

**COMMISSION ON STATE MANDATES**

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January 9, 2006

Mr. Keith Petersen  
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*And Representatives from the Department of Finance, the State Controller's Office, the California Community Colleges Chancellor's Office, the California Integrated Waste Management Board, and Interested Parties (see enclosed mailing list)*

**RE: Proposed Statewide Cost Estimate and Request for Additional Comments**  
*Integrated Waste Management, 00-TC-07*  
Santa Monica and South Lake Tahoe Community College Districts, Co-Claimants  
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 Mr. Petersen, State Agency Representatives, and Interested Parties:

Staff's draft analysis on statewide estimated costs for the above-named program is enclosed for your review and comment. Staff has no recommendation on the estimated costs at this time.

The statewide costs claimed for fiscal years 1999-2000 through 2004-2005 are derived from the 142 actual reimbursement claims filed with the Controller for these years, a total of over \$5.9 million. However, staff notes that the claims are unaudited and may be inaccurate for the reasons stated in the draft staff analysis.

Much of the costs claimed fall under the activity to:

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.

Although the costs claimed seem excessive and no correlation exists between district size and the costs claimed, staff finds that there is no factual evidence in the record to support the reduction of any claimed costs.

Therefore, staff requests any additional information regarding the costs associated with diversion of solid waste and complying with the Integrated Waste Management Plan program that may assist in the development of a more accurate statewide cost estimate from all parties and interested persons, and specifically from the California Integrated Waste Management Board.



MAILED: Mail List  
 FAXED: \_\_\_\_\_  
 DATE: 11/10/11 INITIAL: LD  
 CHRON: FILE:   
 WORKING BINDER: \_\_\_\_\_

### Written Comments

Any party or interested party may file written comments on the draft staff analysis and proposed statewide cost estimate by **January 30, 2006**. Comments filed with the Commission are required to be simultaneously served on the parties on the mailing list, and to be accompanied by a proof of service (Cal. Code Regs., tit. 2, § 1181.2). To request an extension of time to file comments, please refer to section 1183.01, subdivision (c)(1), of the Commission's regulations.

### Hearing

This matter is tentatively set for hearing on **March 30, 2006**, at 9:30 a.m. in Room 126 of the State Capitol, Sacramento, California. This item will be scheduled for the consent calendar unless any party objects. Please let us know in advance if you or a representative of your agency 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 1183.01, subdivision (c), of the Commission's regulations.

### Special Accommodations

For any special accommodations such as a sign language interpreter, an assistive listening device, materials in an alternative format, or any other accommodations, please contact the Commission Office at least five to seven *working* days prior to the meeting.

Please contact Cathy Cruz at (916) 323-8218 with questions.

Sincerely,



NANCY PATTON  
Assistant Executive Director

Enclosures



Hearing: March 30, 2006  
J:/mandates/2000/00tc07/sca/dsa

ITEM \_\_

**DRAFT STAFF ANALYSIS  
PROPOSED STATEWIDE COST ESTIMATE**

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 (00-TC-07)*

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

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**EXECUTIVE SUMMARY**

The Executive Summary will be included in the Final Staff Analysis.

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## STAFF ANALYSIS

### 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.

The claimant filed the test claim on March 9, 2001. The Commission adopted the Statement of Decision on March 25, 2004, and the parameters and guidelines on March 30, 2005. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by October 4, 2005.

### Reimbursable Activities

The Commission approved the following reimbursable activities for this program:

#### 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.<sup>1</sup> (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) & (e).)
  - 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).)

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



- 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. of parameters and guidelines regarding offsetting revenues from recyclable materials.)

**Statewide Cost Estimate**

Staff reviewed the claims data submitted by the claimants and compiled by the SCO. The actual claims data showed that community college districts filed 142 claims between fiscal years 1999-2000 and 2004-2005; for a total of \$5.9 million. Based on this data, staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program. If the Commission adopts this proposed statewide cost estimate, it will be reported to the Legislature along with staff's assumptions and methodology.

**Assumptions**

Staff made the following assumptions:

1. *The actual claiming data is inaccurate.* The 142 actual claims filed by community college districts for fiscal years 1999-2000 through 2004-2005 are unaudited and may be inaccurate.<sup>2</sup>

California has 72 community college districts. Of the 72 districts, 20 of them consist of only 1 college, 11 consist of 2 colleges, 5 consist of 3 colleges, 3 consist of 4 colleges, and 1 consists of 9 colleges. Staff closely reviewed the claims of the following eight community college districts: 1) Chabot-Las Positas, 2) Coast, 3) Rancho Santiago, 4) Grossmont-Cuyamaca, 5) Santa Monica, 6) Palomar, 7) Gavilan Joint, and 8) Los Rios. As shown in Table 1 below, these districts are representative of the state.

**TABLE 1- DISTRICTS EXAMINED ARE REPRESENTATIVE OF THE STATE**

District	Regional Location	No. of Colleges in District
Chabot-Las Positas	Bay Area	2
Coast	Southern	3
Rancho Santiago	Southern	2
Grossmont-Cuyamaca	Southern	2
Santa Monica	Southern	1
Palomar	Southern	1
Gavilan Joint	Central	1
Los Rios	Northern	4

<sup>2</sup> Claims data reported as of November 3, 2005.

Chabot-Las Positas, Coast, Rancho Santiago, Grossmont-Cuyamaca, Santa Monica, Palomar, and Gavilan Joint are among the top claiming districts. However, staff found that there is no correlation between a district's student enrollment and the amounts claimed (see Table 2).

**TABLE 2. STUDENT ENROLLMENT HAS NO CORRELATION TO AMOUNTS CLAIMED (FY 2004-2005)**

District	Student Enrollment	Amount Claimed
Gavilan Joint	5,532	\$ 68,494
Chabot-Las Positas	22,259	184,939
Grossmont-Cuyamaca	28,796	107,251
Palomar	29,641	110,710
Santa Monica	29,805	107,698
Coast	46,630	187,284
Rancho Santiago	63,715	102,873
Los Rios	70,389	73,423

Accordingly, staff determined that the claims may be inaccurate because some districts did not claim offsetting savings and some claimed costs for one-time activities over multiple fiscal years.

a. Three out of the eight community college districts did not report any offsetting savings.

Section VII, of the parameters and guidelines state the following:

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 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.

<sup>3</sup> The enrollment numbers were taken from the California Community Colleges Chancellor's Office website ([http://misweb.cccco.edu/mis/onlinestat/studdemo\\_dist\\_cube.cfm](http://misweb.cccco.edu/mis/onlinestat/studdemo_dist_cube.cfm), accessed December 22, 2005), and are averaged for the 2004 Fall term and the 2005 Spring term.

The districts that did not offset savings or other reimbursements include Coast Community College District, Gavilan Joint Community College District, and Rancho Santiago Community College District. Coast claimed a total of \$592,398 for six fiscal years; Gavilan Joint claimed a total of \$368,229 for six fiscal years; and Rancho Santiago claimed a total of \$494,944 for six fiscal years.

- b. *Five out of the eight community college districts claimed one-time activities over multiple fiscal years.* The parameters and guidelines provided one-time reimbursement for the development of necessary district policies and procedures for the implementation of the integrated waste management plan, and for training of district staff on the requirements and implementation of the integrated waste management plan (one-time per employee). Training was limited to the staff working directly on the plan. However, Table 3 below shows the "one-time" costs claimed by five of the community college districts.

**TABLE 3. ONE-TIME ACTIVITIES CLAIMED  
OVER MULTIPLE FISCAL YEARS**

District	Activity	1999- 2000	2000- 2001	2001- 2002	2002- 2003	2003- 2004	2004- 2005
Gavilan Joint	Policies	\$ 1,185	\$ 1,987	\$ 2,499	\$ 1,331	\$ 1,876	\$ 1,938
	Training	\$ 189	\$ 410	\$ 451	\$ 477	\$ 516	\$ 476
Grossmont	Policies	-	\$ 620	-	-	-	-
	Training	\$ 693	\$ 561	\$ 1,731	\$ 863	\$ 793	\$ 1,374
Los Rios	Policies	-	\$ 1,357	-	\$ 1,300	-	-
	Training	-	\$ 152	\$ 308	-	-	-
Palomar	Policies	-	-	-	-	-	-
	Training	\$ 7,087	\$ 18,872	\$ 20,368	\$ 22,471	\$ 23,115	\$ 25,499
Santa Monica	Policies	-	-	-	\$ 538	\$ 1,346	\$ 10,461
	Training	-	-	\$ 6,190	\$ 9,05	\$ 10,646	\$ 11,130

The claims did not include enough information as to whether the costs claimed for training were in fact for new employees only. Staff notes that other districts may have also claimed one-time activities over multiple fiscal years.

- The actual amount claimed will increase when late or amended claims are filed.* Twenty-seven of the 72 community college districts in California have filed reimbursement claims for this program. Nine of the 20 community college districts with two or more colleges have not filed claims, including the Los Angeles Community College District, which has nine colleges. Thus, if reimbursement claims are filed by any of the remaining districts, the amount of reimbursement claims may exceed the statewide cost estimate. For this program, late claims may be filed until October 2006.
- The SCO may reduce any reimbursement claim for this program.* If the SCO audits this program and deems any reimbursement claim to be excessive or unreasonable, it may be reduced. Therefore, the total amount of reimbursement for this program may be lower than the statewide cost estimate.

## Methodology

### *Fiscal Years 1999-2000 through 2004-2005*

The proposed statewide cost estimate for fiscal years 1999-2000 through 2004-2005 is based on the 142 actual reimbursement claims filed with the SCO for these years. However, staff notes that the claims are unaudited and may be inaccurate for the reasons stated above.

### *Fiscal Years 2005-2006 and 2006-2007*

Staff estimated fiscal year 2005-2006 costs by multiplying the 2004-2005 estimate by the implicit price deflator for 2004-2005 (3.5%), as forecast by the Department of Finance. Staff estimated fiscal year 2006-2007 costs by multiplying the 2005-2006 estimate by the implicit price deflator for 2005-2006 (3.1%).

The proposed statewide cost estimate includes eight fiscal years for a total of \$8,952,852. This averages to \$1,119,107 annually in costs for the state.

Following is a breakdown of estimated total costs per fiscal year:

**TABLE 4. BREAKDOWN OF ESTIMATED  
TOTAL COSTS PER FISCAL YEAR**

Fiscal Year	Number of Claims Filed with SCO	Estimated Cost
1999-2000	21	\$ 478,106
2000-2001	25	788,658
2001-2002	23	1,003,710
2002-2003	25	1,109,250
2003-2004	25	1,203,354
2004-2005	23	1,408,657
2005-2006 (estimated)	N/A	1,457,960
2006-2007 (estimated)	N/A	1,503,157
<b>TOTAL</b>	<b>142</b>	<b>\$ 8,952,852</b>

### **Staff Recommendation**

Staff has no recommendation on the estimated costs at this time.

# Commission on State Mandates

Original List Date: 3/20/2001  
Last Updated: 3/22/2006  
List Print Date: 01/09/2006  
Claim Number: 00-TC-07

Mailing Information: Other

## Mailing List

Issue: Integrated Waste Management

### TO ALL PARTIES AND INTERESTED PARTIES:

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, § 1181.2.)

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