

**ITEM 6**

**INCORRECT REDUCTION CLAIM**

**PROPOSED DECISION**

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

*Integrated Waste Management*

Fiscal Years 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, and 2010-2011

14-0007-I-11

San Bernardino Community College District, Claimant

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

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.

# SixTen and Associates

## Mandate Reimbursement Services

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June 2, 2015

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  
San Bernardino Community College District  
Fiscal Years 1999-00 through 2008-09 and 2010-11  
Incorrect Reduction Claim

Dear Ms. Halsey:

Enclosed is the original and two copies of the above referenced incorrect reduction claim for San Bernardino 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:

Jose Torres, Interim Vice Chancellor, Fiscal Services  
San Bernardino Community College District  
114 S Del Rosa Drive  
San Bernardino, CA 92408-0108  
Voice: 909-382-4021  
Fax: 909-382-0174  
E-Mail: jtorres@sbccd.cc.ca.us

Sincerely,

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

Keith B. Petersen

Enclosure: Incorrect Reduction Claim

C: Jose Torres, Interim Vice Chancellor, Fiscal Services



# COMMISSION ON STATE MANDATES

## 1. INCORRECT REDUCTION CLAIM TITLE

1116/92 and 764/99 Integrated Waste Management

## 2. CLAIMANT INFORMATION

San Bernardino Community College District

Jose Torres, Interim Vice Chancellor  
Fiscal Services  
114 S Del Rosa Drive  
San Bernardino, CA 92408-0108  
Voice: 909-382-4021  
Fax: 909-382-0174  
E-Mail: jtorres@sbccd.cc.ca.us

## 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  
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Filing Date: \_\_\_\_\_

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JUN 09 2015

COMMISSION ON STATE MANDATES

IRC #: \_\_\_\_\_ 14-0007-I-11

## 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

Fiscal Year	Amount of Reduction
1999-2000	\$ 6,715
2000-2001	\$ 12,356
2001-2002	\$ 16,286
2002-2003	\$ 26,406
2003-2004	\$ 24,598
2004-2005	\$ 40,525
2005-2006	\$ 49,712
2006-2007	\$ 44,725
2007-2008	\$ 25,719
2008-2009	\$ 30,481
2010-2011	\$ 18,525
TOTAL:	\$ 296,048

## 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 <u>1</u> to <u>20</u>
8. Final SCO Audit Report:	Exhibit <u>A</u>
9. Parameter's and Guidelines:	Exhibit <u>B</u>
10. Claiming Instructions:	Exhibit <u>C</u>
11. Annual Reimbursement Claims:	Exhibit <u>D</u>
12. Controller's Payment Letters:	Exhibit <u>E</u>

## 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.

Jose Torres, Interim Vice Chancellor  
Fiscal Services

  
Signature

5/26/15  
Date

1 Claim Prepared by:  
2 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 ) **SAN BERNARDINO** )  
21 ) **Community College District** )  
22 ) **Claimant.** ) Integrated Waste Management  
23 ) Annual Reimbursement Claims:  
24 ) Fiscal Year 1999-00  
25 ) Fiscal Year 2000-01  
26 ) Fiscal Year 2001-02  
27 ) Fiscal Year 2002-03  
28 ) Fiscal Year 2003-04  
29 ) Fiscal Year 2004-05  
30 ) Fiscal Year 2005-06  
31 ) Fiscal Year 2006-07  
32 ) Fiscal Year 2007-08  
33 ) Fiscal Year 2008-09  
34 ) Fiscal Year 2010-11

35 INCORRECT REDUCTION CLAIM FILING

36 PART I. AUTHORITY FOR THE CLAIM

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

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1116/92 and 764/99 Integrated Waste Management

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." San Bernardino Community College District  
4 (hereafter "District") is a "school district" as defined in Government Code Section 17519.  
5 Title 2, CCR, Section 1185 (a), requires the claimant to file an incorrect reduction claim  
6 with the 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 June 23, 2014, has been issued. See Exhibit A.

11 A Controller's claim action notice letter dated June 28, 2014, has been issued for each  
12 audited annual claim that constitutes notice of the field audit findings that resulted in a  
13 claim payment reduction. See Exhibit E. The audit report and claim action letters each  
14 and both constitute a final adjudication of the claim and notice of payment reduction.

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

18 PART II. SUMMARY OF THE CLAIM

19 The Controller conducted an audit of the District's annual reimbursement claims  
20 for Fiscal Years 1999-00 through 2008-09 and 2010-11 for the cost of complying with  
21 the legislatively mandated Integrated Waste Management program. As a result of the

Incorrect Reduction Claim of San Bernardino Community College District  
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audit, the Controller determined that \$304,692 of the \$382,484 claimed costs were  
 unallowable:

Fiscal Year	Amount Claimed	Audit Adjustment	SCO Payments	Amount Due <State> District
1999-00	\$ 16,905	\$ 6,715	\$ 0	\$ 9,171
Late penalty		\$ 1,019		
2000-01	\$ 39,966	\$ 12,356	\$ 0	\$ 21,041
Late penalty		\$ 2,761		
2001-02	\$ 38,668	\$ 16,286	\$ 0	\$ 20,144
Late penalty		\$ 2,238		
2002-03	\$ 39,255	\$ 26,406	\$ 0	\$ 11,564
Late penalty		\$ 1,285		
2003-04	\$ 38,003	\$ 24,598	\$ 0	\$ 12,064
Late penalty		\$ 1,341		
2004-05	\$ 40,525	\$ 40,525	\$ 0	\$ 0
2005-06	\$ 49,712	\$ 49,712	\$ 0	\$ 0
2006-07	\$ 44,725	\$ 44,725	\$ 0	\$ 0
2007-08	\$ 25,719	\$ 25,719	\$ 0	\$ 0
2008-09	\$ 30,481	\$ 30,481	\$ 0	\$ 0
2009-10	No claim filed			
2010-11	\$ 18,525	\$ 18,525	\$ 0	\$ 0
Totals	\$ 382,484	\$ 296,048	\$ 0	\$ 77,792
Late penalty		\$ 8,644		
Net total	\$ 382,484	\$ 304,692	\$ 0	\$ 77,792

Since the District did not receive any payments for these claims as of the date of the  
 audit report, the audit report states that \$77,792 is payable to the District.

PART III. PREVIOUS INCORRECT REDUCTION CLAIMS

The District has not filed any previous incorrect reduction claims for this mandate  
 program. The following districts have filed incorrect reduction claims on this mandate  
 program that include similar issues:

Incorrect Reduction Claim of San Bernardino Community College District  
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1	<u>COSM No.</u>	<u>IRC Date</u>	<u>District</u>
2	13-0007-I-01	03/28/14	Pasadena Area Community College District
3	13-0007-I-02	06/17/14	Sierra Joint Community College District
4	14-0007-I-03	07/09/14	Citrus Community College District
5	14-0007-I-04	07/09/14	Gavilan Joint Community College District
6	14-0007-I-05	07/09/14	State Center Community College District
7	14-0007-I-06	07/09/14	Victor Valley Community College District
8	14-0007-I-07	07/15/14	El Camino Community College District
9	14-0007-I-08	07/31/14	North Orange County Community College District
10	14-0007-I-09	08/11/14	Long Beach Community College District
11	14-0007-I-10	08/14/14	Redwoods Community College District

12 PART IV. BASIS FOR REIMBURSEMENT

13 A. Mandate Legislation

14 Statutes of 1992, Chapter 1116, amended Public Contract Code sections 12167  
15 and 12167.1 allowing the governing board of each college district, on or after July 1,  
16 1994, to expend funds in the Integrated Waste Management Account, upon  
17 appropriation by the Legislature, for the purpose of offsetting costs created by the  
18 recycling program.

19 Statutes of 1999, Chapter 764, added Public Resources Code sections 40148,  
20 40196.3 and 42920-42928 to require the governing board of each college district, on or  
21 before February 15, 2000, to adopt a state agency model integrated waste  
22 management plan which specifies that the district: complies with the State Agency  
23 Model plan; designate a solid waste reduction and recycling coordinator; divert at least  
24 50 percent of all solid waste from disposal or transformation facilities; submit a report to  
25 the board summarizing the progress made in reducing solid waste; and, submit  
26 information on quantities of recyclable materials collected on an annual basis to the

Incorrect Reduction Claim of San Bernardino Community College District  
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1 Board.

2 B. Test Claim

3 The Commission on State Mandates, in the Statement of Decision adopted at  
4 the March 25, 2004 hearing, found that Public Resources Code sections 40148,  
5 40196.3, 42920-42928, Public Contract Code sections 12167 and 12167.1, and the  
6 State Agency Model Integrated Waste Management Plan constitute new programs or  
7 higher levels of service for community college districts within the meaning of Section 6,  
8 Article XIII B of the California Constitution. The Commission determined that  
9 performing the following specific new activities resulted in increased costs for  
10 community college districts to:

- 11 (1) Comply with the state model plan (Public Resources Code section 42920(b)(3)  
12 and State Agency Model Integrated Waste Management Plan, February 2000).
- 13 (2) Designate a district solid waste reduction and recycling coordinator (Public  
14 Resources Code section 42920 (c)).
- 15 (3) Divert at least 25 percent of all of its solid waste by January 1, 2002 and at least  
16 50 percent by January 1, 2004 (Public Resources Code sections 42921 and  
17 42922(i)). A district may seek an extension from the California Integrated Waste  
18 Management Board until December 31, 2005.
- 19 (4) Report by April 1 each year to the California Integrated Waste Management  
20 Board the progress in reducing solid waste (Public Resources Code sections  
21 42926(a) and 42922(i)).



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1 (5) Submit annual recycled material reports to the California Integrated Waste  
2 Management Board (Public Contract Code section 12167.1).

3 C. Parameters and Guidelines

4 On March 30, 2005, the original parameters and guidelines were adopted. As a  
5 result of litigation<sup>1</sup>, amended parameters and guidelines were issued September 26,  
6 2008, with retroactive effect. A copy of the original and amended parameters and

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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.

1 guidelines are attached as Exhibit B.

2 D. Claiming Instructions

3 The Controller issued the first claiming instructions on June 6, 2005, for use to  
4 submit the initial claims for Fiscal Years 1999-00 through 2004-05. The claiming  
5 instructions have been annually revised for purposes of subsequent fiscal year filing  
6 dates. A copy of these claiming instructions are attached. See Exhibit C. However,  
7 since the Controller's claim forms and instructions have not been adopted as  
8 regulations, they have no force of law, and, therefore, have no effect on the outcome of  
9 this incorrect reduction claim.

10 PART V. STATE CONTROLLER CLAIM ADJUDICATION

11 The Controller conducted an audit of the District's annual reimbursement claims  
12 for Fiscal Years 1999-00 through 2008-09 and 2010-11. The audit concluded that only  
13 \$77,792 (20%) of the District's \$382,484 costs, as claimed, are allowable. A copy of  
14 the June 23, 2014, audit report is attached as Exhibit A.

15 PART VI. STATEMENT OF THE ISSUES

16 **Finding - Unreported offsetting savings**

17 **A. OFFSETTING COST SAVINGS**

18 The District did not report offsetting cost savings because none were realized.  
19 The audit report states that the total claimed costs of \$382,484 should have been  
20 reduced by \$1,997,947 of cost savings calculated by multiplying the tonnage diverted  
21 by a statewide average landfill fee per ton. However, none of these alleged cost

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1 savings were realized by the District as required by the parameters and guidelines.

2 1. The Legal Requirement

3 The notion of avoided cost for this mandate is a result of litigation by the  
4 Department of Finance and the Integrated Waste Management Board. The retroactive  
5 court decision requires a community college district to "identify and deduct offsetting  
6 costs savings from its claimed reimbursable costs." The court asserted, without  
7 evidence in the record, that these reductions will "most likely" occur:

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

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

1 The amended and retroactive parameters and guidelines adopted September  
2 26, 2008, applied the court language as follows:

3 **VIII. OFFSETTING COST SAVINGS**

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

23 2. Assumed Cost Savings

24 The court presupposes a previous legal requirement for districts to incur landfill  
25 disposal fees to divert solid waste. Thus, potentially relieved of the need to incur new  
26 or additional landfill fees for increased waste diversion, a cost savings would occur.

27 There is no finding of fact or law in the court decision or from the Commission  
28 Statement of Decision for the test claim for this assumed duty to use landfills.

29 However, since the court stated that the cost savings from avoided landfill costs are  
30 only "likely," potential cost savings would be a finding of fact not law. There is no

Incorrect Reduction Claim of San Bernardino Community College District  
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1 evidence in the court decision that these reduced or avoided landfill costs occurred at  
2 all or to any one district other than the bare assertion that such savings may have  
3 occurred. Thus, potential landfill cost savings would be a question of fact for each  
4 claiming district. However, the Controller's audit adjustment erroneously and simply  
5 assumes these cost savings occurred in the form of avoided landfill fees for the  
6 mandated tonnage diverted.

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

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 39  
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 can be 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 \$36.83 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 \$1,997,947 which are \$1,701,899 in excess of the claimed program costs of \$382,484:

<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	\$ 16,905	\$ 10,190	\$ 6,715	\$ 6,715	\$ 0
FY 2000-01	\$ 39,966	\$ 27,610	\$ 12,356	\$ 12,356	\$ 0
FY 2001-02	\$ 38,668	\$ 22,382	\$ 16,286	\$ 16,286	\$ 0
FY 2002-03	\$ 39,255	\$ 12,849	\$ 26,406	\$ 26,406	\$ 0
FY 2003-04	\$ 38,003	\$ 13,405	\$ 24,598	\$ 24,598	\$ 0
FY 2004-05	\$ 40,525	\$ 0	\$ 73,385	\$ 40,525	\$ 32,860
FY 2005-06	\$ 49,712	\$ 0	\$ 166,015	\$ 49,712	\$ 116,303
FY 2006-07	\$ 44,725	\$ 0	\$ 369,775	\$ 44,725	\$ 325,050
FY 2007-08	\$ 25,719	\$ 0	\$ 553,385	\$ 25,719	\$ 527,666
FY 2008-09	\$ 30,481	\$ 0	\$ 592,513	\$ 30,481	\$ 562,032
FY 2010-11	\$ 18,525	\$ 0	\$ 156,513	\$ 18,525	\$ 137,988
Totals	\$382,484	\$ 86,436	\$1,997,947	\$296,048	\$1,701,899

Incorrect Reduction Claim of San Bernardino Community College District  
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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 six fiscal years. There are several factual errors  
3 in the application of this offset. The District did not claim landfill costs, so there are  
4 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 results<sup>2</sup> 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

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<sup>2</sup> The Controller's audit reports are available at:  
[http://www.sco.ca.gov/aud\\_mancost\\_comcolleges\\_costrpt.html](http://www.sco.ca.gov/aud_mancost_comcolleges_costrpt.html)

Incorrect Reduction Claim of San Bernardino Community College District  
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1 issue of the costs savings offset:

2	<b>Controller's Audits-cost savings Issue only</b>	Percentage	Audit
3	<u>District</u>	<u>Allowed</u>	<u>Date</u>
4	Butte-Glenn Community College District	0%	09/11/2014
5	MiraCosta Community College District	0%	10/08/2013
6	Citrus Community College District	2.0%	09/11/2013
7	Yuba Community College District	3.4%	05/07/2014
8	Allan Hancock Joint Community College District	14.8%	06/23/2014
9	San Bernardino Community College District	20.3%	06/23/2014
10	Grossmont-Cuyamaca Community College District	28.7%	04/30/2013
11	State Center Community College District	32.1%	08/30/2013
12	Merced Community College District	33.2%	07/09/2013
13	North Orange County Community College District	33.6%	08/15/2013
14	Solano Community College District	34.4%	06/17/2013
15	Long Beach Community College District	35.4%	05/22/2014
16	Sierra Joint Community College District	41.4%	07/22/2013
17	Yosemite Community College District	41.7%	07/10/2013
18	El Camino Community College District	43.0%	03/19/2014
19	Mt. San Antonio Community College District	43.7%	08/15/2013
20	Hartnell Community College District	45.0%	04/09/2014
21	Shasta-Tehama-Trinity Jt Community College District	53.3%	06/17/2014
22	Contra Costa Community College District	58.7%	05/29/2013
23	Monterey Peninsula Community College District	59.8%	06/05/2014
24	Siskiyou Joint Community College District	62.2%	06/03/2014
25	San Joaquin Delta Community College District	69.5%	05/07/2014
26	Gavilan Joint Community College District	69.6%	04/11/2014
27	West Kern Community College District	69.9%	06/03/2014
28	Marin Community College District	72.4%	06/03/2014
29	Victor Valley Community College District	73.4%	04/09/2014
30	Cabrillo Community College District	80.8%	06/18/2014
31	Redwoods Community College District	83.4%	04/11/2014

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

34 **B. OFFSETTING REVENUES AND REIMBURSEMENTS**

35 The District did not report any recycling income. The audit report correctly states  
 36 that this District revenue was not deposited into the State IWM Account, but there is no

1 such requirement to do so for community colleges. Recycling revenues are not  
2 offsetting cost savings, but are offsetting revenues generated from implementing the  
3 IWM plan. Regarding recycling revenues, the court stated:

4 Although Public Contract Code sections 12167 and 12167.1 apply to  
5 California Community Colleges for the purpose of offsetting savings pursuant to  
6 the terms of Public Resources Code section 42925, *sections 12167 and 12167.1*  
7 *do not apply to the colleges for the purpose of offsetting revenues or, indeed,*  
8 *any other purpose. Sections 12167 and 12167.1* apply exclusively to state  
9 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  
11 State Assistance for Recycling Markets Act of which sections 12167 and 12167.1  
12 are a part. Therefore, sections 12167 and 12167.1 do not properly govern the  
13 revenues generated by the colleges' recycling activities pursuant to their IWM  
14 plans. *The limits and conditions placed by sections 12167 and 12167.1 on the*  
15 *expenditure of recycling revenues for the purpose of offsetting recycling program*  
16 *costs are simply inapplicable to the revenues generated by the colleges'*  
17 *recycling activities.*

18 The provisions of Public Resources Code section 42920 et seq. do not  
19 address the use of revenues generated by recycling activities of California  
20 Community Colleges under IWM plans to offset reimbursable plan costs. *Thus,*  
21 *use of the revenues to offset reimbursable IWM plan costs is governed by the*  
22 *general principles of state mandates, that only the actual increased costs of a*  
23 *state-mandated program are reimbursable and, to that end, revenues provided*  
24 *for by the state-mandated program must be deducted from program costs.* (See  
25 Cal. Const., art. XIII B, § 6; Gov. Code §§ 17514, 17556, subd. (e); *County of*  
26 *Fresno v. State of California* (1991) 51 Cal.3d 482, 487; *County of Sonoma v.*  
27 *Commission on State Mandates*, (2000) 84 Cal.App.4th 1264, 1284.) These  
28 principles are reflected in respondent's regulation which requires, without  
29 limitation or exception, the identification of offsetting revenues in the parameters  
30 and guidelines for reimbursable cost claims. (Cal. Code Regs., tit. 2, §  
31 1183.1(a)(7).) *Emphasis added.*

32 The amended and retroactive parameters and guidelines adopted September 26, 2008,  
33 state:

#### 34 VII. OFFSETTING REVENUES AND REIMBURSEMENTS

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



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

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

5 Therefore, if the District had reported the recycling income, it would have been as a  
6 reduction of total claimed cost and not subject to state appropriation in the form of cost  
7 savings

8 **C. PROCEDURAL ISSUES**

9 1. Standard of Review

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

17 2. Burden of Proof

18 Here, the evidentiary issue is the Controller's method for determining the  
19 adjustments. In many instances in the audit report, the District was invited to provide  
20 missing data in lieu of fictional data used by auditor, or to disprove the auditor's factual  
21 assumptions. This is an inappropriate shifting of the burden of proof for an audit. The  
22 Controller must first provide evidence as to the propriety of its audit findings because it  
23 bears the burden of going forward and because it is the party with the power to create,

Incorrect Reduction Claim of San Bernardino Community College District  
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1 maintain, and provide evidence regarding its auditing methods and procedures, as well  
2 as the specific facts relied upon for its audit findings.

3 PART VIII. RELIEF REQUESTED

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

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

Incorrect Reduction Claim of San Bernardino Community College District  
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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.

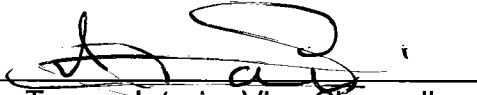
8 Executed on May 26, 2015, at San Bernardino, California, by  
9

10 

11 Jose Torres, Interim Vice Chancellor, Fiscal Services  
12 San Bernardino Community College District  
13 114 S Del Rosa Drive  
14 San Bernardino, CA 92408-0108  
15 Voice: 909-382-4021  
16 Fax: 909-382-0174  
17 E-Mail: jtorres@sbccd.cc.ca.us

18 APPOINTMENT OF REPRESENTATIVE

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

21 

22 Jose Torres, Interim Vice Chancellor  
23 San Bernardino Community College District

24 5/26/15  
Date

25 Attachments:

26 Exhibit "A" Controller's Audit Report dated June 23, 2014  
27 Exhibit "B" Original Parameters and Guidelines adopted March 30, 2005, and  
28 Amended Parameters and Guidelines dated September 26, 2008  
29 Exhibit "C" Controller's Claiming Instructions  
30 Exhibit "D" Annual Reimbursement Claims  
31 Exhibit "E" Controller's Payment Action Letters dated June 28, 2014





JOHN CHIANG  
California State Controller

June 23, 2014

Tim Oliver, Interim Vice-Chancellor of Fiscal Services  
San Bernardino Community College District  
114 S. Del Rosa Drive  
San Bernardino, CA 92408

Dear Mr. Oliver:

The State Controller's Office reviewed the costs claimed by the San Bernardino Community College District for the legislatively mandated Integrated Waste Management (IWM) Program (Chapter 1116, Statutes of 1992; and Chapter 764, Statutes of 1999) for the period of July 1, 1999, through June 30, 2009; and July 1, 2010, through June 30, 2011. The district did not claim any program costs for the period of July 1, 2009, through June 30, 2010. We conducted our review under the authority of Government Code sections 12410, 17558.5, and 17561. Our review was limited to ensuring that offsetting savings were properly reported in accordance with program requirements.

The district claimed \$382,484 for the mandated program. Our review found that \$77,792 is allowable (\$86,436 less a \$8,644 penalty for filing late claims) and \$304,692 is unallowable. The costs are unallowable because the district did not offset any savings realized from implementing its IWM plan, as described in the attached Summary of Program Costs (Attachment 1), Summary of Offsetting Savings Calculations (Attachment 2), and the Finding and Recommendation (Attachment 3). The State made no payments to the district. The State will pay \$77,792, contingent upon available appropriations.

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](http://www.csm.ca.gov/docs/IRCForm.pdf).

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

Sincerely,

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

JVB/sk

Tim Oliver

-2-

June 23, 2014

Attachments

RE: S14-MCC-900

cc: Jose Torres, Director of Fiscal Services

San Bernardino Community College District

John Grow, Director of Facilities Planning and Construction

San Bernardino Community College District

Lawrence Strong, Director of Internal Audits

San Bernardino 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, 2009;  
and July 1, 2010, through June 30, 2011**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 1999, through June 30, 2000</u>			
Direct costs:			
Salaries and benefits	\$ 11,613	\$ 11,613	\$ —
Indirect costs	5,292	5,292	—
Total direct and indirect costs	16,905	16,905	—
Less offsetting savings <sup>2</sup>	—	(6,715)	(6,715)
Subtotal	16,905	10,190	(6,715)
Less late filing penalty <sup>3</sup>	—	(1,019)	(1,019)
Total program costs	<u>\$ 16,905</u>	9,171	<u>\$ (7,734)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 9,171</u>	
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits	\$ 26,314	\$ 26,314	\$ —
Indirect costs	13,652	13,652	—
Total direct and indirect costs	39,966	39,966	—
Less offsetting savings <sup>2</sup>	—	(12,356)	(12,356)
Subtotal	39,966	27,610	(12,356)
Less late filing penalty <sup>3</sup>	—	(2,761)	(2,761)
Total program costs	<u>\$ 39,966</u>	24,849	<u>\$ (15,117)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 24,849</u>	
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits	\$ 26,314	\$ 26,314	\$ —
Indirect costs	12,354	12,354	—
Total direct and indirect costs	38,668	38,668	—
Less offsetting savings <sup>2</sup>	—	(16,286)	(16,286)
Subtotal	38,668	22,382	(16,286)
Less late filing penalty <sup>3</sup>	—	(2,238)	(2,238)
Total program costs	<u>\$ 38,668</u>	20,144	<u>\$ (18,524)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 20,144</u>	

## Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits	\$ 26,314	\$ 26,314	\$ —
Indirect costs	12,941	12,941	—
Total direct and indirect costs	39,255	39,255	—
Less offsetting savings <sup>2</sup>	—	(26,406)	(26,406)
Subtotal	39,255	12,849	(26,406)
Less late filing penalty <sup>3</sup>	—	(1,285)	(1,285)
Total program costs	\$ 39,255	11,564	\$ (27,691)
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		\$ 11,564	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits	\$ 26,314	\$ 26,314	\$ —
Indirect costs	11,689	11,689	—
Total direct and indirect costs	38,003	38,003	—
Less offsetting savings <sup>2</sup>	—	(24,598)	(24,598)
Subtotal	38,003	13,405	(24,598)
Less late filing penalty <sup>3</sup>	—	(1,341)	(1,341)
Total program costs	\$ 38,003	12,064	\$ (25,939)
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		\$ 12,064	
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs:			
Salaries and benefits	\$ 27,830	\$ 27,830	\$ —
Indirect costs	12,695	12,695	—
Total direct and indirect costs	40,525	40,525	—
Less offsetting savings <sup>2</sup>	—	(73,385)	(73,385)
Subtotal	40,525	(32,860)	(73,385)
Adjustment to eliminate negative balance	—	32,860	32,860
Total program costs	\$ 40,525	—	\$ (40,525)
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		\$ —	

## Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Salaries and benefits	\$ 33,648	\$ 33,648	\$ —
Indirect costs	16,064	16,064	—
Total direct and indirect costs	49,712	49,712	—
Less offsetting savings <sup>2</sup>	—	(166,015)	(166,015)
Subtotal	49,712	(116,303)	(166,015)
Adjustment to eliminate negative balance	—	116,303	116,303
Total program costs	\$ 49,712	—	\$ (49,712)
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		\$ —	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Salaries and benefits	\$ 30,781	\$ 30,781	\$ —
Indirect costs	13,944	13,944	—
Total direct and indirect costs	44,725	44,725	—
Less offsetting savings <sup>2</sup>	—	(369,775)	(369,775)
Subtotal	44,725	(325,050)	(369,775)
Adjustment to eliminate negative balance	—	325,050	325,050
Total program costs	\$ 44,725	—	\$ (44,725)
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		\$ —	
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs:			
Salaries and benefits	\$ 16,708	\$ 16,708	\$ —
Indirect costs	9,011	9,011	—
Total direct and indirect costs	25,719	25,719	—
Less offsetting savings <sup>2</sup>	—	(553,385)	(553,385)
Subtotal	25,719	(527,666)	(553,385)
Adjustment to eliminate negative balance	—	527,666	527,666
Total program costs	\$ 25,719	—	\$ (25,719)
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		\$ —	

## Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Salaries and benefits	\$ 19,473	\$ 19,473	\$ —
Indirect costs	11,008	11,008	—
Total direct and indirect costs	30,481	30,481	—
Less offsetting savings <sup>2</sup>	—	(592,513)	(592,513)
Subtotal	30,481	(562,032)	(592,513)
Adjustment to eliminate negative balance	—	562,032	562,032
Total program costs	<u>\$ 30,481</u>	—	<u>\$ (30,481)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 11,856	\$ 11,856	\$ —
Indirect costs	6,669	6,669	—
Total direct and indirect costs	18,525	18,525	—
Less offsetting savings <sup>2</sup>	—	(156,513)	(156,513)
Subtotal	18,525	(137,988)	(156,513)
Adjustment to eliminate negative balance	—	137,988	137,988
Total program costs	<u>\$ 18,525</u>	—	<u>\$ (18,525)</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, 2009; and July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 257,165	\$ 257,165	\$ —
Indirect costs	125,319	125,319	—
Total direct and indirect costs	382,484	382,484	—
Less offsetting savings	—	(1,997,947)	(1,997,947)
Subtotal	382,484	(1,615,463)	(1,997,947)
Adjustment to eliminate negative balance	—	1,701,899	1,701,899
Subtotal	382,484	86,436	(296,048)
Less late filing penalty	—	(8,644)	(8,644)
Total program costs	<u>\$ 382,484</u>	77,792	<u>\$ (304,692)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 77,792</u>	

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<sup>1</sup> See Attachment 3, Finding and Recommendation.

<sup>2</sup> See Attachment 2, Summary of Offsetting Savings Calculations.

<sup>3</sup> The district filed its fiscal year (FY) 1999-2000 through FY 2003-04 initial reimbursement claims after the due date specified in Government Code section 17560. Pursuant to Government Code section 17561, subdivision (d)(3), the State assessed a late filing penalty equal to 10% of allowable costs, with no maximum penalty amount (for claims filed on or after September 30, 2002).

**Attachment 2—  
Summary of Offsetting Savings Calculations  
July 1, 1999, through June 30, 2009;  
and July 1, 2010, through June 30, 2011**

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment <sup>1</sup>
		July - December	January - June	Total	
<u>July 1, 1999, through June 30, 2000</u>					
Maximum required diversion percentage		—	25.00%		
Actual diversion percentage	÷	—	÷	27.47%	
Allocated diversion percentage		—	91.01%		
Tonnage diverted	×	—	×	(202.75)	
Statewide average landfill fee per ton	×	—	×	\$36.39	
Offsetting savings, FY 1999-2000	\$	—	\$	(6,715)	\$ (6,715)
<u>July 1, 2000, through June 30, 2001</u>					
Maximum required diversion percentage		25.00%	25.00%		
Actual diversion percentage	÷	27.47%	÷	30.82%	
Allocated diversion percentage		91.01%	81.12%		
Tonnage diverted	×	(202.75)	×	(191.10)	
Statewide average landfill fee per ton	×	\$36.39	×	\$36.39	
Offsetting savings, FY 2000-01	\$	—	\$	(5,641)	\$ (12,356)
<u>July 1, 2001, through June 30, 2002</u>					
Maximum required diversion percentage		25.00%	50.00%		
Actual diversion percentage	÷	30.82%	÷	37.57%	
Allocated diversion percentage <sup>2</sup>		81.12%	100.00%		
Tonnage diverted	×	(191.10)	×	(294.30)	
Statewide average landfill fee per ton	×	\$36.39	×	\$36.17	
Offsetting savings, FY 2001-02	\$	—	\$	(10,645)	\$ (16,286)
<u>July 1, 2002, through June 30, 2003</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	37.57%	÷	56.37%	
Allocated diversion percentage <sup>2</sup>		100.00%	88.70%		
Tonnage diverted	×	(294.30)	×	(482.45)	
Statewide average landfill fee per ton	×	\$36.17	×	\$36.83	
Offsetting savings, FY 2002-03	\$	—	\$	(15,761)	\$ (26,406)

## Attachment 2 (continued)

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment <sup>1</sup>
		July - December	January - June	Total	
<u>July 1, 2003, through June 30, 2004</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	56.37%	÷	53.12%	
Allocated diversion percentage		88.70%	94.13%		
Tonnage diverted	×	(482.45)	×	(244.35)	
Statewide average landfill fee per ton	×	\$36.83	×	\$38.42	
Offsetting savings, FY 2003-04	\$ —	\$ (15,761)	\$ (8,837)	\$ (24,598)	\$ (24,598)
<u>July 1, 2004, through June 30, 2005</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	53.12%	÷	93.49%	
Allocated diversion percentage		94.13%	53.48%		
Tonnage diverted	×	(244.35)	×	(3,094.75)	
Statewide average landfill fee per ton	×	\$38.42	×	\$39.00	
Offsetting savings, FY 2004-05	\$ —	\$ (8,837)	\$ (64,548)	\$ (73,385)	\$ (73,385)
<u>July 1, 2005, through June 30, 2006</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	93.49%	÷	84.79%	
Allocated diversion percentage		53.48%	58.97%		
Tonnage diverted	×	(3,094.75)	×	(3,740.55)	
Statewide average landfill fee per ton	×	\$39.00	×	\$46.00	
Offsetting savings, FY 2005-06	\$ —	\$ (64,548)	\$ (101,467)	\$ (166,015)	\$ (166,015)
<u>July 1, 2006, through June 30, 2007</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	84.79%	÷	90.36%	
Allocated diversion percentage		58.97%	55.33%		
Tonnage diverted	×	(3,740.55)	×	(10,102.55)	
Statewide average landfill fee per ton	×	\$46.00	×	\$48.00	
Offsetting savings, FY 2006-07	\$ —	\$ (101,467)	\$ (268,308)	\$ (369,775)	\$ (369,775)
<u>July 1, 2007, through June 30, 2008</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	90.36%	÷	90.36%	
Allocated diversion percentage		55.33%	55.33%		
Tonnage diverted	×	(10,102.55)	×	(10,102.55)	
Statewide average landfill fee per ton	×	\$48.00	×	\$51.00	
Offsetting savings, FY 2007-08	\$ —	\$ (268,308)	\$ (285,077)	\$ (553,385)	\$ (553,385)

## Attachment 2 (continued)

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment <sup>1</sup>
		July - December	January - June	Total	
<u>July 1, 2008, through June 30, 2009</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	90.36%	÷	90.36%	
Allocated diversion percentage		55.33%	55.33%		
Tonnage diverted	×	(10,102.55)	×	(10,102.55)	
Statewide average landfill fee per ton	×	\$51.00	×	\$55.00	
Offsetting savings, FY 2008-09	\$ —	\$ (285,077)	\$ (307,436)	\$ (592,513)	\$ (592,513)
<u>July 1, 2010, through June 30, 2011</u>					
Maximum required diversion percentage		50.00%	—		
Actual diversion percentage	÷	90.36%	÷	—	
Allocated diversion percentage		55.33%	—		
Tonnage diverted	×	(5,051.28)	×	—	
Statewide average landfill fee per ton	×	\$56.00	×	—	
Offsetting savings, FY 2010-11	\$ —	\$ (156,513)	\$ —	\$ (156,513)	\$ (156,513)
<u>Summary: July 1, 1999, through June 30, 2009; and July 1, 2010, through June 30, 2011</u>					
	\$ —	\$ (923,512)	\$ (1,074,435)	\$ (1,997,947)	\$ (1,997,947)

<sup>1</sup> See Attachment 3, Finding and Recommendation.

<sup>2</sup> San Bernardino Valley College did not achieve the maximum required diversion percentage in 2002. Therefore, 100% of the tonnage diverted is offsetting savings realized by the district.



**Attachment 3—  
Finding and Recommendation  
July 1, 1999, through June 30, 2009;  
and July 1, 2010, through June 30, 2011**

**FINDING—  
Unreported offsetting  
savings**

The district did not report any offsetting savings on its mandated cost claims for the review period. We found that the district realized savings of \$1,997,947 from implementation of its integrated waste management (IWM) plan.

We informed Tim Oliver, Interim Vice Chancellor of Fiscal Services, of the review finding via email on June 13, 2014. John Grow, Director of Facilities Planning and Construction, responded by email on June 19, 2014, stating that the district has a general understanding of the issues involved, but does not agree with the audit methodology.

The following table summarizes the unreported offsetting savings by fiscal year:

Fiscal Year	Offsetting Savings Reported	Offsetting Savings Realized	Review Adjustment
1999-2000	\$ -	\$ (6,715)	\$ (6,715)
2000-01	-	(12,356)	(12,356)
2001-02	-	(16,286)	(16,286)
2002-03	-	(26,406)	(26,406)
2003-04	-	(24,598)	(24,598)
2004-05	-	(73,385)	(73,385)
2005-06	-	(166,015)	(166,015)
2006-07	-	(369,775)	(369,775)
2007-08	-	(553,385)	(553,385)
2008-09	-	(592,513)	(592,513)
2010-11	-	(156,513)	(156,513)
<b>Total</b>	<b>\$ -</b>	<b>\$ (1,997,947)</b>	<b>\$ (1,997,947)</b>

On March 25, 2004, the Commission on State Mandates (CSM) adopted the statement of decision for the 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 a 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 plan.

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 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 purpose of offsetting recycling program costs. For the review period, the district did not remit to the State the savings realized from implementation of its IWM plan.

**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) states:

...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 multiplied the total by the avoided landfill disposal fee, as follows:

$$\begin{array}{rcc}
 & \text{Allocated Diversion \%} & \\
 & \overbrace{\hspace{1.5cm}} & \\
 \text{Offsetting} & \text{Maximum} & \text{Avoided} \\
 \text{Savings} & \text{Required} & \text{Landfill} \\
 \text{Realized} & = \frac{\text{Diversion \%}}{\text{Actual}} & \text{Disposal Fee} \\
 & \text{Diversion \%} & \text{(per Ton)} \\
 & & \text{x Tonnage x} \\
 & & \text{Diverted}
 \end{array}$$

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 calculation is presented in Attachment 2 – Summary of Offsetting Savings Calculations.

#### *Allocated Diversion Percentage*

Public Resource Code 42921 requires districts to 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 that 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, and 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, and FY 2010-11. The district did not provide any documentation to support a different diversion percentage.

#### *Tonnage Diverted*

The tonnage diverted is solid waste that the district recycled, composted, and kept out of a 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, and FY 2010-11. The district did not provide any documentation to support a different amount of diverted tonnage.

#### *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 a landfill. For each fiscal year in the review period, we used the statewide average disposal fee provided by CalRecycle. The district did not provide any documentation to support a different disposal fee.

Recommendation

The IWM Program was suspended in the FY 2011-12 through FY 2013-14 Budget Acts. Further, commencing in FY 2013-14, the district elected to participate in a block grant program, pursuant to Government Code section 17581.7, in lieu of filing annual mandated cost claims. If the program becomes active and if the district chooses to opt out of the block grant program, we recommend that the district offset all savings realized from implementation of its 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

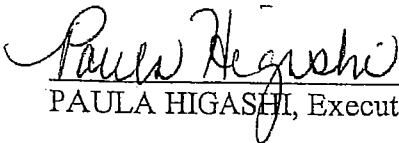
*Integrated Waste Management*

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

April 1, 2005  
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, 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.<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) & (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

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<sup>1</sup> 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, 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.) (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.

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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.<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).)

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<sup>1</sup> 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;

2006 - 2007/08

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](mailto: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](http://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.<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) & (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

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<sup>1</sup> 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, 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.) (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.

<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>	For State Controller Use Only: (19) Program Number 256 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program <b>256</b>
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L A B E L  H E R E	(01) Claimant Identification Number	<b>Reimbursement Claim Data</b>	
	(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 <span style="float: right;">Suite</span>	(24) IWM-1, (03)(B)(1)(f)	
	City <span style="float: right;">State</span> <span style="float: right;">Zip Code</span>	(25) IWM-1, (03)(B)(2)(f)	
		(26) IWM-1, (03)(B)(3)(f)	

Type of Claim	Estimated Claim	Reimbursement Claim	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f)
<b>Fiscal Year of Cost</b>	(06) <b>20__ / 20__</b>	(12) <b>__ / 20__</b>	(30) IWM-1, (03)(C)(2)(f)
<b>Total Claimed Amount</b>	(07)	(13)	(31) IWM-1, (03)(D)(f)
<b>Less: 10% Late Penalty</b>		(14)	(32) IWM-1, (03)(E)(f)
<b>Less: Prior Claim Payment Received</b>		(15)	(33) IWM-1, (03)(F)(f)
<b>Net Claimed Amount</b>		(16)	(34) IWM-1, (06)
<b>Due from State</b>	(08)	(17)	(35) IWM-1, (08)
<b>Due to State</b>		(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 <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b> <b>Certification Claim Form</b> <b>Instructions</b>	<b>FORM</b> <b>FAM-27</b>
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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 <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>					<b>FORM</b> <b>IWM-1</b>
(01) Claimant			(02) Type of Claim		Fiscal Year	
			Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>		___ / ___	
<b>Direct Costs</b>		<b>Object Accounts</b>				
(03) Reimbursable Activities		(a)	(b)	(c)	(d)	(e)
		Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel & Training
		Total				
<b>A. One-Time Activities</b>						
1.	Development of Policies and Procedures					
2.	Staff Training					
<b>B. Ongoing Activities</b>						
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					
<b>C. Alternative Compliance</b>						
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					
<b>D. Accounting System</b>						
<b>E. Annual Report</b>						
<b>F. Annual Recycled Material Reports</b>						
(04) Total Direct Costs						
<b>Indirect Costs</b>						
(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)]				
<b>Cost Reduction</b>						
(08) Less: Offsetting Savings						
(09) Less: Other Reimbursements						
(10) Total Claimed Amount		[Line (07) - (line (08) + line (09))]				

Program <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT          CLAIM SUMMARY          Instructions</b>	<b>FORM          IWM-1</b>
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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 <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>IWM-2</b>
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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

(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses			Object Accounts				
(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 <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b> 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)	
<b>Salaries</b>	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
<b>Benefits</b>	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
<b>Contract Services</b>	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
<b>Fixed Assets</b>	Description of Equipment Purchased	Unit Cost	Usage				Cost = Unit Cost x Usage		
<b>Travel and Training</b>	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](mailto: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](http://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.<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).)

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<sup>1</sup> 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.

<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>	For State Controller Use Only (19) Program Number 00256 (20) Date Filed (21) LRS Input	Program <b>256</b>
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(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 (03) Estimated (04) Combined (05) Amended	Reimbursement Claim (09) Reimbursement <input type="checkbox"/> (10) Combined <input type="checkbox"/> (11) Amended <input type="checkbox"/>	(26) FORM-1, (10)	
			(27)	
			(28)	
			(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)	

**(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 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 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.

Signature of Authorized Officer \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_

Type or Print Name \_\_\_\_\_ Title \_\_\_\_\_

(38) Name of Contact Person for Claim \_\_\_\_\_ Telephone Number \_\_\_\_\_

\_\_\_\_\_ E-mail Address \_\_\_\_\_

<b>Program</b> <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT  CERTIFICATION CLAIM FORM  INSTRUCTIONS</b>	<b>FORM  FAM-27</b>
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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 <b>256</b>	<b>MANDATED COSTS                  INTEGRATED WASTE MANAGEMENT                  CLAIM SUMMARY</b>					FORM <b>1A</b>	
(01) Claimant			(02) Type of Claim Reimbursement		Fiscal Year		
<b>Direct Costs</b>		<b>Object Accounts</b>					
(03) Reimbursable Activities		(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
<b>A. One-Time Activity</b>							
1. Develop Policies and Procedures							
2. Train District Staff on IWM Plan							
<b>B. Ongoing Activities</b>							
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							
<b>Indirect Costs</b>							
(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)]			
<b>Cost Reduction</b>							
(09) Less: Offsetting Savings							
(10) Less: Other Reimbursements							
(11) Total Claimed Amount				[Line (08) - (line (09) + line (10))]			

<b>Program</b>  <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b> <b>INSTRUCTIONS</b>	<b>FORM</b>  <b>1A</b>
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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.

<b>Program</b> <b>256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>	<b>FORM</b> <b>1B</b>					
(01) Claimant		(02) Type of Claim Reimbursement					
Fiscal Year							
<b>C. Alternative Compliance (From 01/01/2000 to 12/31/2005) Do not complete if B5 on Form 1A is claimed.</b>							
(03) Reimbursable Activities: <b>Choose either 1 or 2, as applicable.</b>							
<b>Direct Costs</b>	<b>Object Accounts</b>						
1.	<b>Alternative Requirement of Time Extension</b> {If unable to comply with 01/01/02 deadline to divert 25% of solid waste per PRCE€ 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							
<b>Direct Costs</b>	<b>Object Accounts</b>						
2.	<b>Alternative Requirement of Time Extension</b> {If unable to comply with 01/01/04 deadline to divert 25% of solid waste per PRCE€ 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							
<b>Indirect Costs</b>							
(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 <b>256</b>	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM <b>1B</b>
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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).

<b>Program</b> <b>256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>						<b>FORM</b> <b>1C</b>
(01) Claimant				(02) Type of Claim Reimbursement		Fiscal Year	
<b>Direct Costs</b>		<b>Object Accounts</b>					
(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							
<b>Indirect Costs</b>							
(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)]	



<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b> <b>INSTRUCTIONS</b>	<b>FORM</b> <b>1C</b>
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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 <b style="font-size: 24pt;">256</b>	<b>MANDATED COSTS                  INTEGRATED WASTE MANAGEMENT                  COMPONENT/ACTIVITY COST DETAIL</b>	FORM <b style="font-size: 24pt;">2A</b>
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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 <b style="text-align: center;">Electronic Claim Only</b>	(04) If filing by departments with different indirect cost rates, enter the department name below <b style="text-align: center;">Electronic Claim Only</b>
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(05) Indirect Cost Rate <b style="text-align: center;">Electronic Claim Only</b>	(06) Indirect Cost Rate Base <b style="text-align: center;">Electronic Claim Only</b>
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(07) Reimbursable Components: Check only one box per form to identify the activity being claimed.

<p><b>One-Time Activities</b></p> <p><input type="checkbox"/> Development of Policies and Procedures</p> <p><input type="checkbox"/> Train District Staff on IWM Plan</p>	<p><b>Ongoing Activities</b></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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<b>Program</b> <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL INSTRUCTIONS</b>	<b>FORM</b> <b>2A</b>
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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)	
<b>Salaries and Benefits</b>	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
	Salaries								
Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
<b>Contract Services</b>	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
<b>Fixed Assets</b>	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage		
<b>Travel and Training</b>	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	
	Travel								
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</b>	<b>MANDATED COSTS                  INTEGRATED WASTE MANAGEMENT                  COMPONENT/ACTIVITY COST DETAIL</b>	FORM <b style="font-size: 24pt;">2B</b>
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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: <b>Electronic Claim Only</b>	(04) If filing by departments with different indirect cost rates, enter the department name below: <b>Electronic Claim Only</b>
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(05) Indirect Cost Rate <b>Electronic Claim Only</b>	(06) Indirect Cost Rate Base <b>Electronic Claim Only</b>
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(07) Reimbursable Components: Check only one box per form to identify the activity being claimed.

<b>1. Alternative Requirement or Time</b> <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	<b>2. Alternative Requirement or Time Extension</b> <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
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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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<b>Program</b> <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL INSTRUCTIONS</b>	<b>FORM</b> <b>2B</b>
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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)	
<b>Salaries and Benefits</b>	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
	Salaries								
Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
<b>Contract Services</b>	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
<b>Fixed Assets</b>	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage		
<b>Travel and Training</b>	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	
	Travel								
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</b>	<b>MANDATED COSTS                  INTEGRATED WASTE MANAGEMENT                  COMPONENT/ACTIVITY COST DETAIL</b>	FORM <b style="font-size: 24pt;">2C</b>
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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 <b style="text-align: center;">Electronic Claim Only</b>	(04) If filing by departments with different indirect cost rates, enter the department name below <b style="text-align: center;">Electronic Claim Only</b>
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(05) Indirect Cost Rate <b style="text-align: center;">Electronic Claim Only</b>	(06) Indirect Cost Rate Base <b style="text-align: center;">Electronic Claim Only</b>
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(07) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<b>D. Accounting System</b>  <input type="checkbox"/> Develop, Implement & Maintain System	<b>E. Annual Report of Progress</b>  <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
<b>F. Annual Recycled Material Reports</b>  <input type="checkbox"/> Annual Report 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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<b>Program</b> <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL INSTRUCTIONS</b>	<b>FORM</b> <b>2C</b>
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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)		
<b>Salaries and Benefits</b>	Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
	Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used					
<b>Contract Services</b>	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
<b>Fixed Assets</b>	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage			
<b>Travel and Training</b>	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.





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

REVISED SEPTEMBER 12, 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 (Commission).

On March 25, 2004, the Commission 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 (CCD) 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 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.

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. Initial claims and the first actual claims for this program must be filed with the SCO and be

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delivered or postmarked on or before **March 31, 2009**. Actual reimbursement claims for fiscal year 2008-09 must be delivered or postmarked on or before **February 16, 2010**.

## **B. Late Penalty**

### **1. Initial Claims**

Late initial claims are assessed a late penalty of 10% of the total amount of the initial claims without limitation.

### **2. Annual Reimbursement Claims**

Late annual reimbursement claims are assessed a late penalty of 10% of the claim amount; \$10,000 maximum penalty.

## **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**

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 Commission. 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 thirty 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 CCD for this mandate is subject to the initiation of an audit by the 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 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 will 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 the SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documentation must be kept on hand by the claimant and made available to the SCO upon request.

### **Retention of Claiming Instructions**

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 last amended regardless of the year of costs incurred. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to the SCO on request.

Questions, or requests for hard copies of these instructions, should be faxed to LRSDAR at (916) 323-6527 or e-mailed to [LRSDAR@sco.ca.gov](mailto:LRSDAR@sco.ca.gov) or you may call the Local Reimbursements Section at (916) 324-5729. Future mandated costs claiming instructions and forms can be found on the Internet at [www.sco.ca.gov/ard\\_mancost.html](http://www.sco.ca.gov/ard_mancost.html).

### **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. **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 700  
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.<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).)

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<sup>1</sup> 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.

<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>	<b>For State Controller Use Only</b> (19) Program Number 00256 (20) Date Filed (21) LRS Input	<b>PROGRAM</b>  <b>256</b>
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(01) Claimant Identification Number		<b>Reimbursement Claim Data</b>	
(02) Claimant Name		(22) FORM-1, (03)	
County of Location		(23) FORM-1, (04)(A)(1)(f)	
Street Address of P.O. Box		Suite	
		(24) FORM-1, (04)(A)(2)(f)	
City		State	
		Zip Code	
		(25) FORM-1, (04)(B)(1)(f)	
		<b>Type of Claim</b>	
(03)	(09) Reimbursement <input type="checkbox"/>	(26) FORM-1, (04)(B)(2)(f)	
(04)	(10) Combined <input type="checkbox"/>	(27) FORM-1, (04)(B)(3)(f)	
(05)	(11) Amended <input type="checkbox"/>	(28) FORM-1, (04)(B)(4)(f)	
		(29) FORM-1, (04)(B)(5)(f)	
(06)	(12)	(30) FORM-1, (06)	
(07)	(13)	(31) FORM-1, (09)	
Fiscal Year of Cost		(14)	(32) FORM-1, (10)
Total Claimed Amount		(15)	(33) FORM-1, (11)
Less: 10% Late Penalty (refer to attached Instructions)		(16)	(34)
Less: Prior Claim Payment Received		(17)	(35)
Net Claimed Amount		(18)	(36)
Due from State			
Due to State			

**(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 Article 4, Chapter 1 of Division 4 of Title 1 Government Code.

I further certify that there was no application other than from the claimant, nor any grants or payments 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 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 amount for this reimbursement is 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.

Signature of Authorized Officer

Date Signed \_\_\_\_\_

Telephone Number \_\_\_\_\_

E-Mail Address \_\_\_\_\_

Type or Print Name and Title of Authorized Signatory

(38) Name of Agency Contact Person for Claim

Telephone Number \_\_\_\_\_

E-mail Address \_\_\_\_\_

Name of Consulting Firm / Claim Preparer

Telephone Number \_\_\_\_\_

E-mail Address \_\_\_\_\_

<b>PROGRAM</b> <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b> <b>Certification Claim Form</b> <b>Instructions for Form FAM-27</b>	<b>FORM</b> <b>FAM-27</b>
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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) to (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 as shown in the attached Form-1 line (12). 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 must be reduced by a late penalty. Enter zero if the claim was timely filed. Otherwise, enter the penalty amount as a result of the calculation formula as follows:
- Late Initial Claims: FAM-27 line(13) multiplied by 10%, without limitation; or
  - Late Annual Reimbursement Claims: FAM-27, line (13) multiplied by 10%, late penalty not to exceed \$10,000.
- (15) Enter the amount of payment, if any, received for the claim. If no payment was received, enter zero.
- (16) Enter the net claimed amount by subtracting the sum of lines (14) and (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)(A)(1)(f), means the information is located on form Form-1, line (04)(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 of Certification of Claim. The claim must be dated, signed by the agency's authorized officer, and must type or print name, title, telephone number and email address. **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 agency contact person for the claim. If claim is prepared by external consultant, type or print the name of the consulting firm, telephone number, and e-mail address.

**SUBMIT A SIGNED ORIGINAL, AND A COPY OF FORM FAM-27, WITH ALL OTHER FORMS 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 700  
Sacramento, CA 95816



<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>1A</b>				
(01) Claimant	(02)	Fiscal Year 20__20__				
<b>Claim Statistics</b>						
(03) Leave blank						
<b>Direct Costs</b>	<b>Object Accounts</b>					
(04) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
<b>A. One-Time Activity</b>						
1. Develop Policies and Procedures						
2. Train District Staff on IWM Plan						
<b>B. Ongoing Activities</b>						
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 (Form 1B cannot be used if this activity is claimed)						
(05) Total Direct Costs						
<b>Indirect Costs</b>						
(06) Indirect Cost Rate	[Federally Approved OMB A-21, FAM-29C, or 7%]					%
(07) Total Indirect Costs	[Line (05)(a) x line (06)]					
(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)]					
<b>Cost Reduction</b>						
(10) Less: Offsetting Savings						
(11) Less: Other Reimbursements						
(12) Total Claimed Amount	[Line (09) - (line (10) + line (11))]					

<b>Program</b>  <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b>  <b>CLAIM SUMMARY</b>  <b>Instructions</b>	<b>FORM</b>  <b>1A</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (03) Claim Statistics. Leave blank.
- (04) Reimbursable Activities. For each reimbursable activity, enter the totals from form Form-2, line (05), columns (d) through (h), to form Form-1, block (04), 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.**
- (05) Total Direct Costs. Total columns (a) through (f).
- (06) Indirect Cost Rate. Community college districts may use the federally approved OMBA-21 rate, the rate computed using form FAM 29C, or a 7% indirect cost rate, for the fiscal year of costs.
- (07) Total Indirect Costs. Enter the result of multiplying the Indirect Cost Rate, line (06), by the Total Salaries and Benefits, line (05)(a).
- (08) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (05)(f), and Total Indirect Costs, line (07).
- (09) Enter the sum total of Forms 1A, 1B and 1C here.
- (10) Less: Offsetting Savings. If applicable, enter the total savings realized 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.
- (11) 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.
- (12) Total Claimed Amount. From Total Direct and Indirect Costs, line (09), subtract the sum of Offsetting Savings, line (10), and Other Reimbursements, line (11). Enter the remainder on this line and carry the amount forward to form FAM-27, line (13) for the Reimbursement Claim.

Program  <b>256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>	<b>FORM 1B</b>
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(01) Claimant	(02)	Fiscal Year  20__/20__
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**C. Alternative Compliance (From 01/01/00 to 12/31/05) Do not complete if B5 on Form 1A is claimed.**

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

Direct Costs	Object Accounts					
<b>1. Alternative Requirement or Time Extension</b> (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					
<b>2. Alternative Requirement or Time Extension</b> (If unable to comply with 01/01/04 deadline to divert 50% 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						

<b>Indirect Costs</b>		
(05) Indirect Cost Rate	[From FAM-29C, OMB-A-21, or 7%]	%
(06) Total Indirect Costs	[Line (04)(a) x line (05)]	
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]	[Forward total to Form-1A, line (08)]

Program <b>256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>	<b>FORM 1B</b>
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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 2, line (05), columns (d) through (h) to form 1, block (04), columns (a) through (e) in the appropriate row. Total each row.
- (04) Total Direct Costs. Total columns (a) through (f).
- (05) Indirect Cost Rate. Community colleges have three options: (1) Use the indirect cost rate from the Office of Management and Budget Circular A-21, "Cost Principles of Educational Institutions"; (2) the rate from SCO's FAM-29C; or (3) use 7% rate.
- (06) Total Indirect Costs. Enter the product of multiplying Total Salaries and Benefits, line (04)(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).

<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>1C</b>				
(01) Claimant	(02) Fiscal Year	20__20__				
<b>Direct Costs</b>	<b>Object Accounts</b>					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
<b>D. Accounting System</b>	<b>Reimbursement begins January 1, 2000</b>					
1. Develop, Implement & Maintain System						
<b>E. Annual Report of Progress</b>	<b>Reimbursement begins January 1, 2000</b>					
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						
<b>F. Annual Recycled Material Reports</b>	<b>Reimbursement begins July 1, 1999</b>					
1. Annual Report to the Board						
(04) Total Direct Costs						
<b>Indirect Costs</b>						
(05) Indirect Cost Rate	[Federally Approved OMB A-21, FAM-29C, or 7%]					%
(06) Total Indirect Costs	[Line (04)(a) x line (05)]					
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)] [Forward total to Form-1A, line (08)]					

<b>Program</b> <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b> <b>Instructions</b>	<b>FORM</b> <b>1C</b>
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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-2, line (05), columns (d) through (h), to form Form-1, block (04), 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) Indirect Cost Rate. Community college districts may use the federally approved OMBA-21 rate, the rate computed using form FAM 29C, or a 7% indirect cost rate, for the fiscal year of costs.
- (06) Total Indirect Costs. Enter the result of multiplying the Indirect Cost Rate, line (05), by the Total Salaries and Benefits, line (04)(a).
- (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 <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>2A</b>
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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.

<p><b>A. One-Time Activity</b></p> <p><input type="checkbox"/> Develop Policies and Procedures</p> <p><input type="checkbox"/> Train District Staff on IWM Plan</p>	<p><b>B. Ongoing Activities</b></p> <p><input type="checkbox"/> Complete and Submit 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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(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 ___							

<b>Program</b>  <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b>  <b>ACTIVITY COST DETAIL</b>  Instructions	<b>FORM</b>  <b>2A</b>
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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 activity being claimed. Check only one box per form. A separate Form 2 must 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 will be from the date of initial payment of the claim. Such documents must be made available to the SCO on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
<b>Salaries and Benefits</b>	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
<b>Contract Services</b>	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
<b>Fixed Assets</b>	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage		
<b>Travel and Training</b>	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate	Days Miles					Total Travel Cost = Rate x Days or Miles	
Travel		Mileage Rate Travel Cost	Travel Mode						
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-1A, block (04), columns (a) through (e) in the appropriate row.



Program  <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	<b>FORM</b>  <b>2B</b>
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(01) Claimant	(02) Fiscal Year
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(03) Reimbursable Activities: **Choose either 1. or 2.** Check only one box per form to identify the activity being claimed.

<b>1. Alternative Requirement or Time Extension</b>  <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	<b>2. Alternative Requirement or Time Extension</b>  <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
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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
(05) Total <input type="checkbox"/>	Subtotal <input type="checkbox"/>	Page: ___ of ___					

Program  <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b> Instructions	<b>FORM</b>  <b>2B</b>
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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 activity being claimed. Check only one box per form. A separate Form 2 must 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 will be from the date of initial payment of the claim. Such documents must be made available to the SCO on request.

Object/ Sub-object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
<b>Salaries and Benefits</b>  Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
	Benefits	Activities Performed	Benefit Rate	Benefits = Benefit Rate x Salaries					
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
<b>Contract Services</b>	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
<b>Fixed Assets</b>	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage		
<b>Travel and Training</b>  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	

- (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-1B, block (04), columns (a) through (e) in the appropriate row.

Program  <b style="font-size: 24pt;">256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	<b>FORM</b>  <b style="font-size: 24pt;">2C</b>
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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.

<p><b>D. Accounting System</b></p> <p><input type="checkbox"/> Develop, Implement &amp; Maintain System</p> <p><b>F. Annual Recycled Material Reports</b></p> <p><input type="checkbox"/> Annual Report to the Board</p>	<p><b>E. Annual Report of Progress</b></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>
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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

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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Program  <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b>  <b>ACTIVITY COST DETAIL</b>  Instructions	<b>FORM</b>  <b>2C</b>
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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 activity being claimed. Check only one box per form. A separate Form 2 must 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 will be from the date of initial payment of the claim. Such documents must be made available to the SCO on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)		
<b>Salaries and Benefits</b>	Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
	Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used					
<b>Contract Services</b>	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
<b>Fixed Assets</b>	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage			
<b>Travel and Training</b>	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	

- (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-1C, block (04), columns (a) through (e) in the appropriate row.



CS/NO

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

DECEMBER 1, 2008

REVISED OCTOBER 14, 2010

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 (Commission).

On March 25, 2004, the Commission determined 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.

**Requirements, Limitations, and Exceptions**

There will be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

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.

**Eligible Claimants**

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

**Filing Deadlines**

**A. Reimbursement Claims**

An actual claim may be filed by February 15 following the fiscal year in which costs were incurred. Claims for fiscal year 2009-10 will be accepted without penalty if postmarked or delivered on before **February 15, 2011**. **Claims filed more than one year after the deadline will not be accepted.**

## **B. Late Penalty**

### **1. Initial Claims**

Late initial claims are assessed a late penalty of 10% of the total amount of the initial claims without limitation.

### **2. Annual Reimbursement Claims**

Annual 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.

Late annual reimbursement claims are assessed a late penalty of 10% of the claim amount; \$10,000 maximum penalty.

### **Minimum Claim Cost**

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.

### **Reimbursement of Claims**

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 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 (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.

### **Audit of Costs**

All claims submitted to the SCO are subject to review to determine if costs are related to the mandate, are reasonable and not excessive, and if 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 activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within thirty 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 CCD for this mandate is subject to the initiation of an audit by the 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 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.

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.

#### **Retention of Claim Documentation**

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 last amended regardless of the year of costs incurred. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to the SCO on request.

#### **Address for Filing Claims**

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 700  
Sacramento, CA 95816

Mandated costs claiming instructions and forms are available online at the SCO's Web site: [www.sco.ca.gov/ard\\_mancost.html](http://www.sco.ca.gov/ard_mancost.html). If you have questions, call the Local Reimbursements Section at (916) 624-5729 or email [LRSDAR@sco.ca.gov](mailto:LRSDAR@sco.ca.gov).



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.<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).)

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<sup>1</sup> 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.

<b>INTEGRATED WASTE MANAGEMENT CLAIM FOR PAYMENT</b>		<b>For State Controller Use Only</b> (19) Program Number 00256 (20) Date Filed (21) LRS Input	<b>PROGRAM 256</b>
(01) Claimant Identification Number		<b>Reimbursement Claim Data</b>	
(02) Claimant Name		(22) FORM-1, (03)	
County of Location		(23) FORM-1, (04) A. 1. (f)	
Street Address of P.O. Box		Suite	
		(24) FORM-1, (04) A. 2. (f)	
City		State	
		Zip Code	
		(25) FORM-1, (04) B. 1. (f)	
		<b>Type of Claim</b>	
		(26) FORM-1, (04) B. 2. (f)	
		(27) FORM-1, (04) B. 3. (f)	
		(28) FORM-1, (04) B. 4. (f)	
		(29) FORM-1, (04) B. 5. (f)	
<b>Fiscal Year of Cost</b>		(12)	
		(30) FORM-1, (06)	
<b>Total Claimed Amount</b>		(13)	
		(31) FORM-1, (09)	
Less: <b>10% Late Penalty</b> (refer to attached Instructions)		(14)	
		(32) FORM-1, (10)	
Less: <b>Prior Claim Payment Received</b>		(15)	
		(33) FORM-1, (11)	
<b>Net Claimed Amount</b>		(16)	
		(34)	
<b>Due from State</b>		(17)	
		(35)	
<b>Due to State</b>		(18)	
		(36)	
<b>(37) CERTIFICATION OF CLAIM</b>			
<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 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments 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 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 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			
_____		Date Signed _____	
_____		Telephone Number _____	
_____		E-Mail Address _____	
Type or Print Name and Title of Authorized Signatory			
_____		Telephone Number _____	
_____		E-mail Address _____	
<b>(38) Name of Agency Contact Person for Claim</b>			
_____		Telephone Number _____	
_____		E-mail Address _____	
<b>Name of Consulting Firm / Claim Preparer</b>			
_____		Telephone Number _____	
_____		E-mail Address _____	

<b>Program</b> <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM FOR PAYMENT</b> <b>INSTRUCTIONS</b>	<b>FORM</b> <b>FAM-27</b>
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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) to (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 as shown in the attached Form-1 line (11). The total claimed amount must exceed \$1,000.
- (14) Initial claims must be filed as specified in the claiming instructions. Annual reimbursement claims must be filed by **February 15** of the following fiscal year in which costs were incurred or the claims must be reduced by a late penalty. Enter zero if the claim was timely filed. Otherwise, enter the penalty amount as a result of the calculation formula as follows:
  - Late Initial Claims: FAM-27 line(13) multiplied by 10%, without limitation; or
  - Late Annual Reimbursement Claims: FAM-27, line (13) multiplied by 10%, late penalty not to exceed \$10,000.
- (15) Enter the amount of payment, if any, received for the claim. If no payment was received, enter zero.
- (16) Enter the net claimed amount by subtracting the sum of lines (14) and (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) A. 1. (f), means the information is located on Form-1, line (04) 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 of Certification of Claim. The claim must be dated, signed by the agency's authorized officer, and must type or print name, title, telephone number and email address. **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 agency contact person for the claim. If claim is prepared by external consultant, type or print the name of the consulting firm, telephone number, and e-mail address.

**SUBMIT A SIGNED ORIGINAL, AND A COPY OF FORM FAM-27, WITH ALL OTHER FORMS 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 700**  
**Sacramento, CA 95816**

<b>Program 256</b>	<b>INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>	<b>FORM 1A</b>
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(01) Claimant	(02)	Fiscal Year 20__20__
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**Claim Statistics**

(03) Leave blank

Direct Costs	Object Accounts					
	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
(04) Reimbursable Activities						
<b>A. One-Time Activity</b>						
1. Develop Policies and Procedures						
2. Train District Staff on IWM Plan						
<b>B. Ongoing Activities</b>						
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 (Form 1B cannot be used if this activity is claimed)						
(05) Total Direct Costs						

**Indirect Costs**

(06) Indirect Cost Rate	[Federally Approved OMB A-21, FAM-29C, or 7%]	%
(07) Total Indirect Costs	[Line (05)(a) x line (06)]	
(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 Savings		
(11) Less: Other Reimbursements		
(12) Total Claimed Amount	[Line (09) - {line (10) + line (11)}]	

<b>Program</b> <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b> <b>INSTRUCTIONS</b>	<b>FORM</b> <b>1A</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (03) Claim Statistics. Leave blank.
- (04) Reimbursable Activities. For each reimbursable activity, enter the totals from form Form-2, line (05), columns (d) through (h), to form Form-1, block (04), 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.**
- (05) Total Direct Costs. Total columns (a) through (f).
- (06) Indirect Cost Rate. Community college districts may use the federally approved OMBA-21 rate, the rate computed using form FAM 29C, or a 7% indirect cost rate, for the fiscal year of costs.
- (07) Total Indirect Costs. Enter the result of multiplying the Indirect Cost Rate, line (06), by the Total Salaries and Benefits, line (05)(a).
- (08) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (05)(f), and Total Indirect Costs, line (07).
- (09) Enter the sum total of Forms 1A, 1B and 1C here.
- (10) Less: Offsetting Savings. If applicable, enter the total savings realized 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.
- (11) 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.
- (12) Total Claimed Amount. From Total Direct and Indirect Costs, line (09), subtract the sum of Offsetting Savings, line (10), and Other Reimbursements, line (11). Enter the remainder on this line and carry the amount forward to form FAM-27, line (13) for the Reimbursement Claim.

<b>Program 256</b>	<b>INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>	<b>FORM 1B</b>
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(01) Claimant	(02) Fiscal Year  20__/20__
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**C. Alternative Compliance (From 01/01/00 to 12/31/05) 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 or 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 or Time Extension {If unable to comply with 01/01/04 deadline to divert 50% 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	[From FAM-29C, OMB-A-21, or 7%]	%
(06)	Total Indirect Costs	[Line (04)(a) x line (05)]	
(07)	Total Direct and Indirect Costs	[Line (04)(f) + line (06)]	[Forward total to Form-1A, line (08)]



<b>Program</b> <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b> <b>INSTRUCTIONS</b>	<b>FORM</b> <b>1B</b>
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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 2, line (05), columns (d) through (h) to form 1, block (04), columns (a) through (e) in the appropriate row. Total each row.
- (04) Total Direct Costs. Total columns (a) through (f).
- (05) Indirect Cost Rate. Community colleges have three options: (1) Use the indirect cost rate from the Office of Management and Budget Circular A-21, "Cost Principles of Educational Institutions"; (2) the rate from SCO's FAM-29C; or (3) use 7% rate.
- (06) Total Indirect Costs. Enter the product of multiplying Total Salaries and Benefits, line (04)(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).

<b>Program 256</b>	<b>INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>	<b>FORM 1C</b>				
(01) Claimant	(02) Fiscal Year  20__20__					
<b>Direct Costs</b>	<b>Object Accounts</b>					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
<b>D. Accounting System</b>	<b>Reimbursement begins January 1, 2000</b>					
1. Develop, Implement & Maintain System						
<b>E. Annual Report of Progress</b>	<b>Reimbursement begins January 1, 2000</b>					
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						
<b>F. Annual Recycled Material Reports</b>	<b>Reimbursement begins July 1, 1999</b>					
1. Annual Report to the Board						
(04) Total Direct Costs						
<b>Indirect Costs</b>						
(05) Indirect Cost Rate	[Federally Approved OMB A-21, FAM-29C, or 7%]					%
(06) Total Indirect Costs	[Line (04)(a) x line (05)]					
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)] [Forward total to Form-1A, line (08)]					

<b>Program</b> <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b> <b>INSTRUCTIONS</b>	<b>FORM</b> <b>1C</b>
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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-2, line (05), columns (d) through (h), to form Form-1, block (04), 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) Indirect Cost Rate. Community college districts may use the federally approved OMBA-21 rate, the rate computed using form FAM 29C, or a 7% indirect cost rate, for the fiscal year of costs.
- (06) Total Indirect Costs. Enter the result of multiplying the Indirect Cost Rate, line (05), by the Total Salaries and Benefits, line (04)(a).
- (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).

<b>Program 256</b>	<b>INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	<b>FORM 2A</b>
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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.

<b>A. One-Time Activity</b>	<b>B. Ongoing Activities</b>
<input type="checkbox"/> Develop Policies and Procedures	<input type="checkbox"/> Complete and Submit IWM Plan to Board
<input type="checkbox"/> Train District Staff on IWM Plan	<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 type="checkbox"/> Divert Solid Waste/Maintain Required Level

<b>(04) Description of Expenses</b>	<b>Object Accounts</b>
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(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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<b>Program 256</b>	<b>INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL INSTRUCTIONS</b>	<b>FORM 2A</b>
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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 activity being claimed. Check only one box per form. A separate Form 2 must 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 will be from the date of initial payment of the claim. Such documents must be made available to the SCO on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)		
<b>Salaries and Benefits</b>	Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
	Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used					
<b>Contract Services</b>	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
<b>Fixed Assets</b>	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage			
<b>Travel and Training</b>	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	

- (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-1A, block (04), columns (a) through (e) in the appropriate row.

<b>Program 256</b>	<b>INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	<b>FORM 2B</b>
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(01) Claimant	(02) Fiscal Year
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(03) Reimbursable Activities: **Choose either 1. or 2.** Check only one box per form to identify the activity being claimed.

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

(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 ___							

<b>Program 256</b>	<b>INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL INSTRUCTIONS</b>	<b>FORM 2B</b>
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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 activity being claimed. Check only one box per form. A separate Form 2 must 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 will be from the date of initial payment of the claim. Such documents must be made available to the SCO on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
<b>Salaries and Benefits</b>									
Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
<b>Contract Services</b>	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
<b>Fixed Assets</b>	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage		
<b>Travel and Training</b>									
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	

- (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-1B, block (04), columns (a) through (e) in the appropriate row.

<b>Program 256</b>	<b>INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	<b>FORM 2C</b>
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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.

<b>D. Accounting System</b>	<b>E. Annual Report of Progress</b>
<input type="checkbox"/> Develop, Implement & Maintain System	<input type="checkbox"/> Calculations of Annual Disposal Reduction
<b>F. Annual Recycled Material Reports</b>	<input type="checkbox"/> Information on the Changes
<input type="checkbox"/> Annual Report to the Board	<input type="checkbox"/> Summary of Progress Made in the 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

<b>(04) Description of Expenses</b>	<b>Object Accounts</b>
-------------------------------------	------------------------

(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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<b>Program</b> <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b> <b>INSTRUCTIONS</b>	<b>FORM</b> <b>2C</b>
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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 activity being claimed. Check only one box per form. A separate Form 2 must 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 will be from the date of initial payment of the claim. Such documents must be made available to the SCO on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)		
<b>Salaries and Benefits</b>	Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
	Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used					
<b>Contract Services</b>	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
<b>Fixed Assets</b>	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage			
<b>Travel and Training</b>	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	

- (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-1A, block (04), 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 %	<b>Formula:</b> $[(EAS \times (1 + FBR)) \div APH] = PHR$  $[(\$26,000 \times (1.3115)) \div 1,800] = \$18.94$
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	
<b>Total</b>	<b>31.15 %</b>	
<b>Description:</b>		
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	5.25%
Insurance	0.75%
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			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	
<b>Totals</b>		<b>\$100,687,011</b>	<b>\$ (1,466,612)</b>	<b>\$ 99,220,399</b>	<b>\$26,752,087</b>	<b>\$ 76,795,449</b>
<b>Indirect Cost Rate (A)/(B)</b>					<b>(A)</b>	<b>(B)</b>
						34.84%

## 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](http://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](mailto: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**

<b>Formula:</b> $[(EAS + Benefits) \div APH] = PHR$ $[(\$26,000 + \$8,099)] \div 1,800 \text{ hrs} = 18.94$	<b>Description:</b> 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**

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

<b>Supplies</b>	<b>Cost Per Unit</b>	<b>Amount of Supplies Used Per Activity</b>	<b>Unit Cost of Supplies Per Activity</b>
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**

<b>Supplies</b>	<b>Supplies Used</b>	<b>Unit Cost of Supplies Per Activity</b>
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	
<b>Totals</b>		<b>\$100,687,011</b>	<b>\$ (1,466,612)</b>	<b>\$ 99,220,399</b>	<b>\$26,752,087</b>	<b>\$ 76,795,449</b>
<b>Indirect Cost Rate (A)/(B)</b>					<b>(A)</b>	<b>(B)</b>
					34.84%	

## 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](http://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](mailto: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](mailto: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 15<sup>th</sup> 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 15<sup>th</sup> falls on a weekend in 2009, claims will be accepted without penalty if postmarked or delivered on before February 17<sup>th</sup>, 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 15<sup>th</sup>, 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 30<sup>th</sup> 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 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 30<sup>th</sup>. 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:

- 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**

<b>Example:</b>		
<b>Step 1: Fringe Benefits as a Percent of Salary</b>		<b>Step 2: Productive Hourly Rate</b>
Retirement	15.00 %	<b>Formula:</b> [(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
<b>Total</b>	<b>31.15 %</b>	
<b>Description:</b>		
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 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	<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 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		
<b>Totals</b>		<b>\$86,819,928</b>	<b>\$ 18,201,861</b>	<b>\$28,596,656</b>	<b>\$68,181,443</b>	
<b>Indirect Cost Rate (A)/(B)</b>				<b>(A)</b>	<b>(B)</b>	
				<b>41.94%</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](http://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 [Irsdar@sco.ca.gov](mailto:Irsdar@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](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](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](mailto: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 15<sup>th</sup> 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 15<sup>th</sup>, 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 30<sup>th</sup>. 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**

<b>Formula:</b> $[(EAS + Benefits) \div APH] = PHR$ $[(\$26,000 + \$8,099) \div 1,800 \text{ hrs} = 18.94$	<b>Description:</b> 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**

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

(1) Claimant	MANDATED COST				FORM FAM 29-C
	INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS	Salaries and Benefits per CCFs-311	Operating Expenses per CCFs-311	Indirect-Salaries Benefits, and Operating Expenses	
Activity	EDP	\$	\$	\$	\$
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	8,384,497	5,511,511
Operation and Maintenance of Plant	6500	5,192,099	3,192,398		
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	
<b>Totals</b>		<b>\$ 86,819,928</b>	<b>\$ 18,201,861</b>	<b>\$ 28,596,656</b>	<b>\$ 68,181,443</b>
<b>Indirect Cost Rate (A)/(B)</b>				<b>(A)</b>	<b>(B)</b>
				<b>41.94%</b>	

## 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](http://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](mailto: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](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](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](mailto: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 15<sup>th</sup> following the fiscal year in which costs were incurred for the program.

Annual ongoing reimbursement claims must be filed by February 15<sup>th</sup> 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 15<sup>th</sup>, 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 15<sup>th</sup>, 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 30<sup>th</sup>. 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**

<b>Formula:</b>	<b>Description:</b>
$[(EAS + Benefits) \div APH] = PHR$	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**

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

<b>Supplies</b>	<b>Cost Per Unit</b>	<b>Amount of Supplies Used Per Activity</b>	<b>Unit Cost of Supplies Per Activity</b>
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**

<b>Supplies</b>	<b>Supplies Used</b>	<b>Unit Cost of Supplies Per Activity</b>
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

(1) Claimant	MANDATED COST				FORM FAM 29-C
	INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS	Salaries and Benefits per CCFS-311	Operating Expenses per CCFS-311	Indirect-Salaries Benefits, and Operating Expenses	
Activity	EDP	\$	\$	\$	\$
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	
<b>Totals</b>		<b>\$ 86,819,928</b>	<b>\$ 18,201,861</b>	<b>\$ 27,922,129</b>	<b>\$ 68,627,650</b>
<b>Indirect Cost Rate (A)/(B)</b>				<b>(A)</b>	<b>(B)</b>
					<b>40.69%</b>



## 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](http://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](mailto: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](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](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](mailto: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 15<sup>th</sup> 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 15<sup>th</sup>, 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 30<sup>th</sup>. 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:

- 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.

- 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:		
<b>Step 1: Benefits as a Percent of Salary</b>		<b>Step 2: Productive Hourly Rate</b>
Retirement	15.00 %	<b>Formula:</b> $[(EAS \times (1 + BR)) \div APH] = PHR$
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	$[(\$26,000 \times (1.3115)) \div 1,800] = \$18.94$
<b>Total</b>	<b>31.15 %</b>	
<b>Description:</b>		
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**

<b>Supplies</b>	<b>Cost Per Unit</b>	<b>Amount of Supplies Used Per Activity</b>	<b>Unit Cost of Supplies Per Activity</b>
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**

<b>Supplies</b>	<b>Supplies Used</b>	<b>Unit Cost of Supplies Per Activity</b>
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

(1) Claimant	MANDATED COST				FORM FAM 29-C
	INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS				
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	
<b>Totals</b>		<b>\$ 86,819,928</b>	<b>\$ 18,201,861</b>	<b>\$ 27,922,129</b>	<b>\$ 68,627,650</b>
<b>Indirect Cost Rate (A)/(B)</b>				<b>(A)</b>	<b>(B)</b>
				<b>40.69%</b>	

## 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**

	<b>Program Costs</b>	<b>Actual Local Assistance Revenues</b>	<b>State Mandated Costs</b>	<b>Offset Against State Mandated Claims</b>	<b>Claimable Mandated Costs</b>
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](http://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](mailto: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](http://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](mailto: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.

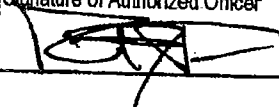
All documents used to support the reimbursable activities must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to the SCO on request.







*late*

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT			For State Controller Use Only	Program	
			(19) Program Number 00256	256	
			(20) Date Filed <b>SEP 18 2006</b>		
			(21) LRS Input		
(01) Claimant Identification Number: CC 36150			Reimbursement Claim Data		
L A B E L  H E R E	(02) Claimant Name San Bernardino Community College District		(22) IWM-1, (03)(A)(1)(f)	0	
	County of Location San Bernardino		(23) IWM-1, (03)(A)(2)(f)	0	
	Street Address 114 S Del Rosa Drive		(24) IWM-1, (03)(B)(1)(f)	0	
	City San Bernardino	State CA	Zip Code 92408	(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)	11,613
		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f)	0
	Fiscal Year of Cost	(06)	(12)	(30) IWM-1, (03)(C)(2)(f)	0
			<b>1999-2000</b>		
Total Claimed Amount	(07)	(13)	(31) IWM-1, (03)(D)(f)	0	
		\$ 16,905			
Less: 10% Late Penalty		(14)	(32) IWM-1, (03)(E)(f)	0	
		\$ 1,691			
Less: Prior Claim Payment Received		(15)	(33) IWM-1, (03)(F)(f)	0	
		\$ -			
Net Claimed Amount		(16)	(34) IWM-1, (06)	5,292	
		\$ 15,214			
Due from State	(08)	(17)	(35) IWM-1, (08)	0	
		\$ 15,214			
Due to State		(18)	(36) IWM-1, (09)	0	
<b>(37) CERTIFICATION OF CLAIM</b>					
<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		
			9/18/06		
Robert Temple			Vice Chancellor, Fiscal Services		
Types 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		

<b>Program:</b> <b>256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>	<b>FORM IWM-1</b>
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(01) Claimant: San Bernardino Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 1999-2000
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Direct Costs	Object Accounts
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	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
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<b>A. One-Time Activities</b>						
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1 Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<b>B. Ongoing Activities</b>						
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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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 Diversion and Maintenance of Approved Level of Reduction	\$ 11,613.28	\$ -	\$ -	\$ -	\$ -	\$ 11,613.28

<b>C. Alternative Compliance</b>						
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1 Alternative Requirements of Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Alternative Requirements of Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<b>D. Accounting System</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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<b>E. Annual Report</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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<b>F. Annual Recycled Material Reports</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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(04) Total Direct Costs	\$ 11,613.28	\$ -	\$ -	\$ -	\$ -	\$ 11,613.28
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<b>Indirect Costs</b>						
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(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]					45.57%
(06) Total Indirect Costs	[Line (05) x line (04)(a)]					\$ 5,292.17
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]					\$ 16,905.45

<b>Cost Reduction</b>						
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(08) Less: Offsetting Savings						\$ -
(09) Less: Other Reimbursements						\$ -
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]					\$ 16,905.45

Program <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	FORM <b>IWM-2</b>
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(01) Claimant San Bernardino 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 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 Sanford, Ervin      Custodian	\$19.92	126.0	\$ 2,509.92				
Bryson, Richard      Custodian	\$19.92	48.0	\$ 958.16				
Diverting solid waste from landfill disposal or transformation facilities - composting Briseno, Humberto      Grounds Caretaker	\$21.44	171.0	\$ 3,666.24				
Kirchart, Richard      Grounds Caretaker	\$21.44	209.0	\$ 4,480.96				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 11,613.28	\$ -	\$ -	\$ -	\$ -
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*Late*

<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT		(19) Program Number 00256 (20) Date Filed <b>SEP 18 2002</b> (21) LRS Input <u>  /  /  </u>	<b>Program</b> <b>00256</b>
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LABEL HERE	(01) Claimant Identification Number: CC 36150		Reimbursement Claim Data		
	(02) Claimant Name: San Bernardino Community College District		(22) IWM-1, (03)(A)(1)(f)	0	
	County of Location: San Bernardino		(23) IWM-1, (03)(A)(2)(f)	0	
	Street Address: 114 S Del Rosa Drive		(24) IWM-1, (03)(B)(1)(f)	0	
	City: San Bernardino	State: CA	Zip Code: 92408	(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)	26,314
		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f)	0
	Fiscal Year of Cost	(06)	(12) 2000-2001	(30) IWM-1, (03)(C)(2)(f)	0
Total Claimed Amount	(07)	(13) \$ 39,966	(31) IWM-1, (03)(D)(f)	0	
Less: 10% Late Penalty		(14) \$ 3,997	(32) IWM-1, (03)(E)(f)	0	
Less: Prior Claim Payment Received		(15) \$ -	(33) IWM-1, (03)(F)(f)	0	
Net Claimed Amount		(16) \$ 35,969	(34) IWM-1, (06)	13,652	
Due from State	(08)	(17) \$ 35,969	(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)

*[Handwritten Signature]*

Robert Temple

Type or Print Name

Date

9/18/02

Vice Chancellor, Fiscal Services

Title

(38) Name of Contact Person for Claim

SixTen and Associates

Telephone Number: (858) 514-8605

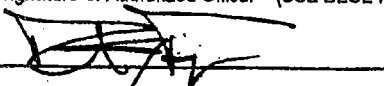
E-mail Address: kbpsixten@aol.com

<b>Program</b> <b>256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>					<b>FORM IWM-1</b>
(01) Claimant: San Bernardino Community College District			(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year: 2000-2001	
<b>Direct Costs</b>		<b>Object Accounts</b>				
(03) Reimbursable Activities		(a)	(b)	(c)	(d)	(e)
		Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training
		(f) Total				
<b>A. One-Time Activities</b>						
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>						
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	\$ -	\$ -	\$ -	\$ -	\$ -
6	Diversion and Maintenance of Approved Level of Reduction	\$ 26,313.92	\$ -	\$ -	\$ -	\$ 26,313.92
<b>C. Alternative Compliance</b>						
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	\$ -	\$ -	\$ -	\$ -	\$ -
<b>D. Accounting System</b>						
<b>E. Annual Report</b>						
<b>F. Annual Recycled Material Reports</b>						
(04) Total Direct Costs		\$ 26,313.92	\$ -	\$ -	\$ -	\$ 26,313.92
<b>Indirect Costs</b>						
(05) Indirect Cost Rate		[Federally approved OMB A-21, FAM-29C, or 7%]				51.88%
(06) Total Indirect Costs		[Line (05) x line (04)(a)]				\$ 13,651.66
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (06)]				\$ 39,965.58
<b>Cost Reduction</b>						
(08) Less: Offsetting Savings						\$ -
(09) Less: Other Reimbursements						\$ -
(10) Total Claimed Amount		[Line (07) - (Line (08) + Line (09))]				\$ 39,965.58

Program <b>255</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>						FORM IWM-2
(01) Claimant San Bernardino 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)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Employee Names, Job Classifications, Functions Performed, and Description of Expenses	Hourly Rate or Unit Cost	Hours Worked or Quantity	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Bryson, Richard	\$19.92	96.0	\$ 1,912.32				
Sanford, Ervin	\$19.92	252.0	\$ 5,019.84				
Diverting solid waste from landfill disposal or transformation facilities - composting							
Kirkhart, Richard	\$21.44	496.0	\$ 10,634.24				
Briseno, Humberto	\$21.44	408.0	\$ 8,747.52				
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>							
			Page 1 of 1	\$ 26,313.92	\$ -	\$ -	\$ -





CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT			For State Controller Use Only		Program	
			(19) Program Number	00256	256	
			(20) Date Filed	SEP 18 2006		
			(21) LRS Input	___/___/___		
(01) Claimant Identification Number: CC 36150			Reimbursement Claim Data			
L A B E L  H E R E	(02) Claimant Name: San Bernardino Community College District		(22) IWM-1, (03)(A)(1)(f)	0		
	County of Location: San Bernardino		(23) IWM-1, (03)(A)(2)(f)	0		
	Street Address: 114 S Del Rosa Drive		(24) IWM-1, (03)(B)(1)(f)	0		
	City: San Bernardino	State: CA	Zip Code: 92408	(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)	26,314		
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f)	0		
Fiscal Year of Cost	(06)	(12) 2001-2002	(30) IWM-1, (03)(C)(2)(f)	0		
Total Claimed Amount	(07)	(13) \$ 38,668	(31) IWM-1, (03)(D)(f)	0		
Less: 10% Late Penalty		(14) \$ 3,967	(32) IWM-1, (03)(E)(f)	0		
Less: Prior Claim Payment Received		(15) \$	(33) IWM-1, (03)(F)(f)	0		
Net Claimed Amount		(16) \$ 34,801	(34) IWM-1, (06)	12,354		
Due from State	(08)	(17) \$ 34,801	(35) IWM-1, (08)	0		
Due to State		(18)	(36) IWM-1, (09)	0		
<b>(37) CERTIFICATION OF CLAIM</b>						
<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			
			9/18/06			
Robert Temple			Vice Chancellor, Fiscal 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			

<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>					<b>FORM</b> <b>IWM-1</b>
(01) Claimant: San Bernardino Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2001-2002	
<b>Direct Costs</b>		<b>Object Accounts</b>				
(03) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
<b>A. One-Time Activities</b>						
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>						
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	\$ 26,313.92	\$ -	\$ -	\$ -	\$ 26,313.92
<b>C. Alternative Compliance</b>						
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	\$ -	\$ -	\$ -	\$ -	\$ -
<b>D. Accounting System</b>						
<b>E. Annual Report</b>						
<b>F. Annual Recycled Material Reports</b>						
(04) Total Direct Costs	\$ 26,313.92	\$ -	\$ -	\$ -	\$ -	\$ 26,313.92
<b>Indirect Costs</b>						
(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]					46.96%
(06) Total Indirect Costs	[Line (05) x line (04)(a)]					\$ 12,354.39
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]					\$ 38,668.31
<b>Cost Reduction</b>						
(08) Less: Offsetting Savings						\$ -
(09) Less: Other Reimbursements						\$ -
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]					\$ 38,668.31

<b>Program</b> 256	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	<b>FORM</b> IWM-2
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(01) Claimant San Bernardino Community College District	(02) Fiscal Year 2001-2002
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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 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							
Sanford, Ervin Custodian	\$19.92	252.0	\$ 5,019.84				
Bryson, Richard Custodian	\$19.92	96.0	\$ 1,912.32				
Diverting solid waste from landfill disposal or transformation facilities - composting							
Brisano, Humberto Grounds Caretaker	\$21.44	408.0	\$ 8,747.52				
Kirkhart, Richard Grounds Caretaker	\$21.44	496.0	\$ 10,634.24				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 26,313.92	\$ -	\$ -	\$ -	\$ -
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<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>	For State Controller Use Only (19) Program Number 00256 (20) Date Filed <b>SEP 18 2002</b> (21) LRS Input <u>    </u>	Program <b>00256</b>
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LABEL HERE	(01) Claimant Identification Number: <b>CC 36150</b>		Reimbursement Claim Data	
	(02) Claimant Name: <b>San Bernardino Community College District</b>		(22) IWM-1, (03)(A)(1)(f)	0
	(03) County of Location: <b>San Bernardino</b>		(23) IWM-1, (03)(A)(2)(f)	0
	(04) Street Address: <b>114 S Del Rosa Drive</b>		(24) IWM-1, (03)(B)(1)(f)	0
	(05) City: <b>San Bernardino</b>	(06) State: <b>CA</b>	(25) IWM-1, (03)(B)(2)(f)	0
	(07) Zip Code: <b>92408</b>		(26) IWM-1, (03)(B)(3)(f)	0
	Type of Claim      Estimated Claim      Reimbursement Claim (03) Estimated <input 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"/>		(27) IWM-1, (03)(B)(4)(f)	0
			(28) IWM-1, (03)(B)(5)(f)	26,314
			(29) IWM-1, (03)(C)(1)(f)	0
	(08) Fiscal Year of Cost: <b>2002-2003</b>		(30) IWM-1, (03)(C)(2)(f)	0
(09) Total Claimed Amount: \$ <b>39,255</b>		(31) IWM-1, (03)(D)(f)	0	
(10) Less: 10% Late Penalty: \$ <b>3,926</b>		(32) IWM-1, (03)(E)(f)	0	
(11) Less: Prior Claim Payment Received: \$ <b>0</b>		(33) IWM-1, (03)(F)(f)	0	
(12) Net Claimed Amount: \$ <b>35,329</b>		(34) IWM-1, (06)	12,941	
(13) Due from State	(14) \$ <b>35,329</b>	(35) IWM-1, (08)	0	
(15) Due to State	(16) \$ <b>0</b>	(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) Robert Temple Type or Print Name	Date <p style="text-align: center; font-size: x-large;">9/18/06</p> Vice Chancellor, Fiscal Services Title
(38) Name of Contact Person for Claim <b>SixTen and Associates</b>	
Telephone Number: <b>(858) 514-8605</b> E-mail Address: <b>kbsixten@aol.com</b>	

<b>Program 256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>					<b>FORM IWM-1</b>
(01) Claimant: San Bernardino Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2002-2003	
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
<b>A. One-Time Activities</b>						
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>						
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	\$ 26,313.92	\$ -	\$ -	\$ -	\$ 26,313.92
<b>C. Alternative Compliance</b>						
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	\$ -	\$ -	\$ -	\$ -	\$ -
<b>D. Accounting System</b>						
<b>E. Annual Report</b>						
<b>F. Annual Recycled Material Reports</b>						
(04) Total Direct Costs	\$ 26,313.92	\$ -	\$ -	\$ -	\$ -	\$ 26,313.92
<b>Indirect Costs</b>						
(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]					49.18%
(06) Total Indirect Costs	[Line (05) x line (04)(a)]					\$ 12,941.19
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]					\$ 39,255.11
<b>Cost Reduction</b>						
(08) Less: Offsetting Savings						\$ -
(09) Less: Other Reimbursements						\$ -
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]					\$ 39,255.11

Program <b>256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	<b>FORM IWM-2</b>
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(01) Claimant San Bernardino Community College District	(02) Fiscal Year 2002-2003
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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 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

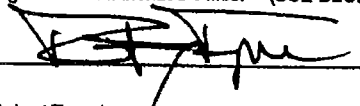
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	Object Accounts					
			(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training	
Diverting solid waste from landfill disposal or transformation facilities - recycling								
Sanford, Ervin Custodian	\$19.92	262.0	\$ 5,019.84					
Bryson, Richard Custodian	\$19.92	96.0	\$ 1,912.32					
Diverting solid waste from landfill disposal or transformation facilities - composting								
Briseno, Humberto Grounds Caretaker	\$21.44	408.0	\$ 8,747.52					
Kirhart, Richard Grounds Caretaker	\$21.44	496.0	\$ 10,634.24					

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 26,313.92	\$ -	\$ -	\$ -	\$ -
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*Late*

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT			(19) Program Number 00256 (20) Date Filed <b>SEP 18 2008</b> (21) LRS Input	Program <b>256</b>
(01) Claimant Identification Number: CC 36150			Reimbursement Claim Data	
(02) Claimant Name: San Bernardino Community College District			(22) IWM-1, (03)(A)(1)(f)	0
County of Location: San Bernardino			(23) IWM-1, (03)(A)(2)(f)	0
Street Address: 114 S Del Rosa Drive			(24) IWM-1, (03)(B)(1)(f)	0
City: San Bernardino	State: CA	Zip Code: 92408	(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)	26,314
	(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) \$ 38,003	(31) IWM-1, (03)(D)(f)	0
Less: 10% Late Penalty		(14) \$ 3,800	(32) IWM-1, (03)(E)(f)	0
Less: Prior Claim Payment Received		(15) \$ -	(33) IWM-1, (03)(F)(f)	0
Net Claimed Amount		(16) \$ 34,203	(34) IWM-1, (06)	11,689
Due from State	(08)	(17) \$ 34,203	(35) IWM-1, (08)	0
Due to State		(18)	(36) IWM-1, (09)	0
<b>(37) CERTIFICATION OF CLAIM</b>				
<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	
			9/18/08	
Robert Temple			Vice Chancellor, Fiscal 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 <b>256</b>		MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM IWM-1	
(01) Claimant: San Bernardino 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) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total		
<b>A. One-Time Activities</b>								
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>B. Ongoing Activities</b>								
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	\$ 26,313.92	\$ -	\$ -	\$ -	\$ -	\$ 26,313.92	
<b>C. Alternative Compliance</b>								
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>D. Accounting System</b>								
<b>E. Annual Report</b>								
<b>F. Annual Recycled Material Reports</b>								
(04) Total Direct Costs	\$ 26,313.92	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,313.92	
<b>Indirect Costs</b>								
(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]						44.42%	
(06) Total Indirect Costs	[Line (05) x line (04)(a)]						\$ 11,688.64	
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]						\$ 38,002.56	
<b>Cost Reduction</b>								
(08) Less: Offsetting Savings							\$ -	
(09) Less: Other Reimbursements							\$ -	
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]						\$ 38,002.56	

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**MANDATED COSTS**  
**INTEGRATED WASTE MANAGEMENT**  
**ACTIVITY COST DETAIL**

FORM  
IWM-2

(01) Claimant: San Bernardino Community College District  
 (02) Fiscal Year: 2003-2004

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

One-Time Activities:  Development of Policies and Procedures  Staff Training

Ongoing Activities:  Completion and Submission of Plan to Board  Response to Board During Approval Process  Consultation with Board  
 Designation of Waste Reduction and Recycling Coordinator  Maintenance of Approved Level of Reduction

Alternative Compliance:  Alternative Requirement of Time Extension for 1/1/02 for 25% Waste  Alternative Requirement of Time Extension for 1/1/04 for 50% Waste


Accounting System  Annual Report  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
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Sanford, Ervin Custodian	\$19.92	252.0	\$ 5,019.84				
Bryson, Richard Custodian	\$19.92	96.0	\$ 1,912.32				
Diverting solid waste from landfill disposal or transformation facilities - composting							
Briseno, Humberto Grounds Caretaker	\$21.44	408.0	\$ 8,747.52				
Kirkhart, Richard Grounds Caretaker	\$21.44	496.0	\$ 10,634.24				

(05) Total  Subtotal  Page 1 of 1 \$ 26,313.92 \$ - \$ - \$ - \$ -



CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT		For State Controller Use Only		Program	
		(19) Program Number	00256	<b>256</b>	
		(20) Date Filed	SEP 18 2006		
		(21) LRS Input	___/___/___		
(01) Claimant Identification Number: CC 36150		Reimbursement Claim Data			
L A B E L H E R E	(02) Claimant Name	San Bernardino Community College District		(22) IWM-1, (03)(A)(1)(f)	0
	County of Location	San Bernardino		(23) IWM-1, (03)(A)(2)(f)	0
	Street Address	114 S Del Rosa Drive		(24) IWM-1, (03)(B)(1)(f)	0
	City	State	Zip Code	(25) IWM-1, (03)(B)(2)(f)	0
	San Bernardino	CA	92408	(26) IWM-1, (03)(B)(3)(f)	0
Type of Claim	Estimated Claim	Reimbursement Claim		(27) IWM-1, (03)(B)(4)(f)	0
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f)	27,370
	(04) Combined <input type="checkbox"/>	(10) Combined	<input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f)	0
	(05) Amended <input type="checkbox"/>	(11) Amended	<input type="checkbox"/>	(30) IWM-1, (03)(C)(2)(f)	0
Fiscal Year of Cost	(06)	(12)	2004-2005	(31) IWM-1, (03)(D)(f)	0
Total Claimed Amount	(07)	(13)	\$ 40,525	(32) IWM-1, (03)(E)(f)	460
Less: 10% Late Penalty		(14)	\$ 4,053	(33) IWM-1, (03)(F)(f)	0
Less: Prior Claim Payment Received		(15)	\$	(34) IWM-1, (06)	12,696
Net Claimed Amount		(16)	\$ 36,472	(35) IWM-1, (08)	0
Due from State	(08)	(17)	\$ 36,472	(36) IWM-1, (09)	0
Due to State		(18)			0
<b>(37) CERTIFICATION OF CLAIM</b>					
<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		
			9/18/06		
Robert Temple			Vice Chancellor, Fiscal 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		

<b>Program 256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>					<b>FORM IWM-1</b>
(01) Claimant: San Bernardino Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2004-2005	
<b>Direct Costs</b>		<b>Object Accounts</b>				
(03) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
<b>A. One-Time Activities</b>						
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>						
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	\$ 27,369.76	\$ -	\$ -	\$ -	\$ 27,369.76
<b>C. Alternative Compliance</b>						
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	\$ -	\$ -	\$ -	\$ -	\$ -
<b>D. Accounting System</b>						
		\$ -	\$ -	\$ -	\$ -	\$ -
<b>E. Annual Report</b>						
		\$ 459.78	\$ -	\$ -	\$ -	\$ 459.78
<b>F. Annual Recycled Material Reports</b>						
		\$ -	\$ -	\$ -	\$ -	\$ -
<b>(04) Total Direct Costs</b>		<b>\$ 27,829.54</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,829.54</b>
<b>Indirect Costs</b>						
(05) Indirect Cost Rate		[Federally approved OMB A-21, FAM-29C, or 794]				45.62%
(06) Total Indirect Costs		[Line (05) x line (04)(a)]				\$ 12,695.84
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (06)]				\$ 40,525.38
<b>Cost Reduction</b>						
(08) Less: Offsetting Savings						\$ -
(09) Less: Other Reimbursements						\$ -
<b>(10) Total Claimed Amount</b>		<b>[Line (07) - (Line (08) + Line (09))]</b>				<b>\$ 40,525.38</b>

Program <b>255</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>						FORM IWM-2
(01) Claimant San Bernardino Community College District				(02) Fiscal Year 2004-2005			
(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)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Employee Names, Job Classifications, Functions Performed, and Description of Expenses	Hourly Rate or Unit Cost	Hours Worked or Quantity	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Bryson, Richard Custodian	\$20.72	96.0	\$ 1,989.12				
Sanford, Ervin Custodian	\$20.72	252.0	\$ 5,221.44				
Diverting solid waste from landfill disposal or transformation facilities - composting							
Briseno, Humberto Grounds Caretaker	\$22.30	408.0	\$ 9,088.40				
Kirkhart, Richard Grounds Caretaker	\$22.30	496.0	\$ 11,060.80				
(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1		\$ 27,389.78	\$ -	\$ -	\$ -



Program <b>255</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	FORM RWM-2
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(01) Claimant San Bernardino 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 type="checkbox"/> Consultation with Board <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			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 Ng, Charlie                      V.P. Administrative Services	\$76.63	6.0	\$ 459.78				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 459.78	\$ -	\$ -	\$ -	\$ -
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<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>		For State Controller Use Only (19) Program Number 00256 (20) Date Filed JAN 02 2007 (21) LRS	<b>Program</b> <b>256</b>
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LABEL HERE	(01) Claimant Identification Number: CC 36150		Reimbursement Claim Data		
	(02) Claimant Name: San Bernardino Community College District		(22) IWM-1, (03)(A)(1)(f)	0	
	(03) County of Location: San Bernardino		(23) IWM-1, (03)(A)(2)(f)	0	
	(04) Street Address: 114 S Del Rosa Drive		(24) IWM-1, (03)(B)(1)(f)	0	
	(05) City: San Bernardino	(06) State: CA	(07) Zip Code: 92408	(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"/>		(26) IWM-1, (03)(B)(3)(f)	0	
			(27) IWM-1, (03)(B)(4)(f)	0	
			(28) IWM-1, (03)(B)(5)(f)	33,170	
			(29) IWM-1, (03)(C)(1)(f)	0	
	(08) Fiscal Year of Cost: 2006-2007		(09) 2005-2006	(30) IWM-1, (03)(C)(2)(f)	0
(10) Total Claimed Amount: \$ 54,600		(11) \$ 49,712	(31) IWM-1, (03)(D)(f)	0	
Less: 10% Late Penalty		(12) \$	(32) IWM-1, (03)(E)(f)	0	
Less: Prior Claim Payment Received		(13) \$	(33) IWM-1, (03)(F)(f)	478	
Net Claimed Amount		(14) \$ 49,712	(34) IWM-1, (06)	16,064	
(15) Due from State: \$ 54,600	(16) \$ 49,712	(17) \$ 49,712	(35) IWM-1, (08)	0	
(18) Due to State		(19)	(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 1/2/2007

Robert Temple  
Type or Print Name  
Vice Chancellor, Fiscal Services  
Title

(38) Name of Contact Person for Claim  
SixTen and Associates  
Telephone Number: (858) 514-8605  
E-mail Address: kbpsixten@aol.com

Program <b>256</b>	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM IWM-1
(01) Claimant: San Bernardino 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) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
<b>A. One-Time Activities</b>						
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>						
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	\$ 33,170.28	\$ -	\$ -	\$ -	\$ 33,170.28
<b>C. Alternative Compliance</b>						
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	\$ -	\$ -	\$ -	\$ -	\$ -
<b>D. Accounting System</b>						
<b>E. Annual Report</b>						
<b>F. Annual Recycled Material Reports</b>						
		\$ 478.14	\$ -	\$ -	\$ -	\$ 478.14
(04) Total Direct Costs		\$ 33,648.42	\$ -	\$ -	\$ -	\$ 33,648.42
<b>Indirect Costs</b>						
(05) Indirect Cost Rate	[Federally approved OMB A-21, FAIN-29C, or 7%]					47.74%
(06) Total Indirect Costs	[Line (05) x line (04)(e)]					\$ 16,063.76
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]					\$ 49,712.18
<b>Cost Reduction</b>						
(08) Less: Offsetting Savings						\$ -
(09) Less: Other Reimbursements						\$ -
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]					\$ 49,712.18

Program <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	FORM IWM-2
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(01) Claimant San Bernardino 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 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							
Bryson, Richard Custodian	\$21.59	96.0	\$ 2,072.64				
Sanford, Ervin Custodian	\$21.59	252.0	\$ 5,440.68				
Diverting solid waste from landfill disposal or transformation facilities - composting							
Briseno, Humberto Grounds Caretaker	\$23.24	408.0	\$ 9,481.92				
Kirkhart, Patrick Grounds Caretaker	\$23.24	496.0	\$ 11,527.04				
Diverting solid waste from landfill disposal or transformation facilities - special waste							
Boatman, John Grounds Caretaker	\$23.24	40.0	\$ 929.60				
Briseno, Humberto Grounds Caretaker	\$23.24	40.0	\$ 929.60				
Carrillo, Antonio Grounds Caretaker	\$23.24	40.0	\$ 929.60				
Davila, Javier Grounds Caretaker	\$23.24	40.0	\$ 929.60				
Kirkhart, Patrick Grounds Caretaker	\$23.24	40.0	\$ 929.60				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 33,170.28	\$ -	\$ -	\$ -	\$ -
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Program <b>255</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	<b>FORM IWM-2</b>
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(01) Claimant San Bernardino 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.

<b>One-Time Activities</b>	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
<b>Ongoing Activities</b>	<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	
<b>Alternative Compliance</b>	<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 checked="" type="checkbox"/> Annual Recycled Material Reports

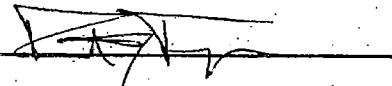
(04) Description of Expenses

	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
Reporting annually to the Board quantities of recyclable materials collected Ng, Charlie Vice President, Admin Services	\$79.69	6.0	\$ 478.14				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 478.14	\$ -	\$ -	\$ -	\$ -
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New 06/05



CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT		For State Controller Use Only		Program 256		
(01) Claimant Identification Number: CC 36150		(19) Program Number 00256	(20) Date Filed JAN 27 2008	(21) LRS Input		
L A B E L  H E R E	(02) Claimant Name: San Bernardino Community College District		Reimbursement Claim Data			
	County of Location: San Bernardino		(22) IWM-1, (03)(A)(1)(f)	0		
	Street Address: 114 S Del Rosa Drive		(23) IWM-1, (03)(A)(2)(f)	0		
	City: San Bernardino State: CA Zip Code: 92408		(24) IWM-1, (03)(B)(1)(f)	0		
			(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"/>	(04) Combined <input type="checkbox"/>	(05) Amended <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(10) Combined <input type="checkbox"/>	
				(11) Amended <input type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f)	0
				(28) IWM-1, (03)(B)(5)(f)	30,091	
				(29) IWM-1, (03)(C)(1)(f)	0	
Fiscal Year of Cost	(06) 2007-2008	(12) 2006-2007	(30) IWM-1, (03)(C)(2)(f)	0		
Total Claimed Amount	(07) \$ 49,100	(13) \$ 44,725	(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)	691		
Net Claimed Amount		(16) \$ 44,725	(34) IWM-1, (06)	13,944		
Due from State	(08) \$ 49,100	(17) \$ 44,725	(35) IWM-1, (08)	0		
Due to State		(18)	(36) IWM-1, (09)	0		
<b>(37) CERTIFICATION OF CLAIM</b>						
<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			
			1/22/2008			
Robert Temple			Vice Chancellor Fiscal 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			



<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>					<b>FORM</b> <b>IWM-1</b>
(01) Claimant: San Bernardino Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2006-2007	
<b>Direct Costs</b>		<b>Object Accounts</b>				
(03) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
<b>A. One-Time Activities</b>						
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>						
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	\$ 30,090.60	\$ -	\$ -	\$ -	\$ 30,090.60
<b>C. Alternative Compliance</b>						
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	\$ -	\$ -	\$ -	\$ -	\$ -
<b>D. Accounting System</b>						
<b>E. Annual Report</b>						
<b>F. Annual Recycled Material Reports</b>						
		\$ 690.60	\$ -	\$ -	\$ -	\$ 690.60
<b>(04) Total Direct Costs</b>		<b>\$ 30,781.20</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,781.20</b>
<b>Indirect Costs</b>						
(05) Indirect Cost Rate		[Federally approved OMB A-21, FAM-29C, or 7%]				45.30%
(06) Total Indirect Costs		[Line (05) x line (04)(a)]				\$ 13,943.88
(07) Total Direct and Indirect Costs		[Line (04)(7) + line (06)]				\$ 44,725.08
<b>Cost Reduction</b>						
(08) Less: Offsetting Savings						\$ -
(09) Less: Other Reimbursements						\$ -
<b>(10) Total Claimed Amount</b>		<b>[Line (07) - (Line (08) + Line (09))]</b>				<b>\$ 44,725.08</b>

**MANDATED COSTS  
INTEGRATED WASTE MANAGEMENT  
ACTIVITY COST DETAIL**

FORM  
IWM-2

(01) Claimant: San Bernardino 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 type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Responses 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	Object Accounts				
			(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
<b>Diverting solid waste from landfill disposal or transformation facilities - recycling</b>							
Sanford, Ervin      Custodian I	\$24.11	252.0	\$ 6,075.72				
Bryson, Richard      Custodian I	\$22.46	96.0	\$ 2,156.16				
<b>Diverting solid waste from landfill disposal or transformation facilities - composting</b>							
Kirshart, Richard      Grounds Caretaker II	\$24.18	496.0	\$ 11,993.28				
Briseno, Humberto      Grounds Caretaker	\$24.18	408.0	\$ 9,865.44				

(05) Total  Subtotal  Page 1 of 1 \$ 30,090.60 \$ - \$ - \$ - \$ -

**MANDATED COSTS  
INTEGRATED WASTE MANAGEMENT  
ACTIVITY COST DETAIL**

Program  
**258**

**FORM  
IWM-2**

(01) Claimant  
San Bernardino 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 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"/> Consultation with Board
Alternative Compliance	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Maintenance of Approved Level of Reduction
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Annual Report	<input checked="" 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
Reporting annually to the Board quantities of recyclable materials collected							
Ng, Charlie VP Administrative Services	\$87.30	6.0	\$ 523.80				
Jolla, Cheryl L. Administrative Assistant	\$33.36	5.0	\$ 166.80				

(05) Total  Subtotal  Page 1 of 1 \$ 690.60 \$ - \$ - \$ - \$ -



<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>	For State Controller Use only (19) Program Number 00256 (20) Date Filed <b>FEB/ 2 2009</b> (21) LRS Input <u>    </u>	<b>Program</b> <b>256</b>
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L A B E L H E R E	(01) Claimant Identification Number: <b>CC 36150</b>		<b>Reimbursement Claim Data</b>		
	(02) Claimant Name <b>San Bernardino Community College District</b>		(22) IWM-1, (03)(A)(1)(f)	0	
	County of Location <b>San Bernardino</b>		(23) IWM-1, (03)(A)(2)(f)	0	
	Street Address <b>114 South Del Rosa Drive</b>		(24) IWM-1, (03)(B)(1)(f)	0	
	City <b>San Bernardino</b>	State <b>CA</b>	Zip Code <b>92408</b>	(25) IWM-1, (03)(B)(2)(f)	0
	Type of Claim	Estimated Claim	Reimbursement Claim	(28) 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)	16,708
		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f)	0
	Fiscal Year of Cost	(06)	(12) <b>2007-2008</b>	(30) IWM-1, (03)(C)(2)(f)	0
Total Claimed Amount	(07)	(13) \$ <b>25,719</b>	(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) \$ <b>25,719</b>	(34) IWM-1, (06)	9,011	
Due from State	(08)	(17) \$ <b>25,719</b>	(35) IWM-1, (08)	0	
Due to State		(18)	(36) IWM-1, (09)	0	

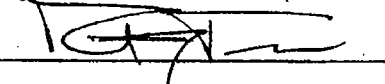
**(37) CERTIFICATION OF CLAIM**

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

**1/28/09**

Robert Temple

Vice Chancellor, Fiscal 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

<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>IWM-1</b>
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(01) Claimant: San Bernardino Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2007-2008
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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 and Training	Total	
<b>A. One-Time Activities</b>							
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>							
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	\$ 16,708.35	\$ -	\$ -	\$ -	\$ -	\$ 16,708.35
<b>C. Alternative Compliance</b>							
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>D. Accounting System</b>							
<b>E. Annual Report</b>							
<b>F. Annual Recycled Material Reports</b>							
<b>(04) Total Direct Costs</b>		\$ 16,708.35	\$ -	\$ -	\$ -	\$ -	\$ 16,708.35

<b>Indirect Costs:</b>		
(05) Indirect Cost Rate	Federally approved OMB A-21, FAM-28C, or 7%	53.93%
(06) Total Indirect Costs	[Line (05) x line (04)(e)]	\$ 9,010.81
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]	\$ 25,719.16

<b>Cost Reduction</b>		
(08) Less: Offsetting Savings		\$ -
(09) Less: Other Reimbursements		\$ -
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]	\$ 25,719.16

New 06/05

Program <b>256</b>	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
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(01) Claimant San Bernardino 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.

<b>One-Time Activities</b>	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
<b>Ongoing Activities</b>	<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	
<b>Alternative Compliance</b>	<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

(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 - composting							
Dayta, Javier      Grounds Caretaker	\$25.05	171.0	\$ 4,283.55				
Kirchart, Richard      Grounds Caretaker	\$25.05	496.0	\$ 12,424.80				
(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1		\$ 16,708.35	\$ -	\$ -	\$ -

New 06/05





<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>	For State Controller Use only (19) Program Number 00256 (20) Date Filed <b>FEB 02 2010</b> (21) LRS Input ___/___/___	<b>Program 256</b>
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(01) Claimant Identification Number: <b>CC 36150</b>		<b>Reimbursement Claim Data</b>	
(02) Claimant Name	San Bernardino Community College District	(22) FORM-1A, (04)(f)	19,473
Address	San Bernardino County	(23) FORM-1A, (05)	57
	114 South Del Rosa Drive	(24) FORM-1A, (08)	30,481
	San Bernardino GA 92408	(25) FORM-1A, (09)	
<b>Type of Claim</b>	<b>Estimated Claim</b>	<b>Reimbursement Claim</b>	(26) FORM-1A, (10)
	(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)
Fiscal Year of cost	(06)	(12)	(30)
		2008-2009	
Total Claimed Amount	(07)	(13)	(31)
		\$ 30,481	
Less: 10% Late Penalty (refer to claiming instructions)		(14)	(32)
		\$	
Less: Prior Claim Payment Received		(15)	(33)
		\$	
Net Claimed Amount		(16)	(34)
		\$ 30,481	
Due from State	(08)	(17)	(35)
		\$ 30,481	
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) Bruce Baron Date 1/19/10

Bruce Baron Vice Chancellor, Fiscal 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**  
**1A**

(01) Claimant: San Bernardino 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
<b>A. One-Time Activity</b>						
1. Develop Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Train District Staff on IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>						
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	\$ 19,473.21	\$ -	\$ -	\$ -	\$ -	\$ 19,473.21
<b>(04) Total Direct Costs</b>	\$ 19,473.21	\$ -	\$ -	\$ -	\$ -	\$ 19,473.21

<b>Indirect Costs</b>		
(05) Indirect Cost Rate	[Refer to Claiming Instructions]	56.53%
(06) Total Indirect Costs	[Refer to Claiming Instructions]	\$ 11,008.21
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (07)]	\$ 30,481.42
(08) Total from Forms 1A, 1B, and 1C	[Add 1A(07) + 1B(07) + 1C(07)]	\$ 30,481.42

<b>Cost Reduction</b>		
(09) Less: Offsetting Savings		\$ -
(10) Less: Other Reimbursements		\$ -
(11) Total Claimed Amount:	[Line (07) - (Line (08) + Line (09))]	\$ 30,481.42

Revised 01/09

Program <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	<b>FORM 2A</b>
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(01) Claimant San Bernardino 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.

<b>A. One-Time Activity</b> <input type="checkbox"/> Develop Policies and Procedures <input type="checkbox"/> Train District Staff on IWM Plan	<b>B. Ongoing Activities</b> <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
--	---

(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 - composting Davila, Javier                      Grounds Caretaker Kirkhart, Richard                      Grounds Caretaker	\$25.05 \$25.05	293.0 332.0	\$ 7,339.65 \$ 8,316.60				
Diverting solid waste from landfill disposal or transformation facilities - recycling Gonzales, Moises                      Custodian I	\$22.72	168.0	\$ 3,816.96				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 19,473.21	\$ -	\$ -	\$ -	\$ -
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Revised 01/99



LATE

State Controller's Office

Community College Mandated Cost Manual

<p align="center"><b>INTEGRATED WASTE MANAGEMENT CLAIM FOR PAYMENT</b></p>		<p align="center"><small>For State Controller Use only</small></p>		<p align="center"><b>Program 256</b></p>
		<p>(19) Program Number 00256</p>		
		<p>(20) Date Filed <b>JAN 11 2013</b></p>		
<p>(21) LRS Input</p>				
<p>(01) Claimant Identification Number: CC 36150</p>		<p align="center"><b>Reimbursement Claim Data</b></p>		
<p>(02) Claimant Name: San Bernardino Community College District</p>		<p>(22) FORM-1, (03)</p>		
<p>Address: San Bernardino County</p>		<p>(23) FORM-1A, (04) A. 1. (f)</p>		
<p>114 S Del Rosa Drive</p>		<p>(24) FORM-1A, (04) A. 2. (f)</p>		
<p>San Bernardino CA 92408-0108</p>		<p>(25) FORM-1A, (04) B. 1. (f)</p>		
		<p align="center"><b>Type of Claim</b></p>		<p>(26) FORM-1A, (04) B. 2. (f)</p>
<p>(03)</p>		<p>(09) Reimbursement <input checked="" type="checkbox"/></p>		<p>(27) FORM-1A, (04) B. 3. (f)</p>
<p>(04)</p>		<p>(10) Combined <input type="checkbox"/></p>		<p>(28) FORM-1A, (04) B. 4. (f)</p>
<p>(05)</p>		<p>(11) Amended <input type="checkbox"/></p>		<p>(29) FORM-1A, (04) B. 5. (f)</p>
<p>Fiscal Year of Cost: (06)</p>		<p>(12) 2010-2011</p>		<p>(30) FORM-1A, (06)</p>
<p>Total Claimed Amount: (07)</p>		<p>(13) \$ 18,525</p>		<p>(31) FORM-1A, (09)</p>
<p>Less: 10% Late Penalty (refer to claiming instructions)</p>		<p>(14) \$ 1,853</p>		<p>(32) FORM-1A, (10)</p>
<p>Less: Prior Claim Payment Received</p>		<p>(15) \$</p>		<p>(33) FORM-1A, (11)</p>
<p>Net Claimed Amount</p>		<p>(16) \$ 16,672</p>		<p>(34)</p>
<p>Due from State: (08)</p>		<p>(17) \$ 16,672</p>		<p>(35)</p>
<p>Due to State</p>		<p>(18) \$</p>		<p>(36)</p>
<p><b>(37) CERTIFICATION OF CLAIM</b></p> <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>				
<p>Signature of Authorized Officer (USE BLUE INK)</p> <p><i>Charlie Ng</i></p>				
<p>Charlie Ng, Vice Chancellor, Fiscal Services</p>		<p>Date Signed: 12/17/12</p>		
<p>Type or Print Name and Title of Authorized Signatory</p>		<p>Telephone Number: (909) 382-4021</p>		
<p>(38) Name of Agency Contact Person for Claim</p>		<p>E-mail Address: cng@sbccd.cc.ca.us</p>		
<p>Charlie Ng, Vice Chancellor, Fiscal Services</p>		<p>Telephone Number: (909) 382-4021</p>		
<p>Name of Consulting Firm/Claim Preparer</p>		<p>E-mail Address: cng@sbccd.cc.ca.us</p>		
<p>SixTen and Associates</p>		<p>Telephone Number: (858) 514-8605</p>		
		<p>E-mail Address: kbpsixten@aol.com</p>		

Form FAM-27 (Revised 09/11)

<b>Program</b> <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>					<b>FORM</b> <b>1A</b>		
(01) Claimant: San Bernardino Community College District			(02)		Fiscal Year 2010-2011			
<b>Claim Statistics</b>								
(03) Leave Blank								
<b>Direct Costs</b>			<b>Object Accounts</b>					
			(a)	(b)	(c)	(d)	(e)	(f)
			Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
<b>(04) Reimbursable Activities</b>								
<b>A. One-Time Activity</b>								
1. Develop Policies and Procedures			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Train District Staff on IWM Plan			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>								
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>			\$ 11,856.04	\$ -	\$ -	\$ -	\$ -	\$ 11,856.04
<b>(05) Total Direct Costs</b>			<b>\$ 11,856.04</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,856.04</b>
<b>Indirect Costs</b>								
(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%				56.25%	
(07) Total Indirect Costs			[Refer to Claiming Instructions]				\$ 6,669.02	
(08) Total Direct and Indirect Costs			[Line (05)(f) + line (07)]				\$ 18,525.06	
(09) Total from Forms 1A, 1B, and 1C			[Add 1A(07) + 1B(07) + 1C(07)]				\$ 18,525.06	
<b>Cost Reduction</b>								
(10) Less: Offsetting Revenues							\$ -	
(11) Less: Other Reimbursements							\$ -	
(12) Total Claimed Amount:			[Line (09) - (Line (10) + Line (11))]				\$ 18,525.06	

Revised 09/11

Program <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	<b>FORM 2C</b>
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(01) Claimant San Bernardino Community College District	(02) Fiscal Year 2010-2011
--	-------------------------------

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

**A. One-Time Activity**

- Develop Policies and Procedures
- Train District Staff on IWM Plan

**B. Ongoing Activities**

- Complete and Submit IWM Plan to Board
- Respond to Board Requirements
- Consult with Board to Revise Plan
- Designate Coordinator for Each College
- Divert Solid Waste/Maintain Required Level

(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 - composting							
Davis, Javier                      Grounds Caretaker	\$31.37	180.0	\$ 5,646.60				
Kirkhart, Richard                      Grounds Caretaker	\$31.52	197.0	\$ 6,209.44				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 11,856.04	\$ -	\$ -	\$ -	\$ -
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Revised 09/11





CC36150  
00256  
2014/06/28

JUNE 28, 2014  
BOARD OF TRUSTEES  
SAN BERNARDINO COMM COLL DIST  
SAN BERNARDINO COUNTY  
114 S DEL ROSA DR  
SAN BERNARDINO CA 92408

1999-00

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		16,905.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	6,715.00
LATE CLAIM PENALTY	-	1,019.00
TOTAL ADJUSTMENTS	-	7,734.00
AMOUNT DUE CLAIMANT	\$	9,171.00

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. DUE TO INSUFFICIENT APPROPRIATION, THE BALANCE DUE WILL BE FORTHCOMING WHEN ADDITIONAL FUNDS ARE MADE AVAILABLE.

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00256  
2014/06/28

*2000-01*

JUNE 28, 2014  
BOARD OF TRUSTEES  
SAN BERNARDINO COMM COLL DIST  
SAN BERNARDINO COUNTY  
114 S DEL ROSA DR  
SAN BERNARDINO CA 92408

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			39,966.00
ADJUSTMENT TO CLAIM:			
FIELD AUDIT FINDINGS	-	12,356.00	
LATE CLAIM PENALTY	-	2,761.00	
TOTAL ADJUSTMENTS			- 15,117.00
			-----
			-----
AMOUNT DUE CLAIMANT			\$ 24,849.00
			=====

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. DUE TO INSUFFICIENT APPROPRIATION, THE BALANCE DUE WILL BE FORTHCOMING WHEN ADDITIONAL FUNDS ARE MADE AVAILABLE.

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2014/06/28

JUNE 28, 2014  
BOARD OF TRUSTEES  
SAN BERNARDINO COMM COLL DIST  
SAN BERNARDINO COUNTY  
114 S DEL ROSA DR  
SAN BERNARDINO CA 92408

*2001-02*

DEAR CLAIMANT:  
RE: INTEGRATED WASTE MGT:1116/92-C  
WE HAVE REVIEWED YOUR 2001/2002 FISCAL YEAR REIMBURSEMENT CLAIM FOR  
THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR  
REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED		38,668.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	16,286.00
LATE CLAIM PENALTY	-	2,238.00
TOTAL ADJUSTMENTS	-	18,524.00
		-----
		-----
AMOUNT DUE CLAIMANT	\$	20,144.00
		=====

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. DUE TO INSUFFICIENT APPROPRIATION, THE BALANCE DUE  
WILL BE FORTHCOMING WHEN ADDITIONAL FUNDS ARE MADE AVAILABLE.

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2014/06/28

JUNE 28, 2014  
BOARD OF TRUSTEES  
SAN BERNARDINO COMM COLL DIST  
SAN BERNARDINO COUNTY  
114 S DEL ROSA DR  
SAN BERNARDINO CA 92408

*2002-03*

DEAR CLAIMANT:  
RE: INTEGRATED WASTE MGT:1116/92-C  
WE HAVE REVIEWED YOUR 2002/2003 FISCAL YEAR REIMBURSEMENT CLAIM FOR  
THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR  
REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED		39,255.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	26,406.00
LATE CLAIM PENALTY	-	1,285.00
TOTAL ADJUSTMENTS		- 27,691.00
		-----
		-----
AMOUNT DUE CLAIMANT		\$ 11,564.00
		=====

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. DUE TO INSUFFICIENT APPROPRIATION, THE BALANCE DUE  
WILL BE FORTHCOMING WHEN ADDITIONAL FUNDS ARE MADE AVAILABLE.

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2014/06/28

JUNE 28, 2014  
BOARD OF TRUSTEES  
SAN BERNARDINO COMM COLL DIST  
SAN BERNARDINO COUNTY  
114 S DEL ROSA DR  
SAN BERNARDINO CA 92408

*2003-04*

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		38,003.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	24,598.00
LATE CLAIM PENALTY	-	1,341.00
TOTAL ADJUSTMENTS	-	25,939.00
		-----
AMOUNT DUE CLAIMANT		\$ 12,064.00
		=====

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. DUE TO INSUFFICIENT APPROPRIATION, THE BALANCE DUE  
WILL BE FORTHCOMING WHEN ADDITIONAL FUNDS ARE MADE AVAILABLE.



JOHN CHIANG  
 California State Controller  
 Division of Accounting and Reporting  
 JUNE 28, 2014 CHANCELLOR'S OFFICE

CC36150  
 00256  
 2014/06/28

2014 JUL -7 AM 7:41

BOARD OF TRUSTEES  
 SAN BERNARDINO COMM COLL DIST  
 SAN BERNARDINO COUNTY  
 114 S DEL ROSA DR  
 SAN BERNARDINO CA 92408

*2004-08*

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		40,525.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	40,525.00
TOTAL ADJUSTMENTS	-	40,525.00
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

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2014/06/28

JUNE 28, 2014  
BOARD OF TRUSTEES  
SAN BERNARDINO COMM COLL DIST  
SAN BERNARDINO COUNTY  
114 S DEL ROSA DR  
SAN BERNARDINO CA 92408

*2005-06*

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		49,712.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	49,712.00
TOTAL ADJUSTMENTS	-	49,712.00
		-----
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.

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2014/06/28

JUNE 28, 2014  
BOARD OF TRUSTEES  
SAN BERNARDINO COMM COLL DIST  
SAN BERNARDINO COUNTY  
114 S DEL ROSA DR  
SAN BERNARDINO CA 92408

*2006-07*

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		44,725.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	44,725.00
TOTAL ADJUSTMENTS		- 44,725.00
		-----
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.



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00256  
2014/06/28

JUNE 28, 2014  
BOARD OF TRUSTEES  
SAN BERNARDINO COMM COLL DIST  
SAN BERNARDINO COUNTY  
114 S DEL ROSA DR  
SAN BERNARDINO CA 92408

*2007-08*

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		25,719.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	25,719.00
TOTAL ADJUSTMENTS		- 25,719.00
		-----
		-----
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.

CC36150  
00256  
2014/06/28

JUNE 28, 2014  
BOARD OF TRUSTEES  
SAN BERNARDINO COMM COLL DIST  
SAN BERNARDINO COUNTY  
114 S DEL ROSA DR  
SAN BERNARDINO CA 92408

*2008-09*

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		30,481.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	30,481.00
TOTAL ADJUSTMENTS		- 30,481.00
		-----
		-----
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.

CC36150  
00256  
2014/06/28

JUNE 28, 2014  
BOARD OF TRUSTEES  
SAN BERNARDINO COMM COLL DIST  
SAN BERNARDINO COUNTY  
114 S DEL ROSA DR  
SAN BERNARDINO CA 92408

*2010-11*

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		18,525.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	18,525.00
TOTAL ADJUSTMENTS		- 18,525.00
		-----
		-----
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.

**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 June 19, 2015, I served the:

**IRC Filing; and Notice of Complete Filing and Schedule for Comments**

Incorrect Reduction Claim

*Integrated Waste Management*, 14-0007-I-11

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, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, and 2010-2011

San Bernardino 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 June 19, 2015 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:** 6/17/15

**Claim Number:** 14-0007-I-11

**Matter:** Integrated Waste Management

**Claimant:** San Bernardino 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.)

**Socorro Aquino**, *State Controller's Office*

Division of Audits, 3301 C Street, Suite 700, Sacramento, CA 95816

Phone: (916) 322-7522

SAquino@sco.ca.gov

**Marieta Delfin**, *State Controller's Office*

Division of Accounting and Reporting, 3301 C Street, Suite 700, Sacramento, CA 95816

Phone: (916) 322-4320

mdelfin@sco.ca.gov

**Donna Ferebee**, *Department of Finance*

915 L Street, Suite 1280, Sacramento, CA 95814

Phone: (916) 445-3274

donna.ferebee@dof.ca.gov

**Susan Geanacou**, *Department of Finance*

915 L Street, Suite 1280, Sacramento, CA 95814

Phone: (916) 445-3274

susan.geanacou@dof.ca.gov

**Ed Hanson**, *Department of Finance*

Education Systems Unit, 915 L Street, 7th Floor, Sacramento, CA 95814

Phone: (916) 445-0328

ed.hanson@dof.ca.gov

**Cheryl Ide**, Associate Finance Budget Analyst, *Department of Finance*

Education Systems Unit, 915 L Street, Sacramento, CA 95814

Phone: (916) 445-0328

Cheryl.ide@dof.ca.gov

**Jill Kanemasu**, *State Controller's Office*

Division of Accounting and Reporting, 3301 C Street, Suite 700, Sacramento, CA 95816

Phone: (916) 322-9891

jkanemasu@sco.ca.gov

**Jay Lal**, *State Controller's Office (B-08)*

Division of Accounting & Reporting, 3301 C Street, Suite 700, Sacramento, CA 95816

Phone: (916) 324-0256

JLal@sco.ca.gov

**Yazmin Meza**, *Department of Finance*

915 L Street, Sacramento, CA 95814

Phone: (916) 445-0328

Yazmin.meza@dof.ca.gov

**Robert Miyashiro**, *Education Mandated Cost Network*

1121 L Street, Suite 1060, Sacramento, CA 95814

Phone: (916) 446-7517

robertm@sscal.com

**Jameel Naqvi**, Analyst, *Legislative Analyst's Office*

Education Section, 925 L Street, Suite 1000, Sacramento, CA 95814

Phone: (916) 319-8331

Jameel.naqvi@lao.ca.gov

**Andy Nichols**, *Nichols Consulting*

1857 44th Street, Sacramento, CA 95819

Phone: (916) 455-3939

andy@nichols-consulting.com

**Christian Osmena**, *Department of Finance*

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RECEIVED  
July 10, 2015  
Commission on  
State Mandates

**BETTY T. YEE**  
California State Controller

**Exhibit B**

July 10, 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-11  
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, 2001-2002, 2002-2003, 2003-2004, 2004-2005,  
2005-2006, 2006-2007, 2007-2008, 2008-09, and 2010-11  
San Bernardino 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,

JIM L. SPANO, Chief  
Mandated Cost Audits Bureau  
Division of Audits

JLS/as

15844



**RESPONSE BY THE STATE CONTROLLER’S OFFICE  
TO THE INCORRECT REDUCTION CLAIM (IRC) BY  
SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**Integrated Waste Management Program**

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Note: References to Exhibits relate to the district’s IRC filed on June 9, 2015, as follows:

- Exhibit A – PDF pages 24, 26, 31, and 34
- Exhibit B - PDF pages 39, 51, 56, 58, and 61
- Exhibit C – PDF pages 64, 85, and 86
- Exhibit D – PDF pages 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 308, 310, 313, 315, 318, 320, 322, 324, and 326

## **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)

18 **SAN BERNARDINO COMMUNITY**  
19 **COLLEGE DISTRICT, Claimant**

No.: IRC 14-0007-I-11

**AFFIDAVIT OF BUREAU CHIEF**

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 the San Bernardino Community College District, CalRecycle, or retained at our place of business.

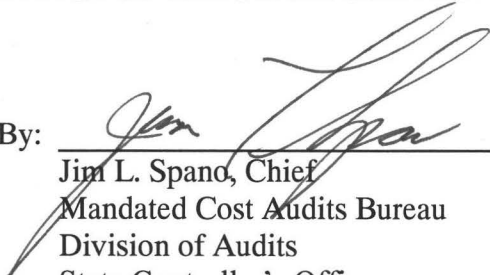
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- 6) The records include claims for reimbursement, and attached supporting documentation, explanatory letters, or other documents relating to the above-entitled Incorrect Reduction Claim.
  
- 7) A review of the claims for fiscal year (FY) 1999-2000, FY 2000-01, FY 2001-02, FY 2002-03, FY 2003-04, FY 2004-05, FY 2005-06, FY 2006-07, FY 2007-08, FY 2008-09, and FY 2010-11 commenced on June 13, 2014 (initial contact date) and was completed on June 23, 2014 (issuance of review report).

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: July 10, 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  
SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**For Fiscal Year (FY) 1999-2000, FY 2000-01, FY 2001-02, FY 2002-03, FY 2003-04,  
FY 2004-05, FY 2005-06, FY 2006-07, FY 2007-08, FY 2008-09, 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 San Bernardino Community College District submitted on June 9, 2015. 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, 2009; and July 1, 2010, through June 30, 2011. The SCO issued its final report on June 23, 2014 [Exhibit A, page 24 of 344].

The district submitted reimbursement claims totaling \$382,484—\$16,905 for fiscal year (FY) 1999-2000 [Exhibit D, page 283 of 344], \$39,966 for FY 2000-01 [Exhibit D, page 287 of 344], \$38,668 for FY 2001-02 [Exhibit D, page 291 of 344], \$39,255 for FY 2002-03 [Exhibit D, page 295 of 344], \$38,003 for FY 2003-04 [Exhibit D, page 299 of 344], \$40,525 for FY 2004-05 [Exhibit D, page 303 of 344], \$49,712 for FY 2005-06 [Exhibit D, page 308 of 344], \$44,725 for FY 2006-07 [Exhibit D, page 313 of 344], \$25,719 for FY 2007-08 [Exhibit D, page 318 of 344], \$30,481 for FY 2008-09 [Exhibit D, page 322 of 344], and \$18,525 for FY 2010-11 [Exhibit D, page 326 of 344]. Subsequently, the SCO reviewed these claims and found that \$77,792 is allowable (\$86,436 less a \$8,644 penalty for filing late claims) and \$304,692 is unallowable [Exhibit A, page 24 of 344] because the district did not report any offsetting savings realized from implementation of its IWM 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	\$ 11,613	\$ 11,613	\$ -
Indirect costs	5,292	5,292	-
Total direct and indirect costs	16,905	16,905	-
Less offsetting savings	-	(6,715)	(6,715)
Subtotal	16,905	10,190	(6,715)
Less late filing penalty <sup>1</sup>	-	(1,019)	(1,019)
Total program costs	<u>\$ 16,905</u>	9,171	<u>\$ (7,734)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 9,171</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	\$ 26,314	\$ 26,314	\$ -
Indirect costs	13,652	13,652	-
Total direct and indirect costs	39,966	39,966	-
Less offsetting savings	-	(12,356)	(12,356)
Subtotal	39,966	27,610	(12,356)
Less late filing penalty <sup>1</sup>	-	(2,761)	(2,761)
Total program costs	<u>\$ 39,966</u>	24,849	<u>\$ (15,117)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 24,849</u>	
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits	\$ 26,314	\$ 26,314	\$ -
Indirect costs	12,354	12,354	-
Total direct and indirect costs	38,668	38,668	-
Less offsetting savings	-	(16,286)	(16,286)
Subtotal	38,668	22,382	(16,286)
Less late filing penalty <sup>1</sup>	-	(2,238)	(2,238)
Total program costs	<u>\$ 38,668</u>	20,144	<u>\$ (18,524)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 20,144</u>	
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits	\$ 26,314	\$ 26,314	\$ -
Indirect costs	12,941	12,941	-
Total direct and indirect costs	39,255	39,255	-
Less offsetting savings	-	(26,406)	(26,406)
Subtotal	39,255	12,849	(26,406)
Less late filing penalty <sup>1</sup>	-	(1,285)	(1,285)
Total program costs	<u>\$ 39,255</u>	11,564	<u>\$ (27,691)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 11,564</u>	

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits	\$ 26,314	\$ 26,314	\$ -
Indirect costs	11,689	11,689	-
Total direct and indirect costs	38,003	38,003	-
Less offsetting savings	-	(24,598)	(24,598)
Subtotal	38,003	13,405	(24,598)
Less late filing penalty <sup>1</sup>	-	(1,341)	(1,341)
Total program costs	<u>\$ 38,003</u>	12,064	<u>\$ (25,939)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 12,064</u>	
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs:			
Salaries and benefits	\$ 27,830	\$ 27,830	\$ -
Indirect costs	12,695	12,695	-
Total direct and indirect costs	40,525	40,525	-
Less offsetting savings	-	(73,385)	(73,385)
Subtotal	40,525	(32,860)	(73,385)
Adjustment to eliminate negative balance	-	32,860	32,860
Total program costs	<u>\$ 40,525</u>	-	<u>\$ (40,525)</u>
Less amount paid by the State <sup>2</sup>		-	
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	\$ 33,648	\$ 33,648	\$ -
Indirect costs	16,064	16,064	-
Total direct and indirect costs	49,712	49,712	-
Less offsetting savings	-	(166,015)	(166,015)
Subtotal	49,712	(116,303)	(166,015)
Adjustment to eliminate negative balance	-	116,303	116,303
Total program costs	<u>\$ 49,712</u>	-	<u>\$ (49,712)</u>
Less amount paid by the State <sup>2</sup>		-	
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, 2006, through June 30, 2007</u>			
Direct costs:			
Salaries and benefits	\$ 30,781	\$ 30,781	\$ -
Indirect costs	13,944	13,944	-
Total direct and indirect costs	44,725	44,725	-
Less offsetting savings	-	(369,775)	(369,775)
Subtotal	44,725	(325,050)	(369,775)
Adjustment to eliminate negative balance	-	325,050	325,050
Total program costs	<u>\$ 44,725</u>	-	<u>\$ (44,725)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs:			
Salaries and benefits	\$ 16,708	\$ 16,708	\$ -
Indirect costs	9,011	9,011	-
Total direct and indirect costs	25,719	25,719	-
Less offsetting savings	-	(553,385)	(553,385)
Subtotal	25,719	(527,666)	(553,385)
Adjustment to eliminate negative balance	-	527,666	527,666
Total program costs	<u>\$ 25,719</u>	-	<u>\$ (25,719)</u>
Less amount paid by the State <sup>2</sup>		-	
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	\$ 19,473	\$ 19,473	\$ -
Indirect costs	11,008	11,008	-
Total direct and indirect costs	30,481	30,481	-
Less offsetting savings	-	(592,513)	(592,513)
Subtotal	30,481	(562,032)	(592,513)
Adjustment to eliminate negative balance	-	562,032	562,032
Total program costs	<u>\$ 30,481</u>	-	<u>\$ (30,481)</u>
Less amount paid by the State <sup>2</sup>		-	
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	\$ 11,856	\$ 11,856	\$ -
Indirect costs	6,669	6,669	-
Total direct and indirect costs	18,525	18,525	-
Less offsetting savings	-	(156,513)	(156,513)
Subtotal	18,525	(137,988)	(156,513)
Adjustment to eliminate negative balance	-	137,988	137,988
Total program costs	<u>\$ 18,525</u>	-	<u>\$ (18,525)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>Summary: July 1, 1999, through June 30, 2009; and July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 257,165	\$ 257,165	\$ -
Indirect costs	125,319	125,319	-
Total direct and indirect costs	382,484	382,484	-
Less offsetting savings	-	(1,997,947)	(1,997,947)
Subtotal	382,484	(1,615,463)	(1,997,947)
Adjustment to eliminate negative balance	-	1,701,899	1,701,899
Subtotal	382,484	86,436	(296,048)
Less late filing penalty <sup>1</sup>	-	(8,644)	(8,644)
Total program costs	<u>\$ 382,484</u>	77,792	<u>\$ (304,692)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 77,792</u>	

<sup>1</sup> The district filed its fiscal year (FY) 1999-2000 through FY 2003-04 initial reimbursement claims after the due date specified in Government Code section 17560. Pursuant to Government Code section 17561, subdivision (d)(3), the State assessed a late filing penalty equal to 10% of allowable costs, with no maximum penalty amount (for claims filed on or after September 30, 2002).

<sup>2</sup> Payment information current as of July 6, 2015.

## 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 39 of 344**]. The Commission amended the parameters and guidelines on September 26, 2008 [**Exhibit B, page 51 of 344**], as directed by the Superior Court of California, County of Sacramento, No. 07CS00355 [**Tab 3**].

Section VIII. of the amended parameters and guidelines define offsetting cost savings as follows [**Exhibit B, page 61 of 344**]:

#### 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**]. On June 6, 2005, the SCO issued the IWM claiming instructions [**Exhibit C, page 64 of 344**]. On December 1, 2008, the SCO amended the IWM claiming instructions to be consistent with the amended parameters and guidelines [**Exhibit C, page 85 of 344**]. The amended claiming instructions allowed community colleges districts the ability to refile their FY 1999-2000 through FY 2007-08 claims to report the required offsetting savings.

#### II. DISTRICT'S UNREPORTED OFFSETTING SAVINGS

##### Issue

For the period of July 1, 1999, through June 30, 2009; and July 1, 2010 through June 30, 2011, we found that the district did not report any offsetting savings on its mandated costs claims. Our review found that the district realized savings of \$1,997,947 from implementation of its IWM plan.

The district believes that it did not realize any cost savings. The district thus believes that it is in compliance with 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 61 of 344**].

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 [**Tab 3**]. 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, page 2**].

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, 2009; and July 1, 2010, 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 San Bernardino Community College District realized cost savings, it is not required to incur increased costs.

District's Response:

**A. OFFSETTING COST SAVINGS**

The District did not report offsetting cost savings because none were realized. The audit report states that the total claimed costs of \$382,484 should have been reduced by \$1,997,947 of cost savings calculated by multiplying the tonnage diverted by a statewide average landfill fee per ton. However, none of these alleged cost savings were realized by the District as required by the parameters and guidelines.

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.

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 districts' 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 which California Community Colleges must annually 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 39 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 Procedure 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. The auditor then used the 2007 percentage for all subsequent years. 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 total 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 \$36.83 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 \$1,997,947 which are \$1,701,899 in excess of the claimed program costs of \$382,484:

<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	\$ 16,905	\$ 10,190	\$ 6,715	\$ 6,715	\$ -
FY 2000-01	\$ 39,966	\$ 27,610	\$ 12,356	\$ 12,356	\$ -
FY 2001-02	\$ 38,668	\$ 22,382	\$ 16,286	\$ 16,286	\$ -
FY 2002-03	\$ 39,255	\$ 12,849	\$ 26,406	\$ 26,406	\$ -
FY 2003-04	\$ 38,003	\$ 13,405	\$ 24,598	\$ 24,598	\$ -
FY 2004-05	\$ 40,525	\$ -	\$ 73,385	\$ 40,525	\$ 32,860
FY 2005-06	\$ 49,712	\$ -	\$ 166,015	\$ 49,712	\$ 116,303
FY 2006-07	\$ 44,725	\$ -	\$ 369,775	\$ 44,725	\$ 325,050
FY 2007-08	\$ 25,719	\$ -	\$ 553,385	\$ 25,719	\$ 527,666
FY 2008-09	\$ 30,481	\$ -	\$ 592,513	\$ 30,481	\$ 562,032
FY 2010-11	\$ 18,525	\$ -	\$ 156,513	\$ 18,525	\$ 137,988
<b>Totals</b>	<b>\$ 382,484</b>	<b>\$ 86,436</b>	<b>\$ 1,997,947</b>	<b>\$ 296,048</b>	<b>\$ 1,701,899</b>

The “excess” adjustment amount means that the adjustment exceed the amount claimed by the District for all program costs for six fiscal years. 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 the annual recycling material reports.

The Controller’s calculation method thus prevents this 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 <sup>2</sup> to date that the application of the formula has only arbitrary results. The following table indicates the percentage of total claimed 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>
Butte-Glenn Community College District	0%	9/11/2014
Mira Costa 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
Allan Hancock Joint Community College District	14.8%	6/23/2014
San Bernardino Community College District	20.3%	6/23/2014
Grossmont-Cuyamaca Community College District	28.7%	4/30/2013
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
Shasta-Tehama-Trinity Jt Community College District	53.3%	6/17/2014
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
Cabrillo Community College District	80.8%	6/18/2014
Redwoods 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:

During our review of the district's claims, we found that the district realized total offsetting savings of \$1,997,947 from implementation of its IWM plan [**Exhibit A, page 34 of 344**].

The district believes that the SCO's offsetting savings adjustment of \$1,997,947 is inappropriate because “none of these alleged cost savings were realized by the District as required by the parameters and guidelines.” The SCO's comments regarding the issue of realized cost savings are discussed at great length in Item 3 - Realized Cost Savings, below.

## 2. Assumed Cost Savings

- *Presumed Requirement for the 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 solid waste is disposed. “Diversion” is not the same as 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 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 states 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 in fact, acknowledges its use of landfills for solid waste disposal. In its annual waste management report to CalRecycle, the district states the following:

- “Less material is going to the landfill due to recycling.” [Tab 4, page 5]
- “Yes, with the implementation of the recycling program, our waste stream has decreased to the landfill.” [Tab 4, page 8]
- “1A. Green waste – generated by tree and shrubbery pruning conducted by campus employees – and food waste are the only waste materials that are not diverted from landfills at this time....” [Tab 4, page 34]
- “...[the college] works closely with construction contractors to ensure the greatest possible volume of construction waste materials is diverted from landfills.” [Tab 4, page 35]

In addition, in the district’s own annual claim filings, it consistently acknowledges the use of landfills when it claims salaries and benefits for “Diverting solid waste from landfill disposal or transformation facilities – recycling/composting.” [Exhibit D, pages 285, 289, 293, 297, 301, 305, 310, 315, 320, 324, and 326 of 344]

Further, the district reported to CalRecycle that it *disposed* of 1,070.7 tons of trash in calendar year 2000 [Tab 4, page 1], 858.0 tons in calendar year 2001 [Tab 4, page 4], 978 tons in calendar year 2002 [Tab 4, page 7], 746.8 tons in calendar year 2003 [Tab 4, page 10], 431.3 tons in calendar year 2004 [Tab 4, page 13], 431.3 tons in calendar year 2005 [Tab 4, page 16], 1,342.0 tons in calendar year 2006 [Tab 4, page 19], 2,155.8 tons in calendar year 2007 [Tab 4, page 22], 455.3 tons in calendar year 2008 [Tab 4, page 25], 570.44 tons in calendar year 2009 [Tab 4, page 28], and 642.0 tons in calendar year 2010 [Tab 4, page 33].



Therefore, the evidence obtained by the SCO supports that the district normally disposes of its waste at a landfill.

- *Assumed Cost Savings*

The district states, “. . . the Controller’s audit adjustment erroneously and simply assumes these costs savings occurred in the form of avoided landfill fees for the mandated tonnage diverted.” This comment is contrary to the district’s posted statements. The district acknowledges on its own website that “SBVC’s [San Bernardino Valley College’s] efforts at recycling *save thousands of dollars per year*...” [emphasis added, **Tab 5**].

Unless the district had an arrangement with its waste hauler that it did not disclose to us or CalRecycle, the district did not dispose of its solid waste at a landfill at no cost. San Bernardino Valley College is located in San Bernardino, California. An internet search for landfill fees revealed that San Bernardino County, which operates the Mid-Valley Landfill in Rialto, California (12 miles from the SBVC), currently charges \$59.94 per ton to dispose of solid waste [**Tab 6**]. Therefore, the higher rate of diversion results in less trash to be disposed of at a landfill, creating cost savings to the district.

Therefore, evidence obtained by the SCO supports that the district incurred fees to dispose of its waste at a landfill. Further, by the district’s own admission, it recognizes that significant savings have resulted from its diversion activities.

### 3. Realized Cost Savings

The district reported that it *diverted* from landfill disposal 405.5 tons in calendar year 2000 [**Tab 4, page 1**], 382.2 tons in calendar year 2001 [**Tab 4, page 4**], 588.6 tons in calendar year 2002 [**Tab 4, page 7**], 964.9 tons in calendar year 2003 [**Tab 4, page 10**], 488.7 tons in calendar year 2004 [**Tab 4, page 13**], 6,189.5 tons in calendar year 2005 [**Tab 4, page 16**], 7,481.1 tons in calendar year 2006 [**Tab 4, page 19**], and 20,205.1 tons in calendar year 2007 [**Tab 4, page 22**], due to implementation of its IWM plan. The district realized a savings from implementation of its IWM plan. The savings is supported when the tonnage diverted is multiplied by the cost to dispose of one ton of solid waste at the landfill (e.g., \$59.94 per ton at the Mid-Valley Landfill in Rialto, California).

Public Resources Code section 42925(a) requires that cost savings realized as a result of implementing an IWM plan be remitted to the State, in accordance with Public Contract Code sections 12167 and 12167.1. 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 or its failure to perform all of what it calls “prerequisite events” do not preclude it from the requirement to do so.

The amended parameters and guidelines, section VIII (Offsetting Cost Savings) states [**Exhibit B, page 61 of 344**]:

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].

The Sacramento Superior Court ruled on May 29, 2008, that the cost savings *must* be used to fund IWM plan costs when it stated [**Tab 7, page 7**]:

Second, 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].

Therefore, evidence obtained by the SCO supports that through diversion activities, the district realized savings that are required to be remitted to the State and that these savings be used to fund IWM plan costs.

#### 4. Calculation of Cost Savings

##### a. The Controller’s formula is a standard of general application

The district 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 IWM plan implementation – i.e., the actual increased costs of diversion – under section 6 and section 17514” [emphasis added, see **Tab 7, 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 51 of 344**]. 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 the required offsetting savings. These amended claims were to be re-filed with the SCO on or before March 31, 2009 [**Exhibit C, page 86 of 344**].

The district’s IWM claims for FY 1999-2000 through FY 2004-05 were filed with the SCO on September 18, 2006. The IWM claim for FY 2005-06 was filed with the SCO on January 11, 2007; the FY 2006-07 claim was filed with the SCO on January 27, 2008; and the IWM claim for FY 2007-08 was filed with the SCO on February 10, 2009. The district did not amend any of these claims to report the required offset. Further, neither the FY 2008-09 or the FY 2010-11 IWM claims reported the required offset. Therefore, due to the district’s failure to report the required offset, we used the methodology identified in the May 29, 2008 Superior Court ruling to determine the applicable offset amount [see the offsetting savings calculation in **Tab 8 and Exhibit A, page 31 of 344**]. We believe that this “court-identified” approach provides a reasonable methodology by which to identify the required offset.

We informed the district of the adjustment via an email on June 13, 2014 [Tab 9]. On June 19, 2014, we received a response from the Director of Facilities, Planning, and Construction stating, "SBCCD does not agree with the IWM Audit Methodology from the SCO..." [Tab 10]. The email goes on to state that the district requests a telephone conference call in the upcoming months. On June 24, 2014, we responded that we [the SCO] would be available any time for a telephone conference call to discuss this adjustment [Tab 11]. The district never sent a follow-up email requesting to schedule the telephone conference call. In addition, the district did not provide an alternate methodology by which to calculate the required offset.

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

1. 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.

- Allocated Diversion Percentage for FY 1999-2000 through FY 2006-07

For calendar years 2000, 2001, and 2003 through 2007, San Bernardino 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 8]. Therefore, we "allocated" the offsetting savings so as to not penalize the district by recognizing offsetting savings resulting from the additional non-mandated savings the district realized from diverting solid waste above and beyond the applicable requirements of the Public Resources Code.

For FY 1999-2000 through FY 2006-07, we used the diversion information exactly as reported annually by the district to CalRecycle. For example, in calendar year 2006, the district reported to CalRecycle that it diverted 7,481.1 tons of solid waste and disposed of 1,342.0 tons, which results in an overall diversion percentage of 84.8% [Tab 4, page 19]. 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 divert only 4,411.55 tons (8,823.1 total tonnage generated x 50%) in order to satisfy the 50% requirement. Therefore, we adjusted our calculation to compute offsetting savings based on 4,411.55 tons of diverted solid waste rather than a total of 7,481.1 tons diverted.

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 exceed the levels set by statute.

- Allocated Diversion Percentage for FY 2007-08, FY 2008-09, and 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 percent diversion, and that target will be 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 26], 2009 [Tab 4, page 29], and 2010 [Tab 6, page 34] annual reports, we found the district’s annual per capita disposal rate for both the employee and student populations to be well below the target rate. Therefore, the district far surpassed its requirement to divert more than 50% of its solid waste. As the district was unable to provide either the tonnage diverted or the diversion percentage for calendar years 2008, 2009, and 2010, we used the 2007 diversion information [which is identified on Tab 4, page 22] to calculate the required offsetting savings for FY 2007-08, FY 2008-09 and FY 2010-11.

We believe that the 2007 diversion information is a fair representation of the 2008 through 2010 diversion information because the district’s recycling processes have already been established and committed to. In the 2008 annual report, when asked to explain what new waste diversion programs were either implemented or discontinued during the year, the district states, “We did not implement any new programs this year nor did we discontinue any programs currently in place” [Tab 4, page 26]. In addition, in the 2009 annual report, when asked to explain any changes to the waste diversion programs implemented, the district states, “The most significant change was the implementation of construction debris recycling...No recycling effort has been abandoned or reduced throughout the past year” [Tab 4, page 30]. Therefore, it is entirely possible that the offsetting savings calculations we determined for FY 2008-09 and FY 2010-11 (which are based on the 2007 tonnage amounts) may even be understated.

## 2. Tonnage Diverted

- Composted Material

The district states, “Composted material, which can be a significant amount of the diverted tonnage, would not have gone to the landfill.” However, the district does not identify where this material (e.g. grass, weeds, branches, etc.) will go to be disposed of if it were not composted. Further, we disagree that composted materials represents a significant amount of tonnage. In its 2010 annual report, the district states the following:

1A. Green waste- generated by tree and shrubbery pruning conducted by campus employees – and food waste are the only materials that *are not diverted from landfills at this time*....1B. SBVC has no area on campus with which to conduct composting operations and local resources for hauling compostable waste are both limited and expensive in this geographic locale. The *relatively light volume of these materials* also inhibits the viability of such a program. [emphasis added]

Coincidentally, as a result of this mandated program, the district is claiming nearly \$200,000 in salaries and benefits for its grounds caretakers to “divert solid waste from landfill disposal or transformation facilities – composting” [Tab 13]. We are uncertain why the district is claiming such large costs for activities it states it does not perform. Regardless, it seems reasonable that such offsetting savings incurred as a result of composting, no matter how minimal, be recognized and appropriately offset against direct composting costs that the district incurred and claimed as part of implementing its IWM plan.

- Hazardous Waste

The district states, “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 8].

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, “These following materials are deemed as hazardous, and cannot be disposed in a landfill. Proper handling is required and does not count as diversion” [Tab 14, page 1]. CalRecycle goes on to specify that hazardous waste includes the following [Tab 14, page 2]:

- 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. [emphasis added]

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.

- 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, FY 2008-09, and FY 2010-11 are the same as previously addressed with regard to the passage of SB 1016.

### 3. Landfill 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 \$36.83 to \$56 per ton, based on data said to be obtained from CalRecycle.”

The calendar year 2000 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 15, 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 [Tab 15, page 4]. 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 16]. 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 17]. We confirmed with CalRecycle that it 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.

Also, as identified earlier, an internet search for landfill fees revealed that the Mid-Valley Landfill, in Rialto, California, currently charges \$59.94 per ton to dispose of solid waste [Tab 6]. Therefore, we believe that the \$36.83 to \$56 “statewide average disposal fee” used to calculate the offsetting savings realized by the district is reasonable. The district did not provide any information, such as its contract with or invoices received from its commercial waste hauler to support either the landfill fees actually incurred by the district or to confirm that the statewide average landfill fee was greater than the actual landfill fees incurred by the district.

## 5. Application of the Formula

We found that the district realized savings of \$1,997,947 from implementation of its IWM plan. However, because the offsetting savings adjustment exceeded claimed costs, we applied only \$296,048 against claimed costs. In total, of the \$382,484 claimed, we found that \$77,792 (\$86,436 less a \$8,644 penalty for filing late claims) is allowable and \$304,692 is unallowable.

- Landfill Costs

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 no such costs would be claimable. Instead, the mandated program reimburses claimants to divert solid waste from landfill disposal. By diverting solid waste, the district realizes both a reduction of solid waste going to a landfill and the associated cost 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 May 29, 2008, [Tab 10, page 7] that:

...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 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 [**Exhibit B, page 61 of 344**]:

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 [**Exhibit B, page 56 of 344**]

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 [**Exhibit B, page 56 of 344**]

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].

C. Annual Report [**Exhibit B, page 58 of 344**]

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 provided a table of other engagements conducted by the State Controller’s Office on the single issue of cost savings. 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 did not report any recycling revenue. The district also notes that recycling revenues are not offsetting cost savings, but are offsetting revenues generated from implementing the IWM plan.

SCO's Analysis:

We agree with the district.

District's Response:

**B. OFFSETTING REVENUES AND REIMBURSEMENTS**

The District did not report any recycling income. The audit report correctly states that this District revenue was not deposited in 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 implement 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.

Therefore, if the District had reported the recycling income, it would have been as a reduction of total claimed costs and not subject to state appropriation in the form of cost savings.

SCO's Comment:

No adjustment was made to the district's claims with regards to offsetting revenues and reimbursements; therefore, we are uncertain as to why the district included this topic for discussion in its IRC filing. The district is correct in its statement that recycling revenues are not offsetting savings realized from implementation of its IWM plan.



#### 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 solely by 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 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..."<sup>1</sup> 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.

---

<sup>1</sup> 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]. Further, the tonnage amounts reported by the district to CalRecycle are hardly "fictional." When questioned by CalRecycle as to how the reported tonnage amounts were determined, the district states it is based on "documentation from the City of San Bernardino's waste management program and waste studies completed by the College" [Tab 4, pages 8, 11, and 17].

We used a statewide average disposal fee for solid waste hauled to a landfill based on information provided by CalRecycle [Tabs 15, 16 and 17]. We confirmed that these statewide averages are "in-line" with the actual disposal fee charged by the Mid-Valley Landfill in Rialto, California (which is only 12 miles away from the district).

The district is correct when it states that we advised the district of our adjustments to its claims. In an email dated June 13, 2014 [Tab 9], we provided the district with the following information:

- Offsetting Savings Calculation [Tab 8]
- Narrative of Finding (identified as Attachment 3 in the review report) [Exhibit A, page 34 of 344]
- Waste Management Annual Reports of Diversion [Tab 4]
- September 10, 2008 Final Staff Analysis (from the Commission on State Mandates)
- Amended Parameters and Guidelines [Exhibit B, page 51 of 344]
- Fiscal Analysis (Summary of claimed, allowable, and unallowable costs by fiscal year [identified as Attachment 1 in the review report]) [Exhibit A, page 26 of 344]

On June 19, 2014, we received a response from the Director of Facilities, Planning, and Construction stating, "SBCCD does not agree with the IWM Audit Methodology from the SCO..." [Tab 10]. The email goes on to state that the district requests a telephone conference call in the upcoming months. On June 24, 2014, we responded that we (the SCO) would be available any time for a telephone conference call to discuss this adjustment [Tab 11]. The district never sent a follow-up email requesting to schedule the telephone conference call. In addition, the district did not provide an alternate methodology to calculate the required offset.

## CONCLUSION

The SCO reviewed San Bernardino 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, 2009; and July 1, 2010, through June 30, 2011. The district reported no offsetting savings. We found that the district realized savings of \$1,997,947 from implementation of its IWM plan. In addition, we found that the district filed its FY 1999-2000 through FY 2003-04 initial reimbursement claims after the due date specified in Government Code section 17560, resulting in late filing penalties of \$8,644. However, because the

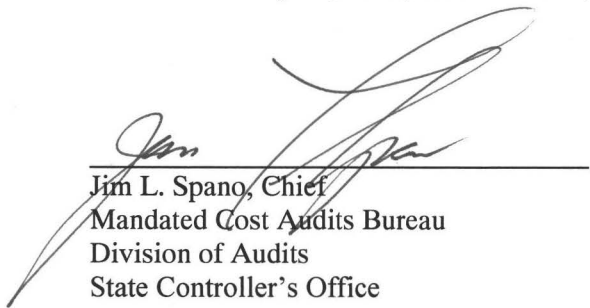
adjustments exceeded claimed costs, we found that of the \$382,484 claimed, \$77,792 is allowable (\$86,436 less a \$8,644 penalty for filing late claims) and \$304,692 is unallowable.

In conclusion, the Commission should find that the SCO: (1) correctly reduced the district's FY 1999-2000 claim by \$7,734; (2) correctly reduced the district's FY 2000-01 claim by \$15,117; (3) correctly reduced the district's FY 2001-02 claim by \$18,524; (4) correctly reduced the district's FY 2002-03 claim by \$27,691; (5) correctly reduced the district's FY 2003-04 claim by \$25,939; (6) correctly reduced the district's FY 2004-05 claim by \$40,525; (7) correctly reduced the district's FY 2005-06 claim by \$49,712; (8) correctly reduced the district's FY 2006-07 claim by \$44,725; (9) correctly reduced the district's FY 2007-08 claim by \$25,719; (10) correctly reduced the district's FY 2008-09 claim by \$30,481; and (12) correctly reduced the district's FY 2010-11 claim by \$18,525.

## 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 July 10, 2015, at Sacramento, California, by:



\_\_\_\_\_  
Jim L. Spano, Chief  
Mandated Cost Audits Bureau  
Division of Audits  
State Controller's Office

## **Tab 3**

1 EDMUND G. BROWN JR.  
Attorney General of the State of California  
2 CHRISTOPHER E. KRUEGER  
Senior Assistant Attorney General  
3 DOUGLAS J. WOODS  
Supervising Deputy Attorney General  
4 JACK WOODSIDE, State Bar No. 189748  
Deputy Attorney General  
5 1300 I Street, Suite 125  
P.O. Box 944255  
6 Sacramento, CA 94244-2550  
Telephone: (916) 324-5138  
7 Fax: (916) 324-8835  
E-mail: Jack.Woodside@doj.ca.gov  
8 Attorneys for Petitioners Department of Finance and  
California Integrated Waste Management Board  
9

~~FILED~~ / ENDORSED  
JUN 30 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,**  
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.

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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23  
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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:

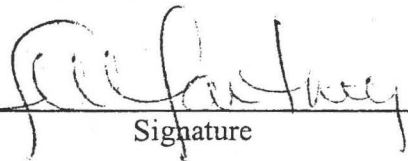
I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General 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

③

## **Tab 4**



2000



State Agency Reporting Center: Waste Management Annual Report
2000 SARC Annual Report: San Bernardino Valley College

New Search | Agency Detail

Facilities | Annual Per Capita Disposal | Programs

Alternative Name(s): 47 San Bernadino, San Bernadino Community College District

Physical Address
701 South Mt. Vernon Avenue
San Bernardino, CA 92410

CalRecycle Representative
Benjamin Johnson
Benjamin.Johnson@CalRecycle.ca.gov
(916) 323-1795 x

Total Number of Employees including Facilities: 0

Recycling Coordinator: James Hansen kpasilla@sbccd.cc.ca.us (909) 384-8965

Facilities
No Facilities exist for this Agency

Annual Per Capita Disposal

Diversion Program Summary
Total Tonnage Diverted: 405.5
Total Tonnage Disposed: 1,070.7
Total Tonnage Generated: 1,476.2
Overall Diversion Percentage: 27.5%

Handwritten calculations:
1/1/00 - 6/30/00: 202.75
7/1/00 - 12/31/00: 202.75
405.50



Questions

What is the mission statement of the State agency/large State facility?

The mission of San Bernardino Valley College is to promote the discovery and application of knowledge, the acquisition of skills, and the development of intellect and character in a manner which prepares students to contribute effectively and ethically as citizens of a rapidly changing and increasing technological world,

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

The basic components of waste from a college is the consumption of paper goods through the educational process (books, paper, tests, worksheets, etc.) and the waste create by the educational facility.

Based on the worksheet (Part III), what is currently being done to reduce waste?

San Bernardino Valley College has been recycling on a limited basis for over ten years. We continue to recycle paper goods and process ore materials through electronic media, and the recycling of grass cutting.

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.

San Bernardino Valley College has more than 83.5 acres of which 46.5 acres are planted in grass. The recycling of grass cuttings has placed San Bernardino Valley College in a high percentile of waste diversion. We will continually try to increase the amount of tonnage processed through waste management.

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.

San Bernardino Valley College will strive to minimize the generation of waste and support markets for recycling materials through the three R's: was Reduction, Reuse, and Recycle.

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.

San Bernardino Valley College has been recycling waste for over ten years. During this time we have diverted \$100,000.00 into equipment and staff to recycle waste. We will continue this recycling, but we will also begin to sort all trash using custodial, secretarial, and college staff.

This question applies only for State agencies submitting a modified IWMP: Briefly describe the waste diversion program activities currently in place.

**Programs**

Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X	X	120.2500
Material Exchange		X	0.0000
Salvage Yards	X	X	20.0000
Beverage Containers	X	X	2.2000
Cardboard		X	0.0000
Newspaper		X	0.0000
Office Paper (mixed)		X	0.0000
Xeriscaping, grasscycling	X	X	263.0000
On-site composting/mulching		X	0.0000
Commercial pickup of compostables		X	0.0000
Wood waste		X	0.0000

405.45 tons diverted

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>  
Recycling Coordinator: [SARC@calrecycle.ca.gov](mailto:SARC@calrecycle.ca.gov), (916) 341-6199  
Buy Recycled Campaign: [BuyRecycled@calrecycle.ca.gov](mailto:BuyRecycled@calrecycle.ca.gov), (916) 341-6199

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2001



**State Agency Reporting Center: Waste Management Annual Report  
2001 SARC Annual Report: San Bernardino Valley College**

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

**Alternative Name(s):** 47 San Bernadino, San Bernadino Community College District

**Physical Address**  
701 South Mt. Vernon Avenue  
San Bernardino, CA 92410

**CalRecycle Representative**  
Benjamin Johnson  
[Benjamin.Johnson@CalRecycle.ca.gov](mailto:Benjamin.Johnson@CalRecycle.ca.gov)  
(916) 323-1795 x

**Total Number of Employees including Facilities:** 403

**Recycling Coordinator:** James Hansen [kpasilla@sbccd.cc.ca.us](mailto:kpasilla@sbccd.cc.ca.us) (909) 384-8965

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
San Bernardino Valley Collge	403	701 South Mt. Vernon Avenue San Bernardino, CA 92410
<b>Total Employees in Facilities:</b>	<b>403</b>	
Export To Excel		Count: 1

Annual Per Capita Disposal	
<b>Diversion Program Summary</b>	
Total Tonnage Diverted: 382.2	→ 11/1/01 - 6/30/01: 191.10
Total Tonnage Disposed: 858.0	7/1/01 - 12/31/01: 191.10
Total Tonnage Generated: 1,240.2	<u>191.10</u>
Overall Diversion Percentage: 30.8%	<u><u>382.20</u></u>
<b>Employees</b>	
Total Number of Employees: 403	
<b>Non-Employee Population</b>	
Total Number of Non-employees: 14,000	
Non-employee Population Type: Visitors, Inmates, etc	

4  
37

\*

2001

**Disposal**

Total amount Disposed: 858.00 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	11.70	0.00	0.34

**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?

Less material is going to the landfill due to recycling.

What waste diversion programs are currently in place and what waste diversion programs were implemented in 2001 to meet the waste diversion goals?

We are in the process of implementing a recycling program through the City of San Bernardino. This program will provide recyclable containers in every building which will be serviced by our custodial staff. Also, we currently have a hazardous waste program through Industrial Waste Utilization in Montclair, CA at (909)984-9984. Our representative is Robert Roth.

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)?

Industrial Waste Utilization weighs and counts all material for disposal. We then receive a itemized document for our records. We also receive itemized documents from UHWM for other items.

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.?

E-mail has become our main source of communication on the campus. In the office we make double sided copies whenever possible. And we have envelopes that are reused to distribute inter-campus and inter-site mail.

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?

5

We have committed funding for the hazardous waste program and are currently appropriating funds for the recyclable program.

**Programs**

Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X	X	89.5000
Material Exchange	X	X	2.5000
Beverage Containers	X	X	0.8000
Cardboard	X	X	0.3000
Office Paper (mixed)	X	X	17.5000
Scrap Metal	X	X	1.2000
Xeriscaping, grasscycling	X	X	263.0000
Wood waste	X	X	7.4000

382.2 tons diverted

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>  
 Recycling Coordinator: [SARC@calrecycle.ca.gov](mailto:SARC@calrecycle.ca.gov), (916) 341-6199  
 Buy Recycled Campaign: [BuyRecycled@calrecycle.ca.gov](mailto:BuyRecycled@calrecycle.ca.gov), (916) 341-6199

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**2002 SARC Annual Report: San Bernardino Valley College**

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

**Alternative Name(s):** 47 San Bernadino, San Bernadino Community College District

**Physical Address**  
 701 South Mt. Vernon Avenue  
 San Bernardino, CA 92410

**CalRecycle Representative**  
 Benjamin Johnson  
[Benjamin.Johnson@CalRecycle.ca.gov](mailto:Benjamin.Johnson@CalRecycle.ca.gov)  
 (916) 323-1795 x

**Total Number of Employees including Facilities:** 403

**Recycling Coordinator:** James Hansen [kpasilla@sbccd.cc.ca.us](mailto:kpasilla@sbccd.cc.ca.us) (909) 384-8965

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
San Bernardino Valley Collge	403	701 South Mt. Vernon Avenue San Bernardino, CA 92410
<b>Total Employees in Facilities:</b>	<b>403</b>	
Export To Excel		Count: 1

Annual Per Capita Disposal	
<b>Diversion Program Summary</b>	
Total Tonnage Diverted: 588.6	→ 1/1/02 - 6/30/02 : 294.30
Total Tonnage Disposed: 978.0	7/1/02 - 12/31/02 : 294.30
Total Tonnage Generated: 1,566.6	<u>588.60</u>
Overall Diversion Percentage: 37.6%	<del>*</del>
<b>Employees</b>	
Total Number of Employees: 403	
<b>Non-Employee Population</b>	
Total Number of Non-employees: 14,000	
Non-employee Population Type: Visitors, Inmates, etc	

2002

**Disposal**

Total amount Disposed: 978.00 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	13.30	0.00	0.38

**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.)

Yes, with the implementation of the recycling program, our waste stream has decreased to the landfills.

Summarize what waste diversion programs were continued or newly implemented during the report year.

Recycling program implemented thru the City of San Bernardino.

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)

Documentation from the City of SanBernardino's waste management program.

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 - Dry erase boards, electronic mail, rolled paper towels, preventative maenance. Recycling program thru the City of San Bernardino

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?

Funds were made available to implement a recycling program thru the City of San Bernardino.

8



2002

Programs			
Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X	X	89.5000
Material Exchange	X	X	2.5000
Beverage Containers	X	X	0.9000
Cardboard	X	X	0.4000
Office Paper (mixed)	X	X	18.5000
Scrap Metal	X	X	1.3000
Xeriscaping, grasscycling	X	X	400.0000
Wood waste	X	X	14.0000
Waste To Energy	X	X	0.2000
Biomass	X	X	0.2000
Tires	X	X	0.1000
Other Transformation	X	X	60.9900

588.59 tons diverted

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>  
 Recycling Coordinator: [SARC@calrecycle.ca.gov](mailto:SARC@calrecycle.ca.gov), (916) 341-6199  
 Buy Recycled Campaign: [BuyRecycled@calrecycle.ca.gov](mailto:BuyRecycled@calrecycle.ca.gov), (916) 341-6199

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**State Agency Reporting Center: Waste Management Annual Report**  
**2003 SARC Annual Report: San Bernardino Valley College**

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

**Alternative Name(s):** 47 San Bernadino, San Bernadino Community College District

**Physical Address**

701 South Mt. Vernon Avenue  
 San Bernardino, CA 92410

**CalRecycle Representative**

Benjamin Johnson  
[Benjamin.Johnson@CalRecycle.ca.gov](mailto:Benjamin.Johnson@CalRecycle.ca.gov)  
 (916) 323-1795 x

**Total Number of Employees including Facilities:** 403

**Recycling Coordinator:** James Hansen [kpasilla@sbccd.cc.ca.us](mailto:kpasilla@sbccd.cc.ca.us) (909) 384-8965

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
San Bernardino Valley Collge	403	701 South Mt. Vernon Avenue San Bernardino, CA 92410
<b>Total Employees in Facilities:</b>	<b>403</b>	
Export To Excel		Count: 1

**Annual Per Capita Disposal**

**Diversion Program Summary**

Total Tonnage Diverted: 964.9

Total Tonnage Disposed: 746.8

Total Tonnage Generated: 1,711.7

Overall Diversion Percentage: 56.4%

→ 1/1/03 - 6/30/03: 482.45  
 7/1/03 - 12/31/03: 482.45  
964.90



**Employees**

**Total Number of Employees:** 403

**Non-Employee Population**

**Total Number of Non-employees:** 14,000

**Non-employee Population Type:** Visitors, Inmates, etc

10  
43

**Disposal**

Total amount Disposed: 746.80 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	10.20	0.00	0.29

**Questions**

Is the mission statement of the State agency/large State facility the same as reported in the previous year?

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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.)

All offices have been regularly recycling paper, plastic, aluminum, cardboard, etc. Also, electronic processing (e-mail, purchasing, etc.) has significantly increased causing a decrease in our use of paper.

Summarize what waste diversion programs were continued or newly implemented during the report year.

Recycling Program through the City of San Bernardino; electronic processing of memorandums, fliers, letters, general correspondence, newsletters and purchasing documents; Internet registration, ect.

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)

Documentation from the City of San Bernardino's waste management program and waste studies completed at the College.

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 - Paper form reduction, recycle toner cartridges, reuse boxes, on-line forms, double-sided copies, rolled paper towels, preventative maintenance. Material Exchange - Non-profit/school donations, auctions, property reutilization, equipment surplus, computers, and used book buy backs. Recycling - Beverage containers, aluminum, cardboard, plastic, newspaper, office paper (mixed), and scrap metal. Organic Management - Xeriscaping, grasscycling, and commercial pickup of compostables (street/lot sweeping). Special Waste Materials - Tire recycling, wood waste, and C&D (rubble, asphalt, concrete). Hazardous Waste Materials - Electronic waste (CRTs and monitors), batteries, used oil/antifreeze, paint and other hazardous waste. Promotional Programs - Fliers, office paper recycling and waste evaluations/surveys.

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?

Funds were made available to continue a recycling program through the City of San Bernardino. Custodians recycle items daily which equates to approximately 5% (\$3,000) of the total Custodial salary expense.

**Programs**

Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X	X	45.0000
Material Exchange	X	X	5.7000
Salvage Yards	X	X	5.1000
Beverage Containers	X	X	0.9000
Cardboard	X	X	0.3100
Office Paper (mixed)	X	X	23.2000
Plastics	X	X	0.0100
Scrap Metal	X	X	3.2000
Xeriscaping, grasscycling	X	X	271.3000
Tires	X	X	0.1000
Wood waste	X	X	13.8000
Concrete/asphalt/rubble (C&D)	X	X	596.3200

964.94  
tons diverted

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>  
 Recycling Coordinator: [SARC@calrecycle.ca.gov](mailto:SARC@calrecycle.ca.gov), (916) 341-6199  
 Buy Recycled Campaign: [BuyRecycled@calrecycle.ca.gov](mailto:BuyRecycled@calrecycle.ca.gov), (916) 341-6199

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2004



State Agency Reporting Center: Waste Management Annual Report  
2004 SARC Annual Report: San Bernardino Valley College

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

Alternative Name(s): 47 San Bernadino, San Bernadino Community College District

**Physical Address**

701 South Mt. Vernon Avenue  
San Bernardino, CA 92410

**CalRecycle Representative**

Benjamin Johnson  
[Benjamin.Johnson@CalRecycle.ca.gov](mailto:Benjamin.Johnson@CalRecycle.ca.gov)  
(916) 323-1795 x

Total Number of Employees including Facilities: 403

Recycling Coordinator: James Hansen [kpasilla@sbccd.cc.ca.us](mailto:kpasilla@sbccd.cc.ca.us) (909) 384-8965

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
San Bernardino Valley Collge	403	701 South Mt. Vernon Avenue San Bernardino, CA 92410
<b>Total Employees in Facilities:</b>	<b>403</b>	
Export To Excel		Count: 1

**Annual Per Capita Disposal**

**Diversion Program Summary**

Total Tonnage Diverted: 488.7

Total Tonnage Disposed: 431.3

Total Tonnage Generated: 920.0

Overall Diversion Percentage: 53.1%

1/1/04 - 6/30/04: 244.35  
 7/1/04 - 12/31/04: 244.35  
488.70



**Employees**

Total Number of Employees: 403

**Non-Employee Population**

Total Number of Non-employees: 14,000

Non-employee Population Type: Visitors, Inmates, etc

1346

**Disposal**

Total amount Disposed: 431.30 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	5.90	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.)

All offices have been regularly recycling paper, plastic, aluminum, cardboard, etc. Also, electronic processing (e-mail, purchasing, etc.) has significantly increased causing a decrease in our use of paper.

Summarize what waste diversion programs were continued or newly implemented during the report year.

Recycling Program through the City of San Bernardino; electronic processing of memorandums, fliers, letters, general correspondence, newsletters and purchasing documents; Internet and telephone registration; etc.

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)

Documentation from campus departments and studies completed at the college.

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 - Paper form reduction, recycle toner cartridges, reuse boxes, on-line forms, double-sided copies, rolled paper towels, preventative maintenance. Material Exchange - Non-profit/school donations, auctions, property reutilization, equipment surplus, computers, and used book buy backs. Recycling - Beverage containers, aluminum, cardboard, plastic, newspaper, office paper (mixed), and scrap metal. Organic Management - Xeriscaping, grasscycling, and commercial pickup of compostables (street/lot sweeping). Special Waste Materials - Wood waste. Hazardous Waste Materials - Electronic waste (CRTs and monitors), batteries, used oil/antifreeze, paint, and other hazardous waste. Promotional Programs - Fliers, office paper recycling and waste evaluations/surveys.

Has the State agency/large State facility adopted or changed its waste reduction policy?

---

2004

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?

Funds were made available to continue a recycling program through the City of San Bernardino. Custodians recycle items daily which equates to approximately .5% (\$3,000) of the total Custodial salary expense.

Programs		
Program Name	Existing Planned/Expanding	Tons
Business Source Reduction	X	63.0000
Material Exchange	X	55.5200
Beverage Containers	X	10.9900
Cardboard	X	2.0000
Office Paper (mixed)	X	27.3000
Plastics	X	0.0100
Xeriscaping, grasscycling	X	311.9000
Commercial pickup of compostables	X	12.0000
Wood waste	X	6.0000

488.72 tons diverted

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>  
 Recycling Coordinator: [SARC@calrecycle.ca.gov](mailto:SARC@calrecycle.ca.gov), (916) 341-6199  
 Buy Recycled Campaign: [BuyRecycled@calrecycle.ca.gov](mailto:BuyRecycled@calrecycle.ca.gov), (916) 341-6199

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**State Agency Reporting Center: Waste Management Annual Report  
2005 SARC Annual Report: San Bernardino Valley College**

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

**Alternative Name(s):** 47 San Bernadino, San Bernadino Community College District

**Physical Address**  
701 South Mt. Vernon Avenue  
San Bernardino, CA 92410

**CalRecycle Representative**  
Benjamin Johnson  
[Benjamin.Johnson@CalRecycle.ca.gov](mailto:Benjamin.Johnson@CalRecycle.ca.gov)  
(916) 323-1795 x

**Total Number of Employees including Facilities:** 403

**Recycling Coordinator:** James Hansen [kpasilla@sbccd.cc.ca.us](mailto:kpasilla@sbccd.cc.ca.us) (909) 384-8965

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
San Bernardino Valley Collge	403	701 South Mt. Vernon Avenue San Bernardino, CA 92410
<b>Total Employees in Facilities:</b>	<b>403</b>	
Export To Excel		Count: 1

Annual Per Capita Disposal	
<b>Diversion Program Summary</b>	
Total Tonnage Diverted: 6,189.5	→ 1/1/05 - 6/30/05: 3,094.75
Total Tonnage Disposed: 431.3	7/1/05 - 12/31/05: 3,094.75
Total Tonnage Generated: 6,620.8	<u>6,189.50</u>
Overall Diversion Percentage: 93.5%	✱
<b>Employees</b>	
Total Number of Employees: 403	
<b>Non-Employee Population</b>	
Total Number of Non-employees: 14,000	
Non-employee Population Type: Visitors, Inmates, etc	

1649



**Disposal**

Total amount Disposed: 431.30 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	5.90	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.)

All offices have been regularly recycling paper, plastic, aluminum, cardboard, etc. Electronic processing (e-mail, purchasing, etc.) has significantly increased and many of our forms are now on-line. These factors have caused a decrease in our use of paper.

Summarize what waste diversion programs were continued or newly implemented during the report year.

Recycling Program through the City of San Bernardino; electronic processing of memorandums, fliers, letters, general correspondence, newsletters, purchasing documents and on-line forms; Internet registration, etc.

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)

Documentation from the City of San Bernardino's waste management program and waste studies completed by the College.

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 - Paper form reduction, recycle toner cartridges, reuse boxes, on-line forms, double-sided copies, rolled paper towels, and preventive maintenance. Material Exchange - Non-profit/school donations, auctions, property reutilization, equipment surplus, computers, and used book buy backs. Recycling - Beverage containers, aluminum, cardboard, plastic, newspaper, office paper (mixed), and scrap metal. Organic Mangement - Xeriscaping, grasscycling, and commerical pickup of compostables (street/lot sweeping). Special Waste Materials - Tire recycling, wood waste, and C&D (rubble, asphalt, concrete). Hazardous Waste Materials - Electronic waste (CRTs and monitors), batteries, used oil/antifreeze, paint and other hazardous waste. Promotional Programs - Fliers, office paper recycling and waste evaluations/surveys.

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?

Funds are made available to continue a recycling program through the City of San Bernardino. Custodial staff recycle items daily.

**Programs**

Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X	X	63.0000
Material Exchange	X	X	160.1800
Beverage Containers	X	X	9.7700
Cardboard	X	X	1.0000
Office Paper (mixed)	X	X	29.2000
Plastics	X	X	0.0100
Xeriscaping, grasscycling	X	X	309.4000
Commercial pickup of compostables	X	X	12.0000
Wood waste	X	X	1.5000
Concrete/asphalt/rubble (C&D)	X	X	5603.4000
Tires	X	X	0.0300

6,189.49  
tons  
diverted

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>  
 Recycling Coordinator: [SARC@calrecycle.ca.gov](mailto:SARC@calrecycle.ca.gov), (916) 341-6199  
 Buy Recycled Campaign: [BuyRecycled@calrecycle.ca.gov](mailto:BuyRecycled@calrecycle.ca.gov), (916) 341-6199

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2006



**State Agency Reporting Center: Waste Management Annual Report**  
**2006 SARC Annual Report: San Bernardino Valley College**

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

**Alternative Name(s):** 47 San Bernadino, San Bernadino Community College District

**Physical Address**

701 South Mt. Vernon Avenue  
 San Bernardino, CA 92410

**CalRecycle Representative**

Benjamin Johnson  
[Benjamin.Johnson@CalRecycle.ca.gov](mailto:Benjamin.Johnson@CalRecycle.ca.gov)  
 (916) 323-1795 x

**Total Number of Employees including Facilities:** 403

**Recycling Coordinator:** James Hansen [kpasilla@sbccd.cc.ca.us](mailto:kpasilla@sbccd.cc.ca.us) (909) 384-8965

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
San Bernardino Valley Collge	403	701 South Mt. Vernon Avenue San Bernardino, CA 92410
<b>Total Employees in Facilities:</b>	<b>403</b>	
Export To Excel		Count: 1

**Annual Per Capita Disposal**

**Diversion Program Summary**

Total Tonnage Diverted: 7,481.1

Total Tonnage Disposed: 1,342.0

Total Tonnage Generated: 8,823.1

Overall Diversion Percentage: 84.8%

→ 1/1/06 - 6/30/06: 3,740.55  
 7/1/06 - 12/31/06: 3,740.55  
7,481.10

\*

**Employees**

**Total Number of Employees:** 403

**Non-Employee Population**

**Total Number of Non-employees:** 14,000

**Non-employee Population Type:** Visitors, Inmates, etc

19

**Disposal**

Total amount Disposed: 1,342.00 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	18.20	0.00	0.53

**Questions**

Is the mission statement of the State agency/large State facility the same as reported in the previous year?

SBVC Mission: San Bernardino Valley College provides quality education and services that support a diverse community of learners.

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.)

All offices have been regularly recycling paper, plastic, aluminum, cardboard, etc. Use of electronic processing (e-mail, purchasing, etc.) and on-line forms have significantly increased. These factors have caused a decrease in our use of paper.

Summarize what waste diversion programs were continued or newly implemented during the report year.

Recycling Program through the City of San Bernardino; electronic processing of memorandums, fliers, letters, general correspondence, newsletters, purchasing documents and on-line forms; Internet registration; etc.

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)

Documentation from our Construction Management Team and waste studies completed by the College.

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 - Paper form reduction, recycle toner cartridges, reuse boxes, on-line forms, double-sided copies, rolled paper towels and preventative maintenance. Material Exchange - Non-profit/school donations, auctions, property reutilization, equipment surplus, computers and used book buy backs. Recycling - Beverage containers, aluminum, cardboard, plastic, newspaper, office paper (mixed) and scrap metal. Organic Management - Xeriscaping, grasscycling and commercial pickup of compostables (street/lot sweeping). Special Waste Materials - Tire recycling, wood waste and C&D (rubble, asphalt, concrete). Hazardous Waste Materials - Electronic waste (CRTs and monitors), batteries, used old/antifreeze, paint and other hazardous waste. Promotional Programs - Fliers, office paper recycling and waste evaluations/surveys.

Has the State agency/large State facility adopted or changed its waste reduction policy?

2006

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?

Funds are made available to continue a recycling program through the City of San Bernardino. Custodial and Grounds staff recycle items daily.

**Programs**

Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X	X	63.0000
Material Exchange	X	X	237.8200
Beverage Containers	X	X	6.1000
Cardboard	X	X	1.5000
Office Paper (mixed)	X	X	32.0000
Plastics	X	X	0.0100
Xeriscaping, grasscycling	X	X	309.4000
Commercial pickup of compostables	X	X	12.0000
Scrap Metal	X	X	3.7500
Concrete/asphalt/rubble (C&D)	X	X	6815.4200
Tires	X	X	0.0500

7,481.05  
tons  
diverted

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>  
 Recycling Coordinator: [SARC@calrecycle.ca.gov](mailto:SARC@calrecycle.ca.gov), (916) 341-6199  
 Buy Recycled Campaign: [BuyRecycled@calrecycle.ca.gov](mailto:BuyRecycled@calrecycle.ca.gov), (916) 341-6199

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**State Agency Reporting Center: Waste Management Annual Report  
2007 SARC Annual Report: San Bernardino Valley College**

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[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

**Alternative Name(s):** 47 San Bernadino, San Bernadino Community College District

**Physical Address**

701 South Mt. Vernon Avenue  
San Bernardino, CA 92410

**CalRecycle Representative**

Benjamin Johnson  
[Benjamin.Johnson@CalRecycle.ca.gov](mailto:Benjamin.Johnson@CalRecycle.ca.gov)  
(916) 323-1795 x

**Total Number of Employees including Facilities:** 403

**Recycling Coordinator:** James Hansen [kpasilla@sbccd.cc.ca.us](mailto:kpasilla@sbccd.cc.ca.us) (909) 384-8965

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
San Bernardino Valley Collge	403	701 South Mt. Vernon Avenue San Bernardino, CA 92410
<b>Total Employees in Facilities:</b>	<b>403</b>	
Export To Excel		Count: 1

**Annual Per Capita Disposal**

**Diversion Program Summary**

Total Tonnage Diverted: 20,205.1

Total Tonnage Disposed: 2,155.8

Total Tonnage Generated: 22,360.9

Overall Diversion Percentage: 90.4%

→ 11/1/07 - 6/30/07 = 10,102.55  
7/1/07 - 12/31/07 = 10,102.55  
20,205.10



**Employees**

Total Number of Employees: 403

**Non-Employee Population**

Total Number of Non-employees: 13,000

Non-employee Population Type: Visitors, Inmates, etc

22  
55

2007

**Disposal**

Total amount Disposed: 2,155.80 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	29.30	0.00	0.91

**Questions**

Is the mission statement of the State agency/large State facility the same as reported in the previous year?

San Bernardino Valley College provides quality education and services that support a diverse community of learners.

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.)

All offices have been regularly recycling paper, plastic, aluminum, cardboard, etc. Use of electronic processing (e-mail, purchasing, etc.) and on-line forms have increased. These factors have caused a decrease in our use of paper.

Summarize what waste diversion programs were continued or newly implemented during the report year.

Recycling Program through the City of San Bernardino; electronic processing of memorandums, fliers, letters, general correspondence, newsletters, purchasing documents and on-line forms; Internet registration; etc.

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)

Documentation from our Construction Management Team and waste studies completed by the College.

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 - Paper form reduction, recycle toner cartridges, reuse boxes, on-line forms, double-sided copies, rolled paper towels and preventive maintenance. Material Exchange - Non-profit/school donations, auctions, property reutilization, equipment surplus, computers and used book buy backs. Recycling - Beverage containers, aluminum, cardboard, plastic, newspaper, office paper (mixed) and scrap metal. Organic Management - Xeriscaping, grasscycling and commercial pickup of compostables (street/lot sweeping). Special Waste Materials - Tire recycling, wood waste and C&D (rubble, asphalt, concrete). Hazardous Waste Materials - Electronic waste (CRTs and monitors), batteries, used oil/antifreeze, paint and other hazardous waste. Promotional Programs - Fliers, office paper recycling and waste evaluations/surveys.

Has the State agency/large State facility adopted or changed its waste reduction policy?

23 56



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?

Funds were made available through the City of San Bernardino to continue a recycling program. Custodial and Grounds staff recycle items daily. Staff attended a recycling workshop.

### Programs

Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X	X	61.2000
Material Exchange	X	X	275.8900
Salvage Yards		X	0.0000
Beverage Containers	X	X	9.3300
Cardboard	X	X	0.8000
Newspaper	X	X	5.0000
Office Paper (mixed)	X	X	34.6000
Plastics	X	X	0.0100
Scrap Metal		X	0.0000
Xeriscaping, grasscycling	X	X	352.7000
Commercial pickup of compostables	X	X	12.0000
Concrete/asphalt/rubble (C&D)	X	X	19453.5800
Tires	X	X	0.0200

} 20,205.13  
tons  
diverted

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>  
 Recycling Coordinator: [SARC@calrecycle.ca.gov](mailto:SARC@calrecycle.ca.gov), (916) 341-6199  
 Buy Recycled Campaign: [BuyRecycled@calrecycle.ca.gov](mailto:BuyRecycled@calrecycle.ca.gov), (916) 341-6199

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State Agency Reporting Center: Waste Management Annual Report
2008 SARC Annual Report: San Bernardino Valley College

New Search | Agency Detail

Facilities | Annual Per Capita Disposal | Programs

Alternative Name(s): 47 San Bernadino, San Bernadino Community College District

Physical Address
701 South Mt. Vernon Avenue
San Bernardino, CA 92410

CalRecycle Representative
Benjamin Johnson
Benjamin.Johnson@CalRecycle.ca.gov
(916) 323-1795 x

Total Number of Employees including Facilities: 427

Recycling Coordinator: James Hansen kpasilla@sbccd.cc.ca.us (909) 384-8965

Table with 3 columns: FACILITY NAME, NUMBER OF EMPLOYEES, ADDRESS. Includes San Bernardino Valley Collge and a Total Employees in Facilities row.

Annual Per Capita Disposal section containing Employees, Non-Employee Population, and Disposal information. Includes handwritten note: 'Diversion information is no longer available.'

Handwritten number 25 in a circle

**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):	60.00	5.80	1.70	0.18

**Questions**

Is the mission statement of your State agency/large State facility the same as reported in the previous year?

[Empty text box]

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.

All offices have continued to regularly recycle paper, plastic, aluminum, cardboard, etc. and use on-line forms and electronic processing (e-mail, purchasing, etc.). Waste and recycle has diminished due to the first phase of new construction ending in 2007. The next phase of construction did not start until the end of 2008.

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.

Continued electronic processing of memorandums, fliers, letters, general correspondence, newsletters, purchasing documents and on-line forms; Internet registration; reviewing applications and employment documents on-line; testing on-line; etc.

Explain any waste diversion programs that were newly implemented or were discontinued during the report year and explain why.

We did not implement any new programs this year nor did we discontinue any programs currently in place.

What types of activities are included in each of the waste diversion programs you continued or newly implemented during the reporting year?

Source Reduction - Paper form reduction, recycle toner cartridges, reuse boxes, on-line forms, double-sided copies, rolled paper towels and preventive maintenance. Material Exchange - Non-profit/school donations, auctions, property reutilization, equipment surplus, computers and used book buy backs. Recycling - Beverage containers, aluminum, cardboard, plastic, newspaper, office paper (mixed) and scrap metal. One of our student clubs, Caduceus Club, initiated a "Going Green" project to help keep our campus clean, keep our environment green and raise funds for the club. Organic Management - Xeriscaping, grasscycling and commercial pickup of compostables (street/lot sweeping). Special Waste Materials - Tire recycling, wood waste and C&D (rubble, asphalt, concrete). Hazardous Waste Materials - Electronic waste (CRTs/monitors), batteries, used oil/antifreeze, paint and other hazardous waste. Promotional Programs - Fliers, office paper recycling and waste evaluations/surveys.

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?

Funds were made available through the City of San Bernardino to continue a recycling program. Custodial and Grounds staff recycle items daily.

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Has your State agency/large State facility adopted or changed its waste reduction policy?

Explain how you determined the reported tons disposed? (e.g. waste assessments, per capita generation and extrapolation, actual disposal weights, etc.)

5 6-yard bins picked up 3 times a week = 90 yards 5 3-yard bins picked up 4 times a week = 60 yards Total yards of 150 times 50% (bins average about half full) = 75 yards times 46 (# of weeks school is in session per year) = 3,450 yards divided by 3 (yards per bin) = 1,150 times 750 pounds (weight of a full 3-yard bin per City of San Bernardino Refuse) = 862,500 divided by 2,000 = 431.25 tons

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)?

Employees are administrators/managers, teachers, adjunct faculty, classified staff and hourly workers. Our Human Resources Department supplied the number of employees, and our Admissions Office supplied the number of students.

**Programs**

Program Name	Existing Planned/Expanding
Business Source Reduction	X
Material Exchange	X
Beverage Containers	X
Cardboard	X
Glass	X
Newspaper	X
Office Paper (mixed)	X
Plastics	X
Scrap Metal	X
Xeriscaping, grasscycling	X
Commercial pickup of compostables	X
Tires	X
Concrete/asphalt/rubble (C&D)	X

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>  
 Recycling Coordinator: [SARC@calrecycle.ca.gov](mailto:SARC@calrecycle.ca.gov), (916) 341-6199  
 Buy Recycled Campaign: [BuyRecycled@calrecycle.ca.gov](mailto:BuyRecycled@calrecycle.ca.gov), (916) 341-6199

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**State Agency Reporting Center: Waste Management Annual Report  
2009 SARC Annual Report: San Bernardino Valley College**

[New Search](#) | [Agency Detail](#)

[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

**Alternative Name(s):** 47 San Bernadino, San Bernadino Community College District

**Physical Address**

701 South Mt. Vernon Avenue  
San Bernardino, CA 92410

**CalRecycle Representative**

Benjamin Johnson  
[Benjamin.Johnson@CalRecycle.ca.gov](mailto:Benjamin.Johnson@CalRecycle.ca.gov)  
(916) 323-1795 x

**Total Number of Employees including Facilities:** 428

**Recycling Coordinator:** James Hansen [kpasilla@sbccd.cc.ca.us](mailto:kpasilla@sbccd.cc.ca.us) (909) 384-8965

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
San Bernardino Valley Collge	428	701 South Mt. Vernon Avenue San Bernardino, CA 92410
<b>Total Employees in Facilities:</b>	<b>428</b>	
Export To Excel		Count: 1

Annual Per Capita Disposal	
<b>Employees</b>	
Total Number of Employees: 428	
<b>Non-Employee Population</b>	
Total Number of Non-employees: 22,494	
Non-employee Population Type: Students	
<b>Disposal</b>	
Total amount Disposed: 570.44 tons	

*Diversion information is  
No longer available.*

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**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):	60.00	7.30	1.70	0.14

**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.

A. The Only major waste stream that is not currently diverted in green waste from landscape maintenance operations. SBVC is exploring green waste programs that would remove whole green waste and return mulch to dress planters throughout the campus. B. SBVC, like so many other public entities, is challenged by the lack of staff to effectively collect and separate recyclable materials. Budget shortfalls have limited the number of recycling containers that can be purchased and distributed throughout academic facilities. The separate collection of recyclables has also increased the cost of supplies and materials, such as recycling container liners. Recycling beverage containers can contribute to pest control problems if containers are not kept in sanitary conditions.

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.

During the past year 2008-2009, the campus has begun recycling building construction/demolition materials associated with an aggressive construction program. The student headcount has also grown significantly, and there are currently more students on campus who are taking lighter course loads due to the reduction in class

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2009

sessions being offered. This condition contributes to a much greater foot traffic on campus and the related increase in waste materials and recycling.

SELECT YES OR NO FROM THE DROP DOWN LIST BELOW. IF YOU SELECT YES, YOU MUST PROVIDE AN EXPLANATION IN THE TEXT BOX BELOW.

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).

The most significant change was the implementation of construction debris recycling, as noted above. The College has also hosted several e-waste collections during the year. No recycling effort has been abandoned or reduced throughout the past year.



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.

A. Construction debris was calculated using actual tonnage reports. Regular waste removal was calculated using the size of dumpster, frequency of service, and the average weight of material per container picked-up, based on data provided by the City of San Bernardino. 5 6-yard bins picked up 3 times a week = 90 yards 5 3-yard bins picked up 4 times a week = 60 yards Total yards of 150 times 50% (bins average about half full) = 75 yards times 46 (# of weeks school is in session per year) = 3,450 yards divided by 3 (yards per bin) = 1,150 times 750 pounds (weight of a full 3-yard bin per City of San Bernardino Refuse) = 862,500 divided by 2,000 = 431.25 tons  
B. Yes. Waste tonnage was calculated in the same manner as previous years. The next phase of construction began so we had extra waste from this.

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.

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A. Actual employee headcount data was provided by the San Bernardino Community College District (SBCCD) Human Resources office. B. Yes, the same method as previous years was used this year.

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.

A. Non-employee headcount data is provided through the College's Registrar's Office. Class counts are provided at the beginning of the semester and confirmed multiple weeks into the semester to justify State reimbursement for the cost of education. B. Yes, the same method as previous years was used this year.

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.)

As previously mentioned, the College's student headcount has increased dramatically. An increase in waste generation and recycling content has accompanied this population increase.

Additional information you wish to provide in your annual report.

San Bernardino Valley College is working to improve its awareness of sustainability. The College supports its recycling program to the greatest extent possible. Efforts to further reduce the volume of paper utilized on campus are also being pursued. Further efforts to implement a responsible "green cleaning" program are also underway.

**Programs**

Program Name	Existing Planned/Expanding
Business Source Reduction	X
Material Exchange	X
Beverage Containers	X
Cardboard	X

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Glass	X
Newspaper	X
Office Paper (mixed)	X
Plastics	X
Scrap Metal	X
Special Collection Events	X
Xeriscaping, grasscycling	X
Commercial pickup of compostables	X
Tires	X
Scrap Metal	X
Wood waste	X
Concrete/asphalt/rubble (C&D)	X

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>  
 Recycling Coordinator: [SARC@calrecycle.ca.gov](mailto:SARC@calrecycle.ca.gov), (916) 341-6199  
 Buy Recycled Campaign: [BuyRecycled@calrecycle.ca.gov](mailto:BuyRecycled@calrecycle.ca.gov), (916) 341-6199

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State Agency Reporting Center: Waste Management Annual Report
2010 SARC Annual Report: San Bernardino Valley College

New Search | Agency Detail

Facilities | Annual Per Capita Disposal | Programs

Alternative Name(s): 47 San Bernadino, San Bernadino Community College District

Physical Address

701 South Mt. Vernon Avenue
San Bernardino, CA 92410

CalRecycle Representative

Benjamin Johnson
Benjamin.Johnson@CalRecycle.ca.gov
(916) 323-1795 x

Total Number of Employees including Facilities: 362

Recycling Coordinator: James Hansen kpasilla@sbccd.cc.ca.us (909) 384-8965

Table with 3 columns: FACILITY NAME, NUMBER OF EMPLOYEES, ADDRESS. Includes row for San Bernardino Valley Collge and a Total Employees in Facilities row.

Annual Per Capita Disposal section containing Employees, Non-Employee Population, and Disposal information.

Handwritten note: Diversion information is no longer available.

Handwritten number 33 in a circle, with 66 printed below it.

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):	60.00	9.70	1.70	0.17

**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.

- A. Please describe the types of waste that are thrown away.
- B. What difficulties or obstacles have you had with finding ways to recycle these wastes?

1A. Green waste- generated by tree and shrubbery pruning conducted by campus employees – and food waste are the only waste materials that are not diverted from landfills at this time. Research into viable alternatives to divert these materials is ongoing. 1B. SBVC has no area on campus with which to conduct composting operations and local resources for hauling compostable waste are both limited and expensive in this geographic locale. The relatively light volume of these materials also inhibits the viability of such a program.

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?

SBVC continues the experience a higher than normal student population and the related increase in the waste stream volume. This rise in student population is driven by student enrollment caps at other institutions of higher education and the need for local residents to return to school to improve or expand their work skills sets. SBVC continues its aggressive facility construction program. The campus waste stream has spiked again with the demolition of obsolete buildings and the recycling of those demolition materials.

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.)

During 2010 the college upgraded its photo copier inventory and took major steps towards eliminating individual printers for its faculty staff and students. Individual printing requirements are typically satisfied by printing through a locally networked copier. SBVC has also implemented a copy center on campus to more efficiently handle larger printing requirements. New copiers are set to print on both sides of the paper rather than the previous single sided printing. Copiers also have a scanning function so that documents can be stored electronically without the need for hard copies. No recycling or waste diversion programs have been eliminated during the course of the past year.

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The college continues to sponsor local e-waste events for the surrounding community and works closely with construction contractors to ensure the greatest possible volume of construction waste material is diverted from landfills.

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.

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. Construction debris was calculated using actual tonnage reports. Regular waste removal was calculated using the size of dumpster, frequency of service, and the average weight of material per container picked-up, based on data provided by the City of San Bernardino. 5 6-yard bins picked up 3 times a week = 90 yards 5 3-yard bins picked up 4 times a week = 60 yards Total yards of 150 times 50% (bins average about half full) = 75 yards times 46 (# of weeks school is in session per year) = 3,450 yards divided by 3 (yards per bin) = 1,150 times 750 pounds (weight of a full 3-yard bin per City of San Bernardino Refuse) = 862,500 divided by 2,000 = 431.25 tons  
 B. Yes. Waste tonnage was calculated in the same manner as previous years. The next phase of construction began so we had extra waste from this.

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.

A. Actual employee headcount data was provided by the San Bernardino Community College District (SBCCD) Human Resources office. B. Yes, the same method as previous years was used this year.

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.)

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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.

A. Non-employee headcount data is provided through the College's Registrar's Office. Class counts are provided at the beginning of the semester and confirmed multiple weeks into the semester to justify State reimbursement for the cost of education. B. Yes, the same method as previous years was used this year.

Additional information you wish to provide in your annual report.

SBVC has implemented a green cleaning program and is working on improving the technology used in cleaning, such as more efficient floor scrubbers. The college is also implementing a program to eliminate paper hand towels in restrooms by installing high efficiency hand dryers. Efforts to make SBVC a less paper-intensive campus also remain a campus priority.

**Programs**

Program Name	Existing Planned/Expanding
Business Source Reduction	X
Material Exchange	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
Xeriscaping, grasscycling	X
Commercial pickup of compostables	X
Tires	X
Scrap Metal	X

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2010

Wood waste	X
Concrete/asphalt/rubble (C&D)	X

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>  
Recycling Coordinator: [SARC@calrecycle.ca.gov](mailto:SARC@calrecycle.ca.gov), (916) 341-6199  
Buy Recycled Campaign: [BuyRecycled@calrecycle.ca.gov](mailto:BuyRecycled@calrecycle.ca.gov), (916) 341-6199

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**Tab 5**



http://www.valleycollege.edu/about-sbvc/facilities/green/ps/11

Recycling at SBVC

File Edit View Favorites Tools Help

Web Slice Gallery Suggested Sites

# Recycling at SBVC

Home / About SBVC / Facilities / Sustainability Initiatives / Physical Sciences Building / Recycling at SBVC

Sign #11 – Materials + Resources - Money received from the collection of recycled containers provides SBVC with how much additional money per year?


Although exact figures vary from year to year, SBVC's efforts at recycling save thousands of dollars per year—and even help MAKE money for student clubs on campus.

Recycling efforts on campus include the following areas:

- Green waste
- Paper recycling
- Cans and bottles

Because of a partnership with the City of San Bernardino, SBVC saves \$100 for every third 3-cubic yard bin that is emptied on campus.

In addition, SBVC's Alpha Gamma Sigma student club has held e-waste collection drives twice a year since 2010. The events are open and widely advertised to the public. The drives have raised thousands of dollars for scholarships and group activities by accepting old televisions, computers, cell phones and more.



How Old Are Those Trees?

Bus Service to SBVC

Commuting By Bicycle

VIP Parking for Alternative Fuel Vehicles

Energy-Saving Windows

Water-Saving Landscaping

Water-Saving Toilets

Soil Re-Use

Air Filtration Systems

What's That Smell?

▶ Recycling at SBVC

Energy-Saving Lighting

Energy-Saving Central Plant Systems

General Discussions ... Emailing: Recycling ... x | San Bernardino IRC.d... Recycling at SBVC ... 3:28 PM

**Tab 6**





Department of Public Works



[Home](#)  
[Administrative Services](#) | 
 [Flood Control](#) | 
 [Environmental & Construction](#) | 
 [Operations](#) |  
[Solid Waste Mgmt.](#) | 
 [Surveyor](#) | 
 [Transportation](#)

[| Contact Us](#) | [| Site Map](#) |



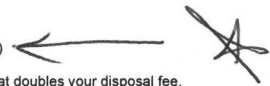
Fees

Solid Waste Disposal Fee Information

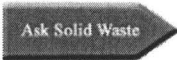
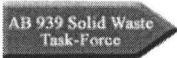
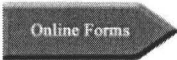
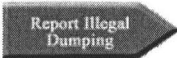
Pricing Effective July 1, 2015

Payment for waste disposal at sites is by cash, Visa, MasterCard or as otherwise provided by ordinance. Fees for waste disposal at all County sites are:

- \$13.39 for up to 300 pounds of ordinary residential waste
- \$59.94 per ton for residential waste 301 pounds or more (prorated)
- \$5.31 per tire up to nine (9) per load
- Uncovered/unsecured loads are subject to an additional charge that doubles your disposal fee. (Click [HERE](#) to view a properly covered load)



Quick Links



Add On Fees

Add on fees are in addition to the above waste disposal fees:

- Hard-To-Handle Fee-per ton: \$53.14
- Hard-To-Handle minimum load (less than 2,000 lbs): \$26.57
- Special Handling Fee-per ton: \$53.14
- Special Handling minimum load (less than 2,000 lbs): \$26.57
- Uncovered/unsecured loads are subject to an additional charge that doubles your disposal fee (Click [HERE](#) to view a properly covered load)

Note: All fees paid in cash will be rounded to the nearest whole dollar. Rates shown include State fee, perchlorate surcharge, waste diversion program and disposal.

Unacceptable Materials

General Guidelines

- Hazardous wastes such as liquid, semi-solid or solid wastes which are toxic, corrosive, flammable, explosive, infectious, an irritant, or a strong sensitizer (causing allergic reaction), and which constitute a high degree of hazard to beneficial air, water and ground uses.\*
- Liquid waste in any form (septic waste is accepted at Landers and Barstow landfills).
- Sealed containers of any type.
- Hot ashes or burning materials.
- Items over ten (10) feet in length at landfills and over four (4) feet in length at transfer stations.
- Items containing mercury and/or lead such as household batteries, watch-type batteries, fluorescent tubes, thermostats and thermometers.\*
- Medical Waste including sharps.
- Any waste not acceptable for disposal at a Class III disposal site.
- Treated wood (accepted only at the Mid-Valley Landfill in Rialto).
- Waste from outside of San Bernardino County.
- Televisions, computer monitors or other devices containing a Cathode Ray Tube (CRT) at sites without a scale house.

\* More info on the safe disposal/recycling of this material is available here: [County Fire Electronic Waste Flyer](#)

If you are unsure, please call the SWMD office, 909-386-8701.

\* Note that the County of San Bernardino operates the Mid-Valley Landfill in Rialto - 12 miles away from San Bernardino Valley College.



**Facility/Site Summary Details: Mid-Valley Sanitary Landfill (36-AA-0055)**

**LEA Contact:** See the "Local Enforcement Agency (LEA)" information below  
**CalRecycle Contact:** Dianne Ohiosumua (916) 323-0792

[Search New Facility](#)

[Detail](#) [Inspection](#) [Enforcement](#) [Maps](#) [Documents](#)

**Identification:**

**Location:** Mid-Valley Sanitary Landfill  
 2390 N. Alder Avenue  
 Rialto, CA 92377

**Latitude:** 34.14328

**Longitude:** -117.42752

**GIS Confidence:** Map

**US EPA FRS ID:** 110017972906

**Local Enforcement Agency (LEA):**

County of San Bernardino  
 Div. of Environmental Health Services  
 385 N Arrowhead Ave  
 San Bernardino, CA 92415-0160  
 Phone: (800) 442-2283  
 Fax: (909) 387-4323

**Operator/Business Owner:**

County of San Bernardino S.W. Mgt Div  
 222 West Hospitality Lane, 2nd Floor  
 San Bernardino, CA 92415  
 Phone: (800) 722-8004  
 Fax: (909) 386-8900

**Land Owner(s):**

County of San Bernardino S.W. Mgt Div  
 222 West Hospitality Lane, 2nd Floor  
 San Bernardino, CA 92415  
 Phone: (800) 722-8004  
 Fax: (909) 386-8900

**Surrounding Land Use:**

Commercial, Golf Course, Industrial, Residential

**Permit Details:**

Current - Permit or EA Notification Issue Date: **February 3, 2010** Type: **Full** [View Document](#)

**Unit Specifications:**

[Data Dictionary](#)

**Unit: 01**

Activity: Solid Waste Landfill  
 Classification: Solid Waste Facility

Category: Disposal

Regulatory Status: Permitted

Operational Status: Active

Inspection Frequency: Monthly  
 Max. Permitted Throughput: 7,500.00 Tons/day  
 Remaining Capacity: 67,520,000 Cubic Yards  
 Remaining Capacity Date: September 01, 2009  
 Max. Permitted Capacity:

**Tab 7**

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**FILED / ENDORSED**  
MAY 29 2008  
*Christa Beebout*  
By Christa Beebout, Deputy Clerk

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.<sup>1</sup>

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 <sup>1</sup> 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

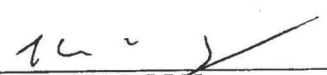
1 generated by recycling activities of California Community Colleges under IWM plans to offset  
2 the colleges' reimbursable plan costs. Because the use of revenues to offset the reimbursable  
3 costs of IWM plan are properly governed by section 6 principles without the limitations and  
4 conditions 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

**Tab 8**



San Bernardino Valley College												
Fiscal Year	Dates	Calendar Year	Reference	Tonnage Diverted	Tonnage Disposed	Total Tonnage Generated	Actual Diversion Percentage	Maximum Required Diversion	Is the Diversion % (column D) LESS THAN or EQUAL to the Maximum Diversion %	Allocated Diversion %	State-wide Average Landfill Fee (Per Ton)	Offsetting Savings
						C = A + B	D = A / C	Percentage		If "YES", unlimited off.savings = 100% If "NO", limited off.savings = (E / D)		
1999-00	1/1/00 - 6/30/00	2000	Tab 4, page 1	202.75	535.35	738.10	27.47%	25.00%	NO	91.01%	Tab 15, page 13 \$ 36.39	\$ (6,715)
												(6,715)
2000-01	7/1/00 - 12/31/00	2000	Tab 4, page 1	202.75	535.35	738.10	27.47%	25.00%	NO	91.01%	Tab 15, page 13 \$ 36.39	(6,715)
	1/1/01 - 6/30/01	2001	Tab 4, page 4	191.10	429.00	620.10	30.82%	25.00%	NO	81.12%	Tab 15, page 13 \$ 36.39	(5,641)
												(12,356)
2001-02	7/1/01 - 12/31/01	2001	Tab 4, page 4	191.10	429.00	620.10	30.82%	25.00%	NO	81.12%	Tab 15, page 13 \$ 36.39	(5,641)
	1/1/02 - 6/30/02	2002**	Tab 4, page 7	294.30	489.00	783.30	37.57%	50.00%	YES	100.00%	Tab 15, page 13 \$ 36.17	(10,645)
												(16,286)
2002-03	7/1/02 - 12/31/02	2002**	Tab 4, page 7	294.30	489.00	783.30	37.57%	50.00%	YES	100.00%	Tab 15, page 13 \$ 36.17	(10,645)
	1/1/03 - 6/30/03	2003	Tab 4, page 10	482.45	373.40	855.85	56.37%	50.00%	NO	88.70%	Tab 15, page 13 \$ 36.83	(15,761)
												(26,406)
2003-04	7/1/03 - 12/31/03	2003	Tab 4, page 10	482.45	373.40	855.85	56.37%	50.00%	NO	88.70%	Tab 15, page 13 \$ 36.83	(15,761)
	1/1/04 - 6/30/04	2004	Tab 4, page 13	244.35	215.65	460.00	53.12%	50.00%	NO	94.13%	Tab 15, page 13 \$ 38.42	(8,837)
												(24,598)
2004-05	7/1/04 - 12/31/04	2004	Tab 4, page 13	244.35	215.65	460.00	53.12%	50.00%	NO	94.13%	Tab 15, page 13 \$ 38.42	(8,837)
	1/1/05 - 6/30/05	2005	Tab 4, page 16	3,094.75	215.65	3,310.40	93.49%	50.00%	NO	53.48%	Tab 15, page 13 \$ 39.00	(64,548)
												(73,385)
2005-06	7/1/05 - 12/31/05	2005	Tab 4, page 16	3,094.75	215.65	3,310.40	93.49%	50.00%	NO	53.48%	Tab 15, page 13 \$ 39.00	(64,548)
	1/1/06 - 6/30/06	2006	Tab 4, page 19	3,740.55	671.00	4,411.55	84.79%	50.00%	NO	58.97%	Tab 15, page 13 \$ 46.00	(101,467)
												(166,015)
2006-07	7/1/06 - 12/31/06	2006	Tab 4, page 19	3,740.55	671.00	4,411.55	84.79%	50.00%	NO	58.97%	Tab 15, page 13 \$ 46.00	(101,467)
	1/1/07 - 6/30/07	2007	Tab 4, page 22	10,102.55	1,077.90	11,180.45	90.36%	50.00%	NO	55.33%	Tab 16, page 2 \$ 48.00	(268,308)
												(369,775)
2007-08	7/1/07 - 12/31/07	2007	Tab 4, page 22	10,102.55	1,077.90	11,180.45	90.36%	50.00%	NO	55.33%	Tab 16, page 2 \$ 48.00	(268,308)
	1/1/08 - 6/30/08	2008 *	Tab 4, page 22	10,102.55	1,077.90	11,180.45	90.36%	50.00%	NO	55.33%	Tab 16, page 2 \$ 51.00	(285,077)
												(553,385)
2008-09	7/1/08 - 12/31/08	2008 *	Tab 4, page 22	10,102.55	1,077.90	11,180.45	90.36%	50.00%	NO	55.33%	Tab 16, page 2 \$ 51.00	(285,077)
	1/1/09 - 6/30/09	2009 *	Tab 4, page 22	10,102.55	1,077.90	11,180.45	90.36%	50.00%	NO	55.33%	Tab 17 \$ 55.00	(307,436)
												(592,513)
2010-11	7/1/10 -10/7/10	2010 *	Tab 4, page 22	5,051.28	538.95	5,590.23	90.36%	50.00%	NO	55.33%	Tab 17 \$ 56.00	(156,513) 3 months of diversion
												(156,513)
												\$ (1,997,947)

\* 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 2010-11. 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.

\*\* In 2002, San Bernardino Valley College did not achieve the maximum allowable diversion percentage. Therefore, 100% of the tonnage diverted is offsetting savings realized by the district as necessary to achieve the maximum allowable level.



**Tab 9**

## Kurokawa, Lisa

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**From:** Kurokawa, Lisa  
**Sent:** Friday, June 13, 2014 9:34 AM  
**To:** 'tioliver@sbccd.cc.ca.us'  
**Cc:** 'jtorres@sbccd.cc.ca.us'; 'jgrow@sbccd.org'; 'lstrong@sbccd.cc.ca.us'  
**Subject:** Adjustment to San Bernardino Community College District's Integrated Waste Management claims for FY 1999-00 through FY 2010-11, excluding FY 2009-10  
**Attachments:** Offsetting Savings Calculation.xlsx; Narrative of Finding.pdf; Waste Management Annual Report of Diversion.pdf; September 10, 2008 Final Staff Analysis.pdf; Amended Parameters and Guidelines.pdf; Fiscal Analysis.pdf

Mr. Oliver,

My name is Lisa Kurokawa and I am an Audit Manager with the State Controller's Office, Division of Audits, Mandated Cost Bureau. The reason I am contacting you is because the State Controller's Office will be adjusting San Bernardino CCD's Integrated Waste Management (IWM) claims for FY 1999-00 through FY 2008-09 and FY 2010-11 by \$304,692. The district did not file an IWM claim for FY 2009-10. The district contracted with SixTen and Associates to prepare these claims.

I have included John Grow, Director of Facilities Planning and Construction, on this email because he is the most familiar with the district's diversion activities (recycling, composting, and source reduction).

### Unreported Offsetting Savings

We are making this adjustment because the district did not report any offsetting savings on its mandated cost claims. We found that the district realized savings of \$1,997,947 for these fiscal years. The district realized a savings because it diverted solid waste that it did not pay to dispose of at the landfill (e.g. offsetting savings = tonnage diverted \* avoided landfill disposal fee). Please see the attached "Offsetting Savings Calculation" and the attached "Narrative of Finding" for an explanation of the adjustment. To calculate the offsetting savings, 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") and multiplied it by the statewide average disposal fee.

### 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 form 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 identified above, the district claimed reimbursement of \$382,484. However, because of the offsetting savings adjustment, we have found that \$77,792 is allowable (\$86,436 less a \$8,644 penalty for filing late claims) and \$304,692 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 payments to the district; therefore, the State will pay the district \$77,792, contingent upon available appropriations.

Attached Documentation

I have attached the following documentation for you to review:

- Offsetting Savings Calculation
- Narrative of Finding
- 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 FY 1999-2000 through FY 2008-09 and FY 2010-11 IWM claims on a separate email because the file size is too large (2 MB).

Telephone Conference 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 more willing to have a telephone conference call to discuss this adjustment in more detail.

If we don't hear back from the district by **Friday, June 27, 2014**, 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. Of course, if you need more time to review this documentation, please let me know.

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](mailto:lkurokawa@sco.ca.gov)

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## **Tab 10**

**Kurokawa, Lisa**

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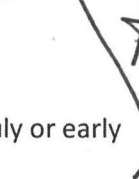
**From:** Grow, John C. <jgrow@sbccd.cc.ca.us>  
**Sent:** Thursday, June 19, 2014 6:25 PM  
**To:** Kurokawa, Lisa  
**Cc:** Oliver, Timothy L; Strong, Lawrence P; Torres, Jose Felipe; Kbpsixten@aol.com; djbsixten@aol.com; slcsixten@aol.com; Grow, John C.  
**Subject:** SBCCD (RE:SCO / Reply) - Adjustment to San Bernardino CCD - I W Management claims for FY 1999-00 thru FY 2010-11, excld FY 2009-10 6.19.14

6/19 – Ms. Kurokawa, good afternoon.

Thank you and the State Controller’s Office (SCO) for your Email, and time in this matter.

Respectfully, on behalf of Tim Oliver and the San Bernardino Community College District (SBCCD); the following reply is provided for the subject Integrated Waste Management (IWM) claims adjustment proposed by the SCO.

**IWM Claims Adjustment Reply & Request / SBCCD**

1. SBCCD does not agree with the IWM Audit Methodology from the SCO – with the district’s general understanding of the issues involved.
  2. SCO to prepare and provide Final Audit Report to SBCCD.
  3. SBCCD requests an “Exit Conference” by telephone conference call – to be scheduled sometime late July or early August 2014.
- 

Feel free to contact me.

Regards, **JohnGrow**

John C. Grow, Director, Facilities Planning & Construction  
San Bernardino Community College District  
(909) 382-4094

---

**From:** LKurokawa@sco.ca.gov [mailto:LKurokawa@sco.ca.gov]  
**Sent:** Friday, June 13, 2014 9:36 AM  
**To:** Oliver, Timothy L  
**Cc:** Torres, Jose Felipe; Grow, John C.; Strong, Lawrence P  
**Subject:** RE: Adjustment to San Bernardino Community College District's Integrated Waste Management claims for FY 1999-00 through FY 2010-11, excluding FY 2009-10

Mr. Oliver,

As mentioned in the email below, I have attached the IWM claims for FY 1999-00 through FY 2010-11, excluding FY 2009-10.

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 more than willing to have a telephone conversation to discuss this adjustment in more detail.

Thank you,

## **Tab 11**

## Kurokawa, Lisa

---

**From:** Kurokawa, Lisa  
**Sent:** Tuesday, June 24, 2014 8:17 AM  
**To:** 'Grow, John C.'  
**Cc:** Oliver, Timothy L; Strong, Lawrence P; Torres, Jose Felipe; Kbpsixten@aol.com; djbsixten@aol.com; slcsixten@aol.com  
**Subject:** RE: SBCCD (RE:SCO / Reply) - Adjustment to San Bernardino CCD - I W Management claims for FY 1999-00 thru FY 2010-11, excld FY 2009-10 6.19.14

Mr. Grow,

Thank you for your quick response. We went ahead and processed our letter report, which you should receive in the mail early next week.

Yes, I am available anytime you wish to have a telephone conference call to discuss this 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  
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---

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**To:** Kurokawa, Lisa  
**Cc:** Oliver, Timothy L; Strong, Lawrence P; Torres, Jose Felipe; Kbpsixten@aol.com; djbsixten@aol.com; slcsixten@aol.com; Grow, John C.  
**Subject:** SBCCD (RE:SCO / Reply) - Adjustment to San Bernardino CCD - I W Management claims for FY 1999-00 thru FY 2010-11, excld FY 2009-10 6.19.14

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Thank you and the State Controller's Office (SCO) for your Email, and time in this matter.

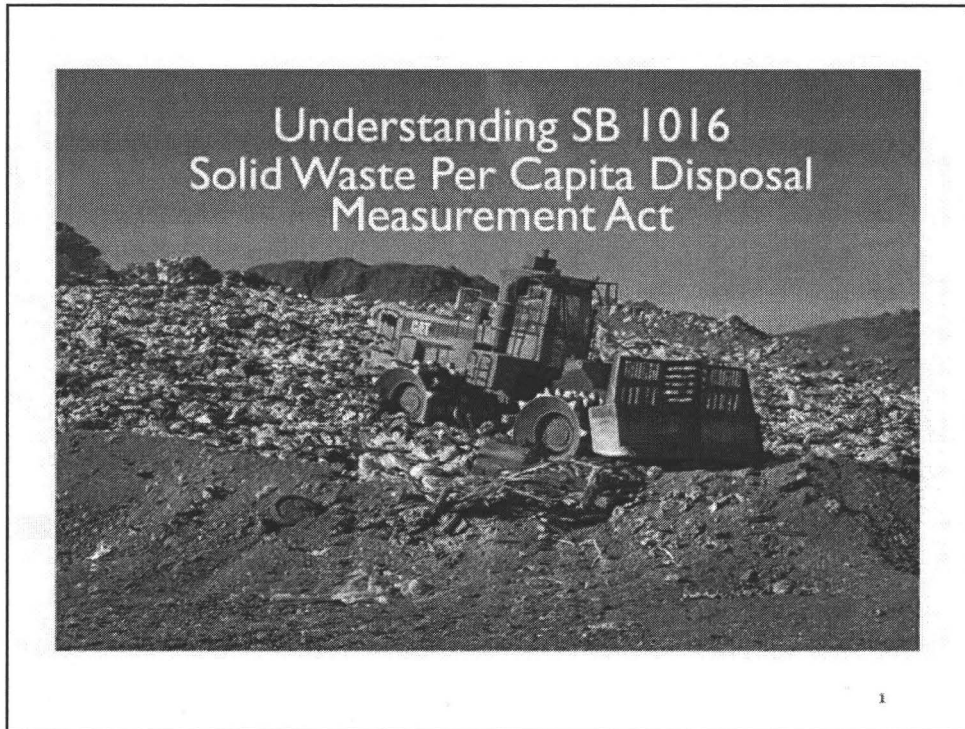
Respectfully, on behalf of Tim Oliver and the San Bernardino Community College District (SBCCD); the following reply is provided for the subject Integrated Waste Management (IWM) claims adjustment proposed by the SCO.

#### IWM Claims Adjustment Reply & Request / SBCCD

1. SBCCD does not agree with the IWM Audit Methodology from the SCO – with the district's general understanding of the issues involved.
2. SCO to prepare and provide Final Audit Report to SBCCD.

## **Tab 12**





#### 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.

### 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]**

3

## 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

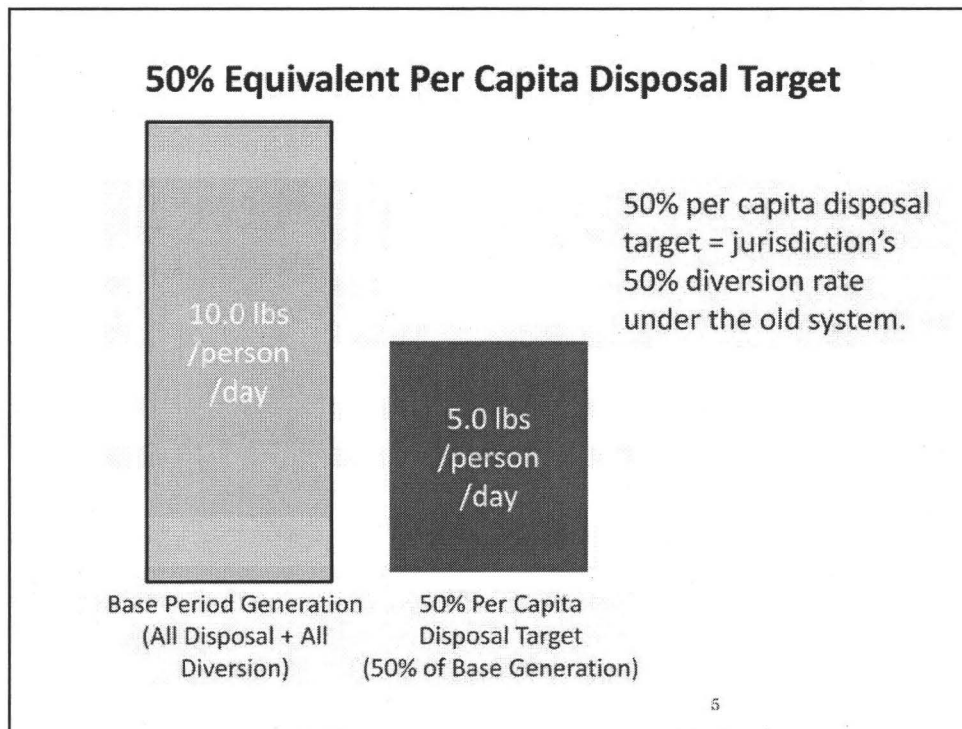
This change in measurement does change how we look at the numbers, however the intent remains the same – reducing our waste disposal.

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!

4



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]**

5

## 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.

6

## 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]**

7

## **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.



## Contacts:

Kaoru Cruz, CIWMB  
(916) 341-6249  
[kcruz@ciwmb.ca.gov](mailto:kcruz@ciwmb.ca.gov)

Keir Furey, CIWMB  
(916) 341-6622  
[kfurey@ciwmb.ca.gov](mailto:kfurey@ciwmb.ca.gov)

Debra Kustic, CIWMB  
(916) 341-6207  
[dkustic@ciwmb.ca.gov](mailto:dkustic@ciwmb.ca.gov)

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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.

9

## **Tab 13**

San Bernardino Community College District  
 Legislatively Mandated Integrated Waste Management Program  
 Summary of "Composting" Direct Costs Claimed by the District  
 Review Period: July 1, 1999, through June 30, 2011

Reimbursable Component - Diversion and Maintenance of Approved Level of Reduction				
Fiscal Year	Activity	Employee Classification	Exhibit D	Salaries & Benefits Claimed
1999-00	Composting	Grounds Caretaker	page 285 of 344	\$ 8,147.20
2000-01	Composting	Grounds Caretaker	page 289 of 344	19,381.76
2001-02	Composting	Grounds Caretaker	page 293 of 344	19,381.76
2002-03	Composting	Grounds Caretaker	page 297 of 344	19,381.76
2003-04	Composting	Grounds Caretaker	page 301 of 344	19,381.76
2004-05	Composting	Grounds Caretaker	page 305 of 344	20,159.20
2005-06	Composting	Grounds Caretaker	page 310 of 344	21,008.96
2006-07	Composting	Grounds Caretaker	page 315 of 344	21,858.72
2007-08	Composting	Grounds Caretaker	page 320 of 344	16,708.35
2008-09	Composting	Grounds Caretaker	page 324 of 344	15,656.25
2010-11	Composting	Grounds Caretaker	page 326 of 344	11,856.04
				<u>\$ 192,921.76</u>

**Tab 14**



## 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.

A handwritten signature in black ink, appearing to be a stylized letter 'A' or similar mark.



- > 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.

- 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

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### 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](mailto:SARC@calrecycle.ca.gov), (916) 341-6199

Buy Recycled Campaign: [BuyRecycled@calrecycle.ca.gov](mailto:BuyRecycled@calrecycle.ca.gov), (916) 341-6199

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**Tab 15**



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](mailto: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

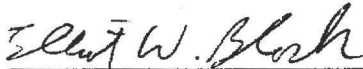
reasonable costs for the programs implemented, particularly when compared to other similar costs from other claimants. While the CIWMB understands that a more detailed level of claim review will occur at a later date, we still believe that the Commission should not include claims that are inaccurate 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:



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Elliot Block  
Chief Counsel  
California Integrated Waste Management Board

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PROOF OF SERVICE

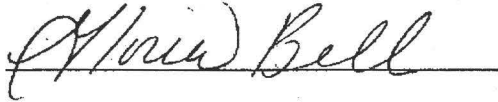
Development Of Revised Statewide Cost Estimate  
Integrated Waste Management Board 05-PGA-16

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, 23<sup>rd</sup> 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, 23<sup>rd</sup> 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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Clovis Unified School District  
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Clovis, CA 93611-0599

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
<b>Allan Hancock CCD</b>								
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)
<b>Butte CCD</b>								
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)
<b>Cabrillo CCD</b>								
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)
<b>Chabot-Las Positas CCD</b>								
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
<b>Citrus CCD</b>								
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)
<b>Coast CCD</b>								
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)
<b>Sequoias CCD</b>								
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)
<b>Contra Costa CCD</b>								

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
<b>Lassen CCD</b>								
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)
<b>Long Beach CCD</b>								
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)
<b>Los Rios CCD</b>								
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)
<b>Marin CCD</b>								
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)
<b>Merced CCD</b>								
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)
<b>MiraCosta CCD</b>								
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)
<b>Monterey CCD</b>								
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)

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
<b>Mt. San Antonio CCD</b>								
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
<b>North Orange Cty CCD</b>								
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)
<b>Palo Verde CCD</b>								
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
<b>Palomar CCD</b>								
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
<b>Pasadena CCD</b>								
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
<b>Rancho Santiago CCD</b>								
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
<b>Santiago Canyon College</b>								
<b>Redwoods CCD</b>								
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
<b>San Bernardino CCD</b>								
Crafton Hills College								

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								

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)
<b>GRAND TOTAL</b>	<b>\$ (1,454,769.47)</b>	<b>\$ (109,573.99)</b>	<b>\$ 207,280.89</b>	<b>\$ (509,534.59)</b>	<b>\$ (2,397,305.81)</b>	<b>\$ (1,700,533.15)</b>	<b>\$ (1,514,132.40)</b>	<b>\$ (7,478,568.53)</b>

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*Since updated*

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	<del>\$ 49.00</del>	
Allan Hancock CCD	\$ 12,898.44	\$ 58,686.19	\$ 15,678.90	\$ 19,224.60	\$ 34,251.75	\$ 23,809.60	<del>\$ 46,574.99</del>	
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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Since Update

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	<del>\$ 49.00</del>	
Los Medanos College	\$ 2,241.62	\$ 3,023.81	\$ 3,577.11	\$ 6,045.39	\$ 5,967.00	\$ 5,416.50	<del>\$ 23,793.91</del>	
	\$ 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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Since updated

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	<del>\$ 49.00</del>	
<b>Long Beach CCD</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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
<b>Los Rios CCD</b>	\$ 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
<b>Marin CCD</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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
<b>Merced CCD</b>	\$ 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
<b>MiraCosta CCD</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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
<b>Monterey CCD</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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
<b>Mt. San Antonio CCD</b>	\$ 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
<b>North Orange Cty CCD</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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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Since updated

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	\$ 786.02	\$ 1,150.21	\$ 2,781.25	\$ 4,308.80	\$ 4,621.11	\$ 7,326.42	\$ 14,085.05	
Redwoods CCD	\$ 42,561.02	\$ 13,087.03	\$ 10,123.50	\$ 10,595.20	\$ 8,517.17	\$ 9,900.12	\$ 20,711.81	
College of the Redwoods	\$ 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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Since updated

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	\$ 34,148.26	\$ 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	\$ 16,725.41	
	\$ 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 Siskiyous	\$ 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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Since Updated



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	<del>\$ 49.00</del>	
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
	\$ 23,665.54	\$ 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



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	\$ 10,288.44	\$ 77.29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,365.73
Merced College	\$ 10,288.44	\$ 5,460.96	\$ 5,273.23	\$ 5,497.08	\$ 5,467.81	\$ 7,001.13	\$ 17,698.55	\$ 56,687.20
	\$ 20,576.88	\$ 5,538.25	\$ 5,273.23	\$ 5,497.08	\$ 5,467.81	\$ 7,001.13	\$ 17,698.55	\$ 67,052.93
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

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 Siskiyous	\$ 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	\$ 438,649.37	\$ 549,282.80	\$ 642,049.66	\$ 622,928.35	\$ 961,310.21	\$ 3,827,540.90



**Tab 16**

# 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 16<sup>th</sup>.

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 1<sup>st</sup>.

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](mailto:debra.kustic@calrecycle.ca.gov)

Phone: 916-341-6207

Fax: 916-319-8112

**Tab 17**

## 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](mailto: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 July 13, 2015, I served the:

**SCO Comments**

Incorrect Reduction Claim

*Integrated Waste Management*, 14-0007-I-11

Public Resources Code Section 40418, 40196.3, 42920-42928;

Public Contract Code Section 12167 and 12167.1

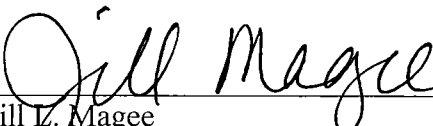
Statutes 1992, Chapter 1116 (AB 3521); Statutes 1999, Chapter 764 (AB 75)

Fiscal Years: 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, and 2010-2011

San Bernardino 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 July 13, 2015 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:** 6/17/15

**Claim Number:** 14-0007-I-11

**Matter:** Integrated Waste Management

**Claimant:** San Bernardino 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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apalkowitz@sashlaw.com

**Keith Petersen**, *SixTen & Associates*

**Claimant Representative**

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kbsixten@aol.com

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**Jose Torres**, Interim Vice Chancellor, *San Bernardino Community College District*  
Fiscal Services, 114 S Del Rosa Dr, San Bernardino, CA 92408-0108  
Phone: (909) 382-4021  
jtorres@sbccd.cc.ca.us



February 16, 2018

Mr. Larry Strong  
San Bernardino Community  
College District  
114 South Del Rosa Ave  
San Bernardino, CA 92408

Ms. Jill Kanemasu  
Division of Accounting and Reporting  
State Controller's Office  
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-11  
Public Resources Code Sections 40148, 40196.3, 42920-42928;  
Public Contract Code Sections 12167 and 12167.1  
Statutes 1992, Chapter 1116 (AB 3521); Statutes 1999, Chapter 764 (AB 75)  
State Agency Model Integrated Waste Management Plan (February 2000)  
Fiscal Years: 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005,  
2005-2006, 2006-2007, 2007-2008, 2008-2009, and 2010-2011  
San Bernardino Community College District, Claimant

Dear Mr. Strong 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 **March 9, 2018**. 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.) Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in itself to support a finding unless it would be admissible over an objection in civil actions. (Cal. Code Regs., tit. 2, § 1187.5.) The Commission's ultimate findings of fact must be supported by substantial evidence in the record.<sup>1</sup>

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](http://www.csm.ca.gov/dropbox_procedures.php) on the Commission's website for electronic filing instructions. (Cal. Code Regs., tit. 2, § 1181.3.)

<sup>1</sup> 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.

Mr. Strong and Ms. Kanemasu  
February 16, 2018  
Page 2

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, May 25, 2018**, at 10:00 a.m., State Capitol, Room 447, Sacramento, California. The Proposed Decision will be issued on or about May 11, 2018. 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 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 1992, Chapter 1116 (AB 3521); Statutes 1999, Chapter 764 (AB 75); State Agency Model Integrated Waste Management Plan (February 2000)

*Integrated Waste Management*

Fiscal Years 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, and 2010-2011

14-0007-I-11

San Bernardino Community College District, Claimant

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**EXECUTIVE SUMMARY**

**Overview**

This Incorrect Reduction Claim (IRC) addresses reductions by the State Controller's Office (Controller) to reimbursement claims of the San Bernardino Community College District (claimant) for fiscal years 1999-2000 through 2008-2009, and 2010-2011 (the audit period) under the *Integrated Waste Management* program, 00-TC-07. The Controller made the audit reductions because the claimant did not identify and deduct from its reimbursement claims any offsetting savings from solid waste diversion that results in reduced or avoided landfill disposal fees.

Staff finds, based on the evidence in the record, that the Controller's calculation of offsetting cost savings for all years in the audit period, except for calendar years 2002 and 2003, is correct as a matter of law, and not arbitrary, capricious, or entirely lacking in evidentiary support.

However, the Controller's finding that the claimant did not exceed the mandated diversion rate in calendar year 2002 (when the claimant diverted 37.57 percent of solid waste) is incorrect as a matter of law because the requirement to divert 50 percent of solid waste did not become operative until January 1, 2004.<sup>1</sup> To calculate the offsetting cost savings for calendar year 2002, the Controller did not allocate the diversion as it had done for rest of the audit period, but instead used 100 percent of the diversion to calculate the offsetting savings. Thus, the calculation of offsetting savings for calendar year 2002 is arbitrary, capricious, and entirely lacking in evidentiary support.

For calendar year 2003, the Controller correctly found that the claimant exceeded the mandated diversion rate and therefore allocated the diversion as it had done for other years. However, the

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<sup>1</sup> Public Resources Code sections 42921. Exhibit A, IRC, pages 53 and 57 (Parameters and Guidelines, section IV.(B)(5)).

Controller used 50 percent to calculate the allocated diversion rate, although the test claim statutes required only 25 percent diversion in calendar year 2003.<sup>2</sup> The requirement to divert 50 percent of solid waste did not become operative until January 1, 2004,<sup>3</sup> so the calculation of cost savings for calendar year 2003 is incorrect.

Applying the Controller's formula for the calculation of cost savings to calendar years 2002 and 2003 (using the 25 percent mandated rate to calculate the allocated diversion) results in offsetting cost savings of:

- \$14,167 for 2002 (25 percent divided by 37.57 percent, multiplied by 588.6 tons diverted multiplied by the statewide average landfill disposal fee of \$36.17) rather than \$21,290; and
- \$15,761 for 2003 (25 percent divided by 56.37 percent, multiplied by 964.9 tons diverted multiplied by the statewide average landfill disposal fee of \$36.83) rather than \$31,522.

Thus, the difference of \$22,884 has been incorrectly reduced and should be reinstated to the claimant.

### The Integrated Waste Management Program

The test claim statutes require community college districts<sup>4</sup> 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 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."

On March 24, 2004, the Commission adopted the Test Claim Statement of Decision and found that the test claim statutes impose a reimbursable state 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 authorize reimbursement for the activities approved in the Statement of Decision, and did not require claimants to identify and deduct from their reimbursement claims any cost savings. After the Commission adopted the Parameters and Guidelines, the Department of Finance (Finance) and CIWMB challenged the Statement of Decision and Parameters and Guidelines, arguing that

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<sup>2</sup> Exhibit B, Controller's Comments on the IRC, pages 31-32, 89.

<sup>3</sup> Public Resources Code sections 42921; Exhibit A, IRC, pages 53 and 57 (Parameters and Guidelines, section IV.(B)(5)).

<sup>4</sup> 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.

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.<sup>5</sup>

In accordance with this court ruling, the Commission amended the Parameters and Guidelines on September 26, 2008.

This program was made optional by Statutes 2010, chapter 724 (AB 1610), section 34, effective October 19, 2010, and has remained so since that time.<sup>6</sup>

### **Procedural History**

The claimant filed its fiscal year 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, and 2004-2005 reimbursement claims on September 18, 2006.<sup>7</sup> The claimant filed its fiscal year 2005-2006 reimbursement claim on January 11, 2007,<sup>8</sup> its fiscal year 2006-2007 reimbursement claim on January 27, 2008,<sup>9</sup> its fiscal year 2007-2008 reimbursement claim on February 2, 2009,<sup>10</sup> its fiscal year 2008-2009 reimbursement claim on February 2, 2010,<sup>11</sup> and its fiscal year 2010-2011 reimbursement claim on January 11, 2013.<sup>12</sup> The Controller notified the

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<sup>5</sup> Exhibit B, Controller's Comments on the IRC, page 31 (Judgment Granting Petition for Writ of Administrative Mandamus).

<sup>6</sup> See Government Code section 17581.5.

<sup>7</sup> Exhibit A, IRC, pages 283, 287, 291, 295, 299, and 303. Exhibit B, Controller's Comments on the IRC, page 19.

<sup>8</sup> Exhibit A, IRC, page 308; Exhibit B, Controller's Comments on the IRC, page 19.

<sup>9</sup> Exhibit A, IRC, page 313. Exhibit B, Controller's Comments on the IRC, page 19.

<sup>10</sup> Exhibit A, IRC, page 318. According to the State Controller, this claim was filed on February 10, 2009. See Exhibit B, Controller's Comments on the IRC, page 19.

<sup>11</sup> Exhibit A, IRC, page 322.

<sup>12</sup> Exhibit A, IRC, page 326.

claimant of the pending audit adjustment on June 13, 2014,<sup>13</sup> and issued the Final Audit Report on June 23, 2014.<sup>14</sup> The claimant filed the IRC on June 9, 2015.<sup>15</sup> The Controller filed comments on the IRC on July 10, 2015.<sup>16</sup> The claimant did not file rebuttal comments. Commission staff issued the Draft Proposed Decision on February 16, 2018.<sup>17</sup>

### **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 if the Controller determines that the claim 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 of the California Constitution.<sup>18</sup> 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 and not apply it as an "equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities."<sup>19</sup>

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.<sup>20</sup>

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<sup>13</sup> Exhibit B, Controller's Comments on the IRC, pages 20, 91-92.

<sup>14</sup> Exhibit A, IRC, page 24 (Final Audit Report).

<sup>15</sup> Exhibit A, IRC, page 1.

<sup>16</sup> Exhibit B, Controller's Comments on the IRC, page 1.

<sup>17</sup> Exhibit C, Draft Proposed Decision.

<sup>18</sup> *Kinlaw v. State of California* (1991) 54 Cal.3d 326, 331-334; Government Code sections 17551, 17552.

<sup>19</sup> *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.

<sup>20</sup> *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.



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.<sup>21</sup> 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.<sup>22</sup>

**Claims**

The following chart provides a brief summary of the claims and issues raised and staff’s recommendation.

<b>Issue</b>	<b>Description</b>	<b>Staff Recommendation</b>
<p>Whether the Controller’s reductions of costs claimed based on unreported cost savings resulting from implementation of the IWM plan are correct.</p>	<p>Pursuant to the ruling and writ issued 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, cost savings realized as a result of implementing their IWM plans, and 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 divert solid waste through the IWM program, claimants can reduce or avoid landfill fees and realize cost savings. As indicated in the court’s ruling, cost savings may be calculated from the solid waste disposal reduction that community colleges are required to annually report to CIWMB. There is a rebuttable</p>	<p><i>Partially Incorrect</i> – The Controller correctly presumed, absent any evidence to the contrary, that the claimant realized cost savings during the audit period equal to the avoided landfill fee per ton of waste required to be diverted. The avoided landfill disposal fee was based on the statewide average disposal fee provided by CIWMB for each year in the audit period. The claimant has not filed any evidence to rebut the statutory presumption of cost savings. Thus, the Controller’s finding that the claimant realized cost savings is correct as a matter of law.</p> <p>In addition, the Controller’s reduction of costs claimed for all years in the audit period except for calendar years 2002 and 2003 is correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support.</p>

<sup>21</sup> *Gilbert v. City of Sunnyvale* (2005) 130 Cal.App.4th 1264, 1274-1275.

<sup>22</sup> 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>statutory presumption of cost savings. To rebut the presumption, the claimant has the burden to show that cost savings were not realized.</p> <p>The claimant diverted more solid waste than required by law for each year in the audit period. However, the Controller's cost savings formula "allocated" the diversion by dividing the mandated solid waste diversion rate, either 25% or 50%, by the actual diversion rate as reported by the claimant to CIWMB. The resulting quotient was then multiplied by the tons of solid waste diverted multiplied by the avoided landfill disposal fee (based on the statewide average fee). This formula avoids penalizing the claimant for diverting more solid waste than the state-mandated percentage.</p> <p>The Controller found that the claimant did not achieve the mandated diversion rate for calendar year 2002, although the requirement to divert 50% of solid waste did not become operative until January 1, 2004.<sup>23</sup> Instead of allocating the diversion rate for 2002, the Controller used 100% of the tonnage diverted to calculate the offsetting cost savings.</p>	<p>However, the Controller's finding that the claimant did not exceed the required diversion rate in calendar year 2002 is incorrect as a matter of law. The claimant diverted 37.57% of solid waste in calendar year 2002, when the required diversion rate was 25%. The requirement to divert 50% of solid waste did not become operative until January 1, 2004.<sup>27</sup> In addition, the Controller did not allocate the 2002 diversion as it had done for rest of the audit period. Instead, the Controller used 100% of the diversion to calculate the offsetting savings, so the calculation of offsetting savings for calendar year 2002 is arbitrary, capricious, and entirely lacking in evidentiary support.</p> <p>For calendar year 2003, the Controller found that the claimant exceeded the mandated diversion rate but the Controller used a 50% rate to calculate the allocated diversion rate, although the test claim statutes required only 25% diversion in calendar year 2003.<sup>28</sup> Thus, the calculation of cost savings for calendar year 2003 is incorrect.</p> <p>Applying the Controller's formula for the calculation of</p>
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<sup>23</sup> Public Resources Code sections 42921. Exhibit A, IRC, pages 53 and 57 (Parameters and Guidelines, section IV.(B)(5)).

<sup>27</sup> Public Resources Code sections 42921. Exhibit A, IRC, pages 53 and 57 (Parameters and Guidelines, section IV.(B)(5)).

<sup>28</sup> Exhibit B, Controller's Comments on the IRC, pages 31-32, 89.

	<p>For calendar year 2003, the Controller found that the claimant exceeded the mandated diversion rate and therefore allocated the diversion, but the Controller used a 50% rate to calculate the allocated diversion rate, instead of the applicable 25% mandated diversion rate.<sup>24</sup> The requirement to divert 50% of solid waste did not become operative until January 1, 2004.<sup>25</sup></p> <p>The Controller admits that the mandated diversion rate is 25% for 2002 and 2003.<sup>26</sup></p>	<p>cost savings (using the 25% mandated rate to calculate the allocated diversion) to calendar years 2002 and 2003, results in offsetting cost savings of:</p> <ul style="list-style-type: none"> <li>• \$14,167 for 2002 (25% divided by 37.57%, multiplied by 588.6 tons diverted multiplied by the statewide average landfill disposal fee of \$36.17) rather than \$21,290; and</li> <li>• \$15,761 for 2003 (25% divided by 56.37%, multiplied by 964.9 tons diverted multiplied by the statewide average landfill disposal fee of \$36.83) rather than \$31,522.</li> </ul> <p>The difference of \$22,884 has been incorrectly reduced and should be reinstated to the claimant.</p>
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**Staff Analysis**

**The Controller’s Reduction of Costs Claimed Is Generally Correct as a Matter of Law; However, the Reduction for Calendar Years 2002 and 2003 Is Incorrect as a Matter of Law and Arbitrary, Capricious, and Entirely Lacking in Evidentiary Support.**

The test claim statutes require community college districts to divert from landfill disposal at least 25 percent of generated solid waste by January 1, 2002, and at least 50 percent of generated solid waste by January 1, 2004.<sup>29</sup> The test claim statutes also provide that “Any cost savings realized as a result of the state agency integrated waste management plan shall, to the extent feasible, be

<sup>24</sup> Exhibit B, Controller’s Comments on the IRC, pages 31-32, 89.

<sup>25</sup> Public Resources Code sections 42921(b); Exhibit A, IRC, pages 53 and 57 (Parameters and Guidelines, section IV.(B)(5)).

<sup>26</sup> Exhibit B, Controller’s Comments on the IRC, page 20.

<sup>29</sup> Public Resources Code section 42921(b).

redirected to the agency's integrated waste management plan to fund plan implementation and administration costs . . .”<sup>30</sup>

The statutes, therefore, presume that by complying with the mandate to divert solid waste through the IWM program, landfill fees are reduced or avoided and cost savings are realized. The amount or value of the cost savings may be determined from the calculations of annual solid waste disposal reduction or diversion that community colleges are required to annually report to CIWMB.<sup>31</sup>

Staff finds that the Controller correctly presumed, consistent with the test claim statutes and the court's interpretation of those statutes, and without evidence to the contrary, that the claimant realized cost savings during the audit period equal to the avoided landfill disposal fee per ton of waste required to be diverted. The record shows that the claimant diverted solid waste each year during the audit period and achieved cost savings from the avoided landfill fee per ton of waste diverted.<sup>32</sup>

Staff also finds, based on the evidence in the record, that the Controller's calculation of offsetting cost savings for all fiscal years in the audit period, except for calendar years 2002 and 2003, is correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support. The claimant exceeded the mandated diversion rate in all years of the audit period.<sup>33</sup>

Because the claimant exceeded the mandate and diverted more solid waste than required by law, the Controller's cost savings formula “allocated” the diversion by dividing the percentage of solid waste required to be diverted, either 25 or 50 percent, by the actual percentage of solid waste diverted, as reported by the claimant to CIWMB. The resulting quotient was then multiplied by the tons of solid waste diverted, as annually reported by the claimant to CIWMB, multiplied by the avoided landfill disposal fee (based on the statewide average fee).<sup>34</sup> The formula allocates cost savings based on the mandated rates of diversion, and avoids penalizing the claimant for diverting more solid waste than the amount mandated by law.<sup>35</sup>

In 2002, the claimant achieved a 37.57 percent diversion rate.<sup>36</sup> The Controller, however, found that the claimant did not exceed the mandated “50 percent” diversion rate, although the

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<sup>30</sup> Public Resources Code section 42925(a).

<sup>31</sup> Exhibit B, Controller's Comments on the IRC, pages 82-83 (*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, Ruling on Submitted Matter)).

<sup>32</sup> Exhibit B, Controller's Comments on the IRC, pages 34-70 (Annual Reports) and 89.

<sup>33</sup> Exhibit B, Controller's Comments on the IRC, page 89.

<sup>34</sup> Exhibit A, IRC, pages 35-36 (Final Audit Report); Exhibit B, Controller's Comments on the IRC, page 20.

<sup>35</sup> Exhibit B, Controller's Comments on the IRC, page 20.

<sup>36</sup> Exhibit B, Controller's Comments on the IRC, pages 40 (2002 Report). The claimant reported 37.6 percent diversion.

mandated diversion rate for 2002 was 25 percent.<sup>37</sup> Therefore, the Controller's finding that the claimant did not divert the mandated rate in calendar year 2002 is incorrect as a matter of law. To calculate the offsetting cost savings for calendar year 2002, the Controller did not allocate the diversion as it had done for rest of the audit period. Instead, the Controller used 100 percent of the diversion to calculate the offsetting savings,<sup>38</sup> so the calculation of offsetting savings for calendar year 2002 is arbitrary, capricious, and entirely lacking in evidentiary support.

For calendar year 2003, the Controller correctly found that the claimant exceeded the mandated diversion rate. However, the Controller used a 50 percent rate to calculate the allocated diversion rate, although the test claim statutes required only 25 percent diversion in calendar year 2003.<sup>39</sup> The requirement to divert 50 percent of solid waste did not become operative until January 1, 2004,<sup>40</sup> so the calculation of cost savings for calendar year 2003 is incorrect as a matter of law.

Applying the Controller's calculation of cost savings to calendar years 2002 and 2003 (using the mandated 25 percent rate to calculate the allocated diversion) results in offsetting savings of:

- \$14,167 for 2002 (25 percent divided by 37.57 percent, multiplied by 588.6 tons diverted multiplied by the statewide average landfill disposal fee of \$36.17) rather than \$21,290; and
- \$15,761 for 2003 (25 percent divided by 56.37 percent, multiplied by 964.9 tons diverted multiplied by the statewide average landfill disposal fee of \$36.83) rather than \$31,522.

Therefore, staff finds that the difference of \$22,884 has been incorrectly reduced.

### **Conclusion**

Staff finds, based on the evidence in the record, that the Controller's calculation of offsetting cost savings for all years in the audit period except calendar years 2002 and 2003 (the second half of fiscal year 2001-2002, all of fiscal year 2002-2003, and the first half of fiscal year 2003-2004) is correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support.

Staff also finds that the law and the evidence in the record support offsetting cost savings for calendar years 2002 and 2003 of \$29,928, rather than \$52,812. Therefore, the difference of \$22,884 has been incorrectly reduced and should be reinstated to the claimant.

### **Staff Recommendation**

Staff recommends that the Commission adopt the Proposed Decision to partially approve the IRC and request, pursuant to Government Code section 17551(d) and section 1185.9 of the Commission's regulations, that the Controller reinstate \$22,884 to the claimant. Staff further

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<sup>37</sup> Public Resources Code sections 42921; Exhibit A, IRC, pages 53 and 57 (Parameters and Guidelines, section IV.(B)(5)).

<sup>38</sup> Exhibit B, Controller's Comments on the IRC, page 89.

<sup>39</sup> Exhibit B, Controller's Comments on the IRC, pages 31-32, 89.

<sup>40</sup> Public Resources Code sections 42921; Exhibit A, IRC, pages 53 and 57 (Parameters and Guidelines, section IV.(B)(5)).

recommends that the Commission authorize staff to make any technical, non-substantive changes to the 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 1992, Chapter 1116 (AB 3521); Statutes 1999, Chapter 764 (AB 75); State Agency Model Integrated Waste Management Plan (February 2000)

Fiscal Years 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, and 2010-2011

San Bernardino Community College District,  
Claimant

Case No.: 14-0007-I-11

*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 May 25, 2018)*

**DECISION**

The Commission on State Mandates (Commission) heard and decided this Incorrect Reduction Claim (IRC) during a regularly scheduled hearing on May 25, 2018. [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:

<b>Member</b>	<b>Vote</b>
Lee Adams, County Supervisor	
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	
Carmen Ramirez, City Council Member	
Jacqueline Wong-Hernandez, Representative of the Director of the Department of Finance, Chairperson	

## **Summary of the Findings**

This IRC addresses reductions made by the State Controller’s Office (Controller) to reimbursement claims of the San Bernardino Community College District (claimant) for fiscal years 1999-2000 through 2008-2009, and fiscal year 2010-2011 (the audit period), under the *Integrated Waste Management* program, 00-TC-07. The Controller made the audit reductions because the claimant did not identify and deduct from its reimbursement claims offsetting cost savings from its diversion of solid waste and the associated reduced or avoided landfill disposal costs.

The test claim statutes require community college districts to adopt and implement, in consultation with California Integrated Waste Management Board (CIWMB, which is now the California Department of Resources Recycling and Recovery, or CalRecycle), integrated waste management (IWM) plans to reduce solid waste.<sup>41</sup> 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 of generated solid waste by January 1, 2004.<sup>42</sup> The test claim statutes also provide 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 . . .”<sup>43</sup>

The statutes, therefore, presume that by diverting solid waste through the IWM program, landfill fees are reduced or avoided and cost savings are realized. 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 CIWMB.<sup>44</sup>

The claimant diverted solid waste, exceeding the mandated diversion rate (25 or 50 percent) in all years of the audit period. Thus, the Controller correctly presumed, consistent with the test claim statutes and the court’s interpretation of those statutes, and without any evidence to the contrary, that the claimant realized cost savings during the audit period equal to the avoided landfill disposal fee per ton of waste required to be diverted. The Commission finds, based on the evidence in the record, that the Controller’s calculation of offsetting cost savings for all years in the audit period, except calendar years 2002 and 2003, is correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support. Because the claimant diverted more solid waste than required by law, the Controller derived a cost savings formula that “allocated” the diversion by dividing the mandated solid waste diversion rate, either 25 or 50 percent, by the actual diversion rate, as reported by the claimant to CIWMB. The resulting quotient was then multiplied by the tons of solid waste diverted, as annually reported by the claimant to CIWMB, multiplied by the avoided landfill disposal fee (based on the statewide

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<sup>41</sup> Public Resources Code section 42920(b).

<sup>42</sup> Public Resources Code section 40124.

<sup>43</sup> Public Resources Code section 42925(a).

<sup>44</sup> Exhibit B, Controller’s Late Comments on the IRC, page 83 (*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, Ruling on Submitted Matter).



average fee).<sup>45</sup> The formula allocates cost savings based on the mandated rates of diversion, and was intended to avoid penalizing the claimant for diverting more solid waste than the amount mandated by law.<sup>46</sup> The claimant has not filed any evidence to rebut the statutory presumption of cost savings or to show that the statewide average disposal fee is incorrect or arbitrary. Thus, the Controller's reduction of costs claimed for these years is correct.

However, the Controller's reduction of costs claimed for calendar years 2002 and 2003, is incorrect as a matter of law and arbitrary, capricious, and entirely lacking in evidentiary support.

During calendar year 2002, the claimant achieved a 37.57 percent diversion rate.<sup>47</sup> The Controller, however, found that the claimant did not achieve the mandated "50 percent" diversion rate in 2002, although the mandate to divert at least 50 percent of all solid waste was not operative until January 1, 2004.<sup>48</sup> Therefore, the Controller's finding that the claimant did not divert the mandated rate in calendar year 2002 is incorrect as a matter of law. To calculate the offsetting cost savings for calendar year 2002, the Controller did not allocate the diversion as it had done for rest of the audit period, but instead used 100 percent of the diversion to calculate the offsetting savings.<sup>49</sup> Thus, the calculation of offsetting savings for calendar year 2002 is arbitrary, capricious, and entirely lacking in evidentiary support.

For calendar year 2003, the Controller correctly found that the claimant exceeded the mandated diversion rate but the Controller used a 50 percent rate to calculate the allocated diversion rate, although the test claim statutes required only 25 percent diversion in calendar year 2003.<sup>50</sup> The requirement to divert 50 percent of solid waste did not become operative until January 1, 2004,<sup>51</sup> so the calculation of cost savings for calendar year 2003 is incorrect as a matter of law.

Applying the Controller's calculation of cost savings to calendar years 2002 and 2003 (using the mandated 25 percent rate to calculate the allocated diversion) results in offsetting savings of:

- \$14,167 for 2002 (25 percent divided by 37.57 percent, multiplied by 588.6 tons diverted multiplied by the statewide average landfill disposal fee of \$36.17) rather than \$21,290; and
- \$15,761 for 2003 (25 percent divided by 56.37 percent, multiplied by 964.9 tons diverted multiplied by the statewide average landfill disposal fee of \$36.83) rather than \$31,522.

Therefore, the Commission finds that the difference of \$22,884 (\$52,812 - \$29,928) has been incorrectly reduced. Accordingly, the Commission partially approves this IRC, and requests,

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<sup>45</sup> Exhibit A, IRC, pages 35-36 (Final Audit Report); Exhibit B, Controller's Comments on the IRC, page 20.

<sup>46</sup> Exhibit B, Controller's Comments on the IRC, page 20.

<sup>47</sup> Exhibit B, Controller's Comments on the IRC, pages 39, 42, 86.

<sup>48</sup> Public Resources Code sections 42921; Exhibit A, IRC, pages 53 and 57 (Parameters and Guidelines, section IV.(B)(5)).

<sup>49</sup> Exhibit B, Controller's Comments on the IRC, page 89.

<sup>50</sup> Exhibit B, Controller's Comments on the IRC, pages 31-32, 89.

<sup>51</sup> Public Resources Code sections 42921; Exhibit A, IRC, pages 53 and 57 (Parameters and Guidelines, section IV.(B)(5)).

pursuant to Government Code section 17551(d) and section 1185.9 of the Commission's regulations, that the Controller reinstate \$22,884 to the claimant.

## COMMISSION FINDINGS

### I. Chronology

- 09/18/2006 The claimant filed its 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004 and 2004-2005 reimbursement claims.<sup>52</sup>
- 01/11/2007 The claimant filed its 2005-2006 reimbursement claim.<sup>53</sup>
- 01/27/2008 The claimant filed its 2006-2007 reimbursement claim.<sup>54</sup>
- 02/02/2009 The claimant filed its 2007-2008 reimbursement claim.<sup>55</sup>
- 02/02/2010 The claimant filed its 2008-2009 reimbursement claim.<sup>56</sup>
- 01/11/2013 The claimant filed its 2010-2011 reimbursement claim.<sup>57</sup>
- 06/13/2014 The Controller notified the claimant of the pending audit adjustment.<sup>58</sup>
- 06/23/2014 The Controller issued the Final Audit Report.<sup>59</sup>
- 06/09/2015 The claimant filed this IRC.<sup>60</sup>
- 07/10/2015 The Controller filed comments on the IRC.<sup>61</sup>
- 02/16/2018 Commission staff issued the Draft Proposed Decision.<sup>62</sup>

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<sup>52</sup>Exhibit A, IRC, pages 283, 287, 291, 295, 299, and 303. Exhibit B, Controller's Comments on the IRC, page 19.

<sup>53</sup> Exhibit A, IRC, page 308; Exhibit B, Controller's Comments on the IRC, page 19.

<sup>54</sup> Exhibit A, IRC, page 308; Exhibit B, Controller's Comments on the IRC, page 19.

<sup>55</sup> Exhibit A, IRC, page 318. According to the State Controller, this claim was filed on February 10, 2009. See Exhibit B, Controller's Comments on the IRC, page 19.

<sup>56</sup> Exhibit A, IRC, page 322.

<sup>57</sup> Exhibit A, IRC, page 326.

<sup>58</sup> Exhibit B, Controller's Comments on the IRC, pages 20, 91-92.

<sup>59</sup> Exhibit A, IRC, page 24 (Final Audit Report).

<sup>60</sup> Exhibit A, IRC, page 1.

<sup>61</sup> Exhibit B, Controller's Comments on the IRC, page 1.

<sup>62</sup> Exhibit C, Draft Proposed Decision.

## II. Background

### A. The *Integrated Waste Management Program*

The test claim statutes require community college districts<sup>63</sup> to adopt and implement, in consultation with CIWMB (which is now the California Department of Resources Recycling and Recovery, or CalRecycle), integrated waste management (IWM) plans to reduce solid waste, reuse materials whenever possible, recycle recyclable materials, and procure products with recycled content in all agency offices and facilities.<sup>64</sup> 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...”<sup>65</sup>

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.<sup>66</sup> 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.<sup>67</sup> The test claim statutes also require a community college, when entering into or renewing a lease, 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.<sup>68</sup> 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(a) 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 is 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.<sup>69</sup>

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<sup>63</sup> The test claim statutes apply to “state agencies” and define them to include “the California Community Colleges” (Pub. Res. Code, § 40196.3).

<sup>64</sup> Public Resources Code section 42920(b).

<sup>65</sup> Public Resources Code section 40124.

<sup>66</sup> Public Resources Code section 42920(b)(3).

<sup>67</sup> Public Resources Code section 42926.

<sup>68</sup> Public Resources Code section 42924(b).

<sup>69</sup> 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.

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(a) 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 was there 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 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 [Integrated Waste Management] 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.

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Contract Code, §§ 12153, 12160; Stats. 1989, ch. 1094). The Act, including sections 12167 and 12167.1, applies to California community colleges only to the limited extent that these sections are referenced in Public Resources Code section 42925. 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 Comments on the IRC, pages 88-89 (*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)).

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, 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.<sup>70</sup>

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

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<sup>70</sup> 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.

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.)<sup>71</sup>

The Parameters and Guidelines further require that each claimed reimbursable cost be supported by contemporaneous source documentation.<sup>72</sup>

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 original Parameters and Guidelines did

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<sup>71</sup> Exhibit A, IRC, page 43-46 (Parameters and Guidelines, adopted March 30, 2005).

<sup>72</sup> Exhibit A, IRC, page 43 (Parameters and Guidelines, adopted March 30, 2005).

not require community colleges to identify and deduct from their claims any offsetting cost savings resulting from the solid waste diversion activities required by the test claim statutes.<sup>73</sup>

### **B. Superior Court Decision on Cost Savings and Offsets Under the Program**

After the Parameters and Guidelines were adopted, the Department of Finance (Finance) and CIWMB filed a petition for writ of mandate 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 statutes, including all cost savings realized from avoided landfill disposal fees and revenues received from the collection and sale of recyclable materials. The petitioners 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 petitioners argued 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 CIWMB.

On May 29, 2008, the Sacramento County Superior Court granted the petition for writ of mandate, finding 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 said:

There is 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 revenues received from the plan activities.<sup>74</sup>

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.”<sup>75</sup> 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

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<sup>73</sup> Exhibit A, IRC, pages 48 (Parameters and Guidelines, adopted March 30, 2005).

<sup>74</sup> Exhibit B, Controller's Comments on the IRC, page 82 (*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, Ruling on Submitted Matter, Footnote 1).

<sup>75</sup> Exhibit B, Controller's Comments on the IRC, page 82 (*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, Ruling on Submitted Matter).



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.”<sup>76</sup> The court explained:

[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.<sup>77</sup>

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

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<sup>76</sup> Public Resources Code sections 40124 & 40192. Exhibit B, Controller’s Comments on the IRC, pages 82-83 (*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, Ruling on Submitted Matter).

<sup>77</sup> Exhibit B, Controller’s Comments on the IRC, page 83 (*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, Ruling on Submitted Matter). Emphasis added.

in excess of \$2000 annually are available for such expenditure by the agencies and colleges when appropriated by the Legislature.<sup>78</sup>

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 IWM 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.<sup>79</sup>

### **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.<sup>80</sup>

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<sup>78</sup> Exhibit B, Controller's Comments on the IRC, pages 84-85 (*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, Ruling on Submitted Matter).

<sup>79</sup> Exhibit B, Controller's Comments on the IRC, page 31 (Judgment Granting Petition for Writ of Administrative Mandamus).

<sup>80</sup> Exhibit A, IRC page 61 (Amended Parameters and Guidelines, adopted Sept. 26, 2008).

Section VII. of the Parameters and Guidelines, on Offsetting Revenues, was amended as follows (amendments in strikeout and underline):

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.<sup>81</sup>

All other requirements in the Parameters and Guidelines remained the same.

CIWMB requested additional amendments to the Parameters and Guidelines at this September 2008 hearing, including a request to alter the offsetting savings provision 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.<sup>82</sup> As the court found:

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

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<sup>81</sup> Exhibit A, IRC, pages 48, 60-61 (Amended Parameters and Guidelines, adopted Sept. 26, 2008).

<sup>82</sup> Exhibit X, Commission on State Mandates, Excerpt from the Minutes for the September 26, 2008 Meeting.

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.<sup>83</sup>

CIWMB also requested adding a requirement for 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 reports the community college districts provide to 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 CIWMB's request and adopted the staff analysis finding that the request was 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 would therefore be further analyzed for that matter.

#### **D. Subsequent Request by CIWMB to Amend the Parameters and Guidelines to Require Detailed Reports on Cost Savings and Revenues**

CIWMB filed a request to amend the Parameters and Guidelines to require community college districts to submit with their reimbursement claims a separate worksheet and report 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 CIWMB. At its January 30, 2009 meeting, the Commission denied the request for the following reasons: there is no requirement in statute or regulation that community college districts perform the analysis specified by 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

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<sup>83</sup> Exhibit B, Controller's Comments on the IRC, pages 84-85 (*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, Ruling on Submitted Matter)).

community colleges' annual reports submitted to CIWMB, as required by Public Resources Code section 42926(b)(1).<sup>84</sup>

#### **E. The *Integrated Waste Management Program Made Optional***

This program was made optional by Statutes 2010, chapter 724 (AB 1610), section 34, effective October 19, 2010 and has remained so since that time.<sup>85</sup>

#### **F. The Controller's Audit**

The Controller audited the reimbursement claims for fiscal years 1999-2000 through 2008-2009, and fiscal year 2010-2011. The claimant did not claim program costs for fiscal year 2009-2010.<sup>86</sup> Of the \$382,484 claimed during the audit period, the Controller found that \$77,792 is allowable (\$86,436 minus a \$8,644 penalty for filing late claims) and \$304,692 is unallowable because the claimant did not report offsetting savings from implementation of its IWM plan.<sup>87</sup>

The Controller found that the claimant realized total offsetting savings of \$1,997,947 from implementation of its IWM plan. But because the audit adjustment exceeded the costs claimed for some fiscal years, the Controller found that \$77,792 is allowable.<sup>88</sup>

The Controller's audit finding is based on the court's ruling, which states, "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,"<sup>89</sup> the resulting amendment to the Parameters and Guidelines, and the claimant's annual reports to CIWMB.

The Controller determined that the claimant diverted more solid waste than the amount mandated by the test claim statute each year of the audit period, except for calendar year 2002, when the Controller found that the claimant diverted solid waste, but not to the mandated diversion rate.<sup>90</sup> Thus, the Controller found that the claimant realized cost savings in each year of the audit period.

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<sup>84</sup> Exhibit X, 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.

<sup>85</sup> See Government Code section 17581.5.

<sup>86</sup> Exhibit A, IRC, page 24 (Final Audit Report).

<sup>87</sup> Exhibit A, IRC, pages 16-17, 27-29 (Final Audit Report). Exhibit B, Controller's Comments on the IRC, pages 7 and 27.

<sup>88</sup> Exhibit A, IRC, pages 17, 25-38 (Final Audit Report).

<sup>89</sup> Exhibit B, Controller's Comments on the IRC, page 83 (*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, Ruling on Submitted Matter).

<sup>90</sup> Exhibit A, IRC, page 33, fn. 2 (Final Audit Report); Exhibit B, Controller's Comments on the IRC, page 89.

For the years the Controller found that the claimant exceeded the diversion mandate, the Controller calculated offsetting cost savings by allocating the diversion to reflect the mandate. To allocate the diversion, the Controller divided the mandated diversion rate (either 25 or 50 percent) by the actual diversion rate (as reported by the claimant to CIWMB). The allocated diversion was then multiplied by the avoided landfill disposal fee (based on the statewide average fee) to calculate the offsetting savings realized in those years.<sup>91</sup>

$$\text{Offsetting Savings Realized} = \frac{\text{Maximum Allowable Diversion \%}}{\text{Actual Diversion \%}} \times \text{Tonnage Diverted} \times \text{Avoided Landfill Disposal Fee (per Ton)}$$

The Controller provided an example of how the formula works. For calendar year 2006, the claimant reported diversion of 7,481.1 tons of solid waste, and disposal of 1,342.5 tons generated.<sup>92</sup> Diverting 7,481.1 tons out of the 8,823.1 tons of waste generated results in a diversion rate of 84.8 percent (exceeding the 50 percent required).<sup>93</sup> To avoid penalizing the claimant for diverting more solid waste than the amount mandated,<sup>94</sup> the Controller allocated the diversion by dividing the diversion rate mandated by the test claim statute (50 percent) by the actual diversion rate (84.8 percent), which equals 58.97 percent. The 58.97 allocated diversion rate is then multiplied by the 7,481.1 tons diverted that year, which equals 4,411.6 tons of diverted solid waste, instead of the 7,481.1 tons actually diverted. The allocated 4,411.6 tons of diverted waste is then multiplied by the statewide average disposal fee per ton, which in calendar year 2006 was \$46, resulting in “offsetting cost savings” for calendar year 2006 of \$202,934.<sup>95</sup>

<sup>91</sup> Exhibit A, IRC, pages 35 (Final Audit Report).

<sup>92</sup> Exhibit B, Controller’s Comments on the IRC, page 54 (2007 Report).

<sup>93</sup> Exhibit B, Controller’s Comments on the IRC, pages 20, 89 (Controller’s calculation of offsetting savings).

<sup>94</sup> Exhibit B, Controller’s Comments on the IRC, page 20.

<sup>95</sup> Exhibit B, Controller’s Comments on the IRC, pages 20, 89 (Controller’s calculations of offsetting savings). Page 20 of the Controller’s Comments on the IRC describe the calculation differently than the formula identified in the audit report, but the result is the same. The Controller states that cost savings can be calculated by multiplying the total tonnage generated (solid waste diverted + disposed) by the mandated diversion percentage (25 or 50 percent), times the avoided landfill disposal fee:

For example, in calendar year 2006, the district reported to CalRecycle that it diverted 7,481.1 tons of solid waste and disposed of 1,342.0 tons, which results in an overall diversion percentage of 84.8% [Tab 4, page 19]. 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 divert only 4,411.55 tons (8,823.1 total tonnage generated x 50%) in order to satisfy the 50% requirement.

For calendar year 2002, the Controller found that the claimant did not exceed the mandated diversion rate (which the Controller found to be 50 percent), so the Controller did not allocate the diversion of solid waste to the mandated rate. Instead, the Controller multiplied 100 percent of the claimant's diversion by the avoided landfill disposal fee (based on the statewide average fee) to calculate offsetting savings.<sup>96</sup>

For calendar year 2003, the Controller found that the claimant exceeded the mandated diversion rate (which the Controller found to be 50 percent) and therefore allocated the diversion as it had done for other years using a 50 percent rate to calculate the allocated diversion rate.

In 2008, CIWMB stopped requiring community college districts to report the actual tonnage diverted, instead requiring a report based on "per-capita disposal." Consequently, the Controller used the claimant's reported 2007 percentage of tons diverted to calculate the offsetting savings for fiscal years 2007-2009, and 2010-2011.<sup>97</sup>

The Controller pointed out in the audit report that the claimant did not provide documentation supporting different diversion rates or disposal fees to calculate offsetting cost savings.<sup>98</sup>

### **III. Positions of the Parties**

#### **A. San Bernardino Community College District**

The claimant maintains that the audit reductions are incorrect and requests the reinstatement of the full amount reduced.

The claimant first alleges that it did not realize any cost savings as a result of the mandate and quotes the Superior Court decision (discussed above) that cost savings will "most likely" occur as a result of reduced or avoided costs of landfill disposal, arguing:

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.<sup>99</sup>

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Therefore, we adjusted our calculation to compute offsetting savings based on 4,411.55 tons of diverted solid waste rather than a total of 7,481.1 tons diverted.

Using this formula results in cost savings for calendar year 2006 of \$202,931 (8,823.1 tons generated x 50 percent = 4411.55 tons x \$46 = \$202,931). Slight differences are due to rounding.

<sup>96</sup> Exhibit A, IRC, page 33, fn. 2 (Final Audit Report); Exhibit B, Controller's Comments on the IRC, page 89.

<sup>97</sup> Exhibit A, IRC, page 36 (Final Audit Report). Exhibit B, Controller's Comments on the IRC, pages 20-21, 89.

<sup>98</sup> Exhibit A, IRC, page 36 (Final Audit Report).

<sup>99</sup> Exhibit A, IRC, page 9-11.

The 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:

[T]he 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.<sup>100</sup>

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 2007 diversion rate to 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 CIWMB, does not include the data used to generate the average fee amounts, so the average is unknown and unsupported by the audit findings.<sup>101</sup>

The claimant contends that application of the formula is incorrect, alleging that it "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."<sup>102</sup> Moreover, the Controller's calculation method prevents the claimant from receiving full reimbursement for its actual increased program costs. The claimant contends, using audit results for 27 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 of costs claimed.<sup>103</sup>

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

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<sup>100</sup> Exhibit A, IRC, pages 13. Emphasis in original.

<sup>101</sup> Exhibit A, IRC, pages 13-16.

<sup>102</sup> Exhibit A, IRC, page 17.

<sup>103</sup> Exhibit A, IRC, pages 18-19.



to create, maintain, and provide evidence regarding its auditing methods and procedures, as well as the specific facts relied upon for its audit findings.”<sup>104</sup>

### **B. State Controller’s Office**

The Controller maintains that the audit findings are correct and that the claimant realized total offsetting savings of \$1,997,947 from implementation of its IWM plan, but “because the offsetting savings adjustment exceeded claimed costs, we applied only \$296,048 against claimed costs.”<sup>105</sup>

Regarding the claimant’s statement that there is only a presumption to incur landfill disposal fees to dispose of solid waste, the Controller notes that the claimant does not indicate how solid waste that is not diverted would be disposed of if not at a landfill. Nor does the claimant state that it disposed of its solid waste at any location other than a landfill or used other means to dispose of its waste than to contract with a commercial waste hauler, so the Controller concludes that the claimant’s comments relating to alternatives for the disposal of solid waste are irrelevant.<sup>106</sup>

The Controller cites statements in some of the claimant’s annual reports and claim filings regarding claimant’s diversion from a landfill, as well as reports of tonnage disposed of annually.<sup>107</sup> According to the Controller, the evidence reviewed by it “supports that the district normally disposes of its waste at a landfill.”<sup>108</sup> The Controller states:

Unless the district had an arrangement with its waste hauler that it did not disclose to us or CalRecycle, the district did not dispose of its solid waste at a landfill for no cost. San Bernardino Valley College is located in San Bernardino, California. An internet search for landfill fees revealed that San Bernardino County, which operates the Mid-Valley Landfill in Rialto, California (12 miles from the SBVC), currently charges \$59.94 per ton to dispose of solid waste [Tab 6). Therefore, the higher rate of diversion results in less trash to be disposed of at a landfill, creating cost savings to the district.<sup>109</sup>

The Controller also argues that the claimant realized offsetting cost savings by implementing its IWM plan because the claimant reported diversion of the following amounts of solid waste due to implementation of its IWM plan:

405.5 tons in calendar year 2000 [Tab 4, page 1 ], 382.2 tons in calendar year 2001 [Tab 4, page 4), 588.6 tons in calendar year 2002 [Tab 4, page 7], 964.9 tons in calendar year 2003 [Tab 4, page 10), 488.7 tons in calendar year 2004 [Tab 4, page 13), 6,189.5 tons in calendar year 2005 [Tab 4, page 16), 7,481.1 tons in

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<sup>104</sup> Exhibit A, IRC, pages 20-21.

<sup>105</sup> Exhibit B, Controller’s Comments on the IRC, pages 12, 16, and 23.

<sup>106</sup> Exhibit B, Controller’s Comments on the IRC, page 17.

<sup>107</sup> Exhibit B, Controller’s Comments on the IRC, page 17.

<sup>108</sup> Exhibit B, Controller’s Comments on the IRC, page 18.

<sup>109</sup> Exhibit B, Controller’s Comments on the IRC, page 18.

calendar year 2006 [Tab 4, page 19], and 20,205.1 tons in calendar year 2007 [Tab 4, page 22) . . . .<sup>110</sup>

According to the Controller: “The savings is supported when the tonnage diverted is multiplied by the cost to dispose of one ton of solid waste at the landfill (e.g., \$59.94 per ton at the Mid-Valley Landfill in Rialto, California).”<sup>111</sup>

The Controller agrees that the claimant did not remit cost savings from the implementation of its IWM plan into the Integrated Waste Management Account in compliance with the Public Contract Code, but 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 says the 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.<sup>112</sup>

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 asserts that it used 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 required offset.”<sup>113</sup>

The Controller also states that it “allocated” the offsetting savings every year of the audit period except calendar year 2002 to avoid penalizing the claimant for diverting more than the minimum rate of diversion required.<sup>114</sup> 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.<sup>115</sup>

The Controller notes that after the passage of Statutes 2008, chapter 343, CIWMB no longer required districts to report their tonnage or percentage diverted, but they are still required to divert 50 percent of their solid waste.<sup>116</sup>

Defending its use of the claimant’s 2007 reported diversion rate to calculate offsetting savings for subsequent years, the Controller calls the 2007 report a “fair representation” of the 2008 through 2010 diversion rate because the Controller found that the “district’s annual per-capita disposal rate for both the employee and student populations to be well below the target rate,” so

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<sup>110</sup> Exhibit B, Controller’s Comments on the IRC, page 18.

<sup>111</sup> Exhibit B, Controller’s Comments on the IRC, page 18.

<sup>112</sup> Exhibit B, Controller’s Comments on the IRC, pages 18-19.

<sup>113</sup> Exhibit B, Controller’s Comments on the IRC, page 19.

<sup>114</sup> Exhibit B, Controller’s Comments on the IRC, page 20.

<sup>115</sup> Exhibit B, Controller’s Comments on the IRC, page 20.

<sup>116</sup> Exhibit B, Controller’s Comments on the IRC, page 21.

the district is meeting its requirement to divert 50% of its solid waste.<sup>117</sup> The Controller also cites statements in the claimant's 2008 and 2009 annual reports that indicate the claimant's waste diversion programs were firmly in place and operating. According to the Controller, "it is entirely possible that the offsetting savings calculations we determined for FY 2008-09 and FY 2010-11 (which are based on the 2007 tonnage amounts) may even be understated."<sup>118</sup>

The Controller also responded to the 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). The Controller cites a statement in the claimant's 2010 report that the claimant does not compost on site or haul compostable material because it is of "relatively light volume."<sup>119</sup> The Controller states:

[A]s a result of this mandated program, the district is claiming nearly \$200,000 in salaries and benefits for its grounds caretakers to "divert solid waste from landfill disposal or transformation facilities- composting" [Tab 13]. We are uncertain why the district is claiming such large costs for activities it states it does not perform. Regardless, it seems reasonable that such offsetting savings incurred as a result of composting, no matter how minimal, be recognized and appropriately offset against direct composting costs that the district incurred and claimed as part of implementing its IWM plan.<sup>120</sup>

The Controller also states that the district's reference to paint disposal is irrelevant because hazardous waste is not included in the diversion amounts that the claimant reported, and therefore, are not included in the Controller's offsetting savings calculation.<sup>121</sup>

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 a private survey of a large percentage of landfills across California. The Controller also cites its internet search for landfill fees that revealed:

[T]he Mid-Valley Landfill, in Rialto, California, currently charges \$59.94 per ton to dispose of solid waste [Tab 6]. Therefore, we believe that the \$36.83 to \$56 "statewide average disposal fee" used to calculate the offsetting savings realized by the district is reasonable. The district did not provide any information, such as its contract with or invoices received from its commercial waste hauler to support either the landfill fees actually incurred by the district or to confirm that the statewide average landfill fee was greater than the actual landfill fees incurred by the district.<sup>122</sup>

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<sup>117</sup> Exhibit B, Controller's Comments on the IRC, page 21.

<sup>118</sup> Exhibit B, Controller's Comments on the IRC, page 21.

<sup>119</sup> Exhibit B, Controller's Comments on the IRC, page 21.

<sup>120</sup> Exhibit B, Controller's Comments on the IRC, page 22.

<sup>121</sup> Exhibit B, Controller's Comments on the IRC, page 22.

<sup>122</sup> Exhibit B, Controller's Comments on the IRC, page 23.

In response to the claimant's argument that it did not claim landfill costs, so there are none to offset, the Controller answers that the mandated program does not reimburse claimants for landfill costs incurred to dispose of solid waste. Rather, the program reimburses claimants' costs to divert solid waste from disposal, which according to the Controller, results in "both a reduction of solid waste going to a landfill and the associated cost 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."<sup>123</sup>

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 which provides that "cost savings realized as a result of the IWM plan are to "fund plan *implementation and administration costs*."<sup>124</sup> The Controller argues that "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."<sup>125</sup> The Controller 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 realized from implementing the plan be offset against direct costs to implement the plan." The Controller also asserts that the claimant's reference to other IWM audits is not relevant to the current issue.<sup>126</sup>

The Controller also disagrees with claimant's argument that the Controller used the wrong standard of review. The Controller cites Government Code section 17561(d)(2) that authorizes it to audit the claimant's records to verify actual mandate-related costs *and* reduce any claim that is excessive or unreasonable. In this case, the claims were excessive because the claimant's "mandated cost claims exceeded the proper amount based on the reimbursable costs allowable per statutory language and the program's parameters and guidelines."<sup>127</sup> As to the burden of proof, the Controller states that it used data from the claimant's annual reports to CIWMB from implementing its IWM program, and that it confirmed that the statewide average fee for disposal is "'in-line' with the actual disposal fee charged by the Mid-Valley Landfill in Rialto, California (which is only 12 miles away from the district)."<sup>128</sup>

#### **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 if the Controller determines that the claim 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

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<sup>123</sup> Exhibit B, Controller's Comments on the IRC, page 23.

<sup>124</sup> Public Resources Code section 42925. Emphasis added in Controller's comments.

<sup>125</sup> Exhibit B, Controller's Comments on the IRC, page 24.

<sup>126</sup> Exhibit B, Controller's Comments on the IRC, page 24.

<sup>127</sup> Exhibit B, Controller's Comments on the IRC, pages 26-27.

<sup>128</sup> Exhibit B, Controller's Comments on the IRC, page 27.

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 of the California Constitution.<sup>129</sup> 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 and not apply it as an “equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities.”<sup>130</sup>

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.<sup>131</sup> 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.’ ”<sup>132</sup>

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.<sup>133</sup> In addition, sections 1185.1(f)(3) and 1185.2(c) of the Commission’s regulations require that any assertions of fact by

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<sup>129</sup> *Kinlaw v. State of California* (1991) 54 Cal.3d 326, 331-334; Government Code sections 17551, 17552.

<sup>130</sup> *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.

<sup>131</sup> *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.

<sup>132</sup> *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547-548.

<sup>133</sup> *Gilbert v. City of Sunnyvale* (2005) 130 Cal.App.4th 1264, 1274-1275.

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.<sup>134</sup>

**A. The Controller's Reduction of Costs Claimed Is Generally Correct as a Matter of Law; However, the Reduction for Calendar Years 2002 and 2003 Based on an Incorrect Diversion Rate Is Incorrect as a Matter of Law, and the Controller's Failure to Allocate the Rate in 2002 is Arbitrary, Capricious, and Entirely Lacking in Evidentiary Support.**

1. The test claim statutes presume that by complying with the mandate to 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: "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 court's Ruling on Submitted Matter states 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."<sup>135</sup> The court explained:

[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

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<sup>134</sup> 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.

<sup>135</sup> Public Resources Code sections 40124 and 40192(b). Exhibit B, Controller's Comments on the IRC, pages 82-83 (*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, Ruling on Submitted Matter).

Waste Management Board pursuant to subdivision (b)(1) of Public Resources Code section 42926.<sup>136</sup>

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.<sup>137</sup>

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.”<sup>138</sup> As the court held, “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. . . .”<sup>139</sup>

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<sup>136</sup> Exhibit B, Controller’s Comments on the IRC, page 83 (*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, Ruling on Submitted Matter). Emphasis added.

<sup>137</sup> Exhibit B, Controller’s Comments on the IRC, pages 84-85 (*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, Ruling on Submitted Matter).

<sup>138</sup> Exhibit B, Controller’s Comments on the IRC, page 82 (*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, Ruling on Submitted Matter).

<sup>139</sup> Exhibit B, Controller’s Comments on the IRC, page 83 (*State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates, et*

The statutes, therefore, presume that by complying with the mandate to 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 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 (which includes the activities and costs to divert at least 25 or 50 percent of all solid waste from landfill disposal) and the cost savings from the avoided landfill disposal fees, for a reimbursement claim 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."<sup>140</sup> 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."<sup>141</sup> The court's decision and the amended Parameters and Guidelines are binding.<sup>142</sup>

2. During the audit period, the claimant exceeded the mandated solid waste diversion rate, but has filed no evidence to rebut the presumption that cost savings were realized. Thus, the Controller's finding that the claimant realized cost savings is correct as a matter of law.

In this case, the claimant asserts that no cost savings were realized, but does not explain why.<sup>143</sup>

The record shows that during the audit period, the claimant complied with the mandate and diverted more solid waste than the state-mandated percentage.<sup>144</sup> The mandate requires community colleges to divert at least 25 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2002, through source reduction, recycling, and composting activities, and at least 50 percent of all solid waste from landfill disposal or transformation facilities by

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*al.* (Sacramento County Superior Court, Case No. 07CS00355, Ruling on Submitted Matter). Emphasis added.

<sup>140</sup> Exhibit A, IRC, page 56 (Parameters and Guidelines).

<sup>141</sup> Exhibit A, IRC, page 61 (Parameters and Guidelines).

<sup>142</sup> *California School Boards Association v. State of California* (2009) 171 Cal.App.4th 1183, 1201.

<sup>143</sup> Exhibit A, IRC, page 9.

<sup>144</sup> Exhibit B, Controller's Comments on the IRC, page 89. The Controller found that the claimant did not divert the mandated percentage in calendar year 2002, but as discussed below, that finding is incorrect.



January 1, 2004.<sup>145</sup> The claimant reported to CIWMB that 27.5 percent of its waste was diverted in calendar year 2000,<sup>146</sup> 30.8 percent diversion in 2001,<sup>147</sup> 37.6 percent in 2002,<sup>148</sup> and 56.4 percent in 2003.<sup>149</sup> These diversions exceed the mandated diversion requirement of 25 percent. The claimant's annual reports to CIWMB for calendar years 2004 through 2007 also report diversion percentages that exceed the mandated diversion requirement of 50 percent, ranging from 53.12 percent to 93.49 percent of the waste generated.<sup>150</sup>

In 2008, CIWMB stopped requiring community college districts to report the amount and percentage of tonnage diverted, and instead required them to report the "per-capita disposal" of waste.<sup>151</sup> As amended, each community college now has a disposal target that is the equivalent to a 50 percent diversion, and is expressed on a per capita basis. So if the district's per-capita disposal rate is less than the target, it means that the district is meeting the requirement to divert 50 percent of its solid waste.<sup>152</sup>

The claimant, in its report for 2008, 2009, and 2010, reported annual per capita disposal rates for both the employee and student populations to be at or below the target rates, thereby satisfying the requirement to divert 50 percent of its solid waste.<sup>153</sup> The claimant's annual reports also indicate it had waste reduction programs in place. For example, the 2008 report states: "All offices have continued to regularly recycle paper, plastic, aluminum, cardboard, etc. and use on-line forms and electronic processing (e-mail, purchasing, etc.)" and states that the district did not implement new programs or discontinue programs in 2008.<sup>154</sup> The 2009 report states, in response to a question about changes to the college's diversion program: "The most significant change was the implementation of construction debris recycling, as noted above. The College has also hosted several e-waste collections during the year. No recycling effort has been

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<sup>145</sup> Public Resources Code sections 42921. Exhibit A, IRC, pages 53 and 57 (Parameters and Guidelines, section IV.(B)(5)).

<sup>146</sup> Exhibit B, Controller's Comments on the IRC, page 34 (2000 Report).

<sup>147</sup> Exhibit B, Controller's Comments on the IRC, page 37 (2001 Report).

<sup>148</sup> Exhibit B, Controller's Comments on the IRC, page 40 (2002 Report).

<sup>149</sup> Exhibit B, Controller's Comments on the IRC, page 43 (2003 Report).

<sup>150</sup> Exhibit B, Controller's Comments on the IRC, pages 43-57 (2003-2007 Reports) and 89.

<sup>151</sup> The new requirement was a result of Statutes 2008, chapter 343 (SB 1016).

<sup>152</sup> Exhibit B, Controller's Comments on the IRC, pages 98-106 ["Understanding SB 1016 Solid Waste Per Capita Disposal Measurement Act", <http://www.calrecycle.ca.gov/lgcentral/goalmeasure/Tools/SimplePresen.pdf>.]

<sup>153</sup> Exhibit B, Controller's Comments on the IRC, pages 59 (2008 Report, showing an employee population target of 60.0, and 5.8 was achieved; and a student population target of 1.7, and 0.18 was achieved); 62 (2009 Report, showing an employee population target of 60.0, and 7.3 was achieved; and a student population target of 1.7, and 0.14 was achieved); 67 (2010 Report, showing an employee population target of 60.0, and 9.7 was achieved; and a student population target of 1.7 and 0.17 was achieved).

<sup>154</sup> Exhibit B, Controller's Comments on the IRC, page 59 (2008 Report).

abandoned or reduced throughout the past year.”<sup>155</sup> And according to the 2010 report: “No recycling or waste diversion programs have been eliminated during the course of the past year. The college continues to sponsor local e-waste events for the surrounding community and works closely with construction contractors to ensure the greatest possible volume of construction waste material is diverted from landfills.”<sup>156</sup>

The record also shows that the claimant’s solid waste that was not diverted was disposed of at a landfill by a waste hauler. The 2001 report notes: “Less material is going to the landfill due to recycling.”<sup>157</sup> And the 2002 report states: “with the implementation of the recycling program, our waste stream has decreased to the landfills.”<sup>158</sup> The 2010 report states that tree and shrubbery from pruning and food waste “are the only waste materials that are not diverted from landfills at this time” and that the “college continues to sponsor local e-waste events for the surrounding community and works closely with construction contractors to ensure the greatest possible volume of construction waste material is diverted from landfills.”<sup>159</sup> And the district’s claims also indicate landfill use, as costs were claimed for “diverting solid waste from landfill disposal ... - recycling” and for “diverting solid waste from landfill disposal ... - composting.”<sup>160</sup>

The avoided landfill disposal fee was based on the statewide average disposal fee provided by CIWMB for each fiscal year in the audit period, since the claimant did not provide any information to the Controller regarding the landfill fees it was charged.<sup>161</sup>

The claimant’s website acknowledges cost savings from waste diversion programs, as it states: “SBVC’s [San Bernardino Valley College’s] efforts at recycling save thousands of dollars per year. . . .”<sup>162</sup>

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 with no evidence to the contrary, that the claimant realized cost savings during the audit period equal to the avoided landfill fee per ton of waste required to be diverted.

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<sup>155</sup> Exhibit B, Controller’s Comments on the IRC, page 63 (2009 Report).

<sup>156</sup> Exhibit B, Controller’s Comments on the IRC, page 67-68 (2010 Report).

<sup>157</sup> Exhibit B, Controller’s Comments on the IRC, page 38 (2001 Report).

<sup>158</sup> Exhibit B, Controller’s Comments on the IRC, page 41 (2002 Report).

<sup>159</sup> Exhibit B, Controller’s Comments on the IRC, page 67-68 (2010 Report).

<sup>160</sup> Exhibit A, IRC, pages 285 (1999-2000 claim), 289 (2000-2001 claim), 293 (2001-2002 claim), 297 (2002-2003 claim), 301 (2003-2004 claim), 305 (2004-2005 claim), 310 (2005-2006 claim), 315 (2006-2007 claim), 320 (2007-2008 claim, which mentioned composting only, not recycling), 324 (2008-2009 claim), 328 (2010-2011 claim, which mentioned composting only).

<sup>161</sup> Exhibit B, Controller’s Comments on the IRC, pages 22-23, 115-143.

<sup>162</sup> Exhibit B, Controller’s Comments on the IRC, page 72.

The statutory presumption of cost savings controls unless the claimant files evidence to rebut the presumption and shows that cost savings were not realized.<sup>163</sup> 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.<sup>164</sup> The Parameters and Guidelines, as amended pursuant to the 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

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<sup>163</sup> Government Code section 17559, which requires that the Commission's decisions be supported by substantial evidence in the record. See also, *Coffy v. Shiomoto* (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.

<sup>164</sup> Evidence Code section 500, which states: "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 [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.)

cost savings.”<sup>165</sup> 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.

The Commission finds that since the claimant has not filed any evidence to rebut the statutory presumption of cost savings, the Controller’s finding that cost savings have been realized is correct as a matter of law.

3. For all years of the audit period except calendar years 2002 and 2003, the Controller’s calculation of cost savings is correct as a matter of law, and not arbitrary, capricious, or entirely lacking in evidentiary support.

The Controller correctly determined that for every year during the audit period (except for calendar year 2002 as discussed below), the claimant diverted more solid waste than the amount mandated by the test claim statute.<sup>166</sup> For years the claimant exceeded the mandate, the Controller calculated offsetting savings by allocating the diversion to reflect the mandate. To allocate the diversion, the Controller divided the mandated solid waste diversion rate (either 25 percent or 50 percent) by the actual rate diverted (as annually reported by the claimant to CIWMB). The allocated diversion was then multiplied by the avoided landfill disposal fee (based on the statewide average fee) to calculate the offsetting savings realized.<sup>167</sup>

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

The formula allocates or reduces cost savings based on the mandated rate, and is intended to avoid penalizing the claimant for diverting more solid waste than the amount mandated by law.<sup>168</sup>

The formula is consistent with the statutory presumption of cost savings, as interpreted by the court for this program and the requirements in the Parameters and Guidelines. The court found that the test claim statutes require that reduced or avoided landfill fees represent savings that must be offset against the cost of diversion. The court stated: “The amount or value of the [offsetting cost] savings may be determined from the calculations of annual solid waste disposal reduction or diversion which California Community Colleges must annually report” to

<sup>165</sup> Exhibit A, IRC, page 61 (Amended Parameters and Guidelines). Emphasis added.

<sup>166</sup> Exhibit A, IRC, page 33, fn. 2 (Final Audit Report). Exhibit B, Controller’s Comments on the IRC, page 89.

<sup>167</sup> Exhibit A, IRC, page 35 (Final Audit Report); Exhibit B, Controller’s Comments on the IRC, page 20.

<sup>168</sup> Exhibit B, Controller’s Comments on the IRC, pages 20.

CIWMB.<sup>169</sup> The Parameters and Guidelines 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 . . . .”<sup>170</sup> Thus, the Controller’s formula correctly presumes, based on the record and without any evidence to the contrary, that the claimant realized cost savings during the audit period equal to the avoided landfill fee per ton of waste required to be diverted. And when the claimant exceeded the mandated diversion rates, the Controller’s formula limited the offset to reflect the mandated rate.

The claimant raises several arguments, unsupported by the law or evidence in the record, that the Controller’s calculation of cost savings is incorrect.

The claimant first alleges that cost savings cannot be realized because the chain of events required by Public Contract Code sections 12167 and 12167.1 did not occur: that savings have to be converted to cash, and amounts in excess of \$2,000 per year must be deposited in the state fund and appropriated back by the Legislature to mitigate the costs.<sup>171</sup> It is undisputed that the claimant did not remit to the state any savings realized from the implementation of the IWM plan.<sup>172</sup> However, as indicated above, cost savings are presumed by the statutes and the claimant has not filed evidence to rebut that-presumption. Thus, the claimant should have deposited the cost savings into the state’s account as required by the test claim statutes, and 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 the court stated: “[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.”<sup>173</sup>

The claimant next asserts that the Controller’s formula is an underground regulation.<sup>174</sup> 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. As discussed above, however, the formula is consistent with the statutory presumption of cost

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<sup>169</sup> Exhibit B, Controller’s Comments on the IRC, page 83 (*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, Ruling on Submitted Matter).

<sup>170</sup> Exhibit A, IRC page 61 (Amended Parameters and Guidelines, adopted Sept. 26, 2008).

<sup>171</sup> Exhibit A, IRC, page 13.

<sup>172</sup> Exhibit B, Controller’s Comments on the IRC, pages 13, 18.

<sup>173</sup> Exhibit B, Controller’s Comments on the IRC, page 82 (*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, Ruling on Submitted Matter).

<sup>174</sup> Exhibit A, IRC, page 14.

savings, as interpreted by the court for this program. Interpretations that arise in the course of case-specific adjudications are not regulations.<sup>175</sup>

The claimant also argues 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.”<sup>176</sup>

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 authorized to *divert* solid waste from the landfill through source reduction, recycling, and composting activities.<sup>177</sup> As explained by the court:

In complying with the mandated solid waste diversion requirements of Public Resources Code section 42921, California Community Colleges 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 ....

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 implementation -- i.e., the actual increased costs of diversion -- under section 6 and section 17514.<sup>178</sup>

The court also noted that diversion is defined as “activities which reduce or eliminate the amount of solid waste from solid waste disposal.”<sup>179</sup>

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 rate achieved in 2007 applies to subsequent years.<sup>180</sup> The claimant also questions the assumption 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.<sup>181</sup>

The Controller’s assumptions, however, are supported by evidence in the record and the claimant has filed no evidence to rebut them. The Controller applied the diversion rate achieved in 2007

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<sup>175</sup> *Tidewater Marine Western, Inc. v. Bradshaw* (1996) 14 Cal.4th 557, 571.

<sup>176</sup> Exhibit A, IRC, page 17.

<sup>177</sup> Exhibit A, IRC, page 57 (Parameters and Guidelines).

<sup>178</sup> Exhibit B, Controller’s Comments on the IRC, pages 82-83 (*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, Ruling on Submitted Matter).

<sup>179</sup> Public Resources Code section 40124. Exhibit B, Controller’s Comments on the IRC, page 82 (*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, Ruling on Submitted Matter).

<sup>180</sup> Exhibit A, IRC, page 15.

<sup>181</sup> Exhibit A, IRC, pages 15-16.

to subsequent years because CIWMB stopped requiring community college districts to report the actual amount and percent of tonnage diverted in 2008. As the Controller notes, the 2007 data is “a fair representation of the 2008 through 2010 diversion information because the district's recycling processes have already been established and committed to.”<sup>182</sup> As discussed above, the data and the narrative in the claimant’s reports for 2008, 2009, and 2010 reveal that the claimant’s annual per capita disposal rate for both the employee and student populations were below the target rate.<sup>183</sup> Overall, the evidence indicates that the claimant satisfied the requirement to divert 50 percent or more of its solid waste during 2008, 2009, and 2010.<sup>184</sup>

The Controller obtained the statewide average cost for landfill disposal fees from CIWMB. The fees were based on a private survey of a large percentage of landfills across California.<sup>185</sup> The Controller’s audit report indicates that the claimant did not provide documentation to support a different disposal fee.<sup>186</sup> In addition, the Controller states:

The district did not provide any information, such as its contract with or invoices received from its commercial waste hauler to support either the landfill fees actually incurred by the district or to confirm that the statewide average landfill fee was greater than the actual landfill fees incurred by the district.<sup>187</sup>

On these audit issues, the Commission may not reweigh the evidence or substitute its judgment for that of the Controller. The Commission must only ensure that the Controller’s decision is not arbitrary, capricious, or entirely lacking in evidentiary support, and adequately considered all relevant factors.<sup>188</sup> There is no evidence that the Controller’s assumptions are wrong or arbitrary or capricious with regard to the statewide average landfill fee.

The claimant also points to the Controller’s audits of other community college districts, arguing that the Controller’s audit results in those cases vary and are arbitrary.<sup>189</sup> The Controller’s audits

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<sup>182</sup> Exhibit B, Controller’s Comments on the IRC, page 21.

<sup>183</sup> Exhibit B, Controller’s Comments on the IRC, pages 59 (2008 Report, showing an employee population target of 60.0, and 5.8 was achieved; and a student population target of 1.7, and 0.18 was achieved); 62 (2009 Report, showing an employee population target of 60.0, and 7.3 was achieved; and a student population target of 1.7, and 0.14 was achieved); 67 (2010 Report, showing an employee population target of 60.0, and 9.7 was achieved; and a student population target of 1.7 and 0.17 was achieved).

<sup>184</sup> Exhibit B, Controller’s Comments on the IRC, page 59 (2008 report), stating “All offices have continued to regularly recycle paper, plastic, aluminum, cardboard, etc. and use on-line forms and electronic processing (e-mail, purchasing, etc.)” and states that the district did not implement new programs or discontinue programs in 2008.

<sup>185</sup> Exhibit B, Controller’s Comments on the IRC, pages 22-23, 115-141.

<sup>186</sup> Exhibit A, IRC, page 36.

<sup>187</sup> Exhibit B, Controller’s Comments on the IRC, page 23.

<sup>188</sup> *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547-548.

<sup>189</sup> Exhibit A, IRC, pages 17-18.

of other community college district reimbursement claims are not relevant to the Controller's audit here. Each audit depends on the documentation and evidence provided by the claimant to show increased costs mandated by the state.

Accordingly, the Controller's calculation of cost savings for all years of the audit period except calendar years 2002 and 2003 is correct as a matter of law, and is not arbitrary, capricious, or entirely lacking in evidentiary support.

4. The reduction of costs claimed for calendar years 2002 and 2003 based on an incorrect mandated diversion rate is incorrect as a matter of law, and the failure to allocate the rate in 2002 is arbitrary, capricious, and entirely lacking in evidentiary support.

In calendar year 2002, the claimant achieved a diversion rate of 37.6 percent.<sup>190</sup> The Controller found that the claimant did not achieve the mandated "50 percent" diversion in calendar year 2002, although only 25 percent diversion was required in 2002. Based on this finding, the Controller did not allocate the diversion to reflect the mandate, but used 100 percent of the reported diversion to calculate offsetting savings. This resulted in an audit reduction of \$21,290 for 2002 (588.6 tons of waste diverted in 2002, multiplied by the avoided statewide average disposal fee of \$36.17).<sup>191</sup>

In calendar year 2003, the claimant achieved a diversion rate of 56.4 percent.<sup>192</sup> The Controller correctly found that the claimant exceeded the mandated diversion rate and therefore allocated the diversion as it had done for other years. However, the Controller used a 50 percent mandated rate to calculate the allocated diversion rate although the test claim statutes required only 25 percent diversion in calendar year 2003.<sup>193</sup> The requirement to divert 50 percent of solid waste did not become operative until January 1, 2004.<sup>194</sup>

As indicated in the Parameters and Guidelines, the mandate is 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.<sup>195</sup> Thus, in calendar years 2002 and 2003, community college districts were mandated to achieve diversion rates of only 25 percent.

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<sup>190</sup> Exhibit B, Controller's Comments on the IRC, page 40 (2002 Annual Report). The Controller did not round this figure and calculated it at 37.57 percent. See page 89.

<sup>191</sup> Exhibit A, IRC, page 33, footnote 2. Exhibit B, Controller's Comments on the IRC, page 89.

<sup>192</sup> Exhibit B, Controller's Comments on the IRC, page 43 (2003 Annual Report). The Controller did not round this figure and calculated it at 56.37 percent. See page 89.

<sup>193</sup> Exhibit B, Controller's Comments on the IRC, page 20.

<sup>194</sup> Public Resources Code sections 42921; Exhibit A, IRC, page 93 (Parameters and Guidelines).

<sup>195</sup> Exhibit A, IRC, page 93 (Parameters and Guidelines). This is based on Public Resources Code sections 42921.



The claimant's 2002 report to CIWMB shows it achieved 37.6 percent diversion, and its 2003 report shows it achieved 56.4 percent diversion,<sup>196</sup> thereby exceeding the mandated diversion rate of 25 percent in both years. The Controller admits that, "[a]s 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 exceed the levels set by statute."<sup>197</sup> Therefore, the Controller's finding that the claimant's diversion of solid waste did not achieve the mandated diversion rate in calendar year 2002 is incorrect as a matter of law. Moreover, the Controller's calculation of offsetting savings for 2002, which did not reduce cost savings by allocating the diversion to reflect the mandate as it did for other years when the claimant exceeded the mandate, is arbitrary, capricious, or entirely lacking in evidentiary support.

Additionally, the Controller's calculation of cost savings for calendar year 2003, using a 50 percent diversion rate instead of the mandated 25 percent diversion rate, is incorrect as a matter of law.<sup>198</sup> As discussed above, the Controller's formula for offsetting cost savings for years in which the claimant exceeded the diversion mandate, which allocates the diversion based on the mandated rate, is consistent with the test claim statutes and the court's decision on this program.

Applying the Controller's cost savings formula to calendar years 2002 and 2003 (using the mandated 25 percent rate to calculate the allocated diversion), results in offsetting savings of:

- \$14,167 for 2002 (25 percent divided by 37.57 percent, multiplied by 588.6 tons diverted multiplied by the statewide average landfill disposal fee of \$36.17) rather than \$21,290; and
- \$15,761 for 2003 (25 percent divided by 56.37 percent, multiplied by 964.9 tons diverted multiplied by the statewide average landfill disposal fee of \$36.83) rather than \$31,522.

Therefore, the Commission finds that the difference of \$22,884 has been incorrectly reduced.

Accordingly, the Commission finds that the reduction of costs claimed for calendar years 2002 and 2003 based on an incorrect mandated diversion rate, is incorrect as a matter of law, and the failure to allocate the rate for 2002 is arbitrary, capricious, and entirely lacking in evidentiary support.

## **V. Conclusion**

Based on the foregoing, the Commission concludes that the Controller's reduction of costs claimed for all years in the audit period except calendar years 2002 and 2003 is correct as a matter of law and is not arbitrary, capricious, or entirely lacking in evidentiary support.

The Commission further concludes that the Controller's reduction of costs claimed for calendar years 2002 and 2003, based on the application of an incorrect mandated diversion rate, is incorrect as a matter of law, and the failure to allocate the rate for 2002 is arbitrary, capricious, and entirely lacking in evidentiary support. The law and the record support offsetting cost

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<sup>196</sup> Exhibit B, Controller's Comments on the IRC, pages 40 (2002 Report) 43 (2003 Report), and 89.

<sup>197</sup> Exhibit B, Controller's Comments on the IRC, page 20.

<sup>198</sup> Exhibit B, Controller's Comments on the IRC, page 89.

savings for these years of \$29,928 rather than \$52,812. Therefore, the difference of \$22,884 has been incorrectly reduced and should be reinstated to claimant.

Accordingly, the Commission partially approves this IRC and requests, pursuant to Government Code section 17551(d) and section 1185.9 of the Commission's regulations, that the Controller reinstate \$22,884 to the claimant.

**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 February 16, 2018, I served the:

- **Draft Proposed Decision, Schedule for Comments, and Notice of Hearing issued February 16, 2018**

*Integrated Waste Management*, 14-0007-I-11

Public Resources Code Sections 40148, 40196.3, 42920-42928;

Public Contract Code Sections 12167 and 12167.1

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

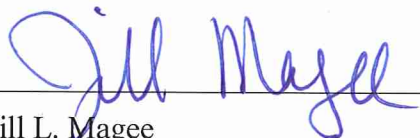
State Agency Model Integrated Waste Management Plan (February 2000)

Fiscal Years: 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, and 2010-2011

San Bernardino 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 February 16, 2018 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:** 2/14/18

**Claim Number:** 14-0007-I-11

**Matter:** Integrated Waste Management

**Claimant:** San Bernardino 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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**BETTY T. YEE**  
California State Controller

**RECEIVED**  
March 01, 2018  
**Commission on  
State Mandates**

**Exhibit D**

March 1, 2018

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-11

Public Resources Code Sections 40148, 40196.3, 42920-42928

Public Contract Code Sections 12167 and 12167.1

Statutes of 1992, Chapter 1116 (AB 3521); Statutes of 1999, Chapter 764 (AB 75)

State Agency Model Integrated Waste Management Plan (February 2000)

Fiscal Years: 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005,  
2005-2006, 2006-2007, 2007-2008, 2008-2009, and 2010-2011

San Bernardino 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 February 16, 2018, for the above incorrect reduction claim filed by San Bernardino Community College District. This letter constitutes the SCO's response to the Commission's draft proposed decision.

We agree with the Commission's conclusion to support our reduction of costs claimed for all years in the audit period except calendar years 2002 and 2003. Also, we agree to reinstate \$22,884 for calendar years 2002 and 2003, the reduction of which the Commission concluded was incorrect as a matter of law.

If you have any questions, please contact me by telephone at (916) 327-3138.

Sincerely,

LISA KUROKAWA, Bureau Chief  
Division of Audits

LK/kw

18783

P.O. Box 942850, Sacramento, CA 94250 ♦ (916) 445-2636  
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901 Corporate Center Drive, Suite 200, Monterey Park, CA 91754 ♦ (323) 981-6802

**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.

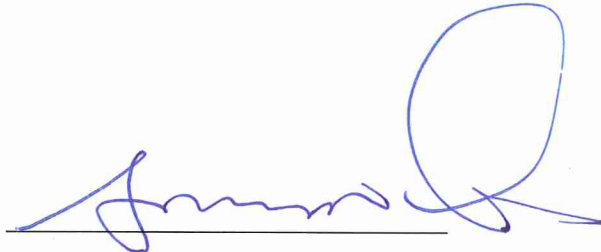
On March 1, 2018, I served the:

- **Controller's Comments on the Draft Proposed Decision filed March 1, 2018**

*Integrated Waste Management*, 14-0007-I-11  
Public Resources Code Sections 40148, 40196.3, 42920-42928;  
Public Contract Code Sections 12167 and 12167.1  
Statutes 1992, Chapter 1116 (AB 3521); Statutes 1999, Chapter 764 (AB 75)  
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2005-2006, 2006-2007, 2007-2008, 2008-2009, and 2010-2011  
San Bernardino 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 March 1, 2018 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:** 2/14/18

**Claim Number:** 14-0007-I-11

**Matter:** Integrated Waste Management

**Claimant:** San Bernardino Community College District

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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

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**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.

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## 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.<sup>1</sup> 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,<sup>2</sup> to include the following language requiring community college

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<sup>1</sup> Exhibit A.

<sup>2</sup> 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."<sup>3</sup> 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

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<sup>3</sup> 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.<sup>4</sup>

Parameters and guidelines were adopted in March 2005.<sup>5</sup> 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

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<sup>4</sup> Exhibit C.

<sup>5</sup> 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.<sup>6</sup>

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<sup>6</sup> 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.<sup>7</sup>

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.<sup>8</sup>

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.<sup>9</sup>

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

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<sup>7</sup> Exhibit D.

<sup>8</sup> Exhibit E.

<sup>9</sup> Exhibit F.

Code section 42926, subdivision (b)(1).<sup>10</sup> 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.<sup>11</sup> 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.<sup>12</sup>

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."

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<sup>10</sup> Exhibit F, Ruling, page 7.

<sup>11</sup> Exhibit F, Ruling, pages 8-9.

<sup>12</sup> 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.”<sup>13</sup>

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

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<sup>13</sup> 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.<sup>14</sup>

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:

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<sup>14</sup> 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).<sup>15</sup> 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

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<sup>15</sup> 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.<sup>16</sup>

**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

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<sup>16</sup> 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).<sup>17</sup> 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

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<sup>17</sup> Exhibit F, Ruling, page 7.

diversion of waste in a tonnage amount that equaled \$22 million in avoided disposal costs.”<sup>18</sup>

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.

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<sup>18</sup> 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.