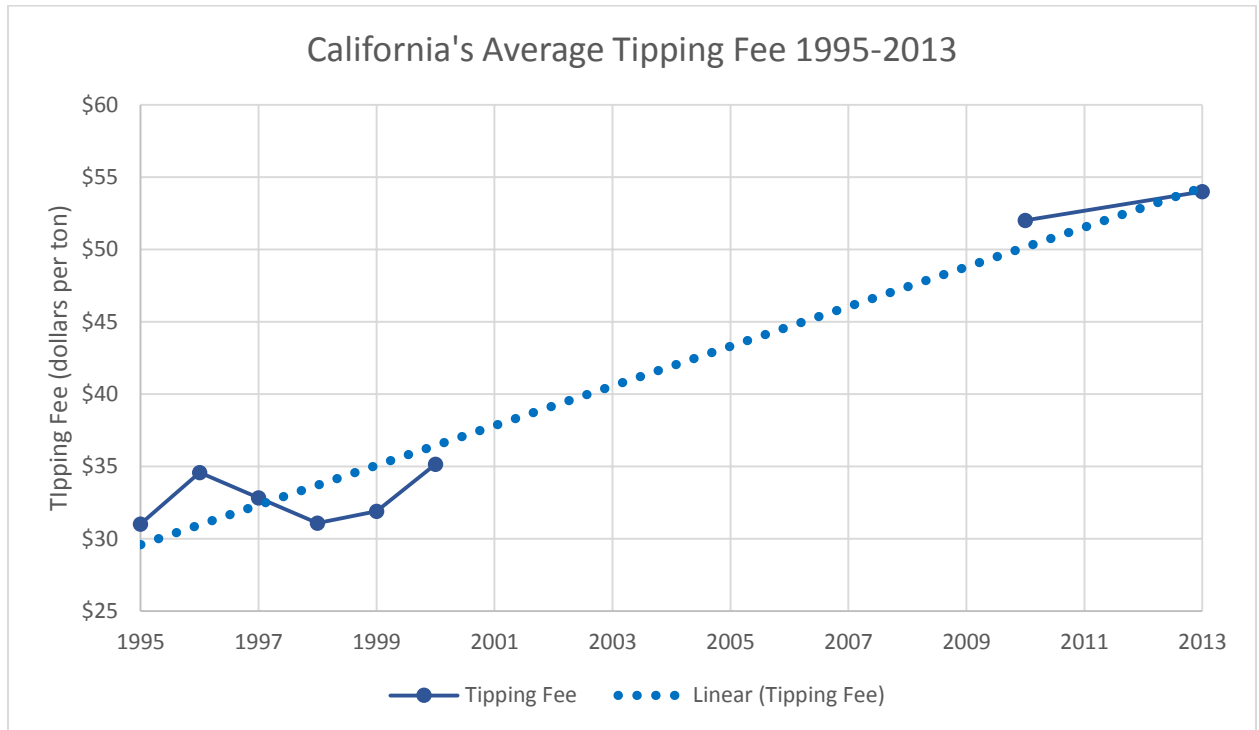
Figure 14: Posted tipping fee trends in the United States from 1995-2010. Data from 1995-2004 for the nation's regions and the national average for all years are from NSWMA's article,³⁴ and data from 2006-2010 are from BioCycle and Columbia University's statewide surveys.^{35,36,37} Regions on this graph are from NSWMA's publication and are slightly different from BioCycle's regions used in the previous section.



With limited data for California for the years between 1995 and 2013, we are able to piece together how California's tipping fee has increased in the last 20 years. Between 1995 and 2000, when the last CalRecycle tipping fee surveys were conducted, the tipping fee average varied between \$30 and \$35 per ton. Between 2010 and 2013 the average was \$52 to \$54 per ton. For the years between 2000 and 2010, California-specific data is not available, NSWMA's article only provided data by region, and in the BioCycle surveys California did not supply an average tipping fee. Therefore, as a general trend, in the 10 years between 2000 and 2010, California's average tipping fee increased \$17, an average of \$1.70 per year, which is comparable to the

national trend of \$1.62 per ton increase per year, but the exact increases and trends are not known (Figure 15).

Figure 15: California's average posted tipping fee 1995-2013: Data prior to 2000 was collected by the California Integrated Waste Management Board (CIWMB, CalRecycle's predecessor), 2010 data is from Columbia University's study, and 2013 data is from this study.



European Union Tipping Fees

Given the higher rates of recycling and the ambitious policy directives that focus on moving waste away from landfilling in the European Union, landfill tipping fees in the European Union may be more relevant for understanding how landfill tipping fees could impact future policy development in California. Tipping fees for the European Union member states are displayed in Figure 16. The average “typical” tipping fee in member states of the European Union was \$100 per ton in 2012, with a range of \$0-\$215.³⁸ California’s average MSW tipping fee at landfills, \$54 per ton, is much lower than the European Union’s average MSW tipping fee at landfills, and the European Union’s range is almost double that of California’s (\$0-\$125).

When comparing the European Union and California, it is important to consider the differences in policy priorities. In the European Union’s Landfill Directive states that by 2016 each member state should be landfilling only 35 percent of what they landfilled in 1995.³⁹ California jurisdictions are required to divert 50 percent of their generated waste by meeting a disposal target measured as “per capita disposal.”⁴⁰ In addition, jurisdictions may receive diversion credit for using waste as a feedstock for energy, which lowers a jurisdiction’s per capita disposal. Transformation accounts for approximately 3 percent of solid waste disposed statewide. Further, California has not promoted the use of waste as a feedstock for energy in the last decade. In the

European Union, waste-to-energy (WTE) is considered a beneficial way to limit waste reaching the landfill and promote energy independence. This is a difference in approach to the issue of waste management: California has concentrated its efforts more on reduction, reuse, recycling, and composting of waste, while the European Union has considerable reliance on WTE.

The range of average tipping fees in the United States is both lower and smaller (\$24 to \$91) than the European Union average tipping fee range (\$4 to \$215). The higher average landfill tipping fee in the European Union may be partially attributed to its landfill directive (the United States does not have a nationwide landfill goal or directive). The wider range in the European Union may be due to the fact that newer member states do not have to meet the landfill directive (or are newly forming waste management strategies) and therefore have lower fees.

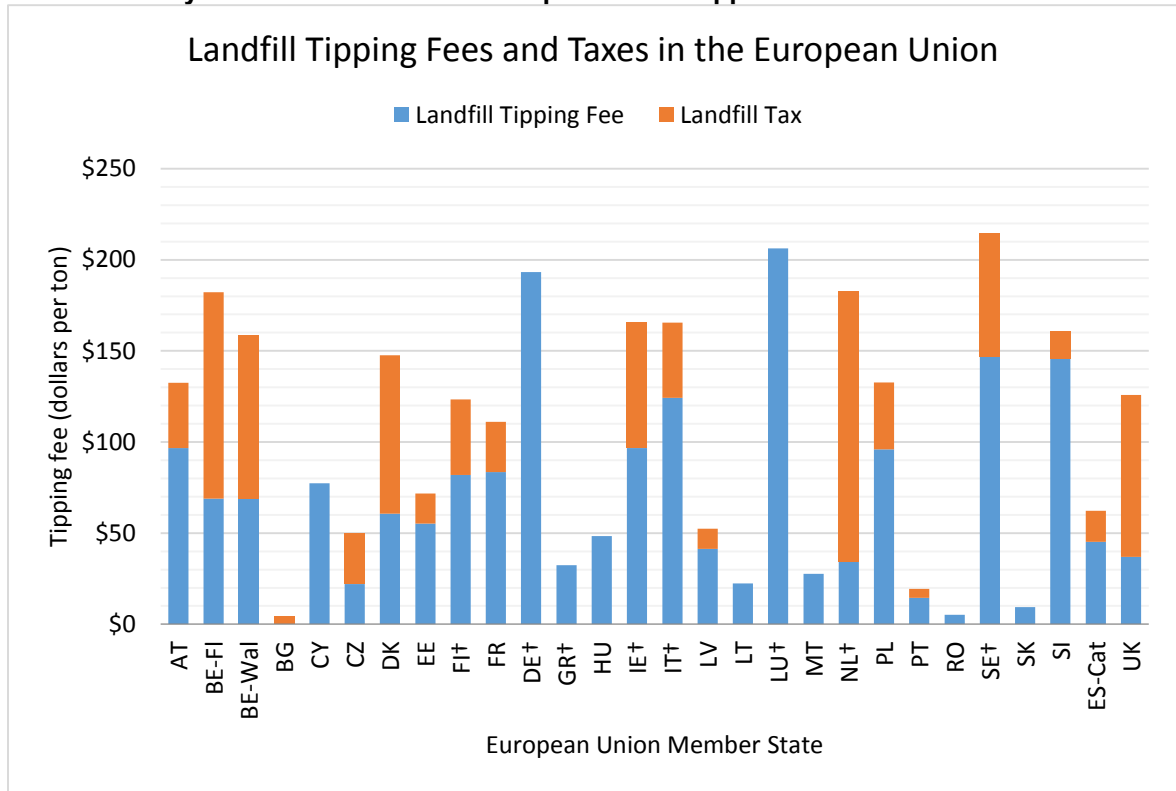
Figure 16: Tipping fees in the European Union. European Union averages (converted from euros to dollars)⁴¹ compared to California’s average tipping fee of \$54.⁴² Fees below California’s average are light and dark purple, and those above California’s average are light and dark orange. Dataset provided in Appendix D.



The European Environmental Agency (EEA) analysis of European Union tipping fees noted that the landfill directive requires that gate fees cover all costs associated with operating a landfill, including siting, closure, and after-care for up to 30 years, and that this requirement may have led to higher tipping fee costs.⁴³ Another important factor to consider when contextualizing European Union landfill data is that the data set used in Figure 16 combines landfill gate fees (charged by the operator, the focus of this study) and landfill taxes (charged by public entities). European

Union landfill taxes average \$35 per ton but vary greatly, as shown in Figure 17. California’s \$1.40 per ton state fee on each ton of waste landfilled hardly compares to these larger fees, although some local jurisdictions in California do charge landfill taxes that were not researched in this study. Due to these high landfill taxes, the authors of the EEA calculated a “typical landfill fee,” which included both the average tipping fee and the landfill tax of each member state.

Figure 17: Landfill tipping fees and landfill taxes in the European Union, based on EEA data.⁴⁴ Country abbreviations and dataset provided in Appendix D.

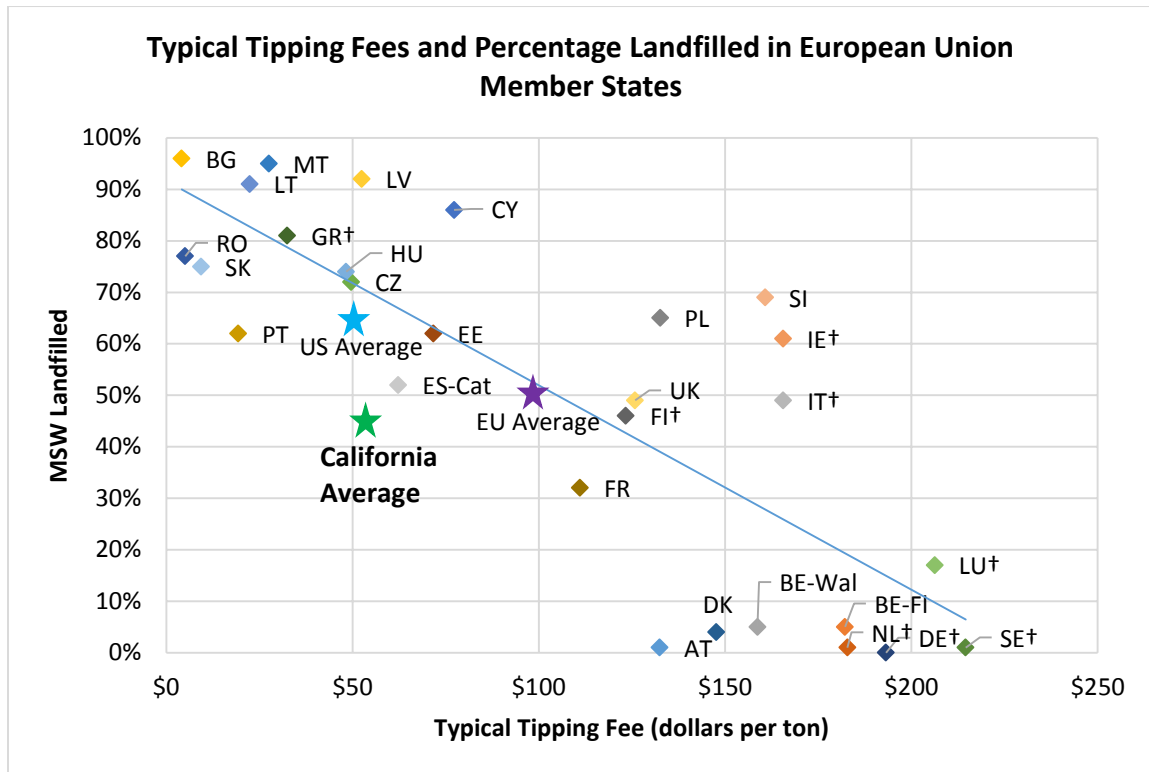


Due to these landfill taxes, the authors from the European Environment Agency (EEA) noted that member states fell into one of three groups⁴⁵ (plotted in Figure 18):

- high “typical landfill fee” and low landfill percentage
- mid-range to high “typical landfill fee” and mid-range landfill percentage
- low “typical landfill fee” and high landfill percentage

The same correlation was also observed for landfill fees and the amount of waste recycled and composted.⁴⁶ The authors concluded that as an economic instrument for behavior change, increased landfill gate fees and taxes can lower the amounts landfilled, and specifically landfill taxes can change consumer behavior if the customer believes the taxes are high.⁴⁷

Figure 18: Typical tipping fees and percentage landfilled in European Union member states. European Union member state “typical tipping fees” (which include landfill taxes presented in Figure 17) and percentage landfilled.⁴⁸ Country abbreviations are provided in the Appendix.



Further, in their research, the authors found that while increasing fees at the landfill moves some waste up the waste hierarchy (i.e. to incineration, recycling, or composting), other programs and policies were used in countries that achieved the lowest percentages of landfilling. Germany, for example, has one of the lowest landfilling percentages, one of the highest landfill fees, but also has a landfill ban in place. The EEA authors concluded that while landfill taxes disincentivize landfilling, other programs or economic instruments must be used to achieve a low landfilled percentage.^{49, 50}

Conclusion

Landfill Tipping Fees Are Complex and Varied

Tipping fees in California are as complex as the state itself. Tipping fees vary by the unique circumstances at each landfill, which can include, among other factors, their regional location, rural or urban location, ownership, annual disposal tonnage, proximity to other landfills, and operational factors. California is a large state with many different demographics, climates, political subdivisions, and environmental concerns that could also lead to diverse landfill tipping fees. Generalizing about California landfill tipping fees can be difficult and is perhaps more illustrative than decisively conclusive in many cases. Even with these limitations, some interesting findings and conclusions from this preliminary research are included below:

- Larger (more annual disposal) landfills tend to have lower fees than smaller landfills.
- Landfills with other landfills nearby tend to have lower fees than remote landfills.
- Privately owned landfills tend to charge more than government-owned landfills.
- Privately owned landfills are more likely to operate in urban areas, while government-owned landfills are more evenly distributed throughout California (with the exception of the Bay Area).
- Based on a comparison within the United States and with the European Union, landfill tipping fees in California are lower than would be expected based on the percentage of MSW that is landfilled in the state.

Low Landfill Tipping Fees for MSW

This report supports the general conclusion that tipping fees in California are lower than would be expected in a progressive state with effective programs and ambitious waste management goals. The cost of landfilling solid waste may be too low to promote the behavioral changes needed to push materials to higher and better uses. In relation to the statewide goal of 75 percent recycling by 2020, low landfilling costs do little to help drive the changes that are needed to reach the goal. Data presented in this report for both the United States and the European Union show a correlation between tipping fees and the amount of waste landfilled. In countries that landfill very little waste, tipping fees were higher than in countries that landfill a majority of their waste, and California's data fell below the expected level given its moderate level of landfill disposal. Further, the policy directives of the European Union include economic instruments like increased tipping fees and landfill taxes to act as disincentives to landfilling while they simultaneously promote producer responsibility, environmentally responsible packaging, recycling, and composting. While raising tipping fees is not the only method to change behavior and reduce disposal, it has been an effective strategy in other localities and could be a policy option to explore.

Although the posted "self-haul" tipping fees analyzed in this report only reflect about 20 percent of overall disposal, the limited data for solid waste haulers suggest that the negotiated tipping fees are up to 30 percent (or \$20 per ton) lower than the already low tipping fees in California. These commercial rates should be more thoroughly researched and analyzed in future work, considering that solid waste haulers make up approximately 80 percent of the waste stream in California. If

the negotiated fees are as low as suggested by this preliminary anecdotal research, landfills are likely the cheapest path for materials to flow down. If true, this makes building a competitive recycling and composting infrastructure very challenging.

Regardless of its relative cheapness in California, solid waste disposal is big business in California. If 20 percent of the landfilled waste in 2013 (6 million tons) had a landfill tipping fee of \$45 per ton and 80 percent of the waste had a landfill tipping fee of \$25 per ton (24 million tons), the total would be almost \$900 million. This is an extremely rough calculation with oversimplified assumptions and is only meant to be illustrative, but it does show the order of magnitude of landfill tipping fees in California.

Lack of Disincentive for Green Waste Going to Landfills

Diverting green waste and other organics away from landfills is a priority for both greenhouse gas reduction and to meet CalRecycle's 75 percent statewide recycling goal. However, current tipping fees for green waste, both within landfills and at other facilities, do not appear to significantly incentivize diversion and drive materials to their highest and best use. As noted in the European Union study, a perceived high fee influences consumer behavior,⁵¹ but currently a majority of landfills do not have high green waste fees that would be likely to significantly change consumer behavior.

If tipping fees for green waste are going to send appropriate market signals to the consumer, it should be considerably less expensive to divert the material than to dispose of it. Currently, the \$15 difference between landfills and green waste diversion facilities may not be enough to drive consumer behavior; this may be especially true at landfills where consumers see it is cheaper to send green waste to the landfill than MSW. If landfills are negotiating even lower prices that compete for these resources (for use as ADC, AIC, or beneficial reuse), these materials will be even less available for higher and better uses. Further, if green waste continues to flow into landfills due to convenience, price, or habit, it will continue to draw feedstock away from other green waste diversion facilities; this will hamper efforts to site more green waste diversion facilities and build the infrastructure needed to appropriately handle these materials.

Tipping Fees and Landfill Capacity

Based on the European Union and United States data, when landfills play a more limited role in waste management, tipping fees are usually higher. Currently, California's tipping fees are not as high as expected in relation to our level of landfilling. Given the ample amount of total landfill capacity in California (approximately 1.7 billion tons), it is unlikely that landfill tipping fees will rise quickly due to supply constraints. In addition, as recycling increases, there will be less disposal, so demand is likely to decrease over time. In 2013, 30 million tons of waste were disposed at landfills. Only 16 million tons are projected to be landfilled in 2020 if the 75 percent goal is achieved. Even with increases in population over time, it may be many years before there are significant shortages in statewide landfill capacity. (This may not always be true at the local or regional levels.)

As California moves toward its 75 percent statewide recycling goal, the resulting reduction in waste disposal will cause a sharp decline in disposal, tipping fee revenue for landfills, and governmental fee revenue for both local governments and the state. That decline in tipping fee revenue, both for landfills and agencies that charge taxes on disposal tonnages, could make it difficult to meet all statutory obligations. Imposing (or increasing) the governmental fees on

landfill disposal could dis-incentivize disposal and raise needed revenue. However, with landfills projected to play a diminishing role in solid waste and materials management, disposal and diversion program funding options should be explored that are not solely reliant on landfill fees.

Future Research

This study began research into the field of tipping fees in California. There are additional questions that could be answered and additional areas to explore:

- The tipping fees researched in this study are for a minority of waste hauled in the state of California. Self-haul makes up about 20 percent of the disposal at Californian landfills. Future research could seek to understand the negotiated tipping fees that apply to the other 80 percent of disposal. Only limited anecdotal information was available for negotiated fees, but in the future there could be a more methodical and representative approach to collecting and analyzing negotiated tipping fee data for solid waste haulers at landfills. However, challenges related to proprietary data may hamper this effort unless some solid waste industry sources are willing to provide this data.
- Further research could more comprehensively compare tipping fees at facilities using green waste for ADC, compost, biomass, anaerobic digestion, and other alternatives for recycling organics.
- National, state, and local fees and/or taxes on landfill disposal have a direct monetary impact on tipping fees. A more comprehensive and complete comparison (currently underway) with other localities, states, and nations could help illuminate the relative impact and magnitude of these fees.
- As part of a broader exploration of total available landfill capacity in California, additional research could be done on the relationship between landfill capacity and tipping fees.

Data Limitations

As discussed above, this report is based on research with some limitations:

- The data represents a census of landfills of tipping fees on waste accepted from the public but does not contain tipping fee information on waste accepted from solid waste haulers.
- Data sets for facilities other than landfills were not censuses or even statistically representative due to difficulties in contacting or obtaining information from them.
- Negotiated agreements between haulers and landfills were not thoroughly researched in this report because of proprietary concerns.
- More robust statistical tools (beyond averages and medians) could be used to further explore the data, particularly if a more robust data set can be gathered.
- Tipping fees change over time; this report only contains a snapshot in time.

Abbreviations and Acronyms

ADC – Alternative Daily Cover

DRS – Disposal Reporting System

EEA – European Environment Agency

EEC – Earth Engineering Center (Columbia University)

FacIT – Facility Information Toolbox

MRF – Material Recovery Facility

MSW – Municipal Solid Waste

NSWMA – National Solid Wastes Management Association

PRC – Public Resources Code

SWIS – Solid Waste Information System

WTE – Waste-to-Energy

Glossary of Terms

Biomass conversion: The process of using controlled combustion of specified types of organic materials (essentially wood, lawn or crop residue) to produce electricity. Biomass conversion facilities are not permitted as solid waste facilities or regulated by CalRecycle. See PRC 40106 (a).

Chipping and grinding: The process that separates, grades, and resizes woody green wastes or used lumber to be sent to a composting facility, a landfill to be used for ADC, or miscellaneous end markets such as feedstock at biomass to energy plants.

Commercial composting: The process of taking organic materials such as green waste, manure, food waste and other organics and transforming them through controlled biological decomposition for sale as an end product, usually in the form of home or farm soil amendments.

Disposal Reporting System (DRS): The system used to track disposal information in California. For more information go to: <http://www.calrecycle.ca.gov/LGCentral/DRS/default.htm>

Disposal: The process of collecting municipal solid waste and transferring it to a transfer station, landfill, or transformation facility.

Exported waste: Waste that is sent out of the state of California for disposal.

Facility Information Toolbox (FacIT): Informational database on disposal and recycling activities in the state of California. For more information go to: <http://www.calrecycle.ca.gov/FacIT/>

Food waste: All surplus food scraps. The term has fallen out of favor with some composters, who prefer to view this material as a resource rather than as waste material. However, this term is interchangeable with food scraps.

Green waste: A term used to refer to urban landscape waste generally consisting of leaves, grass clippings, weeds, yard trimmings, wood waste, branches and stumps, home garden residues, and other miscellaneous organic materials.

Green waste diversion facilities: The term used in this study to describe compost facilities, chip and grind facilities, and biomass conversion facilities.

Landfill: A permitted facility that provides a legal site for final disposal of materials including mixed solid waste, beneficial materials used for landfill construction, ADC, and specialized material sites such as waste tires and construction and demolition waste.

Material recovery facility (MRF): An intermediate processing facility that accepts source-separated recyclables from an initial collector and processes them for wholesale distribution. The recyclable material is accumulated for shipment to brokers or recycled content manufacturers, or for export out of state.

Municipal solid waste (MSW): Garbage. Refuse that may be mixed with or contain nonorganic material, processed industrial materials, plastics, or other recyclables with the potential for recovery. It includes residential, commercial, and institutional wastes.

Rural: According to Public Resources Code (PRC) section 40183-4 rev. 2008,⁵² a rural county is defined as one that disposes 200,000 tons or less MSW in a given year.

Self-hauler: A person who hauls their residential or business waste themselves to a solid waste facility.

Solid waste hauler: A waste hauler that collects residential or business waste for a fee and transports that waste to a solid waste facility. These haulers may be contracted or franchised and might have a negotiated fee with a landfill.

Solid Waste Information System (SWIS): The database that tracks solid waste facilities in California. For more information go to:

<http://www.calrecycle.ca.gov/SWFacilities/Directory/Default.htm>

Tipping fee: As defined in this study, a tipping fee is the amount of money per ton of waste charged at the gate of a landfill for a self-hauler and is publicly disclosed either online or by phone.

Transfer station: Receives, temporarily stores, and ships unprocessed waste/recyclables. The ones we considered in this study accepted MSW, green waste, or both.

Transformation facility: The use of incineration, pyrolysis, distillation, or biological conversion (other than composting) to combust unprocessed or minimally processed solid waste to produce electricity. See PRC 40201.

Appendix A: Survey Information

During the course of this study, every active, permitted landfill that accepts disposal from self-haulers (the general public) in California was contacted and provided staff with a tipping fee.

Lists for landfills, compost facilities, and transfer stations were pulled from CalRecycle’s SWIS database, as these facilities are permitted. Unpermitted facilities (facilities that have special permits or are regulated by other agencies) were pulled from the FacIT database. Due to the nature of the permits, and how facilities are stored in the SWIS and FacIT databases, staff had to make sure that each facility was only counted once in the survey process. Facilities can house more than one operation, and Table A1 shows the complication of the SWIS database: Some facilities showed up on the lists more than once. Therefore, staff weighted the operations. Landfills had first priority (so all landfills on the SWIS list are considered “landfills” in our study, regardless of whether they have transfer or compost facilities co-located). The second priority was compost facilities, because the “transfer” permit is most likely there to allow the compost facility to house and use green material. Transfer stations had final priority in the survey, mostly because there were so many and also because at other facilities they are often secondary operations.

The FacIT lists only show operations, so these would be in addition to the SWIS lists. Chip and grind and biomass conversion facilities are not in the SWIS database and are entirely operations. Some transfer stations and compost facilities are considered operations in the state and are considered separately in Table A2 but averaged with the overall survey data.

Due to the smaller nature of most green waste diversion facilities (compost, chipping and grinding, and biomass) and transfer stations, not all facilities or operations were contacted or participated. Chip and grind facilities and biomass conversion facilities were the hardest to contact because many did not have current contact information in CalRecycle’s FacIT database or were pilot projects (biomass).

As a result of these surveys, facilities were categorized into one of three groups:

- Surveyed. The facility fell into the scope of our research (accepted MSW or green waste from the public) and was surveyed.
- No public disposal. The facility:
 - Exclusively processed materials that did not fall under the purview of this study (i.e. construction material, recyclables, etc.) or
 - Was not open to the public, so no fee information was collected.
- Not surveyed. The facility fell under the scope of research but could not be contacted (had no website and did not respond to at least two phone calls) or refused to provide CalRecycle staff with tipping fee information.

Table A1: Due to the way SWIS pulls data, it is important to note that some facilities fall into more than one category because more than one activity may be permitted at a facility.

Facility	Number of Facilities
Landfills Only	112
Landfill and Transfer	7
Landfill and Compost	13
Landfill, Transfer, and Compost	6
Total Landfills	138
Compost Only	56
Compost and Transfer	26
Total Compost Facilities	82
Transfer Station Only (Total)	271

To determine how a facility was defined in this survey, we considered landfills first, compost facilities second, and transfer stations third, meaning that if a facility was a landfill and a compost facility or a transfer station, or all three, its tipping fees were in the “landfill” survey. Compost and compost/transfer stations were on the compost list, and transfer stations only are on the transfer station list. This is primarily because the study focused on what the facility is primarily doing: A landfill is usually a landfill that homes other operations, and transfer stations that are “with” landfills or compost facilities are usually not the main focus of the operation.

Table A2: Survey information. Breakdown of the facilities surveyed, facilities not accepting public disposal, and facilities that were not surveyed. Landfills were the only facility type of which all facilities were either surveyed or did not have public disposal. Some transfer station and compost operations were also surveyed in addition to the permitted facilities and are therefore not counted in the totals.

Information Obtained	Number of Facilities	Percentage of Facilities
Landfills		
Surveyed	98	70%
No Public Disposal	42	30%
Total	140**	100%
Transfer Stations		
Surveyed (Facility)	74	28%
Surveyed (Operation)	55	(not included)
No Public Disposal	69	25%
Not Surveyed	127	47%
Total	271	100%
Compost Facilities		
Surveyed (Facility)	35	43%
Surveyed (Operation)	29	(not included)
No Public Disposal	12	14%
Not Surveyed	35	43%
Total	82	100%
Chipping and Grinding Operations		
Surveyed (Operation)	47	30%
No Public Disposal	12	8%
Not Surveyed	100	62%
Total	159	100%
Biomass Conversion Facilities		
Surveyed (Operation)	8	26.7%
No Public Disposal	8	26.7%
Not Surveyed	14	46.6%
Total	30	100%

** Two landfills have closed between the time of this survey and now.

Appendix B: Rural Counties in California

Table A3: Rural counties

Tons Disposed	County	Landfill in County?
1,652	Alpine	No
27,455	Amador	No
197,203	Butte	Yes
32,695	Calaveras	Yes
22,037	Colusa	No
18,590	Del Norte	No
133,245	El Dorado	No
19,203	Glenn	Yes
84,491	Humboldt	No
178,915	Imperial	Yes
21,213	Inyo	Yes
94,750	Kings	Yes
35,628	Lake	Yes
17,979	Lassen	Yes
117,354	Madera	Yes
180,704	Marin	Yes
11,362	Mariposa	Yes
51,224	Mendocino	No
5,318	Modoc	No
22,530	Mono	Yes
99,518	Napa	Yes
50,324	Nevada	No
16,424	Plumas	No
55,803	San Benito	Yes
163,579	Santa Cruz	Yes
145,343	Shasta	Yes
2,376	Sierra	Yes
29,458	Siskiyou	No
62,506	Sutter	No
41,921	Tehama	Yes
7,473	Trinity	No
35,481	Tuolumne	No
154,882	Yolo	Yes
62,506	Yuba	Yes

Appendix C: United States Data⁵³

Table A4: United States data

States, by Region	Tipping Fee Average (dollars per ton)	Percentage Landfilled ^{††}
New England	\$77	24%
Connecticut	\$57	8%
Maine	\$91	15%
Massachusetts	\$79	20%
New Hampshire	\$78	35%
Rhode Island	\$75	86%
Vermont	\$82	71%
West	\$51	46%
California	\$52 ^{‡‡}	45%
Nevada	\$25	69%
Oregon	\$56	49%
Washington	\$70	47%
Mid-Atlantic	\$72	49%
Delaware	\$84	68%
Maryland	\$63	38%
New Jersey	\$72	40%
New York	\$86	59%
Pennsylvania	\$76	42%
West Virginia	\$49	84%
South	\$39	73%
Alabama	\$38	88%
Florida	\$44	51%
Georgia	\$38	93%
Kentucky	\$45	67%
Louisiana	\$27	89%

^{††} Percentage landfilled for each region was calculated by totaling the generated waste from each state in the region and the total landfilled tonnage from each state in the region, not by averaging the percentage landfilled. This is due to the fact that smaller states would skew the true percentage landfilled.

^{‡‡} The tipping fee referenced for California in this table is from the Columbia University study and is not the same as the median or tipping fee found in this study. This is most likely due to inflation (the data collected at Columbia University and for this study were collected in different years).

States, by Region	Tipping Fee Average (dollars per ton)	Percentage Landfilled ^{††}
Mississippi	\$26	95%
North Carolina	\$42	84%
South Carolina	\$43	75%
Tennessee	\$41	79%
Virginia	\$46	66%
Midwest	\$36	75%
Arkansas	\$37	57%
Iowa	\$34	69%
Kansas	\$37	69%
Missouri	\$38	80%
Nebraska	\$31	87%
North Dakota	\$39	72%
Oklahoma	\$38	92%
South Dakota	\$42	75%
Texas	\$29	76%
Great Lakes	\$45	76%
Illinois	\$43	89%
Indiana	\$44	76%
Michigan	\$47	87%
Minnesota	\$47	31%
Ohio	\$40	72%
Wisconsin	\$50	74%
Rocky Mountains	\$39	84%
Arizona	\$33	94%
Colorado	\$50	76%
Idaho	\$44	91%
Montana	\$26	81%
New Mexico	\$34	83%
Utah	\$24	81%
Wyoming	\$60	84%

Appendix D: European Union Data⁵⁴

Table A5: European Union data

Full Member State Name	Abbreviation	Converted Tipping Fee (dollars per ton)	Converted Typical Fee (includes Landfill Taxes, in dollars per ton)	Percentage Landfilled
Austria	AT	\$97	\$132	1%
Belgium, Flanders	BE-FI	\$69	\$182	5%
Belgium, Wallonia	BE-Wal	\$69	\$159	5%
Bulgaria	BG	\$0	\$4	96%
Cyprus	CY	\$77	\$0	86%
Czech Republic	CZ	\$22	\$50	72%
Denmark	DK	\$61	\$148	4%
Estonia	EE	\$55	\$72	62%
Finland	FI†	\$82	\$123	46%
France	FR	\$83	\$111	32%
Germany	DE†	\$193	\$193	0%
Greece	GR†	\$32	\$32	81%
Hungary	HU	\$48	\$48	74%
Ireland	IE†	\$97	\$166	61%
Italy	IT†	\$124	\$166	49%
Latvia	LV	\$41	\$52	92%
Lithuania	LT	\$22	\$22	91%
Luxembourg	LU†	\$206	\$206	17%
Malta	MT	\$28	\$28	95%
Netherlands	NL†	\$35	\$183	1%
Poland	PL	\$96	\$133	65%
Portugal	PT	\$14	19.32	62%
Romania	RO	\$5	\$5	77%
Sweden	SE†	\$147	\$215	1%
Slovakia	SK	\$9	\$9	75%
Slovenia	SI	\$146	\$161	69%
Spain, Catalonia	ES-Cat	\$45	\$62	52%
United Kingdom	UK	\$37	\$126	49%

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MINUTES

COMMISSION ON STATE MANDATES

State Capitol, Room 447

Sacramento, California

September 26, 2008

- Present: Member Tom Sheehy, Chairperson
 Representative of the Director of the Department of Finance
 Member Francisco Lujano, Vice Chairperson
 Representative of the State Treasurer
 Member Richard Chivaro
 Representative of the State Controller
 Member Anne Schmidt
 Representative of the Director of the Office of Planning and Research
 Member J. Steven Worthley
 County Supervisor
 Member Sarah Olsen
 Public Member
- Absent: Member Paul Glaab
 City Council Member

CALL TO ORDER AND ROLL CALL

Chairperson Sheehy called the meeting to order at 9:38 a.m.

APPROVAL OF MINUTES

Item 1 August 1, 2008

The August 1, 2008 hearing minutes were adopted by a vote of 5-0. Ms. Schmidt abstained.

PROPOSED CONSENT CALENDAR

INFORMATIONAL HEARING PURSUANT TO CALIFORNIA CODE OF REGULATIONS,
TITLE 2, CHAPTER 2.5, ARTICLE 8 (ACTION)

A. PROPOSED PARAMETERS AND GUIDELINES

Item 7 *Reporting Improper Governmental Activities*, 02-TC-24
 Education Code Section 87164
 Statutes 2001, Chapter 416, Statutes 2002, Chapter 81
 Santa Monica Community College District, Claimant

Mr. Petersen responded that they would not be compelled to do the state portion if they were not in the DSPS program. Ms. Olsen then asked where is the practical compulsion. Mr. Petersen responded that they still have to continue performing the federal mandate which has always been funded by the state.

Ms. Shelton added that it was funded by the state under the state's vocational rehabilitation program, and before enactment of DSPS, students were receiving overlapping services. Therefore, the Department of Rehabilitation and the Chancellor's Office s came to agreement that the colleges would perform the services and vocational rehabilitation would not. There was no funding in that agreement.

Member Olsen stated that she was trying to clarify the practical compulsion allegation and whether it was based on the parents of DSPS students going to court if a district did not comply with DSPS. Mr. Petersen clarified that the practical compulsion is that school districts still have to continue the federal mandate, which was previously funded by the state. If a district stops participating in the state DSPS program, there would be no funding for providing any service.

Chairperson Sheehy asked Mr. Petersen if he wished to discuss the next issue on instructional materials. Mr. Petersen stated that he would not, because the Commission must decide the threshold issue first.

Member Chivaro moved to adopt the staff recommendations. With a second by Member Lujano, the Commission adopted the staff recommendation to deny the test claim by a vote of 6-0.

B. PROPOSED STATEMENT OF DECISION

- Item 4 *Disabled Student Programs and Services, (02-TC-22)*
 See Item 3

Ms. Shelton also presented this item. She stated that the sole issue before the Commission was whether the proposed Statement of Decision accurately reflected the Commission's decision on the *Disabled Student Programs and Services* test claim. Staff recommended that the Commission adopt the proposed Statement of Decision including minor changes.

Member Chivaro made a motion to adopt the proposed Statement of Decision. With a second by Member Lujano, the Statement of Decision was adopted by a vote of 6-0.

Ms. Higashi noted that Items 5 and 6 were postponed at the request of the claimant.

INFORMATIONAL HEARING PURSUANT TO CALIFORNIA CODE OF REGULATIONS, TITLE 2, CHAPTER 2.5, ARTICLE 8 (ACTION)

PROPOSED PARAMENTERS AND GUIDELINES

- Item 8 *Integrated Waste Management Board, (00-TC-07)*
 Public Resources Code Sections 40148, 40196.3, 42920-42928, Public
 Contract Code Sections 12167 and 12167.1, Statutes 1999, Chapter 764,
 Statutes 1992, Chapter 1116, Manuals of the California Integrated Waste
 Management Board
 Santa Monica and South Lake Tahoe Community College Districts,
 Co-Claimants

Camille Shelton, Chief Legal Counsel, presented this item. Ms. Shelton explained that this item is on remand from the Sacramento County Superior Court on a judgment and writ. The *Integrated Waste Management Board* program requires community college districts to develop and adopt waste management plans to divert solid waste from landfills and to submit annual

reports to the Integrated Waste Management Board. The writ issued by the court requires the Commission to amend the parameters and guidelines for this program in two respects: It requires the Commission to amend the offsetting revenue section to require claimants to identify and offset from their reimbursement claims, all revenue generated as a result of implementing their waste plans, without regard to the limitations described in the Public Contract Code.

The second amendment requires that the Commission add an offsetting cost savings section to the parameters and guidelines to require claimants to identify and offset from their reimbursement claims cost savings realized as a result of implementing their plans, consistent with the limitations provided in the Public Contract Code.

Ms. Shelton continued that under the Public Contract Code provisions, community colleges are required to deposit all cost savings that result from implementing their waste plans in the Integrated Waste Management account. Upon appropriation by the Legislature, the funds may be expended by the Integrated Waste Management Board for the purpose of offsetting plan costs. Subject to Board approval, cost savings by a community college that do not exceed \$2,000 annually, are appropriated for expenditure by the community college for the purpose of offsetting their costs. Cost savings exceeding \$2,000 annually may be available for expenditure by the community college only when appropriated by the Legislature. The proposed amendments contain these changes required by the court.

Ms. Shelton added that the Integrated Waste Management Board is requesting that the Commission add more language to the offsetting cost-savings section to require community college districts to: (1) provide information with their reimbursement claims identifying all cost savings resulting from the plans, including costs savings that exceed \$2,000; and (2) to analyze categories of potential cost savings to determine what to include in their claims.

Staff finds that the Board's request for additional language goes beyond the scope of the court's judgment and writ. Therefore, staff recommends that the Commission deny the Board's request and adopt the proposed amendments to the parameters and guidelines as recommended by staff.

Parties were represented as follows: Keith Petersen, an interested party having represented the claimant many years ago; Elliot Block representing the California Integrated Waste Management Board, and Susan Geanacou representing the Department of Finance.

Mr. Block stated that he disagreed with the staff analysis. The Board argues that staff is viewing the court's decision more narrowly than is necessary. The reimbursement claims are difficult to review. The Board is requesting the language to provide additional guidance to help the claims be formulated in a way that they are actually reviewable and usable. He noted that the Board has a pending request to amend the parameters and guidelines to add these additional reporting requirements, and that the staff analysis suggests that the additional reporting requirements could be added prospectively, but not retroactively. He stated that if the parameters and guidelines could have been originally drafted to include this requirement, why can't the parameters and guidelines be amended now to include this guidance.

Chairperson Sheehy asked Mr. Block to clarify the comment that the claims that are being submitted are difficult to review.

Mr. Block reiterated that the claims were incomplete and difficult to review, and pointed out that even Commission staff sought help from the Board when they initially reviewed the claims because there were portions of the claims filed that did not make sense and did not seem to align with the original parameter and guidelines.

Ms. Higashi noted that when the Commission adopted the statewide cost estimate, it requested a summary compilation of the amounts claimed by the community college districts filing timely reimbursement claims with the State Controller's Office. The State Controller's Office report identified the claimant by name, amount claimed and amounts offset and was the basis for the Commission's preparation of the statewide cost estimate.

Ms. Geanacou stated that the Department of Finance, as a co-petitioner before the court, has followed this matter closely. She observed that the cost savings information required in the claims will clearly appear as an offset for reimbursement and is already available in two sources of information if the test claim statutes are complied with.

Ms. Shelton stated that the Commission's jurisdiction in this matter is really limited to the court's writ and the writ directed two specific changes to the parameters and guidelines. She noted that the court found that the information to support cost savings was already provided to the Board in their existing annual report. The court did not indicate that the Board needed additional information. She added that every year, the Board receives a report that describes the calculations of annual disposal reduction and information on changes in waste generated or disposed. Also, this issue can be addressed in the Board's pending request to amend the parameters and guidelines.

Member Worthley moved to adopt the staff recommendations. With a second by member Olsen, the staff recommendation to approve the proposed amendments to the parameters and guidelines was adopted by a vote of 6-0.

STAFF REPORTS

Item 12 Chief Legal Counsel's Report (info)

No report was made.

Item 13 Executive Director's Report (info)

Ms. Higashi introduced our newest analyst Heidi Palchik.

Ms. Higashi also recognized staff member Lorenzo Duran who recently participated in a state agency sponsored fundraiser for the California State Employees Charitable Campaign. He successfully dunked our Commission Chair, Mr. Genest, in the dunk tank.

Ms. Higashi reported the adopted State Budget did not make any new changes to the Commission's budget. Also, the Commission filed the annual workload report with the Director of Finance.

Ms. Higashi proposed changing the November 6th hearing to an alternate date in December. It was decided to find an agreeable date and report it back to the Commission. She also noted that work is continuing on the proposal for delivery of agenda materials.

Ms. Higashi reported that Anne Sheehan, Chief Deputy Director of the Department of Finance, was appointed Director of Corporate Governance, CALSTRS.

Ms. Higashi also noted that the Commission will probably be exploring a hiring freeze exemption.

PUBLIC COMMENT

Chairperson Sheehy introduced Deborah Borzelleri and acknowledged her upcoming retirement. On behalf of the Commission, Chairperson Sheehy presented Ms. Borzelleri with a Resolution recognizing her retirement as a state employee for 35 years and her many accomplishments.

ITEM 9
FINAL STAFF ANALYSIS
PROPOSED AMENDMENTS TO PARAMETERS AND
GUIDELINES

Public Resources Code Sections 40148, 40196.3, 42920-42928
Public Contract Code Sections 12167 and 12167.1

Statutes 1999, Chapter 764 (A.B. 75)
Statutes 1992, Chapter 1116 (A.B. 3521)

State Agency Model Integrated Waste Management Plan (February 2000)

Integrated Waste Management
05-PGA-16

Integrated Waste Management Board, Requestor

EXECUTIVE SUMMARY

Background

This is a request filed by the Integrated Waste Management Board pursuant to Government Code section 17557, subdivision (d), to amend the original parameters and guidelines for the *Integrated Waste Management* program. If the Commission approves the Board's request, the amendments would be effective for costs incurred beginning July 1, 2005.

The Board requests that the parameters and guidelines be amended in Section VIII, Offsetting Cost Savings, to include language requiring community college districts to analyze avoided disposal costs and other offsetting savings relating to staffing, overhead, materials, storage, etc., as a result of the test claim statutes when filing reimbursement claims. A similar request was made by the Board at the Commission's September 26, 2008 hearing, when the Commission amended the parameters and guidelines pursuant to the court's writ and judgment in *State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates* (Sacramento County Superior Court, Case No. 07CS00355). The Commission denied the Board's request and found that the request was not consistent with the statutes or the court's judgment and writ. (See Exhibit G.)

The Board also requests that the following additional language be included in Section IX, State Controller's Claiming Instructions:

The claiming instructions shall include sufficient instructions to ensure that only additional expenses related to this mandate are included and that any offsetting savings, as described above, are not included.

The Board contends that the proposed amendments should be made “to more accurately capture the information necessary to provide accurate claims and a Statewide Cost Estimates [sic].”

The request to amend the parameters and guidelines was issued for comment on April 10, 2006. No comments were received. A draft staff analysis recommending that the Commission deny the Board’s request was issued on December 8, 2008. On December 30, 2008, the Integrated Waste Management Board filed comments on the draft. No other comments have been received.

Staff Analysis

Staff recommends that the Commission deny the request to amend the parameters and guidelines to include language requiring community colleges to specifically analyze the cost savings information identified by the Board when filing reimbursement claims for the following reasons:

- There is no requirement in statute or Board regulations that community college districts perform the analysis specified by the Board.
- The Commission does not have the authority to impose additional requirements on community college districts regarding this program.
- The current offsetting cost savings paragraph identifies the offsetting savings consistent with the language of Public Resources Code section 42925, subdivision (a), and Public Contract Code sections 12167 and 12167.1, and with the court’s judgment and writ in *State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates, et al.* (Sacramento County Superior Court, Case No. 07CS00355).
- Information on cost savings is already available to the Board in the community colleges’ annual reports submitted to the Board pursuant to Public Resources Code section 42926, subdivision (b)(1).

Staff further recommends that the Commission deny the proposed language to amend Section IX of the parameters and guidelines to require that the claiming instructions include sufficient instructions to ensure that only additional expenses related to this mandate are included and that any offsetting savings are not included, for the following reasons:

- The requirement that only increased costs be claimed is already provided in the boilerplate language of Section IV of the parameters and guidelines.
- The offsetting cost savings are adequately described in Section VIII of the parameters and guidelines, the first sentence of which states that “[r]educed or avoided costs realized from implementation of the community college districts’ Integrated Waste Management plans *shall be identified and offset from this claim* as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1.” (Emphasis added.)

- The claiming instructions prepared by the State’s Controller’s Office are required to be derived from the test claim decision and the adopted parameters and guidelines. (Gov. Code, § 17558, subd. (b).)

Conclusion and Staff Recommendation

Staff recommends that the Commission deny the request of the Integrated Waste Management Board to amend the original parameters and guidelines.

STAFF ANALYSIS

Requestor

Integrated Waste Management Board

Chronology

- 03/25/04 Statement of Decision adopted by Commission
- 03/30/05 Parameters and guidelines adopted by Commission
- 03/30/06 Integrated Waste Management Board files comments to the proposed statewide cost estimate and requests that the Commission amend the parameters and guidelines
- 04/10/06 Integrated Waste Management Board's request to amend the parameters and guidelines is issued for comment
- 10/26/06 Commission adopts statewide cost estimate
- 03/--/07 Integrated Waste Management Board and Department of Finance file petition for writ of mandate challenging the Statement of Decision and parameters and guidelines (Sacramento County Superior Court, Case No. 07CS00355)
- 06/30/08 Sacramento County Superior Court issues judgment and writ of mandate in Case No. 07CS00355 ordering Commission to amend the parameters and guidelines with respect to offsetting revenue and cost savings
- 09/26/08 Commission amends parameters and guidelines in compliance with the court's writ of mandate
- 12/08/08 Draft Staff Analysis issued on the request to amend the parameters and guidelines by the Integrated Waste Management Board
- 12/30/08 Integrated Waste Management Board files comments on the draft staff analysis

Background

The Board's Request to Amend the Parameters and Guidelines

This is a request filed by the Integrated Waste Management Board (hereafter "the Board") pursuant to Government Code section 17557, subdivision (d), to amend the parameters and guidelines for the *Integrated Waste Management* program.¹ If the Commission approves the Board's request, the amendments would be effective for costs incurred beginning July 1, 2005.

The Board requests that the parameters and guidelines be amended in Section VIII, Offsetting Cost Savings,² to include the following language requiring community college

¹ Exhibit A.

² Exhibit B, parameters and guidelines.

districts to analyze avoided disposal costs and other offsetting savings as a result of the test claim statutes when filing reimbursement claims.

Only additional expenses related to this mandate may be included in a claim and offsetting savings to the same program experienced as a result of this same mandate shall be subtracted from the amount of the claim. Claimants shall analyze the following items in determining what to include in their claims:

Staffing:

Through the implementation of the program being claimed a reduction in staff hours (PYs) can be achieved. In order to determine any cost increases or decreases the claimant will need to evaluate the total staff required to implement the program being claimed prior to AB 75 and the staff needed to implement and operate the current program. All values identified must be calculated based on a conversion to the dollar values for the particular year being claimed.

Overhead:

Costs incurred for overhead, such as benefits, for the PYs identified under “staffing.”

Materials:

Through the implementation of the program being claimed a reduction or elimination of supplies and materials may have been achieved. This could include, and is not limited to: White office paper, mixed office paper, cardboard, printed catalogs, postage, envelopes, and other office supplies.

Storage:

Through the implementation of this program being claimed a reduction or elimination of storage of supplies and materials may have been achieved. The elimination of storage is a cost savings that must be allotted to offset any costs associated to the implementation of the identified program(s) being claimed by the claimant.

Transportation Costs:

The transportation of supplies and waste materials has a cost. The claimant should determine how many trips staff was making to purchase, pick-up and deliver supplies needed for the program being claimed and the current level of the activity.

Claimant should also consider the cost incurred or avoided for the collection of waste materials associated with the activity being claimed.

Equipment:

Any costs associated with new/replacement equipment, including any costs avoided for maintenance of obsolete equipment.

Sale of Commodities:

This would include any and all revenues generated due to the sale of materials collected through the implementation of the specific program being claimed. This could include, but is not limited to white office paper, mixed office paper, cardboard, beverage containers, ferrous and nonferrous metals, glass, plastic, re-sale of used text books, compost, mulch, and firewood.

Avoided disposal fees:

Through the implementation of the AB 75 program(s) a facility will see a direct reduction in the amount of materials that would have been placed into a landfill or a trash dumpster on the campus. These direct savings are to be credited to the program based on today's disposal costs.

Sale of obsolete equipment:

Proceeds of any sales of obsolete equipment.

Other revenue related to program:

Dependent on the particular program or activity being submitted to the Commission for reimbursement several other factors can and will generate a cost savings.

The Board also requests that the following additional language be included in Section IX, State Controller's Claiming Instructions:

The claiming instructions shall include sufficient instructions to ensure that only additional expenses related to this mandate are included and that any offsetting savings, as described above, are not included.

The Board contends that the proposed amendments should be made "to more accurately capture the information necessary to provide accurate claims and a Statewide Cost Estimates [sic]."

On December 30, 2008, the Board filed comments on the draft staff analysis, stating that "since the Commission has already rejected our arguments, rather than reiterate them, we are simply incorporating by reference our earlier comment letter, dated August 26, 2008, and asking that they be included in the record, so that the record will reflect our arguments in the matter."³ The Board's August 26, 2008 letter is in the record under Exhibit G, (Item 8, September 26, 2008 Commission Hearing, Adoption of Amendments to Parameters and Guidelines, on Remand from the Sacramento County Superior Court in Case No. 07CS00355) on page 385, and is summarized in the history and analysis below.

The Board further states the following:

In closing, I just want to note that the Board's position is that the Commission views its authority too narrowly in this matter and the result will be that it will receive a number of inaccurate claims that it and other

³ Exhibit H.

state agencies will have to spend unnecessary time and resources reviewing. Furthermore, if those claims are not completely reviewed and/or audited, the State may end up paying for claims that it should not.

History of the Claim

The *Integrated Waste Management* program requires community college districts to develop and adopt, in consultation with the Integrated Waste Management Board, an integrated waste management plan. Each community college is required to divert from landfills at least 25 percent of generated solid waste by January 1, 2002, and at least 50 percent by January 1, 2004. Community college districts are also required to submit annual reports to the Integrated Waste Management Board describing the calculations of annual disposal reduction and information on changes in waste generated or disposed for the year. The Commission approved the test claim and adopted the Statement of Decision on March 25, 2004.⁴

Parameters and guidelines were adopted in March 2005.⁵ In comments to the proposed parameters and guidelines, the Integrated Waste Management Board argued that the program would inevitably result in cost savings as a result of avoided disposal costs and recommended that the parameters and guidelines require information on cost savings in any claim submitted to the State Controller's Office. Similar to the Board's request in this item, the Board proposed that the Commission adopt the following costs/savings worksheet to be attached to the parameters and guidelines "as guidance for collecting relevant information."

Expenses

- *Staffing.* Through the implementation of the program being claimed a reduction in staff hours (PYs) can be achieved. In order to determine any cost increases or decreases the claimants will need to evaluate the total staff required to implement the program being claimed prior to AB 75 and the staff needed to implement and operate the current program. All values identified must be calculated based on a conversion to the dollar values for the particular year being claimed.
- *Overhead.* Costs incurred for overhead, such as benefits, for the PYs identified under "staffing."
- *Materials.* Through the implementation of the program being claimed a reduction or elimination of supplies and materials may have been achieved. This could include, and is not limited to: white office paper, mixed office paper, cardboard, printed catalogs, postage, envelopes, and other office supplies.
- *Storage.* Through the implementation of the program being claimed a reduction or elimination of storage of supplies and materials may have been achieved. The elimination of storage is a cost savings that must be

⁴ Exhibit C.

⁵ Exhibit D.

allocated to offset any costs associated to the implementation of the identified program(s) being claimed by the claimants.

- *Transportation costs:* The transportation of supplies and waste materials has a cost. The claimants should determine how many trips staff was making to purchase, pick-up and deliver supplies needed for the program being claimed and the current level of the activity. It should be calculated based on a conversion of the previous programs' activities being converted to the dollar values for the particular year for which a claim is being submitted.

Claimants should also consider the cost incurred for the collection of waste materials associated with the activity being claimed.

- *Equipment.* Any costs associated with new/replacement equipment, including any costs avoided for maintenance of obsolete equipment.
- *Disposal fees.* Costs associated to the disposal of materials prior to the implementation of the specific program being implemented. Since the intent and impact of the legislation is to divert materials from the landfill, a direct savings is seen.
- *Other expenses related to program.* The claimants should take into consideration the specific program being claimed for reimbursement and identify all areas that have been impacted.

Revenue

- *Sale of commodities.* This would include any and all revenues generated due to the sale of materials collected through the implementation of the specific program being claimed. This could include, but is not limited to, white office paper, mixed office paper, cardboard, beverage containers, ferrous and nonferrous metals, glass, plastic, re-sale of used text books, compost, mulch, and firewood.
- *Avoided disposal fees.* Through the implementation of the AB 75 program(s) a facility will see a direct reduction in the amount of materials that would have been placed into a landfill or a trash dumpster on the campus. These direct savings are to be credited to the program based on today's disposal costs.
- *Sale of obsolete equipment.* Proceeds of any sales of obsolete equipment.
- *Other revenue related to program.* Dependent on the particular program or activity being submitted to the Commission for reimbursement several other factors can and will generate a cost savings. It is suggested that the claimants be required to identify all savings associated to the particular program or activity as per the findings of the Commission.⁶

⁶ Exhibit D.

In the parameters and guidelines analysis adopted in March 2005, the Commission found that community colleges are not required to identify in their reimbursement claims the potential costs savings that may result from avoiding disposal costs. The Commission also found that community college districts are not required by law to submit with their reimbursement claims a program worksheet recommended by the Board.⁷

Thus, the parameters and guidelines did not identify any offsetting cost savings for avoided disposal costs as a result of the mandate to divert solid waste.

In October 2006, the Commission adopted a statewide cost estimate in the amount of \$10,785,532 (with an average annual cost of \$1,198,392), covering fiscal years 1999-2000 through 2006-2007. The statewide cost estimate was based on 142 actual, unaudited, reimbursement claims filed by 27 community college districts for fiscal years 1999-2000 through 2004-2005, and estimated costs using the implicit price deflator for fiscal years 2005-2006 through 2006-2007. During the proceedings for the statewide cost estimate, the Board contended that the Commission's failure to include offsetting cost savings in the parameters and guidelines resulted in inaccurate cost claims. The Board filed comments arguing that the statewide cost estimate should be set at zero since community college districts collectively reported to the Board the diversion of waste in a tonnage amount that equaled \$22 million in avoided disposal costs.⁸

The Integrated Waste Management Board and the Department of Finance then filed a petition for writ of mandate in March 2007, asking the court to set aside the Commission's decision granting the test claim and to require the Commission to issue a new Statement of Decision and parameters and guidelines that give full consideration to the community colleges' cost savings (e.g. avoided landfill disposal fees) and revenues (from recyclables) by complying with the test claim statutes. They contended that the Commission did not properly account for all the offsetting cost savings from avoided disposal costs, or offsetting revenues from the sale of recyclable materials in the Statement of Decision or parameters and guidelines. (*State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates, et al.* Sacramento County Superior Court, Case No. 07CS00355.)

On May 29, 2008, the Sacramento County Superior Court issued its Ruling on Submitted Matter, finding that the Commission's rationale for the treatment of cost savings and revenues in the parameters and guidelines was erroneous and required that the parameters and guidelines be amended.⁹

With regard to cost savings, the court found that the reduction or avoidance of costs resulting from solid waste diversion activities represent savings that must be offset and deducted from the claim for costs incurred as a result of the mandated activities in accordance with Public Contract Code section 12167 and 12167.1. Cost savings may be determined from the calculations of annual solid waste disposal reduction or diversion that community colleges must annually report to the Board pursuant to Public Resources

⁷ Exhibit D.

⁸ Exhibit E.

⁹ Exhibit F.

Code section 42926, subdivision (b)(1).¹⁰ The court further concluded that offsetting savings are limited by Public Contract Code section 12167 and 12167.1, which require community colleges to deposit cost savings into the Integrated Waste Management Account in the Integrated Waste Management Fund. These funds may, on appropriation by the Legislature, be spent by the Board to offset integrated waste management plan implementation costs. The cost savings that do not exceed \$2000 annually are continuously appropriated for the colleges to spend to offset implementing and administering the costs of the integrated waste management plan. Cost savings in excess of \$2000 annually are available for this same purpose when appropriated by the Legislature.¹¹ The judgment and writ issued by the court on June 30, 2008, directed the Commission to amend the parameters and guidelines with respect to cost savings as follows:

Amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1, cost savings realized as a result of implementing their plans.¹²

The hearing on the parameters and guidelines on remand from the court took place on September 26, 2008. In addition to making the changes required by the court's writ, the Board requested that the Commission amend the parameters and guidelines to further require community college districts to provide information with their claims identifying all cost savings resulting from the plans, including amounts that exceed \$2000. The Board also requested that the Commission require community college districts to analyze the following categories of potential cost savings in determining what to include in their claims:

Staffing:

Through the implementation of the program being claimed a reduction in staff hours (PYs) can be achieved. In order to determine any cost increases or decreases the claimant will need to evaluate the total staff required to implement the program being claimed prior to AB 75 and the staff needed to implement and operate the current program. All values identified must be calculated based on a conversion to the dollar values for the particular year being claimed.

Overhead:

Costs incurred for overhead, such as benefits, for the PYs identified under "staffing."

¹⁰ Exhibit F, Ruling, page 7.

¹¹ Exhibit F, Ruling, pages 8-9.

¹² Exhibit F.

Materials:

Through the implementation of the program being claimed a reduction or elimination of supplies and materials may be have been achieved. This could include, and is not limited to: White office paper, mixed office paper, cardboard, printed catalogs, postage, envelopes, and other office supplies.

Storage:

Through the implementation of this program being claimed a reduction or elimination of storage of supplies and materials may have been achieved. The elimination of storage is a cost savings that must be allotted to offset any costs association to the implementation of the identified program(s) being claimed by the claimant.

Transportation Costs:

The transportation of supplies and waste materials has a cost. The claimant should determine how many trips staff was making to purchase, pick-up and deliver supplies needed for the program being claimed and the current level of the activity.

Claimant should also consider the cost incurred or avoided for the collection of waste materials associated with the activity being claimed.

Equipment:

Any costs associated with new/replacement equipment, including any costs avoided for maintenance of obsolete equipment.

Sale of Commodities:

This would include any and all revenues generated due to the sale of materials collected through the implementation of the specific program being claimed. This could include, but is not limited to white office paper, mixed office paper, cardboard, beverage containers, ferrous and nonferrous metals, glass, plastic, re-sale of used text books, compost, mulch, and firewood.

Avoided disposal fees:

Through the implementation of the AB 75 program(s) a facility will see a direct reduction in the amount of materials that would have been placed into a landfill or a trash dumpster on the campus. These direct savings are to be credited to the program based on today's disposal costs.

Sale of obsolete equipment:

Proceeds of any sales of obsolete equipment.

Other revenue related to program:

Dependent on the particular program or activity being submitted to the Commission for reimbursement several other factors can and will generate a cost savings.

The Board argued that “this change is consistent with the Commission’s statutes which provide that the ‘reasonable reimbursement methodology’ used should identify the costs to implement the mandate in a cost-efficient manner.”¹³

The Commission disagreed with the Board’s argument and denied the request. The Commission found that the request to require community college districts to provide offsetting savings information whether or not the offsetting savings generated exceeds the \$2000 continuous appropriation was not consistent with the statutes or the court’s judgment and writ. Pages 6-8 of the analysis adopted by the Commission makes the following findings in this regard:

Rather, as described below, the court interpreted the plain language of these statutes as requiring community college districts to deposit all cost savings resulting from their Integrated Waste Management plans in the Integrated Waste Management Account in the Integrated Waste Management Fund. The funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, and approval of the Integrated Waste Management Board, may be appropriated for the expenditure by those community college districts for the purposes of offsetting program costs.

Public Resources Code section 42925, subdivision (a), states the following:

Any cost savings realized as a result of the state agency integrated waste management plan shall, to the extent feasible, be redirected to the agency’s integrated waste management plan to fund plan implementation and administration costs, in accordance with Sections 12167 and 12167.1 of the Public Contract Code.

Public Contract Code section 12167 states:

Revenues received from this plan or any other activity involving the collection and sale of recyclable materials in state and legislative offices located in state-owned and state-leased buildings, such as the sale of waste materials through recycling programs operated by the California Integrated Waste Management Board or in agreement with the board, shall be deposited in the Integrated Waste Management Account in the Integrated Waste Management Fund and are hereby continuously appropriated to the board, without regard to fiscal years, until June 30, 1994, for the purposes of offsetting recycling program costs. On and after July 1, 1994, the funds in the Integrated Waste Management Account may be expended by the board, only upon appropriation by the Legislature, for the purpose of offsetting recycling program costs.

Public Contract Code section 12167.1 states:

Notwithstanding Section 12167, upon approval by the California Integrated Waste Management Board, revenues derived from the sale of recyclable materials by state agencies and institutions that do not

¹³ Exhibit G.

exceed two thousand dollars (\$2,000) annually are hereby continuously appropriated, without regard to fiscal years, for expenditure by those state agencies and institutions for the purposes of offsetting recycling program costs. Revenues that exceed two thousand dollars (\$2,000) annually shall be available for expenditure by those state agencies and institutions when appropriated by the Legislature. Information on the quantities of recyclable materials collected for recycling shall be provided to the board on an annual basis according to a schedule determined by the board and participating agencies.

The court interpreted these statutes as follows:

By requiring the redirection of cost savings from state agency IWM plans to fund plan implementation and administration costs “in accordance with Sections 12167 and 12167.1 of the Public Contract Code,” section 42925 assures that cost savings realized from state agencies’ IWM plans are handled in a manner consistent with the handling of revenues received from state agencies’ recycling plans under the State Assistance for Recycling Markets Act. Thus, in accordance with section 12167, state agencies, along with California Community Colleges which are defined as state agencies for purposes of IWM plan requirements in Public Resources Code section 42920 et seq. [citations omitted], must deposit cost savings resulting from IWM plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the Integrated Waste Management Board for the purpose of offsetting IWM plan costs. In accordance with section 12167.1 and notwithstanding section 12167, cost savings from the IWM plans of the agencies and colleges that do not exceed \$2000 annually are continuously appropriated for expenditure by the agencies and colleges for the purpose of offsetting IWM plan implementation and administration costs; cost savings resulting from IWM plans in excess of \$2000 annually are available for such expenditure by the agencies and colleges when appropriated by the Legislature.¹⁴

Accordingly, the Board’s request is not consistent with these statutes or the court’s judgment and writ. Thus, the Commission does not have jurisdiction to make the changes requested by the Board.

The Commission also found that the Board’s request to require community college districts to analyze specified categories of potential cost savings in staffing, overhead, materials, etc., when filing their claims was not required by the test claim statutes and not consistent with the court’s ruling, judgment, and writ. The Commission’s findings are as follows:

¹⁴ Exhibit F, Ruling, page 9.

The Commission's jurisdiction on this item is limited by the court's judgment and writ. The court's judgment and writ do not direct the Commission to include the additional language requested by the Board in the parameters and guidelines.

The court agreed with the Board that community college districts are required by Public Resources Code section 42925, subdivision (a), to redirect any cost savings realized as a result of the diversion activities to fund the district's implementation and administration of the integrated waste management plan. But the court determined that the amount or value of cost savings is already available from the annual report the community colleges provide to the Board pursuant to Public Resources Code section 42926, subdivision (b).¹⁵ This report is required to include the district's "calculations of annual disposal reduction" and "information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors." The court's writ requires the Commission to amend the parameters and guidelines as follows:

Amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. *to identify and offset from their claims, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1, cost savings realized as a result of implementing their plans.*

The writ does not direct the Commission to amend the parameters and guidelines to require community college districts to analyze the potential categories of cost savings identified by the Board.

Thus, the offsetting cost language adopted by the Commission on September 26, 2008, tracks the statutory language of Public Resources Code sections 42925 and Public Contract Code sections 12167 and 12167.1. Section VIII of the parameters and guidelines, Offsetting Cost Savings, states the following:

VIII. OFFSETTING COST SAVINGS

Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management plans shall be identified and offset from this claim as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1.

Pursuant to these statutes, community college districts are required to deposit cost savings resulting from their Integrated Waste Management plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the California Integrated Waste Management Board for the

¹⁵ Exhibit F, Ruling, page 7.

purpose of offsetting Integrated Waste Management plan costs. Subject to the approval of the California Integrated Waste Management Board, cost savings by a community college that do not exceed two thousand dollars (\$2,000) annually are continuously appropriated for expenditure by the community college for the purpose of offsetting Integrated Waste Management program costs. Cost savings exceeding two thousand dollars (\$2,000) annually may be available for expenditure by the community college only when appropriated by the Legislature. To the extent so approved or appropriated and applied to the college, these amounts shall be identified and offset from the costs claimed for implementing the Integrated Waste Management Plan.¹⁶

Issue 1: Should the Commission amend Section VIII of the parameters and guidelines to require community college districts to analyze specified categories of potential cost savings in staffing, overhead, materials, etc., when filing their claims?

The Board requests that the parameters and guidelines be amended in Section VIII, Offsetting Cost Savings, to include the following language requiring community college districts to analyze avoided disposal costs and other offsetting savings as a result of the test claim statutes when filing reimbursement claims.

Only additional expenses related to this mandate may be included in a claim and offsetting savings to the same program experienced as a result of this same mandate shall be subtracted from the amount of the claim. Claimants shall analyze the following items in determining what to include in their claims:

Staffing:

Through the implementation of the program being claimed a reduction in staff hours (PYs) can be achieved. In order to determine any cost increases or decreases the claimant will need to evaluate the total staff required to implement the program being claimed prior to AB 75 and the staff needed to implement and operate the current program. All values identified must be calculated based on a conversion to the dollar values for the particular year being claimed.

Overhead:

Costs incurred for overhead, such as benefits, for the PYs identified under “staffing.”

Materials:

Through the implementation of the program being claimed a reduction or elimination of supplies and materials may be have been achieved. This could include, and is not limited to: White office paper, mixed office

¹⁶ Exhibit B.

paper, cardboard, printed catalogs, postage, envelopes, and other office supplies.

Storage:

Through the implementation of this program being claimed a reduction or elimination of storage of supplies and materials may have been achieved. The elimination of storage is a cost savings that must be allotted to offset any costs association to the implementation of the identified program(s) being claimed by the claimant.

Transportation Costs:

The transportation of supplies and waste materials has a cost. The claimant should determine how many trips staff was making to purchase, pick-up and deliver supplies needed for the program being claimed and the current level of the activity.

Claimant should also consider the cost incurred or avoided for the collection of waste materials associated with the activity being claimed.

Equipment:

Any costs associated with new/replacement equipment, including any costs avoided for maintenance of obsolete equipment.

Sale of Commodities:

This would include any and all revenues generated due to the sale of materials collected through the implementation of the specific program being claimed. This could include, but is not limited to white office paper, mixed office paper, cardboard, beverage containers, ferrous and nonferrous metals, glass, plastic, re-sale of used text books, compost, mulch, and firewood.

Avoided disposal fees:

Through the implementation of the AB 75 program(s) a facility will see a direct reduction in the amount of materials that would have been placed into a landfill or a trash dumpster on the campus. These direct savings are to be credited to the program based on today's disposal costs.

Sale of obsolete equipment:

Proceeds of any sales of obsolete equipment.

Other revenue related to program:

Dependent on the particular program or activity being submitted to the Commission for reimbursement several other factors can and will generate a cost savings.

The Board contends that the proposed amendments should be made “to more accurately capture the information necessary to provide accurate claims and a Statewide Cost Estimates [sic].”

Staff recommends that the Commission deny the request to amend the parameters and guidelines by requiring community colleges to specifically analyze the cost savings information identified by the Board when filing reimbursement claims. There is no requirement in statute or Board regulations that community college districts perform the analysis specified by the Board. Moreover, the Commission does not have the authority to impose additional requirements on community college districts regarding this program. Rather, section 1183.1, subdivision (a)(8), of the Commission's regulations simply requires that the parameters and guidelines include an identification of offsetting savings in the same program experienced because of the state statutes or executive orders found to contain a mandate. The current offsetting cost savings paragraph identifies the offsetting savings consistent with the language of Public Resources Code section 42925, subdivision (a), and Public Contract Code sections 12167 and 12167.1, and with the court's judgment and writ. The language is also consistent with Public Resources Code section 42927, subdivision (b), which becomes operative and effective on January 1, 2009. (Stats. 2008, ch. 343, Sen. Bill No. 1016.) Section 42927 is consistent with the court's ruling and judgment, and requires a community college to "expend all cost savings that result from implementation of the district's integrated waste management plan pursuant to this chapter to fund the continued implementation of the plan consistent with the requirement that revenues from the sale of recyclable materials be used to offset recycling program costs, as specified in Sections 12167 and 12167.1 of the Public Contract code."

Furthermore, the Board incorrectly argues that "this change is consistent with the Commission's statutes which provide that the 'reasonable reimbursement methodology' used should identify the costs to implement the mandate in a cost-efficient manner." A reasonable reimbursement methodology is defined in Government Code section 17518.5 to mean a formula for reimbursing school districts for costs mandated by the state that is based on general allocation formulas, uniform cost allowances, and other approximations of local costs. Reasonable reimbursement methodologies are used in lieu of a district maintaining detailed documentation of actual local costs and may be developed by the Department of Finance, the State Controller's Office, an affected state agency, a claimant, or an interested party. The Commission has not adopted a reasonable reimbursement methodology in this case, and one has not yet been proposed.

Finally, the Board contends that the proposed amendments are necessary to capture information necessary to provide accurate claims. But the information on cost savings is already available to the Board. The court found that cost savings can be determined from the calculations of annual solid waste disposal reduction or diversion included in the community colleges' annual reports to the Board pursuant to Public Resources Code section 42926, subdivision (b)(1).¹⁷ In comments to the proposed statewide cost estimate, the Board was able to determine from this report the dollar amount of cost savings for the fiscal years in question and argued that the statewide cost estimate should be set at zero "since community college districts collectively reported to the Board the

¹⁷ Exhibit F, Ruling, page 7.

diversion of waste in a tonnage amount that equaled \$22 million in avoided disposal costs.”¹⁸

Therefore, staff recommends that the Commission deny the Board’s request to amend the parameters and guidelines to require community colleges to specifically analyze the cost savings information identified by the Board when filing reimbursement claims.

Issue 2: Should the Commission amend Section IX of the parameters and guidelines to add language regarding the State Controller’s claiming instructions?

Section IX of the parameters and guidelines states the following:

IX. STATE CONTROLLER’S REVISED CLAIMING INSTRUCTIONS

The Controller shall, within 60 days after receiving amended parameters and guidelines prepare and issue revised claiming instructions for mandates that require state reimbursement after any decision or order of the commission pursuant to section 17558. 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 the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission. In preparing revised claiming instructions, the Controller may request the assistance of other state agencies. (Gov. Code, § 17558, subdivision (c).)

If revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between November 15 and February 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.

The Board requests that the Commission add the following language to Section IX:

The claiming instructions shall include sufficient instructions to ensure that only additional expenses related to this mandate are included and that any offsetting savings, as described above, are not included.

Staff recommends that the Commission deny the proposed language. The requirement that only increased costs be claimed is already provided in the boilerplate language of Section IV of the parameters and guidelines, Reimbursable Activities, which states that:

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.

¹⁸ Exhibit E.

Furthermore, staff finds that offsetting cost savings are adequately described in Section VIII of the parameters and guidelines, the first sentence of which states that “[r]educed or avoided costs realized from implementation of the community college districts’ Integrated Waste Management plans *shall be identified and offset from this claim* as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1.” (Emphasis added.)

The claiming instructions prepared by the State’s Controller’s Office are required to be derived from the test claim decision and the adopted parameters and guidelines. (Gov. Code, § 17558, subd. (b).)

Accordingly, staff recommends that the Commission deny the proposed amendments to Section IX of the parameters and guidelines.

Conclusion and Staff Recommendation

Staff recommends that the Commission deny the request of the Integrated Waste Management Board to amend the parameters and guidelines.

ORIGINAL

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9
10 SUPERIOR COURT OF CALIFORNIA

11 COUNTY OF SACRAMENTO

12
13 **STATE OF CALIFORNIA DEPARTMENT OF
FINANCE, CALIFORNIA INTEGRATED
14 WASTE MANAGEMENT BOARD,**

15 Petitioner,

16 v.

17 **COMMISSION ON STATE MANDATES,**

18 Respondent,

19 **SANTA MONICA COMMUNITY COLLEGE
DISTRICT, LAKE TAHOE COMMUNITY
20 COLLEGE DISTRICT,**

21 Real Parties in Interest.
22

Case No: 07CS00355

~~PROPOSED~~ PEREMPTORY
WRIT OF MANDATE

Judge: The Honorable
Lloyd G. Connelly
23
24
25
26
27
28
Dept: 33

23 TO RESPONDENT COMMISSION ON STATE MANDATES:

24 WHEREAS, Judgment having been entered in this action, ordering that a Peremptory
25 Writ of Mandate be issued from this court, YOU ARE COMMANDED TO:

- 26 1. Amend the parameters and guidelines in Test Claim No. 00-TC-07 to require
27 community college districts claiming reimbursable costs of an integrated waste management
28 plan under Public Resources Code section 42920, et seq. to identify and offset from their claims,

1 consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1,
2 cost savings realized as a result of implementing their plans; and

3 2. Amend the parameters and guidelines in Test Claim No. 00-TC-07 to require
4 community college districts claiming reimbursable costs of an integrated waste management plan
5 under Public Resources Code section 42920, et seq. to identify and offset from their claims all of
6 the revenue generated as a result of implementing their plans, without regard to the limitations or
7 conditions described in sections 12167 and 12167.1 of the Public Contract Code.

8 3. File a Return to the writ within 120 days of service of the writ.

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10 Dated: JUN 30 2008



11 *C. Beebout* C. BEEBOUT
12 Clerk of the Superior Court

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DECLARATION OF SERVICE BY U.S. MAIL

Case Name: **State of California Dept. of Finance, et al. v. Commission on State Mandates**
Sacramento County Superior Court No.: 07CS00355

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service that same day in the ordinary course of business.

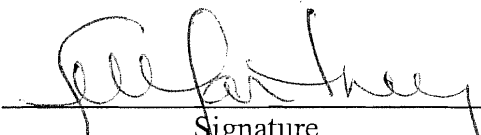
On June 18, 2008, I served the attached **[PROPOSED] JUDGMENT GRANTING PETITION FOR WRIT OF ADMINISTRATIVE MANDAMUS**; by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the internal mail collection system at the Office of the Attorney General at 1300 I Street, Suite 125, P.O. Box 944255, Sacramento, CA 94244-2550, addressed as follows:

Eric Feller
Commission on State Mandates
980 9th Street, Suite 300
Sacramento, CA 95814
Respondent *Commission on State Mandates*

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on June 18, 2008, at Sacramento, California.

Christine A. McCartney

Declarant



Signature

DECLARATION OF SERVICE BY U.S. MAIL

Case Name: **State of California Dept. of Finance, et al. v. Commission on State Mandates**
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On July 8, 2008, I served the attached **PEREMPTORY WRIT OF MANDATE**; by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the internal mail collection system at the Office of the Attorney General at 1300 I Street, Suite 125, P.O. Box 944255, Sacramento, CA 94244-2550, addressed as follows:

Eric Feller
Commission on State Mandates
980 9th Street, Suite 300
Sacramento, CA 95814
Respondent *Commission on State Mandates*

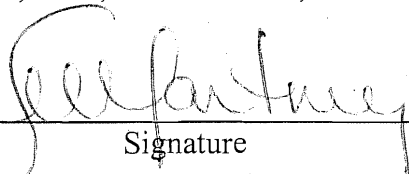
Lisa Rose
Santa Monica Community College District
Clerk of the Board of Trustees
1900 Pico Boulevard
Santa Monica, CA 90404
Real Party in Interest

Roberta Mason
Lake Tahoe Community College District
Clerk of the Board of Trustees
One College Drive
South Lake Tahoe, CA 96150
Real Party in Interest

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on July 8, 2008, at Sacramento, California.

Christine A. McCartney

Declarant



Signature