

ITEM 4
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, 2003-2004, 2004-2005, 2005-2006,
2006-2007, 2007-2008, 2008-2009, 2009-2010 and 2010-2011

14-0007-I-04

Gavilan Joint Community College District, Claimant

TABLE OF CONTENTS

Exhibit A

Incorrect Reduction Claim (IRC), filed July 14, 2014.....1-300

Exhibit B

State Controller’s Office (Controller’s) Late Comments on the IRC, filed April 18, 2016 ...1-133

Exhibit C

Draft Proposed Decision issued July 14, 20171-52

Exhibit D

Controller’s Comments on the Draft Proposed Decision, filed July 28, 20171-5

Exhibit E

Supporting Documentation1-24

Commission on State Mandates, Excerpt from the Minutes, 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

Exhibit A

EITH B. PETERSEN, President
P.O. Box 340430
Sacramento, CA 95834-0430
Telephone: (916) 419-7093
Fax: (916) 263-9701

E-Mail: Kbpsixten@aol.com
5252 Balboa Avenue, Suite 900
San Diego, CA 92117
Telephone: (858) 514-8605
Fax: (858) 514-8645



July 9, 2014

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

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

Dear Ms. Halsey:

Enclosed is the original and two copies of the above referenced incorrect reduction claim for Gavilan Joint 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:

Steven M. Kinsella, President/Superintendent
Gavilan Community College District
5055 Santa Teresa Boulevard
Gilroy, CA 95020-9599
Voice: 408-848-4712
Fax: 408-847-5102
E-Mail: SKinsella@gavilan.edu

Sincerely,

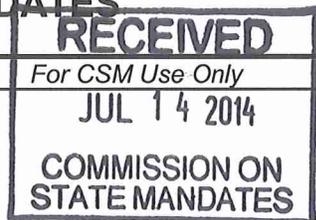
A handwritten signature in black ink, appearing to read "KB Petersen".

Keith B. Petersen

Enclosure: Incorrect Reduction Claim

C: Steven M. Kinsella, President/Superintendent

COMMISSION ON STATE MANDATES



1. INCORRECT REDUCTION CLAIM TITLE

1116/92 and 764/99 Integrated Waste Management

Filing Date: JUL 14 2014

2. CLAIMANT INFORMATION

Gavilan Community College District

Steven M. Kinsella, President/Superintendent
5055 Santa Teresa Boulevard
Gilroy, CA 95020-9599
Voice: 408-848-4712
Fax: 408-847-5102
E-Mail: SKinsella@gavilan.edu

3. CLAIMANT REPRESENTATIVE INFORMATION

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

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

IRC #: 14 - 0007 - 1 - 04

4. IDENTIFICATION OF STATUTES OR EXECUTIVE ORDERS

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

5. AMOUNT OF INCORRECT REDUCTION

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

6. NOTICE OF NO INTENT TO CONSOLIDATE

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

Sections 7-12 are attached as follows:

- 7. Written Detailed Narrative: Pages 1 to 20
8. Final SCO Audit Report: Exhibit A
9. Parameter's and Guidelines: Exhibit B
10. Claiming Instructions: Exhibit C
11. Annual Reimbursement Claims: Exhibit D
12. Controller's Payment Letters: Exhibit E

13. CLAIM CERTIFICATION

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

Steven M. Kinsella, President/Superintendent

Signature: Steven M. Kinsella
Date: 6/24/14

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 _____

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

12)
13)
14)
15)
16)
17)
18)
19)
20)
21)
22)
23)
24)
25)
26)
27)
28)
29)
30)
31)
32)
33)
34)
35)
36)

GAVILAN JOINT
Community College District

Integrated Waste Management

Annual Reimbursement Claims:

Claimant.

- Fiscal Year 1999-00
- Fiscal Year 2000-01
- Fiscal Year 2003-04
- Fiscal Year 2004-05
- Fiscal Year 2005-06
- Fiscal Year 2006-07
- Fiscal Year 2007-08
- Fiscal Year 2008-09
- Fiscal Year 2009-10
- Fiscal Year 2010-11

INCORRECT REDUCTION CLAIM FILING

37 PART I. AUTHORITY FOR THE CLAIM

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

Incorrect Reduction Claim of Gavilan Joint Community College District
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." Gavilan Joint Community College District (hereafter
4 "District") is a "school district" as defined in Government Code Section 17519. Title 2,
5 CCR, Section 1185 (a), requires the claimant to file an incorrect reduction claim with the
6 Commission.

7 This incorrect reduction claim is timely filed. Title 2, CCR, Section 1185 (c),
8 requires incorrect reduction claims to be filed no later than three years following the
9 date of the Controller's notice to the claimant of a reduction in payment for an annual
10 claim. A Controller's audit report dated April 11, 2014, has been issued. See Exhibit A.
11 A Controller's claim action notice letter dated April 18, 2014, has been issued for each
12 audited annual claim. See Exhibit E. The audit report and claim action letters each and
13 both constitute a final adjudication of the claim and notice of payment reduction.

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

17 PART II. SUMMARY OF THE CLAIM

18 The Controller conducted an audit of the District's annual reimbursement claims
19 for Fiscal Years 1999-00 through 2000-01 and 2003-04 through 2010-11 for the cost of
20 complying with the legislatively mandated Integrated Waste Management program. As
21 a result of the audit, the Controller determined that \$200,176 of the \$658,967 claimed
22 costs were unallowable:

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

	<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Audit Adjustment</u>	<u>SCO Payments</u>	<u>Amount Due <State> District</u>
1					
2					
3	1999-00	\$ 27,631	\$ 1,298	\$ 0	\$ 26,333
4	2000-01	\$ 69,207	\$ 2,739	\$ 8,406	\$ 58,062
5	2003-04	\$ 66,756	\$ 11,713	\$ 0	\$ 55,043
6	2004-05	\$ 68,494	\$ 9,098	\$ 0	\$ 59,396
7	2005-06	\$ 68,105	\$ 68,105	\$ 0	\$ 0
8	2006-07	\$ 70,790	\$ 70,790	\$ 0	\$ 0
9	2007-08	\$ 78,762	\$ 10,485	\$ 0	\$ 68,277
10	2008-09	\$ 88,037	\$ 11,226	\$ 0	\$ 76,811
11	2009-10	\$ 95,174	\$ 11,756	\$ 0	\$ 83,418
12	2010-11	<u>\$ 26,011</u>	<u>\$ 2,966</u>	<u>\$ 0</u>	<u>\$ 23,045</u>
13	Totals	\$ 658,967	\$ 200,176	\$ 8,406	\$ 450,385

The audit report states that \$450,385 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. On March 28, 2014, the Pasadena Area Community College District filed an incorrect reduction claim (13-0007-I-01) on this mandate program that includes similar issues. On June 17, 2014, the Sierra Joint Community College District filed an incorrect reduction claim on this mandate program that includes similar issues.

PART IV. BASIS FOR REIMBURSEMENT

A. Mandate Legislation

Statutes of 1992, Chapter 1116, amended Public Contract Code sections 12167

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

1 and 12167.1 allowing the governing board of each college district, on or after July 1,
2 1994, to expend funds in the Integrated Waste Management Account, upon
3 appropriation by the Legislature, for the purpose of offsetting costs created by the
4 recycling program.

5 Statutes of 1999, Chapter 764, added Public Resources Code sections 40148,
6 40196.3 and 42920-42928 to require the governing board of each college district, on or
7 before February 15, 2000, to adopt a state agency model integrated waste
8 management plan which specifies that the district: complies with the State Agency
9 Model plan; designate a solid waste reduction and recycling coordinator; divert at least
10 50 percent of all solid waste from disposal or transformation facilities; submit a report to
11 the board summarizing the progress made in reducing solid waste; and, submit
12 information on quantities of recyclable materials collected on an annual basis to the
13 Board.

14 B. Test Claim

15 The Commission on State Mandates, in the Statement of Decision adopted at
16 the March 25, 2004 hearing, found that Public Resources Code sections 40148,
17 40196.3, 42920-42928, Public Contract Code sections 12167 and 12167.1, and the
18 State Agency Model Integrated Waste Management Plan constitute new programs or
19 higher levels of service for community college districts within the meaning of Section 6,
20 Article XIII B of the California Constitution. The Commission determined that
21 performing the following specific new activities resulted in increased costs for
22 community college districts to:

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

- 1 (1) Comply with the state model plan (Public Resources Code section 42920(b)(3)
2 and State Agency Model Integrated Waste Management Plan, February 2000).
- 3 (2) Designate a district solid waste reduction and recycling coordinator (Public
4 Resources Code section 42920 (c)).
- 5 (3) Divert at least 25 percent of all of its solid waste by January 1, 2002 and at least
6 50 percent by January 1, 2004 (Public Resources Code sections 42921 and
7 42922(i)). A district may seek an extension from the California Integrated Waste
8 Management Board until December 31, 2005.
- 9 (4) Report by April 1 each year to the California Integrated Waste Management
10 Board the progress in reducing solid waste (Public Resources Code sections
11 42926(a) and 42922(i)).
- 12 (5) Submit annual recycled material reports to the California Integrated Waste
13 Management Board (Public Contract Code section 12167.1).

14 C. Parameters and Guidelines

15 On March 30, 2005, the original parameters and guidelines were adopted. As a
16 result of litigation¹, amended parameters and guidelines were issued September 26,

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'

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

1 2008, with retroactive effect. A copy of the original and amended parameters and
2 guidelines are attached as Exhibit B.

3 D. Claiming Instructions

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

11 PART V. STATE CONTROLLER CLAIM ADJUDICATION

12 The Controller conducted an audit of the District's annual reimbursement claims
13 for Fiscal Years 1999-00 through 2000-01 and 2003-04 through 2010-11. The audit

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 concluded that only \$458,791 (69.6%) of the District's \$658,967 costs, as claimed, are
2 allowable. A copy of the April 11, 2014, audit report is attached as Exhibit A.

3 PART VI. STATEMENT OF THE ISSUES

4 **Statute Of Limitations for Audit**

5 The District asserts that the three-year statute of limitations to start the audit had
6 expired for FY 2000-01 when the Controller commenced the audit. Pursuant to Chapter
7 724, Statutes of 2010, an appropriation was made to the District by January 14, 2011,
8 for FY 2000-01 for \$8,404. The exact date of payment is a matter of record not
9 available to the District but that can be produced by the Controller.

10 Government Code Section 17558.5 (as amended by Statutes of 2004, Chapter
11 890, Section 18, operative January 1, 2005) states:

12 (a) A reimbursement claim for actual costs filed by a local agency or school
13 district pursuant to this chapter is subject to the initiation of an audit by the
14 Controller *no later than three years after* the date that the actual reimbursement
15 claim is filed or last amended, whichever is later. However, if no funds are
16 appropriated or no payment is made to a claimant for the program for the fiscal
17 year for which the claim is filed, the time for the Controller to initiate an audit
18 shall commence to run from *the date of initial payment of the claim*. In any case,
19 an audit shall be completed not later than two years after the date that the audit
20 is commenced. (*Emphasis added*)

21 The audit commencement date is the date of first contact made by Controller to the
22 claimant. Jim Spano, Bureau Chief, Mandated Cost Audit Bureau, State Controller's
23 Office, in an e-mail (see Exhibit A) dated November 22, 2011, to Nancy Patton,
24 Assistant Executive Director of the Commission at that time, and Keith Petersen
25 (SixTen and Associates) stated the following:

26 At the same meeting, Commission staff asked what we believe constitutes the
27 initiation of an audit pursuant to Government Code section 17558.5. *We consider*

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

1 *the event that initiates an audit pursuant to Government Code section 17558.5 to*
2 *be the date of the initial contact by the SCO to the auditee (generally a telephone*
3 *contact) to inform them and put them on notice of the SCO's intention to perform*
4 *the audit.* In addition, we consider this same date as the event that commences
5 the two-year period to complete an audit pursuant to Government Code section
6 17558.5. (*Emphasis added*).

7 The audit report states that the first contact the District received regarding this audit
8 was January 17, 2014, which is more than three years after the January 14, 2011,
9 appropriation for the FY 2000-01 annual claim. Therefore, the Controller did not have
10 jurisdiction to audit FY 2000-01.

11 **Finding - Unreported offsetting savings**

12 **A. OFFSETTING COST SAVINGS**

13 The District did not report offsetting cost savings because none were realized.

14 The audit report states that the total claimed costs of \$658,967 should have been
15 reduced by \$200,176 of cost savings calculated by multiplying the tonnage diverted by
16 a statewide average landfill fee per ton. However, none of these alleged cost savings
17 were realized by the District as required by the parameters and guidelines.

18 1. The Legal Requirement

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

24 In complying with the mandated solid waste diversion requirements of
25 Public Resources Code section 42921, California Community Colleges are likely
26 to experience cost savings in the form of reduced or avoided costs of landfill

1 *disposal*. The reduced or avoided costs are a direct result and an integral part of
2 the IWM plan mandates under Public Resources Code section 42920 et seq.: as
3 solid waste diversion occurs, *landfill disposal of the solid waste and associated*
4 *landfill disposal costs* are reduced or avoided. Indeed, diversion is defined in
5 terms of landfill disposal for purposes of the IWM plan mandates. (See Pub.
6 Resources Code §§ 40124 ("diversion' means activities which reduce or
7 eliminate the amount of solid waste from solid waste disposal for purposes of
8 this division [i.e., division 30, including § 42920 et seq.]), 40192, subd. (b) (for
9 purposes of Part 2 (commencing with Section 40900), 'disposal' means the
10 management of solid waste through landfill disposal or transformation at a
11 permitted solid waste facility.") *Emphasis added*.

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

24 The amended and retroactive parameters and guidelines adopted September
25 26, 2008, applied the court language as follows:

26 **VIII. OFFSETTING COST SAVINGS**

27 Reduced or avoided costs realized from implementation of the community
28 college districts' Integrated Waste Management plans shall be identified and
29 offset from this claim as cost savings, consistent with the directions for revenue
30 in Public Contract Code sections 12167 and 12167.1. Pursuant to these statutes,
31 community college districts are required to deposit cost savings resulting from
32 their Integrated Waste Management plans in the Integrated Waste Management
33 Account in the Integrated Waste Management Fund; the funds deposited in the
34 Integrated Waste Management Account, upon appropriation by the Legislature,
35 may be expended by the California Integrated Waste Management Board for the
36 purpose of offsetting Integrated Waste Management plan costs. Subject to the
37 approval of the California Integrated Waste Management Board, cost savings by
38 a community college that do not exceed two thousand dollars (\$2,000) annually
39 are continuously appropriated for expenditure by the community college for the

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

1 purpose of offsetting Integrated Waste Management program costs. Cost
2 savings exceeding two thousand dollars (\$2,000) annually may be available for
3 expenditure by the community college only when appropriated by the Legislature.
4 To the extent so approved or appropriated and applied to the college, these
5 amounts shall be identified and offset from the costs claimed for implementing
6 the Integrated Waste Management Plan. Emphasis added.

7 2. Assumed Cost Savings

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

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

13 However, since the court stated that the cost savings from avoided landfill costs are
14 only "likely," potential cost savings would be a finding of fact not law. There is no
15 evidence in the court decision that these reduced or avoided landfill costs occurred at
16 all or to any one district other than the bare assertion that such savings may have
17 occurred. Thus, potential landfill cost savings would be a question of fact for each
18 claiming district. However, the Controller's audit adjustment erroneously and simply
19 assumes these cost savings occurred in the form of avoided landfill fees for the
20 mandated tonnage diverted. The audit report merely states that the Controller has
21 "determined that the district had reduced or avoided costs" apparently, and only, as a
22 result of increased diversion of solid waste.

23 3. Realized Cost Savings

24 The parameters and guidelines language does not assume that the cost savings
25 occurred, but instead requires that the cost savings be *realized*. The amended

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

1 parameters and guidelines, relying upon the court decision, state that "(r)educed or
2 avoided costs *realized* from implementation of the community college districts'
3 Integrated Waste Management plans shall be identified and offset from this claim as
4 cost savings" To be realized, the court states that the following string of events
5 must occur:

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

21 For the cost savings to be realized, the parameters and guidelines further require
22 that "(t)o the extent so approved or appropriated and applied to the college, these
23 amounts shall be identified and offset from the costs claimed for implementing the
24 Integrated Waste Management Plan." Thus, a certain chain of events must occur: the
25 cost savings must exist (avoided landfill costs); be converted to cash; amounts in
26 excess of \$2,000 per year deposited in the state fund; and, these deposits by the
27 districts appropriated by the Legislature to districts for purposes of mitigating the cost of
28 implementing the plan. None of those prerequisite events occurred so no cost savings
29 were "realized" by the District. Regardless, the adjustment cannot be applied to the

1 District since no state appropriation of the cost savings was made to the District.

2 4. Calculation of the Cost Savings

3 The court suggests that "(t)he amount or value of the savings may be determined
4 from the calculations of annual solid waste disposal reduction or diversion which
5 California Community Colleges must annually report to petitioner Integrated Waste
6 Management Board pursuant to subdivision (b)(1) of Public Resources Code section
7 42926." The parameters and guidelines are silent as to how to calculate the avoided
8 costs. The court provided two alternative methods, either disposal reduction or
9 diversion reported by districts, and the Controller utilized the diversion percentage,
10 which assumes, without findings of fact, that all diversion tonnage is landfill disposal
11 tonnage reduction.

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

13 The audit adjustment for the assumed landfill cost savings is based on a
14 formula created by the Controller and has been consistently used for all 32
15 audits of this mandate published by the Controller (as of the date of this
16 document). The Controller's use of this formula for audit purposes is a standard
17 of general application without appropriate state agency rulemaking and is
18 therefore unenforceable (Government Code Section 11340.5). The formula is
19 not an exempt audit guideline (Government Code Section 11340.9(e)). State
20 agencies are prohibited from enforcing underground regulations. If a state
21 agency issues, enforces, or attempts to enforce a rule without following the
22 Administrative Procedure Act, when it is required to, the rule is called an

1 "underground regulation." Further, the audit adjustment is a financial penalty
2 against the District, and since the adjustment is based on an underground
3 regulation, the formula cannot be used for the audit adjustment (Government
4 Code Section 11425.50).

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

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

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

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

1 Composted material, which is a significant amount of the diverted
2 tonnage, would not have gone to the landfill. The audit report also
3 assumes without findings that all diverted tonnage is within the scope of
4 the mandate. The total tons diverted for some fiscal years may include
5 materials that are outside the scope of the mandate (e.g., paint).
6 Deducting the compost amount and tonnage unrelated to the mandate
7 would reduce both the total tonnage and the diversion percentage. The
8 audit report uses the total tonnage diverted reported by the District to the
9 state (CalRecycle) for each year until 2008 at which time this statistic was
10 no longer available from CalRecycle. The auditor then used the 2007
11 tonnage for all subsequent years. Therefore, the diversion rates used for
12 the audit adjustments after 2007 are fiction.

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

21 5. Application of the Formula

22 The audit calculated cost savings of \$306,596, of which \$200,176 was applied to

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

the annual claims:

<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	\$ 27,631	\$ 26,333	\$ 1,298	\$ 1,298	\$ 0
FY 2000-01	\$ 69,207	\$ 66,468	\$ 2,739	\$ 2,739	\$ 0
FY 2003-04	\$ 66,756	\$ 55,043	\$ 11,713	\$ 11,713	\$ 0
FY 2004-05	\$ 68,494	\$ 59,396	\$ 9,098	\$ 9,098	\$ 0
FY 2005-06	\$ 68,105	\$ 0	\$122,630	\$ 68,105	\$ 54,525
FY 2006-07	\$ 70,790	\$ 0	\$122,685	\$ 70,790	\$ 51,895
FY 2007-08	\$ 78,762	\$ 68,277	\$ 10,485	\$ 10,485	\$ 0
FY 2008-09	\$ 88,037	\$ 76,811	\$ 11,226	\$ 11,226	\$ 0
FY 2009-10	\$ 95,174	\$ 83,418	\$ 11,756	\$ 11,756	\$ 0
FY 2010-11	<u>\$ 26,011</u>	<u>\$ 23,045</u>	<u>\$ 2,966</u>	<u>\$ 2,966</u>	<u>\$ 0</u>
Totals	\$658,967	\$458,791	\$306,596	\$200,176	\$106,420

The "excess" adjustment amount means the adjustment exceeded the amount claimed by the District for all program costs for two 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 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 decisions 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

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

1 Community College might not receive the full reimbursement of its actual
2 increased costs required by section 6 if its claims for reimbursement of IWM plan
3 costs were offset by realized cost savings and all revenues received from plan
4 activities.

5 Indeed, it appears from the statewide audit results² to date that the application of the
6 formula has only arbitrary results. The following table indicates the percentage of the
7 total claimed cost allowed by the “desk audits” conducted by the Controller on the single
8 issue of the costs savings offset:

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

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

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

3 **B. OFFSETTING REVENUES AND REIMBURSEMENTS**

4 The audit report correctly states that this District did not deposit any revenue into
5 the State IWM Account, but there is no such requirement to do so for community
6 colleges. Recycling revenues are not offsetting cost savings, but are offsetting
7 revenues generated from implementing the IWM plan. Regarding recycling revenues,
8 the court stated:

9 Although Public Contract Code sections 12167 and 12167.1 apply to
10 California Community Colleges for the purpose of offsetting savings pursuant to
11 the terms of Public Resources Code section 42925, *sections 12167 and 12167.1*
12 *do not apply to the colleges for the purpose of offsetting revenues or, indeed,*
13 *any other purpose. Sections 12167 and 12167.1 apply exclusively to state*
14 *agencies and institutions; the colleges, which are school districts rather than*
15 *state agencies, are not specially defined as state agencies for purposes of the*
16 *State Assistance for Recycling Markets Act of which sections 12167 and 12167.1*
17 *are a part. Therefore, sections 12167 and 12167.1 do not properly govern the*
18 *revenues generated by the colleges' recycling activities pursuant to their IWM*
19 *plans. The limits and conditions placed by sections 12167 and 12167.1 on the*
20 *expenditure of recycling revenues for the purpose of offsetting recycling program*
21 *costs are simply inapplicable to the revenues generated by the colleges'*
22 *recycling activities.*

23 The provisions of Public Resources Code section 42920 et seq. do not
24 address the use of revenues generated by recycling activities of California
25 Community Colleges under IWM plans to offset reimbursable plan costs. *Thus,*
26 *use of the revenues to offset reimbursable IWM plan costs is governed by the*
27 *general principles of state mandates, that only the actual increased costs of a*
28 *state-mandated program are reimbursable and, to that end, revenues provided*
29 *for by the state-mandated program must be deducted from program costs. (See*
30 *Cal. Const., art. XIII B, § 6; Gov. Code §§ 17514, 17556, subd. (e); County of*
31 *Fresno v. State of California (1991) 51 Cal.3d 482, 487; County of Sonoma v.*
32 *Commission on State Mandates, (2000) 84 Cal.App.4th 1264, 1284.) These*
33 *principles are reflected in respondent's regulation which requires, without*
34 *limitation or exception, the identification of offsetting revenues in the parameters*
35 *and guidelines for reimbursable cost claims. (Cal. Code Regs., tit. 2, §*
36 *1183.1(a)(7).) Emphasis added.*

1 The amended and retroactive parameters and guidelines adopted September 26, 2008,
2 state:

3 **VII. OFFSETTING REVENUES AND REIMBURSEMENTS**

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

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

11 **C. PROCEDURAL ISSUES**

12 1. Standard of Review

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

20 2. Burden of Proof

21 Here, the evidentiary issue is the Controller's method for determining the
22 adjustments. In many instances in the audit report, the District was invited to provide
23 missing data in lieu of fictional data used by auditor, or to disprove the auditor's factual
24 assumptions. This is an inappropriate shifting of the burden of proof for an audit. The

1 Controller must first provide evidence as to the propriety of its audit findings because it
2 bears the burden of going forward and because it is the party with the power to create,
3 maintain, and provide evidence regarding its auditing methods and procedures, as well
4 as the specific facts relied upon for its audit findings.

5 PART VIII. RELIEF REQUESTED

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

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

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

1 PART VIII. CERTIFICATION

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

8 Executed on June 24th, 2014, at Gilroy, California, by

9 Steven M. Kinsella

10 Steven M. Kinsella, President/Superintendent
11 Gavilan Community College District
12 5055 Santa Teresa Boulevard
13 Gilroy, CA 95020-9599
14 Voice: 408-848-4712
15 Fax: 408-847-5102
16 E-Mail: SKinsella@gavilan.edu

17 APPOINTMENT OF REPRESENTATIVE

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

20 Steven M. Kinsella

21 Steven M. Kinsella, President/Superintendent Date
22 Gavilan Community College District

June 24 2014

23 Attachments:

24 Exhibit "A" Controller's Audit Report dated April 11, 2014
25 Exhibit "B" Original Parameters and Guidelines adopted March 30, 2005, and
26 Amended Parameters and Guidelines dated September 26, 2008
27 Exhibit "C" Controller's Claiming Instructions
28 Exhibit "D" Annual Reimbursement Claims
29 Exhibit "E" Controller's Payment Action Letters dated April 18, 2014
30



JOHN CHIANG
California State Controller

April 11, 2014

Terry Newman, Senior Director
of Administrative Services
Gavilan Joint Community College District
5055 Santa Teresa Boulevard
Gilroy, CA 95020

Dear Ms. Newman:

The State Controller's Office reviewed the costs claimed by the Gavilan Joint 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, 2001; and July 1, 2003, through June 30, 2011. We did not include the costs claimed for the period of July 1, 2001, through June 30, 2003, in the review period because the statute of limitations to initiate the review has expired. 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 \$658,967 for the mandated program. Our review found that \$458,791 is allowable and \$200,176 is unallowable. The costs are unallowable because the district did not report any offsetting savings realized as a result of implementing its IWM plan, as described in the attached Summary of Program Costs, Summary of Offsetting Savings Calculations, and the Finding and Recommendation.

For fiscal year (FY) 1999-2000 and FY 2003-04 through FY 2010-11 claims, the State made no payment to the district. Our review found that \$392,323 is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 2000-01 claim, the State paid the district \$8,406 from funds appropriated under Chapter 724, Statutes of 2010. Our review found that \$66,468 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$58,062, contingent upon available appropriations.

Terry Newman, Senior Director
of Administrative Services

-2-

April 11, 2014

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.

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/sk

Attachments

RE: S14-MCC-920

cc: Jeff Gopp, Director of Facilities Services
Gavilan Joint Community College District
Nancy Bailey, Executive Assistant of Administrative Services
Gavilan Joint Community College District
Christine Atalig, Specialist, College Finance and Facilities Planning
California Community Colleges Chancellor's Office
Mollie Quasebarth, Principal Program Budget Analyst
Education Systems Unit, California Department of Finance
Mario Rodriguez, Finance Budget Analyst
Education Systems Unit, California Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

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

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 1999, through June 30, 2000</u>			
Direct costs:			
Salaries and benefits	\$ 20,585	\$ 20,585	\$ —
Indirect costs	7,046	7,046	—
Total direct and indirect costs	27,631	27,631	—
Less offsetting savings ²	—	(1,298)	(1,298)
Total program costs	<u>\$ 27,631</u>	26,333	<u>\$ (1,298)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 26,333</u>	
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits	\$ 44,971	\$ 44,971	\$ —
Contract services	7,799	7,799	—
Total direct costs	52,770	52,770	—
Indirect costs	16,437	16,437	—
Total direct and indirect costs	69,207	69,207	—
Less offsetting savings ²	—	(2,739)	(2,739)
Total program costs	<u>\$ 69,207</u>	66,468	<u>\$ (2,739)</u>
Less amount paid by the State ³		(8,406)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 58,062</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits	\$ 46,046	\$ 46,046	\$ —
Contract services	4,000	4,000	—
Total direct costs	50,046	50,046	—
Indirect costs	16,710	16,710	—
Total direct and indirect costs	66,756	66,756	—
Less offsetting savings ²	—	(11,713)	(11,713)
Total program costs	<u>\$ 66,756</u>	55,043	<u>\$ (11,713)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 55,043</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs:			
Salaries and benefits	\$ 49,040	\$ 49,040	\$ —
Contract services	2,800	2,800	—
Total direct costs	51,840	51,840	—
Indirect costs	16,654	16,654	—
Total direct and indirect costs	68,494	68,494	—
Less offsetting savings ²	—	(9,098)	(9,098)
Total program costs	<u>\$ 68,494</u>	59,396	<u>\$ (9,098)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 59,396</u>	
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Salaries and benefits	\$ 49,741	\$ 49,741	\$ —
Indirect costs	18,364	18,364	—
Total direct and indirect costs	68,105	68,105	—
Less offsetting savings ²	—	(122,630)	(122,630)
Subtotal	68,105	(54,525)	(122,630)
Adjustment to eliminate negative balance	—	54,525	54,525
Total program costs	<u>\$ 68,105</u>	—	<u>\$ (68,105)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Salaries and benefits	\$ 51,880	\$ 51,880	\$ —
Indirect costs	18,910	18,910	—
Total direct and indirect costs	70,790	70,790	—
Less offsetting savings ²	—	(122,685)	(122,685)
Subtotal	70,790	(51,895)	(122,685)
Adjustment to eliminate negative balance	—	51,895	51,895
Total program costs	<u>\$ 70,790</u>	—	<u>\$ (70,790)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs:			
Salaries and benefits	\$ 56,440	\$ 56,440	\$ —
Indirect costs	22,322	22,322	—
Total direct and indirect costs	78,762	78,762	—
Less offsetting savings ²	—	(10,485)	(10,485)
Total program costs	<u>\$ 78,762</u>	68,277	<u>\$ (10,485)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 68,277</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Salaries and benefits	\$ 63,980	\$ 63,980	\$ —
Indirect costs	24,057	24,057	—
Total direct and indirect costs	88,037	88,037	—
Less offsetting savings ²	—	(11,226)	(11,226)
Total program costs	<u>\$ 88,037</u>	76,811	<u>\$ (11,226)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 76,811</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs:			
Salaries and benefits	\$ 68,539	\$ 68,539	\$ —
Indirect costs	26,635	26,635	—
Total direct and indirect costs	95,174	95,174	—
Less offsetting savings ²	—	(11,756)	(11,756)
Total program costs	<u>\$ 95,174</u>	83,418	<u>\$ (11,756)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 83,418</u>	
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 18,909	\$ 18,909	\$ —
Indirect costs	7,102	7,102	—
Total direct and indirect costs	26,011	26,011	—
Less offsetting savings ²	—	(2,966)	(2,966)
Total program costs	<u>\$ 26,011</u>	23,045	<u>\$ (2,966)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 23,045</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>Summary: July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 470,131	\$ 470,131	\$ —
Contract services	14,599	14,599	—
Total direct costs	484,730	484,730	—
Indirect costs	174,237	174,237	—
Total direct and indirect costs	658,967	658,967	—
Less offsetting savings ²	—	(306,596)	(306,596)
Subtotal	658,967	352,371	(306,596)
Adjustment to eliminate negative balance	—	106,420	106,420
Total program costs	<u>\$ 658,967</u>	458,791	<u>\$ (200,176)</u>
Less amount paid by the State ³		(8,406)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 450,385</u>	

¹ See Attachment 3, Finding and Recommendation.

² See Attachment 2, Summary of Offsetting Savings Calculations.

³ Payment from funds appropriated under Chapter 724, Statutes of 2010 (Assembly Bill No. 1610).

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

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment ¹
		July - December	January - June	Total	
<u>July 1, 1999, through June 30, 2000</u>					
Maximum allowable diversion percentage		—	25.00%		
Actual diversion percentage	÷	—	÷ 36.21%		
Allocated diversion percentage		—	69.04%		
Tonnage diverted	×	—	×	(51.65)	
Statewide average landfill fee per ton	×	—	×	\$36.39	
Offsetting savings, FY 1999-2000	\$ —	\$ —	\$ (1,298)	\$ (1,298)	\$ (1,298)
<u>July 1, 2000, through June 30, 2001</u>					
Maximum allowable diversion percentage		25.00%	25.00%		
Actual diversion percentage	÷	36.21%	÷ 39.02%		
Allocated diversion percentage		69.04%	64.07%		
Tonnage diverted	×	(51.65)	×	(61.80)	
Statewide average landfill fee per ton	×	\$36.39	×	\$36.39	
Offsetting savings, FY 2000-01	\$ —	\$ (1,298)	\$ (1,441)	\$ (2,739)	\$ (2,739)
<u>July 1, 2003, through June 30, 2004</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	75.43%	÷ 61.80%		
Allocated diversion percentage		66.29%	80.91%		
Tonnage diverted	×	(313.10)	×	(130.90)	
Statewide average landfill fee per ton	×	\$36.83	×	\$38.42	
Offsetting savings, FY 2003-04	\$ —	\$ (7,644)	\$ (4,069)	\$ (11,713)	\$ (11,713)
<u>July 1, 2004, through June 30, 2005</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	61.80%	÷ 68.63%		
Allocated diversion percentage		80.91%	72.85%		
Tonnage diverted	×	(130.90)	×	(177.00)	
Statewide average landfill fee per ton	×	\$38.42	×	\$39.00	
Offsetting savings, FY 2004-05	\$ —	\$ (4,069)	\$ (5,029)	\$ (9,098)	\$ (9,098)

Attachment 2 (continued)

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment ¹
		July - December	January - June	Total	
<u>July 1, 2005, through June 30, 2006</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 68.63%	÷ 98.23%		
Allocated diversion percentage		72.85%	50.90%		
Tonnage diverted		× (177.00)	× (5,022.70)		
Statewide average landfill fee per ton		× \$39.00	× \$46.00		
Offsetting savings, FY 2005-06	\$ —	\$ (5,029)	\$ (117,601)	\$ (122,630)	\$ (122,630)
<u>July 1, 2006, through June 30, 2007</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 98.23%	÷ 61.80%		
Allocated diversion percentage		50.90%	80.91%		
Tonnage diverted		× (5,022.70)	× (130.90)		
Statewide average landfill fee per ton		× \$46.00	× \$48.00		
Offsetting savings, FY 2006-07	\$ —	\$ (117,601)	\$ (5,084)	\$ (122,685)	\$ (122,685)
<u>July 1, 2007, through June 30, 2008</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 61.80%	÷ 61.80%		
Allocated diversion percentage		80.91%	80.91%		
Tonnage diverted		× (130.90)	× (130.90)		
Statewide average landfill fee per ton		× \$48.00	× \$51.00		
Offsetting savings, FY 2007-08	\$ —	\$ (5,084)	\$ (5,401)	\$ (10,485)	\$ (10,485)
<u>July 1, 2008, through June 30, 2009</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 61.80%	÷ 61.80%		
Allocated diversion percentage		80.91%	80.91%		
Tonnage diverted		× (130.90)	× (130.90)		
Statewide average landfill fee per ton		× \$51.00	× \$55.00		
Offsetting savings, FY 2008-09	\$ —	\$ (5,401)	\$ (5,825)	\$ (11,226)	\$ (11,226)
<u>July 1, 2009, through June 30, 2010</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 61.80%	÷ 61.80%		
Allocated diversion percentage		80.91%	80.91%		
Tonnage diverted		× (130.90)	× (130.90)		
Statewide average landfill fee per ton		× \$55.00	× \$56.00		
Offsetting savings, FY 2009-10	\$ —	\$ (5,825)	\$ (5,931)	\$ (11,756)	\$ (11,756)

Attachment 2 (continued)

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized		Total	Review Adjustment ¹
		July - December	January - June		
<u>July 1, 2010, through June 30, 2011</u>					
Maximum allowable diversion percentage		50.00%	—		
Actual diversion percentage	÷	61.80%	÷	—	
Allocated diversion percentage		80.91%	—		
Tonnage diverted	×	(65.45)	×	—	
Statewide average landfill fee per ton	×	\$56.00	×	—	
Offsetting savings, FY 2010-11	\$ —	\$ (2,966)	\$ —	\$ (2,966)	\$ (2,966)
<u>Summary: July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011</u>					
	\$ —	\$ (154,917)	\$ (151,679)	\$ (306,596)	\$ (306,596)

¹ See Attachment 3, Finding and Recommendation.

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

**FINDING—
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 \$306,596 from implementation of its integrated waste management (IWM) plan.

We informed Terry Newman, Senior Director of Administrative Services, of the review finding via email on January 17, 2014. On March 12, 2014, we provided Ms. Newman with documentation supporting the finding. On March 20, 2014, Nancy Bailey, Executive Assistant of Administrative Services, responded via email stating that the district does not agree with the audit methodology used to derive unallowable costs. The district did not provide a reason for its disagreement with the audit methodology.

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

<u>Fiscal Year</u>	<u>Offsetting Savings Reported</u>	<u>Offsetting Savings Realized</u>	<u>Review Adjustment</u>
1999-2000	\$ -	\$ (1,298)	\$ (1,298)
2000-01	-	(2,739)	(2,739)
2003-04	-	(11,713)	(11,713)
2004-05	-	(9,098)	(9,098)
2005-06	-	(122,630)	(122,630)
2006-07	-	(122,685)	(122,685)
2007-08	-	(10,485)	(10,485)
2008-09	-	(11,226)	(11,226)
2009-10	-	(11,756)	(11,756)
2010-11	-	(2,966)	(2,966)
Total	\$ -	\$ (306,596)	\$ (306,596)

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 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 purposes of offsetting recycling program costs. For the review period, the district did not deposit any revenue into the IWM Account in the IWM Fund. As the district had reduced or avoided costs realized from implementation of its IWM plan that it did not remit to the State, the district should have identified and offset this savings from its claims.

Offsetting Savings Calculation

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

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

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

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

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.” CalRecycle stopped requiring community college districts to report the actual amount of tonnage diverted, so the annual reports no longer identify a “diversion percentage.” Therefore, we used the 2007 diversion percentage to calculate offsetting savings for FY 2007-08, FY 2008-09, FY 2009-10, and FY 2010-11. The district did not provide documentation supporting a different diversion percentage.

Tonnage Diverted

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

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

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

Avoided Landfill Disposal Fee (per Ton)

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

Recommendation

The IWM Program was suspended in the FY 2011-12 through FY 2013-14 Budget Acts. If the program becomes active, 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

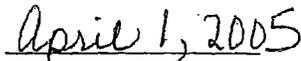
ADOPTION OF PARAMETERS AND
GUIDELINES PURSUANT TO
GOVERNMENT CODE SECTION 17557 AND
TITLE 2, CALIFORNIA CODE OF
REGULATIONS, SECTION 1183.12

(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


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

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

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

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

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

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

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

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

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

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

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

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

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

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

V. **CLAIM PREPARATION AND SUBMISSION**

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. **Salaries and Benefits**

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. **Materials and Supplies**

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

6. Training

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

B. Indirect Cost Rates

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

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

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

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING REVENUES AND REIMBURSEMENTS

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

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

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

VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(1), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.

IX. REMEDIES BEFORE THE COMMISSION

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

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

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

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

Filed on March 9, 2001,

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

No. 00-TC-07

Integrated Waste Management

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

(Adopted: September 26, 2008)

AMENDED PARAMETERS AND GUIDELINES

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

PAULA HIGASHI, Executive Director

Date: September 29, 2008

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

AMENDMENTS TO PARAMETERS AND GUIDELINES

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

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

State Agency Model Integrated Waste Management Plan (February 2000)

Integrated Waste Management
00-TC-07

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

I. SUMMARY OF THE MANDATE

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

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

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

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

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

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

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

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

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

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

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

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

H. ELIGIBLE CLAIMANTS

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

III. PERIOD OF REIMBURSEMENT

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

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

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

If the total costs for a given fiscal year do not exceed \$1000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, receipts, and the community college plan approved by the Board.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

A. One-Time Activities (*Reimbursable starting January 1, 2000*)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

V. **CLAIM PREPARATION AND SUBMISSION**

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element

A.1., Salaries and Benefits, for each applicable reimbursable activity.

6. Training

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

B. Indirect Cost Rates

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

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

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

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING REVENUES AND REIMBURSEMENTS

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

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

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

VIII. OFFSETTING COST SAVINGS

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

IX. STATE CONTROLLER'S REVISED CLAIMING INSTRUCTIONS

The Controller shall, within 60 days after receiving amended parameters and guidelines prepare and issue revised claiming instructions for mandates that require state reimbursement after any decision or order of the commission pursuant to section 17559. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission. Pursuant to Government Code section 17561, subdivision (d)(2), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission. In preparing revised claiming instructions, the Controller may request the assistance of other state agencies. (Gov. Code, § 17558, subdivision (c).)

If revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between November 15 and February 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

X. REMEDIES BEFORE THE COMMISSION

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the

Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

XI. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

OFFICE OF THE STATE CONTROLLER

STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2005-05

INTEGRATED WASTE MANAGEMENT
(COMMUNITY COLLEGES)

June 6, 2005

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

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

Eligible Claimants

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

Filing Deadlines

A. Reimbursement Claims

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

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

The reimbursement periods for the following activities are as follows:

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

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

B. Late Penalty

1. Initial Claims

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

2. Annual Reimbursement Claims

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

C. Estimated Claims

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

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

Minimum Claim Cost

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

Reimbursement of Claims

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question.

Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, receipts and the community college plan approved by the Board. Evidence corroborating the source documents may include, but is not limited to, worksheets, cost

allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

Certification of Claim

In accordance with the provisions of Government Code section 17561, an authorized representative of the claimant shall be required to provide a certification of claim stating: "I certify, (or declare), under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5, for those costs mandated by the State and contained herein.

Audit of Costs

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

Pursuant to GC section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a community college pursuant to this chapter is subject to the initiation of an audit by the SCO no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the SCO to initiate an audit shall commence to run from the date of initial payment of the claim.

In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. On-site audits will be conducted by the SCO as deemed necessary.

Retention of Claiming Instructions

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

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

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

Address for Filing Claims

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

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

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

If delivered by
other delivery services:

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

Adopted: March 30, 2005

PARAMETERS AND GUIDELINES

Public Resources Code Sections 40148, 40196.3, 42920-42928

Public Contract Code Sections 12167 and 12167.1

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

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

State Agency Model Integrated Waste Management Plan (February 2000)

Integrated Waste Management (00-TC-07)

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

I. SUMMARY OF THE MANDATE

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

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

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

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

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

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

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

II. ELIGIBLE CLAIMANTS

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

III. PERIOD OF REIMBURSEMENT

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

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

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

If the total costs for a given fiscal year do not exceed \$1000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, receipts, and the community college plan approved by the Board.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

A. One-Time Activities (*Reimbursable starting January 1, 2000*)

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

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

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

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

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

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

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

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

will be funded.

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

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT	For State Controller Use Only (19) Program Number 256 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 256
---	---	-----------------------

LABEL HERE	(01) Claimant Identification Number	Reimbursement Claim Data	
	(02) Claimant Name	(22) IWM-1, (03)(A)(1)(f)	
	County of Location	(23) IWM-1, (03)(A)(2)(f)	
	Street Address or P.O. Box Suite	(24) IWM-1, (03)(B)(1)(f)	
	City State Zip Code	(25) IWM-1, (03)(B)(2)(f)	

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

(37) CERTIFICATION OF CLAIM

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

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

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

Signature of Authorized Officer _____ Date _____

 Type or Print Name _____ Title _____

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

Program 256	INTEGRATED WASTE MANAGEMENT Certification Claim Form Instructions	FORM FAM-27
-----------------------	--	------------------------------

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

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

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

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

Address, if delivered by other delivery service:

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

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM IWM-1
(01) Claimant			(02) Type of Claim		Fiscal Year	
			Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>		___ / ___	
Direct Costs		Object Accounts				
(03) Reimbursable Activities		(a)	(b)	(c)	(d)	(e)
		Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel & Training
		Total				
A. One-Time Activities						
1.	Development of Policies and Procedures					
2.	Staff Training					
B. Ongoing Activities						
1.	Completion and Submission of Plan to Board					
2.	Response to Board During Approval Process					
3.	Consultation with Board					
4.	Designation of Waste Reduction and Recycling Coordinator					
5.	Diversion and Maintenance of Approved Level of Reduction					
C. Alternative Compliance						
1.	Alternative Requirement or Time Extension for 1/1/02 for 25% Waste					
2.	Alternative Requirement or Time Extension for 1/1/04 for 50% Waste					
D. Accounting System						
E. Annual Report						
F. Annual Recycled Material Reports						
(04) Total Direct Costs						
Indirect Costs						
(05) Indirect Cost Rate		[Federally approved OMB A-21, FAM-29C, or 7%]				%
(06) Total Indirect Costs		[Line (05) x line (04)(a)]				
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (06)]				
Cost Reduction						
(08) Less: Offsetting Savings						
(09) Less: Other Reimbursements						
(10) Total Claimed Amount		[Line (07) - (line (08) + line (09))]				

Program 256	INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY Instructions	FORM IWM-1
-----------------------	---	--------------------------------

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

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
-----------------------	--	---------------

(01) Claimant	(02) Fiscal Year
---------------	------------------

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

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

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

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
--	--

Program 256	INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL Instructions	FORM IWM-2
-----------------------	---	---------------

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

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

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

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

Revised January 21, 2009

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

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

Eligible Claimants

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

Requirements, Limitations, and Exceptions

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

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

Filing Deadlines

A. Reimbursement Claims

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

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

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

B. Estimated Claims

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

Minimum Claim Cost

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

Certification of Claim

In accordance with the provisions of the Code of Civil Procedure Section 2015.5, an authorized officer of the claimant is required to provide a certification of claim stating: "I certify, (or declare), under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of GC Section 17561, for the costs mandated by the State and contained herein.

Audit of Costs

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

Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a community college district for this mandate is subject to the initiation of an audit by SCO no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds are appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for SCO to initiate an audit shall commence to run from the date of initial payment of the claim.

In any case, an audit shall be completed no later than two years after the date that the audit was initiated. All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. On-site audits will be conducted by SCO as deemed necessary.

Retention of Claiming Instructions

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

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

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

Address for Filing Claims

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

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

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

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

If delivered by
other delivery services:

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

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

AMENDMENTS TO PARAMETERS AND GUIDELINES

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

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

State Agency Model Integrated Waste Management Plan (February 2000)

Integrated Waste Management
00-TC-07

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

I. SUMMARY OF THE MANDATE

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

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

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

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

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

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

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

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

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

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

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

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

II. ELIGIBLE CLAIMANTS

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

III. PERIOD OF REIMBURSEMENT

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

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

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

If the total costs for a given fiscal year do not exceed \$1000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, receipts, and the community college plan approved by the Board.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

A. One-Time Activities (*Reimbursable starting January 1, 2000*)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

V. **CLAIM PREPARATION AND SUBMISSION**

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element

A.1., Salaries and Benefits, for each applicable reimbursable activity.

6. Training

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

B. Indirect Cost Rates

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

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

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

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING REVENUES AND REIMBURSEMENTS

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

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

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

VIII. OFFSETTING COST SAVINGS

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

IX. STATE CONTROLLER'S REVISED CLAIMING INSTRUCTIONS

The Controller shall, within 60 days after receiving amended parameters and guidelines prepare and issue revised claiming instructions for mandates that require state reimbursement after any decision or order of the commission pursuant to section 17559. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission. Pursuant to Government Code section 17561, subdivision (d)(2), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission. In preparing revised claiming instructions, the Controller may request the assistance of other state agencies. (Gov. Code, § 17558, subdivision (c).)

If revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between November 15 and February 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

X. REMEDIES BEFORE THE COMMISSION

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the

Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

XI. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT		For State Controller Use Only (19) Program Number 00256 (20) Date Filed (21) LRS Input	Program 256
(01) Claimant Identification Number		Reimbursement Claim Data	
(02) Claimant Name		(22) FORM-1, (04)(f)	
Address		(23) FORM-1, (05)	
		(24) FORM-1, (08)	
		(25) FORM-1, (09)	
Type of Claim (03) Estimated (04) Combined (05) Amended	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	(12)	(30)
	Total Claimed Amount	(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	(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 _____	

Program 256	INTEGRATED WASTE MANAGEMENT CERTIFICATION CLAIM FORM INSTRUCTIONS	FORM FAM-27
------------------------	--	------------------------

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

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

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

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

Address, if delivered by other delivery service:

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

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM 1A
------------------------------	---	--------------------------

(01) Claimant	(02) Type of Claim Reimbursement	Fiscal Year
---------------	-------------------------------------	-------------

Direct Costs		Object Accounts					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total	
A. One-Time Activity							
1. Develop Policies and Procedures							
2. Train District Staff on IWM Plan							
B. Ongoing Activities							
1. Complete and Submit IWM Plan to Board							
2. Respond to Board Requirements							
3. Consult with Board to Revise Plan							
4. Designate Coordinator for Each College							
5. Divert Solid Waste/Maintain Required Level							
(04) Total Direct Costs							

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

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

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY INSTRUCTIONS	FORM 1A
------------------------------	--	--------------------------

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

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM 1B
------------------------------	---	--------------------------

(01) Claimant	(02) Type of Claim Reimbursement	Fiscal Year
---------------	-------------------------------------	-------------

C. Alternative Compliance (From 01/01/2000 to 12/31/2005) Do not complete if B5 on Form 1A is claimed.

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

Direct Costs		Object Accounts					
1.	Alternative Requirement of Time Extension {If unable to comply with 01/01/02 deadline to divert 25% of solid waste per 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							

Direct Costs		Object Accounts					
2.	Alternative Requirement of Time Extension {If unable to comply with 01/01/04 deadline to divert 25% of solid waste per 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							

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

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM 1B
-----------------------	---	-------------------

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

Choose either Reimbursable Activity 1 or 2, as applicable.

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

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

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

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

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY INSTRUCTIONS	FORM 1C
----------------------------------	--	------------------------------

- (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	MANDATED COSTS INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL	FORM <b style="font-size: 24pt;">2A
--	--	--

(01) Claimant	(02) Fiscal Year
---------------	------------------

(03) If filing a combined claim, enter the combined claimant name below. Electronic Claim Only	(04) If filing by departments with different indirect cost rates, enter the department name below. Electronic Claim Only
---	---

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

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

<p>One-Time Activities</p> <p><input type="checkbox"/> Development of Policies and Procedures</p> <p><input type="checkbox"/> Train District Staff on IWM Plan</p>	<p>Ongoing Activities</p> <p><input type="checkbox"/> Complete and Submit of IWM Plan to Board</p> <p><input type="checkbox"/> Respond to Board Requirements</p> <p><input type="checkbox"/> Consult with Board to Revise Plan</p> <p><input type="checkbox"/> Designate Coordinator for Each College</p> <p><input type="checkbox"/> Divert Solid Waste/Maintain Required Level</p>
---	---

(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 ___					
--	--	--	--	--	--

Program 256	INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2A
-----------------------	--	-------------------

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

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

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

Program <b style="font-size: 1.5em;">256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL	FORM <b style="font-size: 1.5em;">2B
---	--	---

(01) Claimant	(02) Fiscal Year
---------------	------------------

(03) If filing a combined claim, enter the combined claimant name below. Electronic Claim Only	(04) If filing by departments with different indirect cost rates, enter the department name below. Electronic Claim Only
---	---

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

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

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

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

(09) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ____ of ____					
--	--	--	--	--	--

Program 256	INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2B
-----------------------	--	-------------------

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

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

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

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL	FORM 2C
-----------------------	--	-------------------

(01) Claimant	(02) Fiscal Year
---------------	------------------

(03) If filing a combined claim, enter the combined claimant name below Electronic Claim Only	(04) If filing by departments with different indirect cost rates, enter the department name below Electronic Claim Only
--	--

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

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

D. Accounting System <input type="checkbox"/> Develop, Implement & Maintain System	E. Annual Report of Progress <input type="checkbox"/> Calculations of Annual Disposal Reduction <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
F. Annual Recycled Material Reports <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 ___						
--	--	--	--	--	--	--

Program 256	INTEGRATED WASTE MANAGEMENT COMPONENT/ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2C
---	--	---

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

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

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

FILING A CLAIM

1. Introduction

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

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

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

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

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

2. Types of Claims

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

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

A. Reimbursement Claim

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

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

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

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

B. Estimated Claim

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

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

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

C. Entitlement Claim

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

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

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

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

3. Minimum Claim Amount

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

4. Filing Deadline for Claims

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

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

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

5. Payment of Claims

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

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

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

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

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

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

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

6. State Mandates Apportionment System (SMAS)

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

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

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

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

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

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

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

7. Direct Costs

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

(1) Employee Wages, Salaries, and Fringe Benefits

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

(a) Productive Hourly Rate Options

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

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

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

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

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

(b) Compute a Productive Hourly Rate

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

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

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

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

Table 2: Productive Hourly Rate, Percent of Salary Method

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

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

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

(c) Calculating an Average Productive Hourly Rate

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

Table 3: Calculating an Average Productive Hourly Rate

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

(d) Employer's Fringe Benefits Contribution

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

For example:

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

(e) Materials and Supplies

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

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

(f) Calculating a Unit Cost for Materials and Supplies

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

Table 1: Calculating A Unit Cost for Materials and Supplies

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

Table 2: Calculating a Unit Cost for Materials and Supplies

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

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

(g) Contract Services

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

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

(h) Equipment Rental Costs

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

(i) Capital Outlay

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

(j) Travel Expenses

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

(k) Documentation

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

8. Indirect Costs

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

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

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

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

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

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

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

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

Table 4: Indirect Cost Rate for Community Colleges

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

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

16. Retention of Claim Records and Supporting Documentation

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

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

FILING A CLAIM

1. Introduction

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

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

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

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

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

2. Types of Claims

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

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

A. Reimbursement Claim

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

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

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

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

B. Estimated Claim

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

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

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

C. Entitlement Claim

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

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

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

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

3. Minimum Claim Amount

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

4. Filing Deadline for Claims

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

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

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

5. Payment of Claims

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

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

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

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

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

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

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

6. State Mandates Apportionment System (SMAS)

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

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

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

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

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

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

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

7. Direct Costs

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

(1) Employee Wages, Salaries, and Fringe Benefits

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

(a) Productive Hourly Rate Options

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

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

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

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

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

(b) Compute a Productive Hourly Rate

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

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

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

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

Table 2: Productive Hourly Rate, Percent of Salary Method

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

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

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

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

(c) Calculating an Average Productive Hourly Rate

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

Table 3: Calculating an Average Productive Hourly Rate

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

(d) Employer's Fringe Benefits Contribution

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

For example:

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

(e) Materials and Supplies

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

(f) Calculating a Unit Cost for Materials and Supplies

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

Table 1: Calculating A Unit Cost for Materials and Supplies

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

Table 2: Calculating a Unit Cost for Materials and Supplies

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

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

(g) Contract Services

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

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

(h) Equipment Rental Costs

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

(i) Capital Outlay

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

(j) Travel Expenses

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

(k) Documentation

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

8. Indirect Costs

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

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

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

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

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

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

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

Table 4: Indirect Cost Rate for Community Colleges

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

9. Time Study Guidelines

Background

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

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

Actual Time Reporting

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

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

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

Time Study

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

Time Study Plan

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

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

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

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

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

Time Study Documentation

Time studies must:

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

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

Time Study Results

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

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

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

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

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

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

10. Offset Against State Mandated Claims

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

Example 1:

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

Table 5: Offset Against State Mandates, Example 1

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

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

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

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

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

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

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

Example 2:

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

Table 6: Offset Against State Mandates, Example 2

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

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

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

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

Federal and State Funding Sources

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

Governing Authority

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

11. Notice of Claim Adjustment

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

12. Audit of Costs

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

Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by CCD pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed no later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

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

13. Source Documents

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

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

14. Claim Forms and Instructions

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

A. Form-2, Component/Activity Cost Detail

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

B. Form-1, Claim Summary

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

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

C. Form FAM-27, Claim for Payment

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

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

If delivered by
U.S. Postal Service:

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

If delivered by
Other delivery services:

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

15. Retention of Claiming Instructions

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

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

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

16. Retention of Claim Records and Supporting Documentation

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

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

FILING A CLAIM

1. Introduction

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Types of Claims

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

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

A. Reimbursement Claim

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

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

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

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

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

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

B. Estimated Claims

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

C. Entitlement Claim

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

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

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

4. Minimum Claim Amount

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

5. Filing Deadline for Claims

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

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

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

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

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

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

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

6. Payment of Claims

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

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

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

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

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

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

7. State Mandates Apportionment System (SMAS)

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

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

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

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

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

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

8. Direct Costs

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

(1) Employee Wages, Salaries, and Fringe Benefits

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

(a) Productive Hourly Rate Options

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

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

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

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

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

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

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

Table 2: Productive Hourly Rate, Percent of Salary Method

Example:			
Step 1: Fringe Benefits as a Percent of Salary		Step 2: Productive Hourly Rate	
Retirement	15.00 %	Formula:	
Social Security & Medicare	7.65	$[(EAS \times (1 + FBR)) \div APH] =$	
Health & Dental Insurance	5.25	PHR	
Workers Compensation	3.25	$[(\$26,000 \times (1.3115)) \div 1,800]$	
		$= \$18.94$	
Total	31.15 %		
Description:			
EAS = Employee's Annual Salary		APH = Annual Productive Hours	
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	
Totals		<u>\$86,819,928</u>	<u>\$ 18,201,861</u>	<u>\$28,596,656</u>	<u>\$68,181,443</u>
				(A)	(B)
				<u>41.94%</u>	
Indirect Cost Rate (A)/(B)					

10. Time Study Guidelines

Background

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

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

Actual Time Reporting

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

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

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

Time Study

In certain cases, a time study may be used as a substitute for continuous records of actual time spent on multiple activities and/or programs. A time study can be used for an activity when the task is repetitive in nature. Activities that require varying levels of effort are not appropriate for time studies.

Time Study Plan

The claimant must develop a time study plan before a time study is conducted. The claimant must retain the time study plan for audit purposes. The plan must identify the following:

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

For example, sub-activities (a), (b), and (c) under reimbursable activity (B)(1) of the local

agency's Domestic Violence Treatment Services: Authorization and Case Management Program, relate to information to be discussed during victim notification by the probation department and therefore are not separate and distinct activities. It is not necessary to separately study these sub-activities.

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

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

Time Study Documentation

Time studies must:

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

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

Time Study Results

Claimants must summarize time study results to show how the time study supports the costs claimed for each activity. Any variations from the procedures identified in the original time study plan must be documented and explained. Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant also may apply time study results retroactively to initial claims, current-year claims, and late-filed claims.

When projecting time study results, the claimant must certify that no significant changes have occurred between years in either (1) the requirements of each mandated program activity; or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must

maintain documentation that shows that the mandated activity was actually performed. Time study results used to support claims are subject to the record-keeping requirements for those claims.

11. Offset Against State Mandated Claims

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

Example 1:

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

Table 5: Offset Against State Mandates, Example 1

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

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

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

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

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

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

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

Example 2:

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

Table 6: Offset Against State Mandates, Example 2

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

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

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

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

Federal and State Funding Sources

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

Governing Authority

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

12. Notice of Claim Adjustment

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

13. Audit of Costs

Pursuant to GC section 17558.5, subdivision (b), The SCO may conduct a field review of any claim after the claim has been submitted, prior to the reimbursement of the claim, to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the CSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

Pursuant to GC section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a community college district for this mandate is subject to the initiation of an audit by SCO no later than three years after the date that the actual reimbursement claim is filed or last amended,

whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for SCO to initiate an audit shall commence to run from the date of initial payment of the claim.

In any case, an audit shall be completed no later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. On-site audits will be conducted by SCO as deemed necessary.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be maintained by the claimant and made available to the SCO upon request as discussed in Section 17 of this manual.

14. Source Documents

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee records, or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

All documents used to support the reimbursable activities must be retained during the period subject to audit and must be made available to the SCO upon request as discussed in Section 17 of this manual.

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used for reimbursing a CCD that meets certain conditions specified in 17518.5(a).

15. Claim Forms and Instructions

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

A. Form-2, Activity Cost Detail

This form is used to segregate the detail costs by claim activity. In some mandates, specific reimbursable activities have been identified for each activity. The expenses reported on this form must be supported by the official financial records of the claimant. All documents used to support the reimbursable activities must be retained by the claimant and must be made available to the SCO upon request

B. Form-1, Claim Summary

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

C. Form FAM-27, Claim for Payment

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

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

If delivered by
U.S. Postal Service:

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

If delivered by
Other delivery services:

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

16. Retention of Claiming Instructions

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. This Community College Mandated Cost Manual should be retained permanently for future reference, and the forms should be duplicated to meet your filing requirements. Annually, new or revised forms, instructions, and any other information claimants may need to file claims will be placed on the SCO's Web site located at www.sco.ca.gov/ard/local/locreim/index.shtml.

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

17. Retention of Claim Records and Supporting Documentation

Pursuant to Government Code section 17558.5, (a), a reimbursement claim for actual costs filed by a CCD pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section V, must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents shall be made available to the SCO upon request.

FILING A CLAIM

1. Introduction

Government Code (GC) Sections 17500 through 17617 provide for the reimbursement of costs incurred by community college districts (CCD) for mandated cost programs as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

A reimbursement claim is defined in GC Section 17522 as any claim filed with the State Controller's Office (SCO) by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. Actual claims for the 2008-09 fiscal year will be accepted without penalty if postmarked or delivered on or before **February 16, 2010**. Ongoing reimbursement claims filed after the deadline will be reduced by a late penalty of **10%, not to exceed \$10,000**. Amended claims filed after the filing deadline will be reduced by **10% of the increased amount** not to exceed \$10,000 for the total claim. Initial reimbursement claims filed after the filing deadline will be reduced by a late penalty of **10% with no limitation**. Claims filed more than one year after the deadline will not be accepted by the SCO.

If a claimant is using an indirect cost rate that exceeds 7%, documentation to support the indirect cost rate must be included with the submitted claim. A more detailed discussion of the indirect cost methods available to CCD's can be found in Section 2, Filing a Claim, page 9, *Indirect Costs*. Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO on request as explained in Section 2, Filing a Claim, page 16, *Retention of Claim Records and Supporting Documentation*.

When a program has been reimbursed for three or more years, the Commission may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD and, under certain circumstances, by any changes in workload. Claimants with an established entitlement no longer need to file claims for that program.

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

The claiming instructions included in this manual are issued to help claimants prepare manual and/or electronic mandated cost claims, for submission to the SCO. These instructions are based on the State of California's statutes, regulations, and the parameters and guidelines (P's & G's) adopted by the Commission on State Mandates (Commission). Since each mandate is unique, it is important to refer to the P's and G's for each program for information relating to established policies and eligible reimbursable costs.

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

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

In addition, it provides an easy and straightforward approach to the claiming process. Filing claims using LGeC eliminates the manual preparation and submission of paper claims by CCD's and the receiving, processing, key entry, verification, and storage of the paper claims by the SCO. LGeC also provides mathematical checks and automated error detection to reduce erroneous and

incomplete claims, provides the State with an electronic workflow process, and stores the claims in an electronic format. Making the change from paper claims to electronic claims reduces the manual handling of paper claims and decreases the costs incurred for postage, handling, and storage of claims filed.

In order to use the LGeC system you will need to obtain a user ID and password for each person who will access the LGeC system. To obtain a User ID and password you must file an application with the SCO. The application and instructions are available on the LGeC Web site located at http://www.sco.ca.gov/ard_lgec.html. Complete the application and other documents as requested and mail them to the SCO using the address provided in the instructions. The SCO will process the application and issue a User ID and password to each applicant.

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

You can find more information about LGeC and the email distribution lists at http://www.sco.ca.gov/ard_lgec.html. This Web site provides access to the LGeC system, an application for User ID's and passwords, an instructional guide, frequently asked questions (FAQ's) and additional help files. Questions may be directed to LRSDAR@sco.ca.gov, or you may call the Local Reimbursements Section at (916) 324-5729.

3. Types of Claims

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

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

A. Reimbursement Claim

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

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal year(s) of a program that was previously unfunded. Claims are due one hundred and twenty days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement. Annual ongoing reimbursement claims must be filed by February 15th following the fiscal year in which costs were incurred for the program.

B. Estimated Claims

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

C. Entitlement Claim

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

apportionment reflective of the program's current year costs.

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

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

4. Minimum Claim Amount

For initial claims and annual claims, if the total costs for a given year do not exceed \$1,000 no reimbursement will be allowed except as otherwise allowed by GC Section 17564.

5. Filing Deadline for Claims

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

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

Initial reimbursement claims filed after the filing deadline will be reduced by ten percent of the amount that would have been allowed had the claim been timely filed. The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a program will be considered as one claim for the purpose of computing any late claim penalty. In no case will a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

Pursuant to GC Section 17560, annual reimbursement claims (recurring claims) for costs incurred during the previous fiscal year must be filed with the SCO and postmarked on or before February 15th following the fiscal year in which costs were incurred.

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

6. Payment of Claims

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

the amount of approved claims timely filed and on hand at the time of proration. A reasonable reimbursement methodology (RRM), which meets certain conditions specified in Government Code Section 17518.5, Subdivision (a), can be used as a formula for reimbursing CCD costs mandated by the State.

A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than one year after the adoption of the program's statewide cost estimate.

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

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

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

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

7. State Mandates Apportionment System (SMAS)

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

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

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

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

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

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

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

8. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Documentation to support direct costs must be kept on hand unless otherwise specified in the claiming instructions and made available to the SCO on request

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

Costs typically classified as direct costs are:

(1) Employee Wages, Salaries, and Benefits

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

(a) Productive Hourly Rate Options

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

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

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claimant must maintain documentation of how these hours were computed.

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

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

(b) Compute a Productive Hourly Rate

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

productive hours.

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

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

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

- As illustrated in Table 2, both methods produce the same productive hourly rate.

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

- The amount of compensation is reasonable for the service rendered;
- The compensation paid and benefits received are appropriately authorized by the governing board;
- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees;

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

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

(c) Calculating an Average Productive Hourly Rate

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

Table 3: Calculating an Average Productive Hourly Rate

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

(d) Employer's Benefits Contribution

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

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

(2) Materials and Supplies

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies

withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases must be claimed at the actual price after deducting discounts, rebates and allowances received by the CCD.

(a) Calculating a Unit Cost for Materials and Supplies

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

Table 1: Calculating a Unit Cost for Materials and Supplies

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

Table 2: Calculating a Unit Cost for Materials and Supplies

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

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

(3) Contract Services

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

(4) Equipment Rental Costs

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the P's & G's for the particular mandate. Equipment rentals used solely for the mandate are reimbursable to the extent that such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must maintain documentation to support the purpose and use of the equipment, the time period for

which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the pro rata portion of the rental costs can be claimed.

(5) Capital Outlay

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

(6) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the Department of Personnel Administration (DPA) travel standards. When claiming travel expenses, the claimant must maintain documentation to support the purpose of the trip, the names and addresses of the persons incurring the expense, the date and time of departure and return, a description of each expense claimed, and the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking. Receipts are required for charges over \$10.00.

9. Indirect Costs

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

A CCD may claim indirect costs using the Controller's methodology (FAM-29C), or if specifically allowed by a mandated cost program's P's & G's, a district may choose to claim indirect costs using either: (1) A federally approved rate prepared in accordance with the Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate. The FAM-29C indirect cost rate and the flat 7% indirect cost rate are applied to *Salaries and Benefits*, whereas the federally approved rate is applied to the allocation base used in developing the federally approved rate.

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

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

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

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

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

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

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

Table 4: Indirect Cost Rate for Community Colleges

MANDATED COST					FORM
INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS					FAM 29-C
(1) Claimant					
Activity	EDP	Salaries and Benefits per		Indirect-Salaries	
		CCFS-311	Operating Expenses per CCFS-311	Benefits, and Operating Expenses	Direct-Salaries and Benefits only
Instructional Activities	599	\$ 46,249,931	\$ 8,289,190	\$	\$ 46,249,931
Instruct. Admin. & Instruct. Governance	6000	5,181,935	631,615		5,181,935
Instructional Support Services	6100	4,361,061	445,196		4,361,061
Admissions and Records	6200	1,251,539	96,634		1,251,539
Student Counseling and Guidance	6300	3,373,121	80,201		3,373,121
Other Student Services	6400	5,511,511	1,116,904		5,511,511
Operation and Maintenance of Plant	6500	5,192,099	3,192,398	8,384,497	
Planning, Policy Making, and Coordination	6600	2,562,909	1,096,833	3,659,742	
General Institutional Support Services	6700				
Community Relations	6710	446,207	228,320	674,527	
Fiscal Operations	6720	2,342,316	315,019	2,657,335	
Human Resources Management	6730	1,057,387	102,600	1,159,987	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,327,125	-	1,327,125	
Staff Development	6750	1,295	34,931	36,226	
Staff Diversity	6760	449,392	394,915	844,307	
Logistical Services	6770	2,853,609	354,953	3,208,562	
Management Information Systems	6780	2,386,511	894,685	3,281,196	
Other General Institutional Support Services	6790	19,635	1,679	21,314	
Community Services and Economic Development	6800	963,036	688,648		963,036
Ancillary Services	6900	723,450	224,961		723,450
Auxiliary Operations	7000	565,859	12,179		565,859
Depreciation or Use Allowance - Building				2,620,741	
Depreciation or Use Allowance - Equipment				721,097	
Totals		<u>\$ 86,819,928</u>	<u>\$ 18,201,861</u>	<u>\$ 28,596,656</u>	<u>\$ 68,181,443</u>
				(A)	(B)
Indirect Cost Rate (A)/(B)				<u>41.94%</u>	

10. Time Study Guidelines

Background

Two methods are acceptable for documenting employee time charged to mandated cost programs: 1) Actual Time Reporting and 2) Time Study. These methods are described below. Application of time study results is restricted. As explained in the Time Study Results section below, the results may be projected forward a maximum of two years or applied retroactively to initial claims, current-year claims, and late-filed claims, provided certain criteria are met.

Actual Time Reporting

Each program's P's and G's define reimbursable activities for the mandated cost program. When employees work on multiple activities, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards:

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

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

Time Study

In certain cases, a time study may be used as a substitute for continuous records of actual time spent on multiple activities and/or programs. A time study can be used for an activity when the task is repetitive in nature. Activities that require varying levels of effort are not appropriate for time studies.

Time Study Plan

The claimant must develop a plan before the time study is conducted. The claimant must retain the time study plan for audit purposes. The plan must identify the following:

- Time periods to be studied - The plan must show that all time periods selected are representative of the fiscal year and that the results can be reasonably projected to approximate actual costs;
- Activities to be studied - The time study must separately identify each reimbursable activity defined in the mandated program's P's and G's. If a reimbursable activity identifies separate and distinct sub-activities, these sub-activities also must be treated as individual activities;

For example, sub-activities (a) and (b) under reimbursable activity (1) of the Agency Fee Arrangements Program relate to salary deduction and payment of fair share and are not separate and distinct activities. It is not necessary to separately study these sub-activities.

- Process used to accomplish each reimbursable activity - Use flowcharts or similar analytical tools and/or written desk procedures to describe the process followed to complete each activity;
- Employee universe - The employee universe used in the time study must include all positions for which salaries and wages are to be allocated by means of the time study;
- Employee sample selection methodology - The plan must show that employees selected are representative of the employee universe and that the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations;
- Time increments to be recorded - The time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large

increments (such as one hour or more) can be used for employees performing only a few functions that change very slowly over time. Small increments (a number of minutes) can be used for employees performing more short-term tasks.

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

Time Study Documentation

Time studies must:

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

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

Time Study Results

Claimants must summarize time study results to show how the time study supports the costs claimed for each activity. Any variation from the procedures identified in the original time study plan must be documented and explained. Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant also may apply time study results retroactively to initial claims, current-year claims, and late-filed claims.

When projecting time study results, the claimant must certify that no significant changes have occurred between years in either (1) the requirements of each mandated program activity; or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain documentation that shows that the mandated activity was actually performed. Time study results used to support claims are subject to the record-keeping requirements for those claims.

11. Offset Against State Mandated Claims

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

Example 1:

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

Table 5: Offset Against State Mandates, Example 1

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

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

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

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

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

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

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

Example 2:

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

Table 6: Offset Against State Mandates, Example 2

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

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

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

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

12. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. Claimants will receive a *Notice of Claim Adjustment* detailing any adjustments made by the SCO.

13. Audit of Costs

Pursuant to GC Section 17558.5, Subdivision (b), the SCO may conduct a field review of any claim after it has been submitted to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the Commission. If any adjustments are made to a claim, a Notice of Claim Adjustment specifying the claim activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within thirty days after payment of the claim.

14. Source Documents

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. These costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee records, or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification stating: "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct" and must further comply with the requirements of Code of Civil Procedure Section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, these documents cannot be substituted for source documents.

15. Claim Forms and Instructions

Unless you are filing electronically, a claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated or printed from SCO's Web site and used by the claimant to file reimbursement claims. The SCO will revise the manual and claim forms as necessary.

A. Form-2, Activity Cost Detail

This form is used to segregate the direct costs by claim activity. In some mandates, specific reimbursable activities have been identified for each activity. The expenses reported on this form must be supported by the official financial records of the claimant. All documents used to support the reimbursable activities must be retained by the claimant unless required to be submitted with the claim and must be made available to the SCO on request.

B. Form-1, Claim Summary

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

C. Form FAM-27, Claim for Payment

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

Claims should be rounded to the nearest dollar. Submit a signed original and one copy of form FAM-27, Claim for Payment. **To expedite the payment process, please sign the FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

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

The revised claiming instructions in this package have been arranged in alphabetical order by program name. This Manual should be retained for future reference, and the forms should be duplicated to meet your filing requirements. Annually, new or revised forms, instructions, and any other information claimants may need to file claims will be placed on the SCO's Web site located at www.sco.ca.gov/ard_mancost.html.

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

17. Retention of Claim Records and Supporting Documentation

Pursuant to Government Code Section 17558.5, (a), a reimbursement claim for actual costs filed by a CCD is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit will commence to run from the date of initial payment of the claim. In any case, an audit will be completed not later than two years after the date that the audit is commenced.

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

FILING A CLAIM

1. Introduction

Government Code (GC) Sections 17500 through 17617 provide for the reimbursement of costs incurred by community college districts (CCD) for mandated cost programs as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

A reimbursement claim is defined in GC Section 17522 as any claim filed with the State Controller's Office (SCO) by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. Actual claims for the 2009-10 fiscal year will be accepted without penalty if postmarked or delivered on or before **February 15, 2011**. Ongoing reimbursement claims filed after the deadline will be reduced by a late penalty of **10%, not to exceed \$10,000**. Amended claims filed after the filing deadline will be reduced by **10% of the increased amount** not to exceed \$10,000 for the total claim. Initial reimbursement claims filed after the filing deadline will be reduced by a late penalty of **10% with no limitation**. Claims filed more than one year after the deadline will not be accepted by the SCO.

If a claimant is using an indirect cost rate that exceeds 7%, documentation to support the indirect cost rate must be included with the submitted claim. A more detailed discussion of the indirect cost methods available to CCD's can be found in Section 2, Filing a Claim, page 9, **Indirect Costs**. Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO on request as explained in Section 2, Filing a Claim, page 16, **Retention of Claim Records and Supporting Documentation**.

When a program has been reimbursed for three or more years, the Commission may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD. Claimants with an established entitlement no longer need to file claims for that program.

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

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

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

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

In order to use the LGeC system you will need to obtain a User ID and password for each person who will access the LGeC system. To obtain a User ID and password you must file an application with the SCO. The application and instructions are available on the LGeC Web site located at http://www.sco.ca.gov/ard_lgec.html. Complete the application and other documents as requested and mail them to the SCO using the address provided in the instructions. The SCO will process the application and issue a User ID and password to each applicant.

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

You can find more information about LGeC and the email distribution lists at http://www.sco.ca.gov/ard_lgec.html. This Web site provides access to the LGeC system, an application for User ID's and passwords, an instructional guide, frequently asked questions (FAQ's) and additional help files. Questions may be directed to LRSDAR@sco.ca.gov, or you may call the Local Reimbursements Section at (916) 324-5729.

3. Types of Claims

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

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

A. Reimbursement Claim

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

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal year(s) of a program that was previously unfunded. Claims are due one hundred and twenty days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement. Annual ongoing reimbursement claims must be filed by February 15th following the fiscal year in which costs were incurred for the program.

Annual ongoing reimbursement claims must be filed by February 15th following the fiscal year in which costs were incurred for the program. Claims for fiscal year 2009-10 will be accepted without late penalty if postmarked or delivered on before February 15th, 2011. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the claim. Claims filed more than one year after the deadline will not be accepted for reimbursement.

B. Entitlement Claim

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

approved and a base year entitlement amount is determined, the claimant will receive an apportionment reflective of the program's current year costs.

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

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

4. Minimum Claim Amount

For initial claims and annual claims, if the total costs for a given year do not exceed \$1,000 no reimbursement will be allowed except as otherwise allowed by GC Section 17564.

5. Filing Deadline for Claims

Pursuant to GC Section 17561(d) initial reimbursement claims (first time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within one hundred and twenty days from the date the SCO issues the claiming instructions for the program. When paying a timely filed claim for initial reimbursement, the Controller may withhold twenty percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs. Initial reimbursement claims filed after the filing deadline will be reduced by ten percent of the amount that would have been allowed had the claim been timely filed.

The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a program will be considered as one claim for the purpose of computing any late claim penalty. In no case will a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

Pursuant to GC Section 17560, annual reimbursement claims (recurring claims) for costs incurred during the previous fiscal year must be filed with the SCO and postmarked on or before February 15th following the fiscal year in which costs were incurred. If the annual reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims may not be filed more than one year after the deadline.

6. Payment of Claims

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

A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than one year after the adoption of the program's statewide cost estimate.

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

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

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

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

7. State Mandates Apportionment System (SMAS)

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

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

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

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

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

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

8. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Documentation to support direct costs must be kept on hand unless otherwise specified in the claiming instructions and made available to the SCO on request

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

Costs typically classified as direct costs are:

(1) Employee Wages, Salaries, and Benefits

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

(a) Productive Hourly Rate Options

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

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

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claimant must maintain documentation of how these hours were computed.

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

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

(b) Compute a Productive Hourly Rate

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

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

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

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

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

Table 2: Productive Hourly Rate, Percent of Salary Method

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

- As illustrated in Table 2, both methods produce the same productive hourly rate.

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

- The amount of compensation is reasonable for the service rendered;
- The compensation paid and benefits received are appropriately authorized by the governing board;

- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees;
- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

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

(c) Calculating an Average Productive Hourly Rate

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

Table 3: Calculating an Average Productive Hourly Rate

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

(d) Employer's Benefits Contribution

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

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

(2) Materials and Supplies

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

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

(a) Calculating a Unit Cost for Materials and Supplies

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

Table 1: Calculating a Unit Cost for Materials and Supplies

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

Table 2: Calculating a Unit Cost for Materials and Supplies

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

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

(3) Contract Services

The cost of contract services is allowable if the CCD lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must keep documentation on hand to support the name of the contractor, explain the reason for having to hire a contractor, describe the mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate must

not exceed the rate specified in the P's & G's for the mandated program. The contractor's invoice or statement must include an itemized list of costs for activities performed.

(4) Equipment Rental Costs

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

(5) Capital Outlay

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

(6) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the Department of Personnel Administration (DPA) travel standards. When claiming travel expenses, the claimant must maintain documentation to support the purpose of the trip, the names and addresses of the persons incurring the expense, the date and time of departure and return, a description of each expense claimed, and the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking. Receipts are required for charges over \$10.00.

9. Indirect Costs

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

A CCD may claim indirect costs using the Controller's methodology (FAM-29C), or if specifically allowed by a mandated cost program's P's & G's, a district may choose to claim indirect costs using either: (1) A federally approved rate prepared in accordance with the Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate. The FAM-29C indirect cost rate and the flat 7% indirect cost rate are applied to *Salaries and Benefits*, whereas the federally approved rate is applied to the allocation base used in developing the federally approved rate.

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

However, if indirect costs are calculated using the OMB Circular A-21 methodology using *Salaries and Benefits* in the base, then the claims can be filed using either the LGeC system or the manual paper process. In these cases, the indirect cost rate is calculated in accordance with the chosen

methodology and keyed into the mandated cost form on the appropriate line (usually Form 1, line (06)), *Indirect Cost Rate*. The LGeC system will apply that rate to *Salaries and Benefits* (usually Form 1, line (5)(a) to arrive at the total indirect costs (usually Form 1, line (7)).

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

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

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

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

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

Table 4: Indirect Cost Rate for Community Colleges

MANDATED COST					FORM
INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS					FAM 29-C
(1) Claimant					
Activity	EDP	Indirect-Salaries			Direct-Salaries and Benefits only
		Salaries and Benefits per CCFS-311	Operating Expenses per CCFS-311	Benefits, and Operating Expenses	
Instructional Activities	599	\$ 46,249,931	\$ 8,289,190	\$	\$ 46,249,931
Instruct. Admin. & Instruct. Governance	6000	5,181,935	631,615		5,181,935
Instructional Support Services	6100	4,361,061	445,196		4,361,061
Admissions and Records	6200	1,251,539	96,634		1,251,539
Student Counseling and Guidance	6300	3,373,121	80,201		3,373,121
Other Student Services	6400	5,511,511	1,116,904		5,511,511
Operation and Maintenance of Plant	6500	5,192,099	3,192,398	8,384,497	
Planning, Policy Making, and Coordination	6600	2,562,909	1,096,833	3,659,742	
General Institutional Support Services	6700				
Community Relations	6710	446,207	228,320	-	446,207
Fiscal Operations	6720	2,342,316	315,019	2,657,335	
Human Resources Management	6730	1,057,387	102,600	1,159,987	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,327,125	-	1,327,125	
Staff Development	6750	1,295	34,931	36,226	
Staff Diversity	6760	449,392	394,915	844,307	
Logistical Services	6770	2,853,609	354,953	3,208,562	
Management Information Systems	6780	2,386,511	894,685	3,281,196	
Other General Institutional Support Services	6790	19,635	1,679	21,314	
Community Services and Economic Development	6800	963,036	688,648		963,036
Ancillary Services	6900	723,450	224,961		723,450
Auxiliary Operations	7000	565,859	12,179		565,859
Depreciation or Use Allowance - Building				2,620,741	
Depreciation or Use Allowance - Equipment				721,097	
Totals		<u>\$ 86,819,928</u>	<u>\$ 18,201,861</u>	<u>\$ 27,922,129</u>	<u>\$ 68,627,650</u>
				(A)	(B)
Indirect Cost Rate (A)/(B)				<u>40.69%</u>	

10. Time Study Guidelines

Background

Two methods are acceptable for documenting employee time charged to mandated cost programs: 1) Actual Time Reporting and 2) Time Study. These methods are described below. Application of time study results is restricted. As explained in the Time Study Results section below, the results may be projected forward a maximum of two years or applied retroactively to initial claims, current-year claims, and late-filed claims, provided certain criteria are met.

Actual Time Reporting

Each program's P's and G's define reimbursable activities for the mandated cost program. When employees work on multiple activities, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards:

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

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

Time Study

In certain cases, a time study may be used as a substitute for continuous records of actual time spent on multiple activities and/or programs. A time study can be used for an activity when the task is repetitive in nature. Activities that require varying levels of effort are not appropriate for time studies.

Time Study Plan

The claimant must develop a plan before the time study is conducted. The claimant must retain the time study plan for audit purposes. The plan must identify the following:

- Time periods to be studied - The plan must show that all time periods selected are representative of the fiscal year and that the results can be reasonably projected to approximate actual costs;
- Activities to be studied - The time study must separately identify each reimbursable activity defined in the mandated program's P's and G's. If a reimbursable activity identifies separate and distinct sub-activities, these sub-activities also must be treated as individual activities;

For example, sub-activities (a) and (b) under reimbursable activity (1) of the Agency Fee Arrangements Program relate to salary deduction and payment of fair share and are not separate and distinct activities. It is not necessary to separately study these sub-activities.

- Process used to accomplish each reimbursable activity - Use flowcharts or similar analytical tools and/or written desk procedures to describe the process followed to complete each activity;
- Employee universe - The employee universe used in the time study must include all positions for which salaries and wages are to be allocated by means of the time study;
- Employee sample selection methodology - The plan must show that employees selected are representative of the employee universe and that the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations;
- Time increments to be recorded - The time increments used should be sufficient to recognize the

number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) can be used for employees performing only a few functions that change very slowly over time. Small increments (a number of minutes) can be used for employees performing more short-term tasks.

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

Time Study Documentation

Time studies must:

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

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

Time Study Results

Claimants must summarize time study results to show how the time study supports the costs claimed for each activity. Any variation from the procedures identified in the original time study plan must be documented and explained. Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant also may apply time study results retroactively to initial claims, current-year claims, and late-filed claims.

When projecting time study results, the claimant must certify that no significant changes have occurred between years in either (1) the requirements of each mandated program activity; or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain documentation that shows that the mandated activity was actually performed. Time study results used to support claims are subject to the record-keeping requirements for those claims.

11. Offsets Against State Mandated Claims

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

A. Example 1:

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

Table 5: Offsets Against State Mandates, Example 1

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

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

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

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

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

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

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

B. Example 2:

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

Table 6: Offset Against State Mandates, Example 2

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

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

In (2), the entire program cost was approved. Since the local assistance revenue source covers

75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

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

12. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. Claimants will receive a *Notice of Claim Adjustment* detailing any adjustments made by the SCO.

13. Audit of Costs

Pursuant to GC Section 17558.5, Subdivision (b), the SCO may conduct a field review of any claim after it has been submitted to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the Commission. If any adjustments are made to a claim, a Notice of Claim Adjustment specifying the claim activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within thirty days after payment of the claim.

14. Source Documents

Costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee records, or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification stating: "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct" and must further comply with the requirements of Code of Civil Procedure Section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, these documents cannot be substituted for source documents.

15. Claim Forms and Instructions

Unless you are filing electronically, a claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated or printed from SCO's Web site and used by the claimant to file reimbursement claims. The SCO will revise the manual and claim forms as necessary.

A. Form-2, Activity Cost Detail

This form is used to segregate the direct costs by claim activity. In some mandates, specific reimbursable activities have been identified for each activity. The expenses reported on this form must be supported by the official financial records of the claimant. All documents used to support the reimbursable activities must be retained by the claimant unless required to be submitted with the claim and must be made available to the SCO on request.

B. Form-1, Claim Summary

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

C. Form FAM-27, Claim for Payment

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

Submit a signed original and one copy of form FAM-27, Claim for Payment. **To expedite the payment process, please sign the FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

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

If delivered by
Other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

16. Retention of Claiming Instructions

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. This Manual should be retained for future reference, and the forms should be duplicated to meet your filing requirements. Annually, new or revised forms, instructions, and any other information claimants may need to file claims will be placed on the SCO's Web site located at www.sco.ca.gov/ard_mancost.html.

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

17. Retention of Claim Records and Supporting Documentation

Pursuant to Government Code Section 17558.5, (a), a reimbursement claim for actual costs filed by a CCD is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit will commence to run from the date of initial payment of the claim. In any case, an audit will be completed not later than two years after the date that the audit is commenced.

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

FILING A CLAIM

1. Introduction

Government Code (GC) Sections 17500 through 17617 provide for the reimbursement of costs incurred by community college districts (CCD) for mandated cost programs as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

A reimbursement claim is defined in GC Section 17522 as any claim filed with the State Controller's Office (SCO) by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. Actual claims for the 2010-11 fiscal year will be accepted without penalty if postmarked or delivered on or before **February 15, 2012**. Ongoing reimbursement claims filed after the deadline will be reduced by a late penalty of **10%, not to exceed \$10,000**. Amended claims filed after the filing deadline will be reduced by **10% of the increased amount** not to exceed \$10,000 for the total claim. Initial reimbursement claims filed after the filing deadline will be reduced by a late penalty of **10% with no limitation**. Claims filed more than one year after the deadline will not be accepted by the SCO.

If a claimant is using an indirect cost rate that exceeds 7%, documentation to support the indirect cost rate must be included with the submitted claim. A more detailed discussion of the indirect cost methods available to CCD's can be found in Section 2, Filing a Claim, page 9, **Indirect Costs**. Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO on request as explained in Section 2, Filing a Claim, page 16, **Retention of Claim Records and Supporting Documentation**.

When a program has been reimbursed for three or more years, the Commission on State Mandates (CSM) may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD. Claimants with an established entitlement no longer need to file claims for that program.

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

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

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

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

In order to use the LGeC system you will need to obtain a User ID and password for each person who will access the LGeC system. To obtain a User ID and password you must file an application with the SCO. The application and instructions are available on the LGeC Web site located at http://www.sco.ca.gov/ard_lgec.html. Complete the application and other documents as requested and mail them to the SCO using the address provided in the instructions. The SCO will process the application and issue a User ID and password to each applicant.

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

You can find more information about LGeC and the email distribution lists at http://www.sco.ca.gov/ard_lgec.html. This Web site provides access to the LGeC system, an application for User ID's and passwords, an instructional guide, frequently asked questions (FAQ's) and additional help files. Questions may be directed to LRSDAR@sco.ca.gov, or you may call the Local Reimbursements Section at (916) 324-5729.

3. Types of Claims

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

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

A. Reimbursement Claim

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

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

Annual ongoing reimbursement claims must be filed by February 15th following the fiscal year in which costs were incurred for the program. Claims for fiscal year 2010-11 will be accepted without late penalty if postmarked or delivered on before February 15, 2012. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the claim. Claims filed more than one year after the deadline will not be accepted for reimbursement.

B. Entitlement Claim

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

apportionment reflective of the program's current year costs.

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

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

4. Minimum Claim Amount

For initial claims and annual claims, if the total costs for a given year do not exceed \$1,000 no reimbursement will be allowed except as otherwise allowed by GC Section 17564.

5. Filing Deadline for Claims

Pursuant to GC Section 17561(d) initial reimbursement claims (first time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within one hundred and twenty days from the date the SCO issues the claiming instructions for the program. When paying a timely filed claim for initial reimbursement, the Controller may withhold twenty percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs. Initial reimbursement claims filed after the filing deadline will be reduced by ten percent of the amount that would have been allowed had the claim been timely filed.

The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a program will be considered as one claim for the purpose of computing any late claim penalty. In no case will a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

Pursuant to GC Section 17560, annual reimbursement claims (recurring claims) for costs incurred during the previous fiscal year must be filed with the SCO and postmarked on or before February 15th following the fiscal year in which costs were incurred. If the annual reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims may not be filed more than one year after the deadline.

6. Payment of Claims

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

A claimant is entitled to receive accrued interest at the pooled money investment account rate if the

payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than one year after the adoption of the program's statewide cost estimate.

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

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

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

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

7. State Mandates Apportionment System (SMAS)

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

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

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

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

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

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

8. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Documentation to support direct costs must be kept on hand unless otherwise specified in the claiming instructions and made available to the SCO on request

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

Costs typically classified as direct costs are:

(1) Employee Wages, Salaries, and Benefits

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

(a) Productive Hourly Rate Options

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

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

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claimant must maintain documentation of how these hours were computed.

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

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

- As illustrated in Table 2, both methods produce the same productive hourly rate.
- Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages, and employee benefits. Employee benefits include employer's contributions for social security, pension plans, insurance, workers compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:
- The amount of compensation is reasonable for the service rendered;
 - The compensation paid and benefits received are appropriately authorized by the governing board;

- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees;
- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

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

(c) Calculating an Average Productive Hourly Rate

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

Table 3: Calculating an Average Productive Hourly Rate

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

(d) Employer's Benefits Contribution

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

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

(2) Materials and Supplies

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

(a) Calculating a Unit Cost for Materials and Supplies

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

Table 1: Calculating a Unit Cost for Materials and Supplies

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

Table 2: Calculating a Unit Cost for Materials and Supplies

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

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

(3) Contract Services

The cost of contract services is allowable if the CCD lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must keep documentation on hand to support the name of the contractor, explain the reason for having to hire a contractor, describe the mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate must

not exceed the rate specified in the P's & G's for the mandated program. The contractor's invoice or statement must include an itemized list of costs for activities performed.

(4) Equipment Rental Costs

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

(5) Capital Outlay

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

(6) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the Department of Personnel Administration (DPA) travel standards. When claiming travel expenses, the claimant must maintain documentation to support the purpose of the trip, the names and addresses of the persons incurring the expense, the date and time of departure and return, a description of each expense claimed, and the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking. Receipts are required for charges over \$10.00.

9. Indirect Costs

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

A CCD may claim indirect costs using the Controller's methodology (FAM-29C), or if specifically allowed by a mandated cost program's P's & G's, a district may choose to claim indirect costs using either: (1) A federally approved rate prepared in accordance with the Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate. The FAM-29C indirect cost rate and the flat 7% indirect cost rate are applied to *Salaries and Benefits*, whereas the federally approved rate is applied to the allocation base used in developing the federally approved rate.

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

However, if indirect costs are calculated using the OMB Circular A-21 methodology using *Salaries and Benefits* in the base, then the claims can be filed using either the LGeC system or the manual

paper process. In these cases, the indirect cost rate is calculated in accordance with the chosen methodology and keyed into the mandated cost form on the appropriate line (usually Form 1, line (06)), *Indirect Cost Rate*. The LGeC system will apply that rate to *Salaries and Benefits* (usually Form 1, line (5)(a)) to arrive at the total indirect costs (usually Form 1, line (7)).

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

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

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

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

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

Table 4: Indirect Cost Rate for Community Colleges

MANDATED COST					FORM
INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS					FAM 29-C
(1) Claimant					
Activity	EDP	Indirect-Salaries			Direct-Salaries and Benefits only
		Salaries and Benefits per CCFs-311	Operating Expenses per CCFs-311	Benefits, and Operating Expenses	
Instructional Activities	599	\$ 46,249,931	\$ 8,289,190	\$	\$ 46,249,931
Instruct. Admin. & Instruct. Governance	6000	5,181,935	631,615		5,181,935
Instructional Support Services	6100	4,361,061	445,196		4,361,061
Admissions and Records	6200	1,251,539	96,634		1,251,539
Student Counseling and Guidance	6300	3,373,121	80,201		3,373,121
Other Student Services	6400	5,511,511	1,116,904		5,511,511
Operation and Maintenance of Plant	6500	5,192,099	3,192,398	8,384,497	
Planning, Policy Making, and Coordination	6600	2,562,909	1,096,833	3,659,742	
General Institutional Support Services	6700				
Community Relations	6710	446,207	228,320		446,207
Fiscal Operations	6720	2,342,316	315,019	2,657,335	
Human Resources Management	6730	1,057,387	102,600	1,159,987	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,327,125	-	1,327,125	
Staff Development	6750	1,295	34,931	36,226	
Staff Diversity	6760	449,392	394,915	844,307	
Logistical Services	6770	2,853,609	354,953	3,208,562	
Management Information Systems	6780	2,386,511	894,685	3,281,196	
Other General Institutional Support Services	6790	19,635	1,679	21,314	
Community Services and Economic Development	6800	963,036	688,648		963,036
Ancillary Services	6900	723,450	224,961		723,450
Auxiliary Operations	7000	565,859	12,179		565,859
Depreciation or Use Allowance - Building				2,620,741	
Depreciation or Use Allowance - Equipment				721,097	
Totals		<u>\$ 86,819,928</u>	<u>\$ 18,201,861</u>	<u>\$ 27,922,129</u>	<u>\$ 68,627,650</u>
				(A)	(B)
Indirect Cost Rate (A)/(B)				<u>40.69%</u>	

11. Time Study Guidelines

Background

Two methods are acceptable for documenting employee time charged to mandated cost programs: 1) Actual Time Reporting and 2) Time Study. These methods are described below. Application of time study results is restricted. As explained in the Time Study Results section below, the results may be projected forward a maximum of two years or applied retroactively to initial claims, current-year claims, and late-filed claims, provided certain criteria are met.

Actual Time Reporting

Each program's P's and G's define reimbursable activities for the mandated cost program. When employees work on multiple activities, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards:

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

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

Time Study

In certain cases, a time study may be used as a substitute for continuous records of actual time spent on multiple activities and/or programs. A time study can be used for an activity when the task is repetitive in nature. Activities that require varying levels of effort are not appropriate for time studies.

Time Study Plan

The claimant must develop a plan before the time study is conducted. The claimant must retain the time study plan for audit purposes. The plan must identify the following:

- Time periods to be studied - The plan must show that all time periods selected are representative of the fiscal year and that the results can be reasonably projected to approximate actual costs;
- Activities to be studied - The time study must separately identify each reimbursable activity defined in the mandated program's P's and G's. If a reimbursable activity identifies separate and distinct sub-activities, these sub-activities also must be treated as individual activities;

For example, sub-activities (a) and (b) under reimbursable activity (1) of the Agency Fee Arrangements Program relate to salary deduction and payment of fair share and are not separate and distinct activities. It is not necessary to separately study these sub-activities.

- Process used to accomplish each reimbursable activity - Use flowcharts or similar analytical tools and/or written desk procedures to describe the process followed to complete each activity;
- Employee universe - The employee universe used in the time study must include all positions for which salaries and wages are to be allocated by means of the time study;
- Employee sample selection methodology - The plan must show that employees selected are representative of the employee universe and that the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations;

- Time increments to be recorded - The time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) can be used for employees performing only a few functions that change very slowly over time. Small increments (a number of minutes) can be used for employees performing more short-term tasks.

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

Time Study Documentation

Time studies must:

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

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

Time Study Results

Claimants must summarize time study results to show how the time study supports the costs claimed for each activity. Any variation from the procedures identified in the original time study plan must be documented and explained. Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant also may apply time study results retroactively to initial claims, current-year claims, and late-filed claims.

When projecting time study results, the claimant must certify that no significant changes have occurred between years in either (1) the requirements of each mandated program activity; or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain documentation that shows that the mandated activity was actually performed. Time study results used to support claims are subject to the record-keeping requirements for those claims.

12. Offsets Against State Mandated Claims

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

A. Example 1:

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

Table 5: Offsets Against State Mandates, Example 1

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,00	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000	50,000	2,500	1,250	1,250
6.	100,000	49,000	2,500	250	2,250

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

- Numbers (1) through (4) in Table 5, show intended funding at 100% from local assistance revenue sources. Numbers (5) and (6) show cost sharing on a 50/50 basis with the district. In numbers (1) through (6), included in the program costs of \$100,000 are state mandated costs of \$2,500. The offset against state mandated claims are the amount of actual local assistance revenues, which exceeds the difference between program costs and state mandated costs. This offset cannot exceed the amount of state mandated costs.
- In (1), local assistance revenues were less than expected. Local assistance funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs.
- In (4), local assistance revenues were fully realized to cover the entire cost of the program, including the state mandated activity; therefore, the offset against state mandated claims is \$2,500, and claimable cost is \$0.
- In (5), the district is sharing 50% of the project cost. Since local assistance revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.
- In (6), local assistance revenues were less than the amount expended and the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.

B. Example 2:

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

Table 6: Offset Against State Mandates, Example 2

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

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

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

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

13. Notice of Claim Adjustments

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. Claimants will receive a *Notice of Claim Adjustment* detailing any adjustments made by the SCO.

14. Audit of Costs

Pursuant to GC Section 17558.5, Subdivision (b), the SCO may conduct a field review of any claim after it has been submitted to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the CSM. If any adjustments are made to a claim, a Notice of Claim Adjustment specifying the claim activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within thirty days after payment of the claim.

15. Source Documents

Costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee records, or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification stating: "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct" and must further comply with the requirements of Code of Civil Procedure Section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, these documents cannot be substituted for source documents.

16. Claim Forms and Instructions

Unless you are filing electronically, a claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms

provided with these instructions should be duplicated or printed from SCO's Web site and used by the claimant to file reimbursement claims. The SCO will revise the manual and claim forms as necessary.

A. Form-2, Activity Cost Detail

This form is used to segregate the direct costs by claim activity. In some mandates, specific reimbursable activities have been identified for each activity. The expenses reported on this form must be supported by the official financial records of the claimant. All documents used to support the reimbursable activities must be retained by the claimant unless required to be submitted with the claim and must be made available to the SCO on request

B. Form-1, Claim Summary

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

C. Form FAM-27, Claim for Payment

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

Submit a signed original FAM-27 and one copy with required documents. **Please sign the FAM-27 in blue ink and attach the copy to the top of the claim package.**

Mandated costs claiming instructions and forms are available online at the SCO's website: www.sco.ca.gov/ard_mancost.html.

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

If you have any questions, you may e-mail LRSDAR@sco.ca.gov or call the Local Reimbursements Section at (916) 324-5729.

17. Retention of Claiming Instructions

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. This Manual should be retained for future reference, and the forms should be duplicated to meet your filing requirements. Annually, new or revised forms, instructions, and any other information claimants may need to file claims will be placed on the SCO's Web site located at www.sco.ca.gov/ard_mancost.html.

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, or by e-mail to LRSDAR@sco.ca.gov, or call the Local Reimbursements Section at (916) 324-5729.

18. Retention of Claim Records and Supporting Documentation

Pursuant to Government Code Section 17558.5, (a), a reimbursement claim for actual costs filed by a CCD is subject to the initiation of an audit by the Controller no later than three years after the date

that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit will commence to run from the date of initial payment of the claim. In any case, an audit will be completed not later than two years after the date that the audit is commenced.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to the SCO on request.

FY 1999-00
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT	For State Controller Use Only (19) Program Number 00256 (20) Date Filed OCT/06/2005 (21) LRS Input <u> </u>	Program 256
---	--	---

L A B E L H E R E	(01) Claimant Identification Number: CC 43060		Reimbursement Claim Data		
	(02) Claimant Name: Gavilan Community College District		(22) IWM-1, (03)(A)(1)(f)	185	
	(03) County of Location: Santa Clara		(23) IWM-1, (03)(A)(2)(f)	189	
	(04) Street Address: 5055 Santa Teresa Blvd.		(24) IWM-1, (03)(B)(1)(f)	0	
	(05) City: Gilroy	(06) State: CA	(07) Zip Code: 95020-9599	(25) IWM-1, (03)(B)(2)(f)	0
	Type of Claim Estimated Claim Reimbursement Claim		(26) IWM-1, (03)(B)(3)(f)	0	
			(27) IWM-1, (03)(B)(4)(f)	0	
			(28) IWM-1, (03)(B)(5)(f)	20,211	
			(29) IWM-1, (03)(C)(1)(f)	0	
	(08) Fiscal Year of Cost: (09) 1999-2000		(30) IWM-1, (03)(C)(2)(f)	0	
(10) Total Claimed Amount: (11) \$ 27,631		(31) IWM-1, (03)(D)(f)	0		
(12) Less: 10% Late Penalty: (13) \$ -		(32) IWM-1, (03)(E)(f)	0		
(14) Less: Prior Claim Payment Received: (15) \$ -		(33) IWM-1, (03)(F)(f)	0		
(16) Net Claimed Amount: (17) \$ 27,631		(34) IWM-1, (06)	7,046		
(18) Due from State: (19) \$ 27,631		(35) IWM-1, (08)	0		
(20) Due to State: (21) -		(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

Joseph D Keeler 9/23/05

Joseph D. Keeler Vice President, Administrative Services

Type or Print Name Title

(38) Name of Contact Person for Claim Telephone Number: (858) 514-8605

SixTen and Associates E-mail Address: kbpsixten@aol.com

Program 256		MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM IWM-1
(01) Claimant: Gavilan Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>			Fiscal Year 1999-2000	
Direct Costs		Object Accounts					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total	
A. One-Time Activities							
1	Development of Policies and Procedures	\$ 185.16	\$ -	\$ -	\$ -	\$ 185.16	
2	Staff Training	\$ 189.36	\$ -	\$ -	\$ -	\$ 189.36	
B. Ongoing Activities							
1	Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -	
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -	
4	Designation of Waste Reduction and Recycling Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -	
5	Diversion and Maintenance of Approved Level of Reduction	\$ 20,210.58	\$ -	\$ -	\$ -	\$ 20,210.58	
C. Alternative Compliance							
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	
D. Accounting System							
E. Annual Report							
F. Annual Recycled Material Reports							
(04) Total Direct Costs	\$ 20,585.10	\$ -	\$ -	\$ -	\$ -	\$ 20,585.10	
Indirect Costs							
(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]					34.23%	
(06) Total Indirect Costs	[Line (05) x line (04)(a)]					\$ 7,046.28	
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]					\$ 27,631.38	
Cost Reduction							
(08) Less: Offsetting Savings						\$ -	
(09) Less: Other Reimbursements						\$ -	
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]					\$ 27,631.38	

Division 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
------------------------	--	-----------------------------

(01) Claimant Gavilan Community College District	(02) Fiscal Year 1999-2000
---	-------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input checked="" type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input 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
Developing the necessary district policies and procedures Gurney, Mark Director, Facilities	\$30.86	6.0	\$ 185.16				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 185.16	\$ -	\$ -	\$ -	\$ -
--	-----------------------------------	-------------	-----------	------	------	------	------

Program 255	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
-----------------------	--	-----------------------

(01) Claimant Gavilan Community College District	(02) Fiscal Year 1999-2000
---	-------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input checked="" type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement 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

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Training district staff on the requirements and implementation of the plan Garcia, Roger Asst. Maintenance Supervisor	\$31.58	6.0	\$ 189.36				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 189.36	\$ -	\$ -	\$ -	\$ -
--	-----------------------------------	-------------	-----------	------	------	------	------

MANDATED COSTS
INTEGRATED WASTE MANAGEMENT
ACTIVITY COST DETAIL

Program
255

FORM
IWM-2

(01) Claimant
 Gavilan Community College District

(02) Fiscal Year
 1999-2000

(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 or Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - source reduction							
DeLeon, Luis Groundskeeper	\$24.43	270.0	\$ 6,596.10				
Pedregon, Mike Groundskeeper	\$26.75	210.0	\$ 5,617.50				
Stewart, Duane Groundskeeper	\$20.49	210.0	\$ 4,302.90				
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Franco, Raymond Custodian	\$23.99	30.0	\$ 719.70				
Hernandez, Alex Custodian	\$10.72	30.0	\$ 321.60				
Maquines, Dan Facilities Maintenance Worker	\$29.77	24.0	\$ 714.48				
Magana, Laura Custodian	\$15.25	30.0	\$ 457.50				
Pedregon, Tony Groundskeeper	\$25.97	30.0	\$ 779.10				
Vaca, Marie Custodian	\$18.03	30.0	\$ 540.90				
Gonzales, Hueman Custodian	\$10.72	15.0	\$ 160.80				

(05) Total Subtotal Page 1 of 1 \$ 20,210.58 \$ - \$ - \$ - \$ -

FY 2000-01
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT			Program 00256	
(19) Program Number 00256 (20) Date Filed OCT/0/6/2005 (21) LRS Input <u> </u> / <u> </u> / <u> </u>			256	
L A B E L H E R E	(01) Claimant Identification Number: CC 43060		Reimbursement Claim Data	
	(02) Claimant Name: Gavilan Community College District		(22) IWM-1, (03)(A)(1)(f) 1,987	
	County of Location: Santa Clara		(23) IWM-1, (03)(A)(2)(f) 410	
	Street Address: 5055 Santa Teresa Blvd.		(24) IWM-1, (03)(B)(1)(f) 9,508	
	City: Gilroy	State: CA	Zip Code: 95020-9599	(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) 40,865
		(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) \$ 69,207	(31) IWM-1, (03)(D)(f) 0	
Less: 10% Late Penalty		(14) \$ -	(32) IWM-1, (03)(E)(f) 0	
Less: Prior Claim Payment Received		(15) \$ -	(33) IWM-1, (03)(F)(f) 0	
Net Claimed Amount		(16) \$ 69,207	(34) IWM-1, (06) 16,437	
Due from State	(08)	(17) \$ 69,207	(35) IWM-1, (08) 0	
Due to State		(18)	(36) IWM-1, (09) 0	
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, 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		
<u>Joseph D Keeler</u>		<u>9/23/05</u>		
Joseph D. Keeler		Vice President, Administrative Services		
Type or Print Name		Title		
(38) Name of Contact Person for Claim				
<u>SixTen and Associates</u>		Telephone Number: <u>(858) 514-8605</u>		
		E-mail Address: <u>kbpsixten@aol.com</u>		

Program 256		MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM IWM-1
(01) Claimant: Gavilan Community College District		(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>				Fiscal Year 2000-2001	
Direct Costs		Object Accounts					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total	
A. One-Time Activities							
1	Development of Policies and Procedures	\$ 1,987.08	\$ -	\$ -	\$ -	\$ -	\$ 1,987.08
2	Staff Training	\$ 409.68	\$ -	\$ -	\$ -	\$ -	\$ 409.68
B. Ongoing Activities							
1	Completion and Submission of Plan to Board	\$ 1,708.62	\$ -	\$ 7,799.38	\$ -	\$ -	\$ 9,508.00
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	\$ 40,865.16	\$ -	\$ -	\$ -	\$ -	\$ 40,865.16
C. Alternative Compliance							
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. Accounting System							
E. Annual Report							
F. Annual Recycled Material Reports							
(04) Total Direct Costs	\$ 44,970.54	\$ -	\$ 7,799.38	\$ -	\$ -	\$ -	\$ 52,769.92
Indirect Costs							
(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]					36.55%	
(06) Total Indirect Costs	[Line (05) x line (04)(a)]					\$ 16,436.73	
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]					\$ 69,206.65	
Cost Reduction							
(08) Less: Offsetting Savings						\$ -	
(09) Less: Other Reimbursements						\$ -	
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]					\$ 69,206.65	

MANDATED COSTS
INTEGRATED WASTE MANAGEMENT
ACTIVITY COST DETAIL

Program
255

FORM
IWM-2

(01) Claimant
Gavilan 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**
- 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 or 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	
Training district staff on the requirements and implementation of the plan Garcia, Roger Assistant Maintenance Supervisor	\$34.14	12.0	\$ 409.68					

(05) Total Subtotal - Page 1 of 1 \$ 409.68 \$ - \$ - \$ - \$ -

MANDATED COSTS
INTEGRATED WASTE MANAGEMENT
ACTIVITY COST DETAIL

FORM IWM-2

(01) Claimant: Gavilan 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: 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 or 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			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
Completing/submitting the State Agency Model Integrated Waste Management Plan							
Kerr, Art Facilities Director	\$35.06	6.5	\$ 227.89				
Bailey, Nancy Administrative Assistant to V.P.	\$25.72	9.5	\$ 244.34				
Bishop, Shannon Sr. Program Services Specialist	\$19.32	1.0	\$ 19.32				
Delgado, Mary Sr. Program Services Specialist	\$15.96	1.0	\$ 15.96				
Gangloff, Pamela Safety Coordinator	\$36.35	2.5	\$ 90.88				
Gillis, Rich Associate Dean, Business Development	\$43.53	0.5	\$ 21.77				
Keeler, Joe V.P., Administrative Services	\$32.41	8.5	\$ 275.49				
Nolan-Kerr, Lynda Sr. Program Services Specialist	\$35.84	1.0	\$ 35.84				
Moreno, Sofia Reprographics Operator	\$25.45	12.0	\$ 305.40				
Perez, Rachel Director, Community Education	\$58.05	1.0	\$ 58.05				
Scardino, Pat Department Assistant	\$6.49	0.5	\$ 3.25				
Vasquez, Eddle Warehouse/Inventory Ctrl. Tech.	\$25.88	1.0	\$ 25.88				
Hipol, Ana Director, Security & Support Services	\$35.43	3.5	\$ 124.01				
Rodriguez, Judy Instructional Site Manager	\$29.50	2.0	\$ 59.00				
Environmental Planning Consultants Contractor - Services in 00-01	\$100.00	78.0			\$ 7,799.38		
Weik, Lorraine Instructional Site Manager	\$30.29	0.5	\$ 15.15				
AuYeung, Shuk Library	\$62.54	1.0	\$ 62.54				
Arvizu, Mimi Director	\$42.95	1.5	\$ 64.43				
Franklin, Lisa Service Program	\$39.77	1.0	\$ 39.77				
Skelton, Paul Technical Coordinator	\$19.65	1.0	\$ 19.65				

(05) Total Subtotal Page 1 of 1 \$ 1,708.62 \$ - \$ 7,799.38 \$ - \$ -

**MANDATED COSTS
INTEGRATED WASTE MANAGEMENT
ACTIVITY COST DETAIL**

**FORM
IWM-2**

(01) Claimant: Gavilan 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: 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 or 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 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							
Maquinalas, Dan Facilities Maintenance Worker	\$33.13	48.0	\$ 1,590.24				
Stewart, Duane Groundskeeper	\$21.16	360.0	\$ 7,617.60				
DeLeon, Luis Groundskeeper	\$25.25	540.0	\$ 13,635.00				
Pedregon, Mike Groundskeeper	\$27.39	360.0	\$ 9,860.40				
Franco, Ray Custodian	\$27.06	56.0	\$ 1,516.48				
Magana, Laura Custodian	\$16.02	56.0	\$ 897.12				
Pedregon, Tony Groundskeeper	\$26.19	56.0	\$ 1,466.64				
Vaca, Marie Custodian	\$19.66	56.0	\$ 1,100.96				
Molina, Gladys Custodian	\$4.87	51.0	\$ 248.37				
Simpson, Pat Custodian	\$15.32	46.0	\$ 704.72				
Hernandez, Alex Custodian	\$4.57	31.0	\$ 141.67				
Perez, Sal Custodian	\$22.04	56.0	\$ 1,234.24				
Ponce, Jose Custodian	\$7.00	21.0	\$ 147.00				
Scotuzzi, Orlando Custodian	\$15.32	46.0	\$ 704.72				
(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 40,865.16	\$ -	\$ -	\$ -	\$ -

**FY 2003-04
Integrated Waste Management Claim**

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT	For State Controller Use only (19) Program Number: 00256 (20) Date Filed: Oct 0, 6 2005 (21) LRS Input:	Program 256
---	---	---

LABEL HERE	(01) Claimant Identification Number: CC 43060		Reimbursement Claim Data		
	(02) Claimant Name: Gavilan Community College District		(22) IWM-1, (03)(A)(1)(f)	1,876	
	(03) County of Location: Santa Clara		(23) IWM-1, (03)(A)(2)(f)	516	
	(04) Street Address: 5055 Santa Teresa Blvd.		(24) IWM-1, (03)(B)(1)(f)	0	
	(05) City: Gilroy	(06) State: CA	(07) Zip Code: 95020-9599	(25) IWM-1, (03)(B)(2)(f)	0
			(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"/>	(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)	43,562
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f)	0
(06) Fiscal Year of Cost		(12) 2003-2004	(30) IWM-1, (03)(C)(2)(f)	0
(07) Total Claimed Amount		(13) \$ 66,756	(31) IWM-1, (03)(D)(f)	0
Less: 10% Late Penalty		(14) \$	(32) IWM-1, (03)(E)(f)	0
Less: Prior Claim Payment Received		(15) \$	(33) IWM-1, (03)(F)(f)	4,092
Net Claimed Amount		(16) \$ 66,756	(34) IWM-1, (06)	16,710
(08) Due from State		(17) \$ 66,756	(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) <u>Joseph D Keeler</u>	Date <u>9/23/05</u>
Joseph D. Keeler Type or Print Name	Vice President, Administrative Services Title
(38) Name of Contact Person for Claim SixTen and Associates	
Telephone Number: (858) 514-8605	E-mail Address: kbpsixten@aol.com

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM IWM-1
------------------------------	---	-----------------------------

(01) Claimant: Gavilan 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
------------------------------	------------------------------	-------------------------------	--------------------------	---------------------	----------------------------	--------------

A. One-Time Activities

1 Development of Policies and Procedures	\$ 1,876.60	\$ -	\$ -	\$ -	\$ -	\$ 1,876.60
2 Staff Training	\$ 516.12	\$ -	\$ -	\$ -	\$ -	\$ 516.12

B. Ongoing Activities

1 Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 Designation of Waste Reduction and Recycling Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 Diversion and Maintenance of Approved Level of Reduction	\$ 43,662.12	\$ -	\$ -	\$ -	\$ -	\$ 43,662.12

C. Alternative Compliance

1 Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

D. Accounting System

E. Annual Report	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
------------------	------	------	------	------	------	------

F. Annual Recycled Material Reports

F. Annual Recycled Material Reports	\$ 92.20	\$ -	\$ 4,000.00	\$ -	\$ -	\$ 4,092.20
-------------------------------------	----------	------	-------------	------	------	-------------

(04) Total Direct Costs

(04) Total Direct Costs	\$ 46,046.04	\$ -	\$ 4,000.00	\$ -	\$ -	\$ 50,046.04
-------------------------	--------------	------	-------------	------	------	--------------

Indirect Costs

(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]	36.29%
(06) Total Indirect Costs	[Line (05) x line (04)(a)]	\$ 16,710.11
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]	\$ 66,756.15

Cost Reduction

(08) Less: Offsetting Savings	\$ -
(09) Less: Other Reimbursements	\$ -
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))] \$ 66,756.15

Program 2555	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
------------------------	--	---------------

(01) Claimant Gavilan 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	<input type="checkbox"/> Development of Policies and Procedures	<input checked="" type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Training district staff on the requirements and implementation of the plan Garcia, Roger Assistant Maintenance Supervisor	\$43.01	12.0	\$ 516.12				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 516.12	\$ -	\$ -	\$ -	\$ -
--	-----------------------------------	-------------	-----------	------	------	------	------

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL						FORM IWM-2
(01) Claimant Gavilan 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		<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							
Maquiales, Dan	Facilities Maintenance Worker	\$40.39	48.0	\$ 1,938.72			
Stewart, Duane	Groundskeeper	\$27.80	360.0	\$ 10,008.00			
DeLeon, Luis	Groundskeeper	\$26.70	405.0	\$ 10,813.50			
Pedregon, Mike	Groundskeeper	\$37.77	360.0	\$ 13,597.20			
Franco, Ray	Custodian	\$28.44	56.0	\$ 1,592.64			
Morales, Jose	Custodian	\$20.23	56.0	\$ 1,132.88			
Perez, Sal	Custodian	\$25.40	56.0	\$ 1,422.40			
Perales, Sony	Custodian	\$27.87	56.0	\$ 1,560.72			
Valdez, Jerry	Custodian	\$21.82	5.0	\$ 109.10			
Geary, Greg	Safety Coordinator	\$41.41	1.0	\$ 41.41			
Gilks, Rich	Associate Dean, Business Development	\$54.69	0.3	\$ 16.41			
Hannon, Ron	Athletic Director	\$61.36	0.3	\$ 18.41			
Hipol, Ana	Director, Security & Support Services	\$53.55	2.0	\$ 107.10			
Nolan-Kerr, Lynda	Sr. Program Services Specialist	\$45.15	0.3	\$ 13.55			
Moreno, Sofia	Reprographics Operator	\$31.70	36.0	\$ 1,141.20			
Perez, Rachel	Director, Community Education	\$65.41	0.3	\$ 19.62			
Rodriguez, Judy	Instructional Site Coordinator	\$37.89	0.3	\$ 11.37			
Scardino, Pat	Department Assistant	\$26.54	0.3	\$ 7.96			
Vesquez, Eddie	Warehouse/Inventory Ctrl. Tech.	\$33.11	0.3	\$ 9.93			
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>			Page 1 of 1	\$ 43,662.12	\$ -	\$ -	\$ -

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
-----------------------	--	---------------

(01) Claimant Gavilan 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	<input type="checkbox"/>	Development of Policies and Procedures	<input type="checkbox"/>	Staff Training	<input type="checkbox"/>
Ongoing Activities	<input type="checkbox"/>	Completion and Submission of Plan to Board	<input type="checkbox"/>	Response to Board During Approval Process	<input type="checkbox"/>
	<input type="checkbox"/>	Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/>	Maintenance of Approved Level of Reduction	<input type="checkbox"/>
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"/>
	<input type="checkbox"/>	Accounting System	<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							
Beltran, Brenda Sr. Program Services Specialist	\$38.13	0.3	\$ 11.44				
Bishop, Shannon Sr. Program Services Specialist	\$35.90	0.3	\$ 10.77				
Environmental Planning Consultant Contractor	\$100.00	40.0			\$ 4,000.00		
Welk, Lorraine Instructional Site Coordinator	\$36.04	0.3	\$ 10.81				
Arvizu, Mimi Director	\$57.15	0.3	\$ 17.15				
AuYeung, Shuk Library	\$68.96	0.3	\$ 20.69				
Franklin, Lisa Service Program	\$42.90	0.3	\$ 12.87				
Skelton, Paul Technical Coordinator	\$28.23	0.3	\$ 8.47				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 92.20	\$ -	\$ 4,000.00	\$ -	\$ -
--	-----------------------------------	-------------	----------	------	-------------	------	------

FY 2004-05
Integrated Waste Management Claim

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 06/06/05	
			(21) LRS Input	
(01) Claimant Identification Number: CC 43060			Reimbursement Claim Data	
(02) Claimant Name: Gavilan Community College District			(22) IWM-1, (03)(A)(1)(f)	1,938
County of Location: Santa Clara			(23) IWM-1, (03)(A)(2)(f)	476
Street Address: 5055 Santa Teresa Blvd.			(24) IWM-1, (03)(B)(1)(f)	0
City: Gilroy State: CA Zip Code: 95020-9599			(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)
				(28) IWM-1, (03)(B)(5)(f)
				45,184
				(29) IWM-1, (03)(C)(1)(f)
				0
Fiscal Year of Cost	(06) 2005-2006	(12) 2004-2005	(30) IWM-1, (03)(C)(2)(f)	0
Total Claimed Amount	(07) \$ 75,300	(13) \$ 68,494	(31) IWM-1, (03)(D)(f)	0
Less: 10% Late Penalty		(14) \$	(32) IWM-1, (03)(E)(f)	0
Less: Prior Claim Payment Received		(15) \$	(33) IWM-1, (03)(F)(f)	4,242
Net Claimed Amount		(16) \$ 68,494	(34) IWM-1, (06)	16,654
Due from State	(08) \$ 75,300	(17) \$ 68,494	(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	
<u>Joseph D Keeler</u>			9/23/05	
Joseph D. Keeler			Vice President, Administrative Services	
Type or Print Name			Title	
(38) Name of Contact Person for Claim			Telephone Number: (858) 514-8605	
SixTen and Associates			E-mail Address: kbpsixten@aol.com	

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM IWM-1
(01) Claimant: Gavilan Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>			Fiscal Year 2004-2005
Direct Costs		Object Accounts				
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. One-Time Activities						
1	Development of Policies and Procedures	\$ 1,937.70	\$ -	\$ -	\$ -	\$ 1,937.70
2	Staff Training	\$ 475.68	\$ -	\$ -	\$ -	\$ 475.68
B. Ongoing Activities						
1	Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -
4	Designation of Waste Reduction and Recycling Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -
5	Diversion and Maintenance of Approved Level of Reduction	\$ 45,184.28	\$ -	\$ -	\$ -	\$ 45,184.28
C. Alternative Compliance						
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
D. Accounting System						
E. Annual Report						
F. Annual Recycled Material Reports						
		\$ 1,442.48	\$ -	\$ 2,800.00	\$ -	\$ 4,242.48
(04) Total Direct Costs		\$ 49,040.14	\$ -	\$ 2,800.00	\$ -	\$ 51,840.14
Indirect Costs						
(05) Indirect Cost Rate		[Federally approved OMB A-21, FAM-28C, or 7%]				33.96%
(06) Total Indirect Costs		[Line (05) x line (04)(a)]				\$ 16,654.03
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (06)]				\$ 68,494.17
Cost Reduction						
(08) Less: Offsetting Savings						\$ -
(09) Less: Other Reimbursements						\$ -
(10) Total Claimed Amount		[Line (07) - (Line (08) + Line (09))]				\$ 68,494.17

Program 255	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
-----------------------	--	-----------------------

(01) Claimant Gavilan 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 checked="" type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste		<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses	Object Accounts						
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Training district staff on the requirements and implementation of the plan Garcia, Roger Assistant Maintenance Supervisor	\$39.64	12.0	\$ 475.68				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 475.68	\$ -	\$ -	\$ -	\$ -
--	-----------------------------------	-------------	-----------	------	------	------	------

Program 255	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
-----------------------	--	-----------------------

(01) Claimant Gavilan 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 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							
Maquinales, Dan	Facilities Maintenance Worker	\$36.13	48.0	\$ 1,734.24			
Stewart, Duane	Groundskeeper	\$27.45	380.0	\$ 9,882.00			
Ayala, Luis	Groundskeeper	\$25.61	540.0	\$ 13,829.40			
Pedregon, Mike	Groundskeeper	\$30.64	360.0	\$ 11,030.40			
Franco, Ray	Custodian	\$14.45	56.0	\$ 809.20			
Brunson, Carl	Custodian	\$22.72	56.0	\$ 1,272.32			
Andrade, Angel	Custodian	\$24.68	56.0	\$ 1,380.98			
Miller, Eric	Custodian	\$22.72	41.0	\$ 931.52			
Morales, Jose	Custodian	\$21.61	56.0	\$ 1,210.16			
Perez, Sal	Custodian	\$27.05	56.0	\$ 1,514.80			
Perales, Sony	Custodian	\$26.38	56.0	\$ 1,589.28			
Total <input checked="" type="checkbox"/>			Subtotal <input type="checkbox"/>				
			Page 1 of 1	\$ 45,184.28	\$ -	\$ -	\$ -

Program 255	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
-----------------------	--	---------------

(01) Claimant Gavilan 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 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 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							
Bishop, Shannon Sr. Program Services Specialist	\$38.20	0.3	\$ 11.46				
Environmental Planning Consultant Contractor	\$100.00	28.0			\$ 2,800.00		
Fischer, Beverly Department Assistant	\$15.97	0.3	\$ 4.79				
Geary, Greg Safety Coordinator	\$43.35	1.0	\$ 43.35				
Gilks, Rich Associate Dean, Business Development	\$58.17	0.3	\$ 17.45				
Hannon, Ron Athletic Director	\$67.63	0.3	\$ 20.29				
Hipol, Ana Director, Security & Support Services	\$27.36	2.0	\$ 54.72				
Nolan-Kerr, Lynda Sr. Program Services Specialist	\$54.82	0.3	\$ 16.45				
Moreno, Sofia Reprographics Operator	\$32.94	36.0	\$ 1,185.84				
Rodriguez, Judy Instructional Site Coordinator	\$38.20	0.3	\$ 11.46				
Vasquez, Eddie Warehouse/Inventory Ctrl. Tech.	\$33.94	0.3	\$ 10.18				
Arvizu, Mimi Director	\$58.28	0.3	\$ 17.48				
AuYeung, Shuk Library	\$70.43	0.3	\$ 21.13				
Franklin, Lisa Service Program	\$45.05	0.3	\$ 13.52				
Skelton, Paul Technical Coordinator	\$28.71	0.5	\$ 14.36				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 1,442.48	\$ -	\$ 2,800.00	\$ -	\$ -
------------	-------------------------------------	----------	--------------------------	-------------	-------------	------	-------------	------	------

**FY 2005-06
Integrated Waste Management Claim**

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT			(19) Program Number 00256 (20) Date DEC 27 2006 (21) LRS 020207	Program 256
(01) Claimant Identification Number: CC 43060			Reimbursement Claim Data	
(02) Claimant Name: Gavilan Community College District			(22) IWM-1, (03)(A)(1)(f)	3,047
County of Location: Santa Clara			(23) IWM-1, (03)(A)(2)(f)	525
Street Address: 5055 Santa Teresa Boulevard			(24) IWM-1, (03)(B)(1)(f)	0
City: Gilroy State: CA Zip Code: 95020-9599			(25) IWM-1, (03)(B)(2)(f)	0
Type of Claim	Estimated Claim	Reimbursement Claim	(26) IWM-1, (03)(B)(3)(f)	0
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f)	0
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f)	44,983
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f)	0
Fiscal Year of Cost	(06) 2006-2007	(12) 2005-2006	(30) IWM-1, (03)(C)(2)(f)	0
Total Claimed Amount	(07) \$ 74,900	(13) \$ 68,105	(31) IWM-1, (03)(D)(f)	0
Less: 10% Late Penalty		(14) \$	(32) IWM-1, (03)(E)(f)	0
Less: Prior Claim Payment Received		(15) \$	(33) IWM-1, (03)(F)(f)	1,186
Net Claimed Amount		(16) \$ 68,105	(34) IWM-1, (06)	18,364
Due from State	(08) \$ 74,900	(17) \$ 68,105	(35) IWM-1, (08)	0
Due to State		(18)	(36) IWM-1, (09)	0
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, Inclusive.</p> <p>I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer (USE BLUE INK) <i>Joseph D. Keeler</i>			Date: <i>12/15/06</i>	
Joseph D. Keeler			Vice President, Administrative Services	
Type or Print Name			Title	
(38) Name of Contact Person for Claim: SixTen and Associates			Telephone Number: (858) 514-8605	
			E-mail Address: kbpsixten@aol.com	

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM IWM-1
(01) Claimant: Gavilan Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2005-2006	
Direct Costs		Object Accounts				
(03) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
A. One-Time Activities						
1	Development of Policies and Procedures	\$ 3,046.68	\$ -	\$ -	\$ -	\$ 3,046.68
2	Staff Training	\$ 525.36	\$ -	\$ -	\$ -	\$ 525.36
B. Ongoing Activities						
1	Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -
4	Designation of Waste Reduction and Recycling Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -
5	Diversion and Maintenance of Approved Level of Reduction	\$ 44,982.68	\$ -	\$ -	\$ -	\$ 44,982.68
C. Alternative Compliance						
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
D. Accounting System						
E. Annual Report						
F. Annual Recycled Material Reports						
(04) Total Direct Costs	\$ 49,740.56	\$ -	\$ -	\$ -	\$ -	\$ 49,740.56
Indirect Costs						
(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]					36.92%
(06) Total Indirect Costs	[Line (05) x line (04)(a)]					\$ 18,364.21
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]					\$ 68,104.77
Cost Reduction						
(08) Less: Offsetting Savings						\$ -
(09) Less: Other Reimbursements						\$ -
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]					\$ 68,104.77

Program 254	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
-----------------------	--	-----------------------

(01) Claimant Gavilan Community College District	(02) Fiscal Year 2005-2006
---	-------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input checked="" type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts									
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training					
Training district staff on the requirements and implementation of the plan Garcia, Roger Maintenance Leadperson	\$43.78	12.0	\$ 525.36									
<table border="0" style="width:100%;"> <tr> <td style="width:15%;">(05) Total</td> <td style="width:15%; text-align: center;"><input checked="" type="checkbox"/></td> <td style="width:15%;">Subtotal</td> <td style="width:15%; text-align: center;"><input type="checkbox"/></td> <td style="width:15%; text-align: center;">Page 1 of 1</td> <td style="width:15%; text-align: center;">\$ 525.36</td> <td style="width:15%; text-align: center;">\$ -</td> </tr> </table>			(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 525.36	\$ -	\$ -	\$ -	\$ -
(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 525.36	\$ -	\$ -	\$ -	\$ -			

MANDATED COSTS
INTEGRATED WASTE MANAGEMENT
ACTIVITY COST DETAIL

Program 255 **FORM IWM-2**

(01) Claimant: Gavilan Community College District (02) Fiscal Year: 2005-2006

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses Object Accounts

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Maquinalas, Dan Facilities Maintenance	\$38.65	48.0	\$ 1,855.20				
Stewart, Duane Groundskeeper	\$25.60	360.0	\$ 9,216.00				
Ayala, Luis Groundskeeper	\$28.36	540.0	\$ 15,314.40				
Pedregon, Mike Groundskeeper	\$29.29	360.0	\$ 10,544.40				
Franco, Ray Custodian	\$27.85	56.0	\$ 1,559.60				
Brunson, Carl Custodian	\$26.27	36.0	\$ 945.72				
Andrade, Angel Custodian	\$25.33	56.0	\$ 1,418.48				
Morales, Jose Custodian	\$21.94	56.0	\$ 1,228.64				
Perez, Sal Custodian	\$27.04	56.0	\$ 1,514.24				
Perales, Sony Custodian	\$24.75	56.0	\$ 1,386.00				
(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1		\$ 44,982.68	\$ -	\$ -	\$ -

Program Z-55	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
------------------------	--	--

(01) Claimant Gavilan Community College District	(02) Fiscal Year 2005-2006
---	-------------------------------

(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 or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Maintenance of Approved Level of Reduction
	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	<input checked="" type="checkbox"/> Annual Recycled Material Reports
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report

(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 Moreno, Sofia Reprographics Operator	\$32.94	36.0	\$ 1,185.84				
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>	Page 1 of 1		\$ 1,185.84	\$ -	\$ -	\$ -	\$ -

FY 2006-07
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT			(19) Program Number 00256	Program 256
(01) Claimant Identification Number: GC 43060			(20) Date Filed JAN/9 2 2008	(21) LRS Input
			Reimbursement Claim Data	
(02) Claimant Name: Gavilan Community College District			(22) IWM-1, (03)(A)(1)(f)	0
County of Location: Santa Clara			(23) IWM-1, (03)(A)(2)(f)	0
Street Address: 5055 Santa Teresa Blvd.			(24) IWM-1, (03)(B)(1)(f)	0
City: Gilroy	State: CA	Zip Code: 95020-9599	(25) IWM-1, (03)(B)(2)(f)	0
Type of Claim	Estimated Claim	Reimbursement Claim	(26) IWM-1, (03)(B)(3)(f)	0
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f)	1,132
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f)	48,729
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(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) \$ 77,800	(13) \$ 70,790	(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)	2,019
Net Claimed Amount		(16) \$ 70,790	(34) IWM-1, (06)	18,910
Due from State	(08) \$ 77,800	(17) \$ 70,790	(35) IWM-1, (08)	0
Due to State		(18)	(36) IWM-1, (09)	0
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer (USE BLUE INK)			Date	
Joseph D. Keeler			1-9-08	
Joseph D. Keeler			Vice President, Administrative Services	
Type or Print Name			Title	
(38) Name of Contact Person for Claim			Telephone Number: (858) 514-8605	
SixTen and Associates			E-mail Address: kbpsixten@aol.com	

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM IWM-1
------------------------------	---	-----------------------------

(01) Claimant: Gavilan Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
--	---	--------------------------

Direct Costs	Object Accounts					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. One-Time Activities						
1 Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Ongoing Activities						
1 Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 Designation of Waste Reduction and Recycling Coordinator	\$ 1,132.06	\$ -	\$ -	\$ -	\$ -	\$ 1,132.06
5 Diversion and Maintenance of Approved Level of Reduction	\$ 48,728.92	\$ -	\$ -	\$ -	\$ -	\$ 48,728.92
C. Alternative Compliance						
1 Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. Accounting System						
E. Annual Report						
F. Annual Recycled Material Reports						
	\$ 2,018.81	\$ -	\$ -	\$ -	\$ -	\$ 2,018.81
(04) Total Direct Costs	\$ 51,879.59	\$ -	\$ -	\$ -	\$ -	\$ 51,879.59

Indirect Costs		
(05) Indirect Cost Rate	Federally approved OMB A-21, FAM-29C, or 7%	36.45%
(06) Total Indirect Costs	[Line (05) x line (04)(f)]	\$ 18,910.11
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]	\$ 70,789.70

Cost Reduction		
(08) Less: Offsetting Savings		\$ -
(09) Less: Other Reimbursements		\$ -
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]	\$ 70,789.70

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
-----------------------	--	-----------------------

(01) Claimant Gavilan 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"/> Consultation with Board
	<input checked="" type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses				Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training	
Designating one solid waste reduction and recycling coordinator for each college in district								
Kerr, Art Facilities Director	\$61.17	18.0	\$ 1,101.06					
Ingrassia, Eric Lead Maintenance	\$31.00	1.0	\$ 31.00					
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>				\$ 1,132.06	\$ -	\$ -	\$ -	\$ -

Program 255	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
-----------------------	--	----------------------

(01) Claimant Gavilan 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 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									
Garcia, Roger Maint. Leadperson	\$43.81	1.0	\$ 43.81						
Maquinalos, Dan Facilities Maintenance Worker II	\$38.02	36.0	\$ 1,368.72						
Franco, Ray Custodian	\$29.31	56.0	\$ 1,641.36						
Brunson, Carl Custodian	\$31.98	6.0	\$ 191.88						
Andrade, Angel Custodian	\$28.83	56.0	\$ 1,614.48						
Jimenez, Ana Custodian	\$25.53	37.0	\$ 944.61						
Ingrassia, Eric Lead Maintenance	\$31.00	16.0	\$ 496.00						
Castaneda, Jose Groundskeeper	\$18.78	3.0	\$ 56.34						
Morales, Jose Custodian	\$26.91	56.0	\$ 1,506.96						
Perez, Sal Custodian	\$28.98	56.0	\$ 1,622.88						
Perales, Sony Custodian	\$26.28	56.0	\$ 1,471.68						
Diverting solid waste from landfill disposal or transformation facilities - composting									
Stewart, Duane Groundskeeper	\$27.35	180.0	\$ 4,923.00						
Ayala, Luis Groundskeeper	\$31.87	270.0	\$ 8,604.90						
Pedregon, Mike Groundskeeper	\$29.46	180.0	\$ 5,302.80						
Conlin, Martha Groundskeeper	\$10.88	5.0	\$ 54.40						
Diverting solid waste from landfill disposal or transformation facilities - special waste									
Stewart, Duane Groundskeeper	\$27.35	180.0	\$ 4,923.00						
Ayala, Luis Groundskeeper	\$31.87	270.0	\$ 8,604.90						
Pedregon, Mike Groundskeeper	\$29.46	180.0	\$ 5,302.80						
Conlin, Martha Groundskeeper	\$10.88	5.0	\$ 54.40						
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>				Page 1 of 1	\$ 48,728.82	\$ -	\$ -	\$ -	\$ -

FY 2007-08
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT	(19) Program Number 00256 (20) Date FEB 17 2009 (21) LRS Input	Program 256
---	---	------------------------------

L A B E L H E R E	(01) Claimant Identification Number: CC 43060	Reimbursement Claim Data
	(02) Claimant Name: Gavilan Community College District	(22) IWM-1, (03)(A)(1)(f) 0
	County of Location: Santa Clara	(23) IWM-1, (03)(A)(2)(f) 0
	Street Address: 5055 Santa Teresa Boulevard	(24) IWM-1, (03)(B)(1)(f) 0
	City: Gilroy State: CA Zip Code: 95020-9599	(25) IWM-1, (03)(B)(2)(f) 0

Type of Claim	Estimated Claim	Reimbursement Claim	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) IWM-1, (03)(B)(3)(f) 0
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f) 1,148
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f) 54,616
			(29) IWM-1, (03)(C)(1)(f) 0
Fiscal Year of Cost	(06)	(12) 2007-2008	(30) IWM-1, (03)(C)(2)(f) 0
Total Claimed Amount	(07)	(13) \$ 78,762	(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) 676
Net Claimed Amount		(16) \$ 78,762	(34) IWM-1, (06) 22,322
Due from State	(08)	(17) \$ 78,762	(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) Joseph D Keeler Date 2-5-09

Joseph D. Keeler Vice President, Administrative Services
Type or Print Name Title

(38) Name of Contact Person for Claim SixTen and Associates Telephone Number: (858) 514-8605
E-mail Address: kbpsixten@aol.com

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM IWM-1
------------------------------	---	-----------------------------

(01) Claimant: Gavilan Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2007-2008
--	---	--------------------------

Direct Costs	Object Accounts					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. One-Time Activities						
1 Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Ongoing Activities						
1 Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 Designation of Waste Reduction and Recycling Coordinator	\$ 1,147.92	\$ -	\$ -	\$ -	\$ -	\$ 1,147.92
5 Diversion and Maintenance of Approved Level of Reduction	\$ 54,615.92	\$ -	\$ -	\$ -	\$ -	\$ 54,615.92
C. Alternative Compliance						
1 Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. Accounting System						
E. Annual Report						
F. Annual Recycled Material Reports						
	\$ 676.44	\$ -	\$ -	\$ -	\$ -	\$ 676.44
(04) Total Direct Costs	\$ 56,440.28	\$ -	\$ -	\$ -	\$ -	\$ 56,440.28

Indirect Costs		
(5) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]	39.55%
(6) Total Indirect Costs	[Line (05) x line (04)(a)]	\$ 22,322.13
(7) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]	\$ 78,762.41

Cost Reduction		
(8) Less: Offsetting Savings		\$ -
(9) Less: Other Reimbursements		\$ -
Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]	\$ 78,762.41

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
-----------------------	--	----------------------

(01) Claimant Gavilan Community College District	(02) Fiscal Year 2007-2008
---	-------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input checked="" type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses				Object Accounts			
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Designating one solid waste reduction and recycling coordinator for each college in district							
Gopp, Jeff Director, Facilities	\$56.37	8.0	\$ 450.96				
Ingrassia, Eric Lead Maintenance	\$58.08	12.0	\$ 696.96				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 1,147.92	\$ -	\$ -	\$ -	\$ -
--	-----------------------------------	-------------	-------------	------	------	------	------

**MANDATED COSTS
INTEGRATED WASTE MANAGEMENT
ACTIVITY COST DETAIL**

Program
256

**FORM
IWM-2**

(01) Claimant
Gavilan Community College District

(02) Fiscal Year
2007-2008

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - composting							
Ayala-Magna, Luis Groundskeeper	\$37.30	180.0	\$ 6,714.00				
Conlin, Martha Groundskeeper	\$27.55	180.0	\$ 4,959.00				
Pedregon, Mike Groundskeeper	\$31.01	180.0	\$ 5,581.80				
Stewart, Duane Groundskeeper	\$28.53	180.0	\$ 5,135.40				
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Andrade, Angel Custodian	\$29.35	56.0	\$ 1,643.60				
Franco, Ray Custodian	\$30.14	56.0	\$ 1,687.84				
Jimenez, Ana Custodian	\$28.90	60.0	\$ 1,734.00				
Morales-Carrasco, Jose Custodian	\$27.00	56.0	\$ 1,512.00				
Perales, Senobio Custodian	\$28.08	56.0	\$ 1,572.48				
Perez, Sai Custodian	\$30.10	56.0	\$ 1,685.60				
Diverting solid waste from landfill disposal or transformation facilities - special waste							
Ayala-Magna, Luis Groundskeeper	\$37.30	180.0	\$ 6,714.00				
Conlin, Martha Groundskeeper	\$27.55	180.0	\$ 4,959.00				
Pedregon, Mike Groundskeeper	\$31.01	180.0	\$ 5,581.80				
Stewart, Duane Groundskeeper	\$28.53	180.0	\$ 5,135.40				

(05) Total Subtotal Page 1 of 1 \$ 54,615.92 \$ - \$ - \$ - \$ -

New 06/05

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM IWM-2
-----------------------	--	-----------------------------

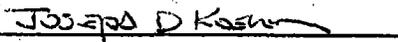
(01) Claimant Gavilan Community College District	(02) Fiscal Year 2007-2008
---	-------------------------------

(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 or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Maintenance of Approved Level of Reduction
	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	<input type="checkbox"/> Annual Report
	<input type="checkbox"/> Accounting System	<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 Gopp, Jeff Director, Facilities	\$56.37	12.0	\$ 676.44				
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>			Page 1 of 1	\$ 676.44	\$ -	\$ -	\$ -

FY 2008-09
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT		For State Controller Use only	
		(19) Program Number 00256	Program 256
		(20) Date Filed DEC 18 2009	
		(21) LRS Input <u> </u> / <u> </u> / <u> </u>	
(01) Claimant Identification Number: CC 43060		Reimbursement Claim Data	
(02) Claimant Name Gavilan Community College District		(22) FORM-1A, (04)(f)	63,234
Address Santa Clara County		(23) FORM-1A, (05)	38
5055 Santa Teresa Boulevard		(24) FORM-1A, (08)	88,037
Gilroy CA 95020-9599		(25) FORM-1A, (09)	
Type of Claim	Estimated Claim	Reimbursement Claim	(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) 2008-2009	(30)
Total Claimed Amount	(07)	(13) \$ 88,037	(31)
Less : 10% Late Penalty (refer to claiming instructions)		(14) \$ -	(32)
Less : Prior Claim Payment Received		(15) \$ -	(33)
Net Claimed Amount		(16) \$ 88,037	(34)
Due from State	(08)	(17) \$ 88,037	(35)
Due to State		(18)	(36)
(37) CERTIFICATION OF CLAIM			
<p>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.</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 Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>			
Signature of Authorized Officer (USE BLUE INK)		Date	
		12.7.09	
Joseph D. Keeler		Vice President, Administrative Services	
Type or Print Name		Title	
(38) Name of Contact Person for Claim			
SixTen and Associates		Telephone Number: (858) 514-8605	
		E-mail Address: kbpstixten@aol.com	

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM 1A
------------------------------	---	--------------------------

(01) Claimant: Gavilan Community College District	(02)	Fiscal Year 2008-2009
--	------	--------------------------

Direct Costs	Object Accounts					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. One-Time Activity						
1. Develop Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Train District Staff on IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Ongoing Activities						
1. Complete and Submit IWM Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Respond to Board Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Consult with Board to Revise Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Designate Coordinator for Each College	\$ 1,402.80	\$ -	\$ -	\$ -	\$ -	\$ 1,402.80
5. Divert Solid Waste/Maintain Required Level	\$ 61,831.28	\$ -	\$ -	\$ -	\$ -	\$ 61,831.28
(04) Total Direct Costs	\$ 63,234.08	\$ -	\$ -	\$ -	\$ -	\$ 63,234.08

Indirect Costs		
(05) Indirect Cost Rate	[Refer to Claiming Instructions]	37.60%
(06) Total Indirect Costs	[Refer to Claiming Instructions]	\$ 23,776.01
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (07)]	\$ 87,010.09
(08) Total from Forms 1A, 1B, and 1C	[Add 1A(07) + 1B(07) + 1C(07)]	\$ 88,037.37

Cost Reduction		
(09) Less: Offsetting Savings		\$ -
(10) Less: Other Reimbursements		\$ -
(11) Total Claimed Amount:	[Line (07) - (Line (08) + Line (09))]	\$ 88,037.37

Program 256		MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM 1C
(01) Claimant: Gavilan Community College District			(02)			Fiscal Year 2008-2009	
Direct Costs		Object Accounts					
(03) Reimbursable Activities		(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
D. Accounting System		Reimbursement begins January 1, 2000					
1.	Develop, Implement & Maintain System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E. Annual Report of Progress		Reimbursement begins January 1, 2000					
1.	Calculations of Annual Disposal Reduction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Information on the Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.	Summary of Progress Made in IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4.	The Extent of CCD's Use of IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5.	Time Extension Summary of Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.	Alternative Reduction Summary of Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F. Annual Recycled Material Reports		Reimbursement begins July 1, 1999					
1.	Annual Report to the Board	\$ 746.57	\$ -	\$ -	\$ -	\$ -	\$ 746.57
(04)	Total Direct Costs	\$ 746.57	\$ -	\$ -	\$ -	\$ -	\$ 746.57
Indirect Costs							
(05) Indirect Cost Rate		[Refer to Claiming Instructions]					37.60%
(06) Total Indirect Costs		[Refer to Claiming Instructions]					\$ 280.71
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (06)]		[Forward total to Form-1A, line (08)]			\$ 1,027.28

New 12/08

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM 2A
-----------------------	--	--------------------------

(01) Claimant Gavilan Community College District	(02) Fiscal Year 2008-2009
---	-------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-Time Activity <input type="checkbox"/> Develop Policies and Procedures <input type="checkbox"/> Train District Staff on IWM Plan	B. Ongoing Activities <input type="checkbox"/> Complete and Submit IWM Plan to Board <input type="checkbox"/> Respond to Board Requirements <input type="checkbox"/> Consult with Board to Revise Plan <input checked="" type="checkbox"/> Designate Coordinator for Each College <input 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
Designating one solid waste reduction and recycling coordinator for each college in district							
Copp, Jeff Director, Facilities	\$67.87	12.0	\$ 814.44				
Ingrassia, Eric Lead Maintenance	\$49.03	12.0	\$ 588.36				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 1,402.80	\$ - -	\$ - -	\$ - -	\$ - -
--	-----------------------------------	-------------	-------------	--------	--------	--------	--------

Revised 8/09

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM 2A
-----------------------	--	--------------------------

(01) Claimant Gavilan Community College District	(02) Fiscal Year 2008-2009
---	-------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-Time Activity <input type="checkbox"/> Develop Policies and Procedures <input type="checkbox"/> Train District Staff on IWM Plan	B. Ongoing Activities <input type="checkbox"/> Complete and Submit IWM Plan to Board <input type="checkbox"/> Respond to Board Requirements <input type="checkbox"/> Consult with Board to Revise Plan <input type="checkbox"/> Designate Coordinator for Each College <input checked="" type="checkbox"/> Divert Solid Waste/Maintain Required Level
--	---

(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							
Ayala-Magana, Luis Groundskeeper	\$38.28	180.0	\$ 6,890.40				
Conlin, Martha Groundskeeper	\$31.18	180.0	\$ 5,612.40				
Pedregon, Mike Groundskeeper	\$34.03	180.0	\$ 6,125.40				
Stewart, Duane Groundskeeper	\$32.92	180.0	\$ 5,925.60				
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Andrade, Angel Custodian	\$32.49	56.0	\$ 1,819.44				
Franco, Raymond Custodian	\$31.46	56.0	\$ 1,761.76				
Jimenez, Ana Custodian	\$30.38	60.0	\$ 1,822.80				
Morales-Carrasco, Jose Custodian	\$28.45	56.0	\$ 1,583.20				
Perales, Senobio Custodian	\$30.23	56.0	\$ 1,692.88				
Perez, Salvador Custodian	\$33.68	56.0	\$ 1,886.08				
Santos, Rick Maintenance	\$36.16	12.0	\$ 433.92				
Zamparipa, Teri Custodian	\$30.60	56.0	\$ 1,713.60				
Diverting solid waste from landfill disposal or transformation facilities - special waste							
Ayala-Magana, Luis Groundskeeper	\$38.28	180.0	\$ 6,890.40				
Conlin, Martha Groundskeeper	\$31.18	180.0	\$ 5,612.40				
Pedregon, Mike Groundskeeper	\$34.03	180.0	\$ 6,125.40				
Stewart, Duane Groundskeeper	\$32.92	180.0	\$ 5,925.60				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 61,831.28	\$ -	\$ -	\$ -	\$ -
--	-----------------------------------	-------------	--------------	------	------	------	------

Revised 01/09

FY 2009-10
Integrated Waste Management Claim

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT		For State Controller Use only	
		(19) Program Number 00256	Program 256
(20) Date Filed <u>2/15/11</u>		(21) LRS Input <u> </u>	
(01) Claimant Identification Number: CC 43060	Reimbursement Claim Data		
(02) Claimant Name: Gavilan Community College District	(22) FORM-1, (03)		
Address: Santa Clara County	(23) FORM-1A, (04)(A)(1)(f)		
5055 Santa Teresa Boulevard	(24) FORM-1A, (04)(A)(2)(f)		
Gilroy CA 95020-9599	(25) FORM-1A, (04)(B)(1)(f)		
(03) <input checked="" type="checkbox"/> (09) Reimbursement (04) <input type="checkbox"/> (10) Combined (05) <input type="checkbox"/> (11) Amended	(26) FORM-1A, (04)(B)(2)(f)		
	(27) FORM-1A, (04)(B)(3)(f)		
	(28) FORM-1A, (04)(B)(4)(f)	1,498	
(06) Fiscal Year of cost: 2009-2010	(29) FORM-1A, (04)(B)(5)(f)	66,211	
(07) Total Claimed Amount: \$ 95,174	(30) FORM-1A, (06)	39 26,912	
Less: 10% Late Penalty (refer to claiming instructions) \$ -	(31) FORM-1A, (09)	95,174	
Less: Prior Claim Payment Received \$ -	(32) FORM-1A, (10)		
Net Claimed Amount: \$ DK 95,174	(33) FORM-1A, (11)	95,174	
(08) Due from State \$ 95,174	(34)		
Due to State	(35)		
	(36)		
(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 grant or payment received, for reimbursement of costs claimed herein, claimed costs are for a new program or increased level of services of an existing program; and claimed amounts do not include charter school costs, either directly or through a third party. 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 (USE BLUE INK)			
<u>Joseph D. Keeler</u> Joseph D. Keeler, Vice President, Administrative Services		Date Signed <u>11/19/10</u> Telephone Number <u>(408) 848-4715</u> E-mail Address <u>jkeeler@gavilan.edu</u>	
Type or Print Name and Title of Authorized Signatory			
(38) Name of Agency Contact Person for Claim Joseph D. Keeler, Vice President, Administrative Services		Telephone Number <u>(408) 848-4715</u> E-mail Address <u>jkeeler@gavilan.edu</u>	
Name of Consulting Firm/Claim Preparer SixTen and Associates		Telephone Number <u>(858) 514-8605</u> E-mail Address <u>kbpsixten@aol.com</u>	

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM 1A		
(01) Claimant: Gavilan Community College District			(02)		Fiscal Year 2009-2010			
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								
A. One-Time Activity								
1. Develop Policies and Procedures			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Train District Staff on IWM Plan			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Ongoing Activities								
1. Complete and Submit IWM Plan to Board			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Respond to Board Requirements			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Consult with Board to Revise Plan			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Designate Coordinator for Each College			\$ 1,497.84	\$ -	\$ -	\$ -	\$ -	\$ 1,497.84
5. Divert Solid Waste/Maintain Required Level <small>(Form 1B cannot be used if this activity is claimed)</small>			\$ 66,211.00	\$ -	\$ -	\$ -	\$ -	\$ 66,211.00
(04) Total Direct Costs			\$ 67,708.84	\$ -	\$ -	\$ -	\$ -	\$ 67,708.84
Indirect Costs								
(05) Indirect Cost Rate			[Refer to Claiming Instructions]				38.86%	
(06) Total Indirect Costs			[Refer to Claiming Instructions]				\$ 26,311.66	
(07) Total Direct and Indirect Costs			[Line (05)(f) + line (07)]				\$ 94,020.50	
(08) Total from Forms 1A, 1B, and 1C			[Add 1A(07) + 1B(07) + 1C(07)]				\$ 95,173.57	
Cost Reduction								
(09) Less: Offsetting Savings							\$ -	
(10) Less: Other Reimbursements							\$ -	
(11) Total Claimed Amount:			[Line (09) - (Line (10) + Line (11))]				\$ 95,173.57	

Revised 07/09

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM 1C	
(01) Claimant: Gavilan Community College District			(02)		Fiscal Year 2009-2010		
Direct Costs		Object Accounts					
(03) Reimbursable Activities		(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
D. Accounting System		Reimbursement begins January 1, 2000					
1. Develop, Implement & Maintain System		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E. Annual Report of Progress		Reimbursement begins January 1, 2000					
1. Calculations of Annual Disposal Reduction		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Information on the Changes		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Summary of Progress Made in IWM Plan		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. The Extent of CCD's Use of IWM Plan		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Time Extension Summary of Progress		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Alternative Reduction Summary of Progress		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F. Annual Recycled Material Reports		Reimbursement begins July 1, 1999					
1. Annual Report to the Board		\$ 830.39	\$ -	\$ -	\$ -	\$ -	\$ 830.39
(04) Total Direct Costs		\$ 830.39	\$ -	\$ -	\$ -	\$ -	\$ 830.39
Indirect Costs							
(05) Indirect Cost Rate		[Refer to Claiming Instructions]					38.86%
(06) Total Indirect Costs		[Refer to Claiming Instructions]					\$ 322.69
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (06)]		[Forward total to Form-1A, line (09)]			\$ 1,153.08

New 12/08

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM 2A
-----------------------	--	--------------------------

(01) Claimant Gavilan Community College District	(02) Fiscal Year 2009-2010
---	-------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-Time Activity <input type="checkbox"/> Develop Policies and Procedures <input type="checkbox"/> Train District Staff on IWM Plan	B. Ongoing Activities <input type="checkbox"/> Complete and Submit IWM Plan to Board <input type="checkbox"/> Respond to Board Requirements <input type="checkbox"/> Consult with Board to Revise Plan <input checked="" type="checkbox"/> Designate Coordinator for Each College <input 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	
Designating one solid waste reduction and recycling coordinator for each college in district Gopp, Jeff Director, Facilities Ingrassia, Eric Lead Maintenance	/ \$75.49 \$49.33	12.0 12.0	\$ 905.88 \$ 591.96					
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>			Page 1 of 1	\$ 1,497.84	\$ -	\$ -	\$ -	\$ -

Revised 01/09

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM 2A
-----------------------	--	--------------------------

(01) Claimant Gavilan Community College District	(02) Fiscal Year 2009-2010
---	-------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-Time Activity <input type="checkbox"/> Develop Policies and Procedures <input type="checkbox"/> Train District Staff on IWM Plan	B. Ongoing Activities <input type="checkbox"/> Complete and Submit IWM Plan to Board <input type="checkbox"/> Respond to Board Requirements <input type="checkbox"/> Consult with Board to Revise Plan <input type="checkbox"/> Designate Coordinator for Each College <input checked="" type="checkbox"/> Divert Solid Waste/Maintain Required Level
--	---

(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							
Ayala-Magana, Luis Groundskeeper	\$40.42	180.0	\$ 7,275.60				
Conlin, Martha Groundskeeper	\$33.19	180.0	\$ 5,974.20				
Pedregon, Mike Groundskeeper	\$36.24	180.0	\$ 6,523.20				
Stewart, Duane Groundskeeper	\$36.00	180.0	\$ 6,480.00				
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Andrade, Angel Custodian	\$34.43	56.0	\$ 1,928.08				
Franco, Raymond Custodian	\$33.26	56.0	\$ 1,862.56				
Jimenez, Ana Custodian	\$35.54	60.0	\$ 2,132.40				
Morales, Jose Custodian	\$32.11	56.0	\$ 1,798.16				
Perales, Sonny Custodian	\$31.63	56.0	\$ 1,771.28				
Perez, Sal Custodian	\$35.49	56.0	\$ 1,987.44				
Santos, Rick Facilities/Maintenance	\$43.23	12.0	\$ 518.76				
Zamaripa, Terri Facilities/Maintenance	\$30.47	56.0	\$ 1,706.32				
Diverting solid waste from landfill disposal or transformation facilities - special waste							
Ayala-Magana, Luis Groundskeeper	\$40.42	180.0	\$ 7,275.60				
Conlin, Martha Groundskeeper	\$33.19	180.0	\$ 5,974.20				
Pedregon, Mike Groundskeeper	\$36.24	180.0	\$ 6,523.20				
Stewart, Duane Groundskeeper	\$36.00	180.0	\$ 6,480.00				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 66,211.00	\$ -	\$ -	\$ -	\$ -
------------	-------------------------------------	----------	--------------------------	-------------	--------------	------	------	------	------

Revised 01/09

Program 256	MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM 2C
-----------------------	--	-------------------------------------

(01) Claimant Gavilan Community College District	(02) Fiscal Year 2009-2010
---	-------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

D. Accounting System <input type="checkbox"/> Develop, Implement & Maintain System F. Annual Recycled Materials Reports <input checked="" type="checkbox"/> Annual Report to the Board	E. Annual Report of Progress <input type="checkbox"/> Calculations of Annual Disposal Reduction <input type="checkbox"/> Information on the Changes <input type="checkbox"/> Summary of Progress Made in IWM Plan <input type="checkbox"/> The Extent of CCD's Use of IWM Plan <input type="checkbox"/> Time Extension Summary of Progress <input type="checkbox"/> Alternative Reduction Summary of Progress
---	--

(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 Gopp, Jeff Director, Facilities	\$75.49	11.0	\$ 830.39				
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>			\$ 830.39	\$ -	\$ -	\$ -	\$ -

FY 2010-11
Integrated Waste Management Claim

INTEGRATED WASTE MANAGEMENT CLAIM FOR PAYMENT		For State Controller Use only		Program 256
		(19) Program Number 00256	(20) Date Filed 2/14/12	
(01) Claimant Identification Number: CC 43060		Reimbursement Claim Data		
(02) Claimant Name	Gavilan Community College District	(22) FORM-1, (03)		
Address	Santa Clara County	(23) FORM-1A, (04) A. 1. (f)		
	5055 Santa Teresa Blvd.	(24) FORM-1A, (04) A. 2. (f)		
	Gilroy CA 95020-9599	(25) FORM-1A, (04) B. 1. (f)		
		(26) FORM-1A, (04) B. 2. (f)		
(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(27) FORM-1A, (04) B. 3. (f)		
(04)	(10) Combined <input type="checkbox"/>	(28) FORM-1A, (04) B. 4. (f) 301		
(05)	(11) Amended <input type="checkbox"/>	(29) FORM-1A, (04) B. 5. (f) 17,572		
Fiscal Year of Cost	(06) 7/1/10-10/7/10	(30) FORM-1A, (06) 38		
Total Claimed Amount	(07) \$ 26,011	(31) FORM-1A, (09) 26,011		
Less : 10% Late Penalty (refer to claiming instructions)	(14) \$	(32) FORM-1A, (10)		
Less : Prior Claim Payment Received	(15) \$	(33) FORM-1A, (11)		
Net Claimed Amount	(16) \$ 26,011	(34)		
Due from State	(17) \$ 26,011	(35)		
Due to State	(18) \$	(36)		
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 of the Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grant(s) or payment(s) received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer (USE BLUE INK)		Date Signed 2/14/12		
Joseph D. Keeler		Telephone Number (408) 848-4715		
Vice President, Administrative Services		E-mail Address jkeeler@gavilan.edu		
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim		Telephone Number (408) 848-4715		
Joseph D. Keeler		E-mail Address jkeeler@gavilan.edu		
Vice President, Administrative Services		Telephone Number (858) 514-8605		
Name of Consulting Firm/Claim Preparer		E-mail Address kbpsixten@aol.com		
SixTen and Associates				

Program 256	INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY	FORM 1A
------------------------	--	--------------------

(01) Claimant: Gavilan Community College District	(02) Fiscal Year 7/1/10-10/7/10
--	------------------------------------

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						
A. One-Time Activity						
1. Develop Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Train District Staff on IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Ongoing Activities						
1. Complete and Submit IWM Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Respond to Board Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Consult with Board to Revise Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Designate Coordinator for Each College	\$ 301.18	\$ -	\$ -	\$ -	\$ -	\$ 301.18
5. Divert Solid Waste/Maintain Required Level <small>(Form 1B cannot be used if this activity is claimed)</small>	\$ 17,572.44	\$ -	\$ -	\$ -	\$ -	\$ 17,572.44
(05) Total Direct Costs	\$ 17,873.62	\$ -	\$ -	\$ -	\$ -	\$ 17,873.62

Indirect Costs

(06) Indirect Cost Rate	<input type="checkbox"/> Federally approved rate OMB Circular A-21 <input checked="" type="checkbox"/> FAM-29C <input type="checkbox"/> Flat 7%	37.56%
(07) Total Indirect Costs	[Refer to Claiming Instructions]	\$ 6,713.33
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 24,586.95
(09) Total from Forms 1A, 1B, and 1C	[Add 1A(07) + 1B(07) + 1C(07)]	\$ 26,011.14

Cost Reduction		
(10) Less: Offsetting Revenues		\$ -
(11) Less: Other Reimbursements		\$ -
(12) Total Claimed Amount:	[Line (09) - (Line (10) + Line (11))]	\$ 26,011.14

Revised 09/11

Program 256	INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY					FORM 1C	
(01) Claimant: Gavilan Community College District			(02)		Fiscal Year 7/1/10-10/7/10		
Direct Costs		Object Accounts					
(03) Reimbursable Activities		(a) Salaries and Benefits	(b) Materials and Supplies	(c) ✓ Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
D. Accounting System		Reimbursement begins January 1, 2000					
1. Develop, Implement & Maintain System		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E. Annual Report of Progress		Reimbursement begins January 1, 2000					
1. Calculations of Annual Disposal Reduction		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Information on the Changes		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Summary of Progress Made in IWM Plan		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. The Extent of CCD's Use of IWM Plan		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Time Extension Summary of Progress		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Alternative Reduction Summary of Progress		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F. Annual Recycled Material Reports		Reimbursement begins July 1, 1999					
1. Annual Report to the Board		\$ 1,035.32	\$ -	\$ -	\$ -	\$ -	\$ 1,035.32
(04) Total Direct Costs		\$ 1,035.32	\$ -	\$ -	\$ -	\$ -	\$ 1,035.32
Indirect Costs							
(05) Indirect Cost Rate		<input type="checkbox"/> Federally approved rate OMB Circular A-21 <input checked="" type="checkbox"/> FAM-29C <input type="checkbox"/> Flat 7%					37.56%
(06) Total Indirect Costs		[Refer to Claiming Instructions]					\$ 388.87
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (06)]		[Forward total to Form-1A, line (09)]			\$ 1,424.19

Revised 09/11

Program 256	INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM 2A
-----------------------	---	--------------------

(01) Claimant Gavilan Community College District	(02) Fiscal Year 7/1/10-10/7/10
---	------------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-Time Activity <input type="checkbox"/> Develop Policies and Procedures <input type="checkbox"/> Train District Staff on IWM Plan	B. Ongoing Activities <input type="checkbox"/> Complete and Submit IWM Plan to Board <input type="checkbox"/> Respond to Board Requirements <input type="checkbox"/> Consult with Board to Revise Plan <input checked="" type="checkbox"/> Designate Coordinator for Each College <input 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
Designating one solid waste reduction and recycling coordinator for each college in district Gopp, Jeff Director, Facilities	\$94.12	3.2	\$ 301.18				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 301.18	\$ -	\$ -	\$ -	\$ -
--	-----------------------------------	-------------	-----------	------	------	------	------

Revised 09/11

Program 256	INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM 2A
-----------------------	---	--------------------

(01) Claimant Gavilan Community College District	(02) Fiscal Year 7/1/10-10/7/10
---	------------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-Time Activity <input type="checkbox"/> Develop Policies and Procedures <input type="checkbox"/> Train District Staff on IWM Plan	B. Ongoing Activities <input type="checkbox"/> Complete and Submit IWM Plan to Board <input type="checkbox"/> Respond to Board Requirements <input type="checkbox"/> Consult with Board to Revise Plan <input type="checkbox"/> Designate Coordinator for Each College <input checked="" type="checkbox"/> Divert Solid Waste/Maintain Required Level
--	---

(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							
Ayala, Luis Groundskeeper	\$42.04	48.5	\$ 2,038.94				
Conlin, Martha Groundskeeper	\$34.02	48.5	\$ 1,649.97				
Pedregon, Mike Groundskeeper	\$36.84	48.5	\$ 1,786.74				
Stewart, Duane Groundskeeper	\$36.60	48.5	\$ 1,775.10				
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Andrade, Angel Custodian	\$35.38	12.2	\$ 431.64				
Fráncó, Raymond Custodian	\$33.81	12.2	\$ 412.48				
Ingrassia, Eric Lead Maintenance	\$37.49	3.2	\$ 119.97				
Jimenez, Ana Custodian	\$36.25	16.2	\$ 587.25				
Perales, Sonny Custodian	\$32.75	12.2	\$ 399.55				
Perez, Salvador Custodian	\$37.35	12.2	\$ 455.67				
Santos, Richard Maintenance	\$44.54	3.2	\$ 142.53				
Zamaripa, Terri Custodian	\$34.79	15.0	\$ 521.85				
Diverting solid waste from landfill disposal or transformation facilities - special waste							
Ayala, Luis Groundskeeper	\$42.04	48.5	\$ 2,038.94				
Conlin, Martha Groundskeeper	\$34.02	48.5	\$ 1,649.97				
Pedregon, Mike Groundskeeper	\$36.84	48.5	\$ 1,786.74				
Stewart, Duane Groundskeeper	\$36.60	48.5	\$ 1,775.10				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 17,572.44	\$ -	\$ -	\$ -	\$ -
--	-----------------------------------	-------------	--------------	------	------	------	------

Revised 09/11

Program 256	INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL	FORM 2C
-----------------------	---	--------------------

(01) Claimant Gavilan Community College District	(02) Fiscal Year: 7/1/10-10/7/10
---	-------------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

D. Accounting System <input type="checkbox"/> Develop, Implement & Maintain System F. Annual Recycled Materials Reports <input checked="" type="checkbox"/> Annual Report to the Board	E. Annual Report of Progress <input type="checkbox"/> Calculations of Annual Disposal Reduction <input type="checkbox"/> Information on the Changes <input type="checkbox"/> Summary of Progress Made in IWM Plan <input type="checkbox"/> The Extent of CCD's Use of IWM Plan <input type="checkbox"/> Time Extension Summary of Progress <input type="checkbox"/> Alternative Reduction Summary of Progress
---	--

(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 Gopp, Jeff Director, Facilities	\$94.12	11.0	\$ 1,035.32				
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>			\$ 1,035.32	\$ -	\$ -	\$ -	\$ -

Revised 09/11



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 APRIL 18, 2014

CC43060
 00256
 2014/04/18

BOARD OF TRUSTEES
 GAVILAN JOINT COMM COLL DIST
 SANTA CLARA COUNTY
 5055 SANTA TERESA BLVD
 GILROY CA 95020

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 27,631.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 1,298.00

TOTAL ADJUSTMENTS - 1,298.00

AMOUNT DUE CLAIMANT \$ 26,333.00

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.

SINCERELY,

JAY LAL, MANAGER

LOCAL REIMBURSEMENT SECTION
 P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 APRIL 18, 2014

CC43060
 00256
 2014/04/18

BOARD OF TRUSTEES
 GAVILAN JOINT COMM COLL DIST
 SANTA CLARA COUNTY
 5055 SANTA TERESA BLVD
 GILROY CA 95020

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 69,207.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 2,739.00

TOTAL ADJUSTMENTS - 2,739.00

LESS PRIOR PAYMENT: SCHEDULE NO. AP00122A 8,406.00
 PAID 01-18-2011

AMOUNT DUE CLAIMANT \$ 58,062.00

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.

SINCERELY,

JAY LAL, MANAGER

LOCAL REIMBURSEMENT SECTION
 P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 APRIL 18, 2014

CC43060
 00256
 2014/04/18

BOARD OF TRUSTEES
 GAVILAN JOINT COMM COLL DIST
 SANTA CLARA COUNTY
 5055 SANTA TERESA BLVD
 GILROY CA 95020

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 66,756.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 11,713.00

TOTAL ADJUSTMENTS - 11,713.00

AMOUNT DUE CLAIMANT \$ 55,043.00

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.

SINCERELY,

JAY LAL, MANAGER

LOCAL REIMBURSEMENT SECTION
 P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 APRIL 18, 2014

CC43060
 00256
 2014/04/18

BOARD OF TRUSTEES
 GAVILAN JOINT COMM COLL DIST
 SANTA CLARA COUNTY
 5055 SANTA TERESA BLVD
 GILROY CA 95020

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 68,494.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 9,098.00

TOTAL ADJUSTMENTS - 9,098.00

AMOUNT DUE CLAIMANT \$ 59,396.00

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.

SINCERELY,

JAY LAL, MANAGER

LOCAL REIMBURSEMENT SECTION
 P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 APRIL 18, 2014

CC43060
 00256
 2014/04/18

BOARD OF TRUSTEES
 GAVILAN JOINT COMM COLL DIST
 SANTA CLARA COUNTY
 5055 SANTA TERESA BLVD
 GILROY CA 95020

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 68,105.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS	-	68,105.00
TOTAL ADJUSTMENTS	-	68,105.00

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

LOCAL REIMBURSEMENT SECTION
 P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 APRIL 18, 2014

CC43060
 00256
 2014/04/18

BOARD OF TRUSTEES
 GAVILAN JOINT COMM COLL DIST
 SANTA CLARA COUNTY
 5055 SANTA TERESA BLVD
 GILROY CA 95020

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	70,790.00
----------------	-----------

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS	-	70,790.00
----------------------	---	-----------

TOTAL ADJUSTMENTS	-	70,790.00

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

LOCAL REIMBURSEMENT SECTION
 P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 APRIL 18, 2014

CC43060
 00256
 2014/04/18

BOARD OF TRUSTEES
 GAVILAN JOINT COMM COLL DIST
 SANTA CLARA COUNTY
 5055 SANTA TERESA BLVD
 GILROY CA 95020

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 78,762.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 10,485.00

TOTAL ADJUSTMENTS - 10,485.00

AMOUNT DUE CLAIMANT \$ 68,277.00

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.

SINCERELY,

JAY LAL, MANAGER

LOCAL REIMBURSEMENT SECTION
 P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 APRIL 18, 2014

CC43960
 00256
 2014/04/18

BOARD OF TRUSTEES
 GAVILAN JOINT COMM COLL DIST
 SANTA CLARA COUNTY
 5055 SANTA TERESA BLVD
 GILROY CA 95020

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		88,037.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	11,226.00
TOTAL ADJUSTMENTS	-	11,226.00
AMOUNT DUE CLAIMANT		\$ 76,811.00

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.

SINCERELY,

JAY LAL, MANAGER



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 APRIL 18, 2014

CC43960
 00256
 2014/04/18

BOARD OF TRUSTEES
 GAVILAN JOINT COMM COLL DIST
 SANTA CLARA COUNTY
 5055 SANTA TERESA BLVD
 GILROY CA 95020

DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT:1116/92-C

WE HAVE REVIEWED YOUR 2009/2010 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED		95,174.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	11,756.00
TOTAL ADJUSTMENTS	-	11,756.00
AMOUNT DUE CLAIMANT		\$ 83,418.00

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.

SINCERELY,

JAY LAL, MANAGER

LOCAL REIMBURSEMENT SECTION
 P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting
 APRIL 18, 2014

CC43060
 00256
 2014/04/18

BOARD OF TRUSTEES
 GAVILAN JOINT COMM COLL DIST
 SANTA CLARA COUNTY
 5055 SANTA TERESA BLVD
 GILROY CA 95020

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		26,011.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	2,966.00
TOTAL ADJUSTMENTS	-	2,966.00
AMOUNT DUE CLAIMANT		\$ 23,045.00

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.

RECEIVED
 MAY 08 2014
 GAVILAN COLLEGE
 VP OF ADMINISTRATION

SINCERELY,

 JAY LAL, MANAGER



RECEIVED
April 18, 2016
Commission on
State Mandates

BETTY T. YEE
California State Controller

LATE FILING

April 14, 2016

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-04

Public Resources Code Sections 40418, 40196.3, and 42920-42928

Public Contract Code Sections 12167 and 12167.1

Statutes of 1992, Chapter 1116 (AB 3521); Statutes of 1999, Chapter 764 (AB 75)

Fiscal Years: 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006,

2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011

Gavilan Community College District, Claimant

Dear Ms. Halsey:

The State Controller's Office is transmitting our response to the above-named IRC.

If you have any questions, please contact me by telephone at (916) 323-5849.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim L. Spano".

JIM L. SPANO, Chief
Mandated Cost Audits Bureau
Division of Audits

JS/as

17022

**RESPONSE BY THE STATE CONTROLLER'S OFFICE
TO THE INCORRECT REDUCTION CLAIM (IRC) BY
GAVILAN COMMUNITY COLLEGE DISTRICT**

Integrated Waste Management Program

Table of Contents

<u>Description</u>	<u>Page</u>
State Controller's Office (SCO) Response to District's Comments	
Affidavit	Tab 1
SCO Analysis and Response	Tab 2
Sacramento County Superior Court Judgment Granting Petition for Writ of Administrative Mandamus, Dated June 30, 2008.....	Tab 3
SCO email to inform district of review engagement, Dated January 17, 2014.....	Tab 4
SCO remittance advice, Dated January 28, 2011	Tab 5
District's Waste Management Annual Reports of Diversion to CalRecycle.....	Tab 6
Buena Vista Sanitary Landfill Fee Schedule, Dated July 1, 2015.....	Tab 7
Sacramento County Superior Court Ruling, Dated May 29, 2008.....	Tab 8
SCO Offsetting Savings Calculations	Tab 9
SCO Email to Inform District of Review Finding, Dated March 12, 2014.....	Tab 10
District Email Response to Review Finding, Dated March 20, 2014.....	Tab 11
CalRecycle's "Understanding SB 1016 Solid Waste Per Capita Disposal Measurement Act"	Tab 12
SCO Summary of "Composting" (Direct) Costs Claimed by the District	Tab 13
CalRecycle Web Site Information Regarding Hazardous Waste Materials	Tab 14
California Integrated Waste Management Board Letter on Statewide Average Disposal Fees for Solid Waste Hauled to a Landfill, Dated September 21, 2009.....	Tab 15
CalRecycle Provides Landfill Disposal Fees for Calendar Years 2007 and 2008	Tab 16
CalRecycle Provides Landfill Disposal Fees for Calendar Years 2009 and 2010	Tab 17

Exhibits relate to the district's IRC filed on July 14, 2014:

- Exhibit A – PDF pages 24, 26, 30, and 33
- Exhibit B – PDF pages 39, 50, 51, 55, 57, and 60
- Exhibit C – PDF pages 63, 84, and 85
- Exhibit D – PDF pages 224, 230, 237, 244, 251, 258, 261, 264, 267, 270, 274, 277, 281, 284, and 288

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 **GAVILAN COMMUNITY COLLEGE**
19 **DISTRICT, Claimant**

No.: IRC 14-0007-I-04

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
22 18 years.
- 23 2) I am currently employed as a bureau chief, and have been so since April 21, 2000.
24 Before that, I was employed as an audit manager for two years and three months.
- 25 3) I am a California Certified Public Accountant.
- 4) I reviewed the work performed by the SCO auditor.
- 5) Any attached copies of records are true copies of records, as provided by Gavilan
Community College District, CalRecycle, or retained at our place of business.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

- 6) The records include claims for reimbursement, and attached supporting documentation, explanatory letters, or other documents relating to the above-entitled IRC.
- 7) A review of the claims for fiscal year (FY) 1999-2000, FY 2000-01, FY 2003-04, FY 2004-05, FY 2005-06, FY 2006-07, FY 2007-08, FY 2008-09, FY 2009-10, and FY 2010-11 commenced on January 17, 2014 (initial contact date), and was completed on April 11, 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: April 14, 2016

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
GAVILAN COMMUNITY COLLEGE DISTRICT**

**For Fiscal Year (FY) 1999-2000, FY 2000-01, FY 2003-04, FY 2004-05,
FY 2005-06, FY 2006-07, FY 2007-08, FY 2008-09, FY 2009-10, and FY 2010-11**

**Integrated Waste Management Program
Public Resources Code Sections 40418, 40196.3, 42920, 42921, 42922, 42923, 42924, 42925,
42926, 42927, and 42928; Public Contract Code Sections 12167 and 12167.1;
Statutes of 1992, Chapter 1116 (AB 3521); Statutes of 1999, Chapter 764 (AB 75)**

SUMMARY

The following is the State Controller's Office's (SCO) response to the Incorrect Reduction Claim (IRC) that Gavilan Community College District filed on July 14, 2014. The SCO reviewed the district's claims for costs of the legislatively mandated Integrated Waste Management (IWM) Program for the period of July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011. The SCO issued its final report on April 11, 2014 [Exhibit A, page 24].

The district submitted reimbursement claims totaling \$658,967 — \$27,631 for fiscal year (FY) 1999-2000 [Exhibit D, page 224], \$69,207 for FY 2000-01 [Exhibit D, page 230], \$66,756 for FY 2003-04 [Exhibit D, page 237], \$68,494 for FY 2004-05 [Exhibit D, page 244], \$68,105 for FY 2005-06 [Exhibit D, page 251], \$70,790 for FY 2006-07 [Exhibit D, page 258], \$78,762 for FY 2007-08 [Exhibit D, page 264], \$88,037 for FY 2008-09 [Exhibit D, page 270], \$95,174 for FY 2009-10 [Exhibit D, page 277], and \$26,011 for FY 2010-11 [Exhibit D, page 284]. Subsequently, the SCO reviewed these claims and found that is \$458,791 allowable and \$200,176 is unallowable [Exhibit A, page 24] 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	\$ 20,585	\$ 20,585	\$ -
Indirect costs	7,046	7,046	-
Total direct and indirect costs	27,631	27,631	-
Less offsetting savings	-	(1,298)	(1,298)
Total program costs	<u>\$ 27,631</u>	26,333	<u>\$ (1,298)</u>
Less amount paid by the State ¹		(26,333)	
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, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits	\$ 44,971	\$ 44,971	\$ -
Contract services	7,799	7,799	-
Total direct costs	52,770	52,770	-
Indirect costs	16,437	16,437	-
Total direct and indirect costs	69,207	69,207	-
Less offsetting savings	-	(2,739)	(2,739)
Total program costs	<u>\$ 69,207</u>	66,468	<u>\$ (2,739)</u>
Less amount paid by the State ¹		(66,468)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits	\$ 46,046	\$ 46,046	\$ -
Contract services	4,000	4,000	-
Total direct costs	50,046	50,046	-
Indirect costs	16,710	16,710	-
Total direct and indirect costs	66,756	66,756	-
Less offsetting savings	-	(11,713)	(11,713)
Total program costs	<u>\$ 66,756</u>	55,043	<u>\$ (11,713)</u>
Less amount paid by the State ¹		(55,043)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs:			
Salaries and benefits	\$ 49,040	\$ 49,040	\$ -
Contract services	2,800	2,800	-
Total direct costs	51,840	51,840	-
Indirect costs	16,654	16,654	-
Total direct and indirect costs	68,494	68,494	-
Less offsetting savings	-	(9,098)	(9,098)
Total program costs	<u>\$ 68,494</u>	59,396	<u>\$ (9,098)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 59,396</u>	

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Salaries and benefits	\$ 49,741	\$ 49,741	\$ -
Indirect costs	18,364	18,364	-
Total direct and indirect costs	68,105	68,105	-
Less offsetting savings	-	(122,630)	(122,630)
Subtotal	68,105	(54,525)	(122,630)
Adjustment to eliminate negative balance	-	54,525	54,525
Total program costs	<u>\$ 68,105</u>	-	<u>\$ (68,105)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Salaries and benefits	\$ 51,880	\$ 51,880	\$ -
Indirect costs	18,910	18,910	-
Total direct and indirect costs	70,790	70,790	-
Less offsetting savings	-	(122,685)	(122,685)
Subtotal	70,790	(51,895)	(122,685)
Adjustment to eliminate negative balance	-	51,895	51,895
Total program costs	<u>\$ 70,790</u>	-	<u>\$ (70,790)</u>
Less amount paid by the State ¹		-	
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	\$ 56,440	\$ 56,440	\$ -
Indirect costs	22,322	22,322	-
Total direct and indirect costs	78,762	78,762	-
Less offsetting savings	-	(10,485)	(10,485)
Total program costs	<u>\$ 78,762</u>	68,277	<u>\$ (10,485)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 68,277</u>	

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Review</u>	<u>Review Adjustment</u>
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Salaries and benefits	\$ 63,980	\$ 63,980	\$ -
Indirect costs	24,057	24,057	-
Total direct and indirect costs	88,037	88,037	-
Less offsetting savings	-	(11,226)	(11,226)
Total program costs	<u>\$ 88,037</u>	76,811	<u>\$ (11,226)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 76,811</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs:			
Salaries and benefits	\$ 68,539	\$ 68,539	\$ -
Indirect costs	26,635	26,635	-
Total direct and indirect costs	95,174	95,174	-
Less offsetting savings	-	(11,756)	(11,756)
Total program costs	<u>\$ 95,174</u>	83,418	<u>\$ (11,756)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 83,418</u>	
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 18,909	\$ 18,909	\$ -
Indirect costs	7,102	7,102	-
Total direct and indirect costs	26,011	26,011	-
Less offsetting savings	-	(2,966)	(2,966)
Total program costs	<u>\$ 26,011</u>	23,045	<u>\$ (2,966)</u>
Less amount paid by the State ¹		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 23,045</u>	

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment
<u>Summary: July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 470,131	\$ 470,131	\$ -
Contract services	14,599	14,599	-
Total direct costs	484,730	484,730	-
Indirect costs	174,237	174,237	-
Total direct and indirect costs	658,967	658,967	-
Less offsetting savings	-	(306,596)	(306,596)
Subtotal	658,967	352,371	(306,596)
Adjustment to eliminate negative balance	-	106,420	106,420
Total program costs	<u>\$ 658,967</u>	458,791	<u>\$ (200,176)</u>
Less amount paid by the State ¹		(147,844)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 310,947</u>	

¹ Payment information current as of April 8, 2016

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**]. The Commission amended the parameters and guidelines on September 26, 2008 [**Exhibit B, page 51**], 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 60**]:

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 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 63]. On December 1, 2008, the SCO amended the IWM claiming instructions to be consistent with the amended parameters and guidelines [Exhibit C, page 84]. The amended claiming instructions provided community college districts the ability to refile their FY 1999-2000 through FY 2007-08 claims to report the required offsetting savings.

II. STATUTE OF LIMITATIONS FOR REVIEW

Issue

The district asserts that the three-year statute of limitations to start the review had expired for FY 2000-01 when the SCO commenced the audit.

SCO's Analysis

Government Code section 17558.5, subdivision (a), states:

A reimbursement claim . . . 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....

The initial payment of the claim was made on January 28, 2011. The SCO initiated its review by sending an email to the district on January 17, 2014 [Tab 4]. The SCO sent a remittance advice to the district dated January 28, 2011, notifying the district of payment made on that date pursuant to Chapter 724, Statutes 2010 (Assembly Bill No. 1610) totaling \$8,406 [Tab 5]. This amount was applied to the FY 2000-01 claim filed by the district. Included with the remittance advice was a schedule detailing how the payment was applied to the district's claims. Therefore, the SCO complied with Government Code section 17558.5, subdivision (a) because the review was initiated within three years of the date of initial payment.

District's Response:

The District asserts that the three-year statute of limitations to start the audit had expired for FY 2000-01 when the Controller commenced the audit. Pursuant to Chapter 724, Statutes of 2010, an appropriation was made to the District by January 14, 2011 for FY 2000-01 for \$8,404 (sic). The exact date of payment is a matter of record not available to the District but that can be produced by the Controller.

Government Code Section 17558.5 (as amended by Statutes of 2004, Chapter 890, Section 18, operative January 1, 2005) states:

- (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. (*Emphasis added*)

The audit commencement date is the date of first contact made by Controller to the claimant. Jim Spano, Bureau Chief, Mandated Cost Audit Bureau, State Controller's Office, in an e-mail (see Exhibit A) dated

November 22, 2011, to Nancy Patton, Assistant Executive Director of the Commission at that time, and Keith Petersen (SixTen and Associates) stated the following:

At the same meeting, Commission staff asked what we believe constitutes the initiation of an audit pursuant to Government Code section 17558.5. *We consider the event that initiates an audit pursuant to Government Code section 17558.5 to be the date of the initial contact by the SCO to the auditee (generally a telephone contact) to inform them and put them on notice of the SCO's intention to perform the audit.* In addition, we consider this same date as the event that commences the two-year period to complete an audit pursuant to Government Code section 17558.5. (*Emphasis added*).

The audit report states that the first contact the District received regarding this audit was January 17, 2014, which is more than three years after the January 14, 2011, appropriation for the FY 2000-01 annual claim. Therefore, the Controller did not have jurisdiction to audit FY 2000-01.

SCO's Comment:

The district acknowledges in its response that it does not know the date of the apportionment made to the district pursuant to Assembly Bill No. 1610. Regardless, the district states its opinion that the district's apportionment was made by January 14, 2011, which is incorrect. As noted in the SCO remittance advice provided to the district [Tab 5], the apportionment for the Assembly Bill No. 1610 payment that the district received was dated January 28, 2011. Therefore, the SCO did have jurisdiction to review the district's claim for FY 2000-01 claim by initiating the review on January 17, 2014.

III. DISTRICT UNREPORTED OFFSETTING SAVINGS

Issue

For the period of July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011, the district did not report any offsetting savings on its mandated costs claims. We found that the district realized savings of \$306,596 from implementation of its IWM plan [Exhibit A, page 33].

The district believes that none of the cost savings were realized by the district, as required by the parameters and guidelines.

SCO's Analysis:

The amended parameters and guidelines require districts to report reduced or avoided costs realized from implementation of the community college district's IWM plan, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1 [Exhibit B, page 60].

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, 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 Gavilan 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 \$658,967 should have been reduced by \$200,176 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. The audit report merely states that the Controller has "determined that the district had reduced or avoided costs" apparently, and only, as a result of increased diversion of solid waste.

3. Realized Cost Savings

The parameters and guidelines language does not assume that the cost savings occurred, but instead requires that the cost savings be *realized*. The amended parameters and guidelines, relying upon the court decision, state that "(r)educed or avoided costs *realized* from implementation of the community college 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 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 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 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 suggests 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 32 audits of this mandate published by the Controller (as of the date of this document). The Controller’s use of this formula for audit purposes is a standard of general application without appropriate state agency rulemaking and is therefore unenforceable (Government Code Section 11340.5). The formula is not an exempt audit guideline (Government Code Section 11340.9(e)). State agencies are prohibited from enforcing underground regulations. If a state agency issues, enforces, or attempts to enforce a rule without following the Administrative Procedures Act, when it is required to, the rule is called an “underground regulation.” Further, the audit adjustment is a financial penalty against the District, and since the adjustment is based on an underground regulation, the formula cannot be used for the audit adjustment (Government Code Section 11425.50).

b. The Controller’s formula assumes facts not in evidence

The audited offsetting cost savings is the sum of three components: the “allocated” diversion percentage, multiplied by the tonnage diverted, multiplied by a landfill disposal cost per ton. The Controller’s calculation method includes several factual errors that make it useless as a basis of determining potential cost savings.

1. Allocated diversion percentage: The audit report uses the diversion percentage reported by the District to the state (CalRecycle) for each year until 2008 at which time this statistic was no longer available from CalRecycle. 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 the 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 is 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 cost to dispose of a ton of waste, ranging from \$36 to \$56 per ton, based on data said to be obtained from CalRecycle. The audit report does not include the CalRecycle statewide data used to generate these average fee amounts. Thus, the source of the average or actual costs that comprise the average is unknown and unsupported by audit findings.

5. Application of the Formula

The audit calculated cost savings of \$306,596, of which \$200,176 was applied to the annual claims:

<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	\$ 27,631	\$ 26,333	\$ 1,298	\$ 1,298	\$ -
FY 2000-01	\$ 69,207	\$ 66,468	\$ 2,739	\$ 2,739	\$ -
FY 2003-04	\$ 66,756	\$ 55,043	\$ 11,713	\$ 11,713	\$ -
FY 2004-05	\$ 68,494	\$ 59,396	\$ 9,098	\$ 9,098	\$ -
FY 2005-06	\$ 68,105	\$ -	\$ 122,630	\$ 68,105	\$ 54,525
FY 2006-07	\$ 70,790	\$ -	\$ 122,685	\$ 70,790	\$ 51,895
FY 2007-08	\$ 78,762	\$ 68,277	\$ 10,485	\$ 10,485	\$ -
FY 2008-09	\$ 88,037	\$ 76,811	\$ 11,226	\$ 11,226	\$ -
FY 2009-10	\$ 95,174	\$ 83,418	\$ 11,756	\$ 11,756	\$ -
FY 2010-11	\$ 26,011	\$ 23,045	\$ 2,966	\$ 2,966	\$ -
Totals	\$ 658,967	\$ 458,791	\$ 306,596	\$ 200,176	\$ 106,420

The "excess" adjustment amount means the adjustment exceeded the amount claimed by the District for all program costs for two 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 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 results² to date that the application of the formula has only arbitrary results. The following table indicates the percentage of the 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>
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
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
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
Redwoods Community College District	83.4%	04/11/2014

² The Controller's audit report are available at http://www.sco.ca.gov/aud_mancost_commcolleges_costrpt.html

The District agrees that any relevant 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 \$306,596 from implementation of its IWM plan [**Exhibit A, page 33**]. However, because the offsetting savings adjustment for FY 2005-06 and FY 2006-07 resulted in a negative balance due to the district, we adjusted the district's claims by a net of \$200,176.

The district believes that the SCO's offsetting savings adjustment is inappropriate because "none of these alleged cost savings were the realized by the District as required by the parameters and guidelines."

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 non-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 other than to contract with a commercial waste hauler. Therefore, comments relating to legal requirements regarding alternatives for the disposal of solid waste are irrelevant.

Besides, the district acknowledges its use of landfills for solid waste disposal. In its annual waste management report to CalRecycle, the district states the following:

- Gavilan’s actual waste stream (i.e. kinds and quantities of materials *disposed in landfills*) has not changed significantly since submission of the original IWM Plan. [emphasis added, **Tab 6, page 6**]
- Gavilan’s waste stream (i.e. kinds of materials *disposed in landfills*) has not changed since the Integrated Waste Management Plan was submitted. [emphasis added, **Tab 6, pages 8, 10 and 12**]

Further, the district reported to CalRecycle that it *disposed* of 182.0 tons of trash in calendar year 2000 [**Tab 6, page 1**], 193.2 tons in calendar year 2001 [**Tab 6, page 3**], 204.0 tons in calendar year 2003 [**Tab 6, page 5**], 161.8 tons in calendar year 2004 [**Tab 6, page 7**], 161.8 tons in calendar year 2005 [**Tab 6, page 9**], 181.0 tons in calendar year 2006 [**Tab 6, page 11**], 161.8 tons in calendar year 2007 [**Tab 6, page 13**], 90.70 tons in calendar year 2008 [**Tab 6, page 15**], 106.35 tons in calendar year 2009 [**Tab 6, page 17**], and 84.80 tons in calendar year 2010 [**Tab 6, page 19**]. Within the narrative of these reports, the district acknowledges its use of a “garbage hauling company” and mentions that they use Recology South Valley [**Tab 6, pages 16, 18 and 20**]. The district does not indicate in these annual reports that it used any other methodology to dispose of solid waste other than in the landfill.

Therefore, the evidence reviewed by the SCO supports that the district normally disposes of its waste at a landfill with the use of a commercial waste hauler.

- *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.” We disagree.

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. Gavilan Community College District is located in Gilroy, California. An internet search for landfill fees revealed that the Buena Vista Sanitary Landfill in Wastonville, California, currently charges between \$59 and \$71 per ton to dispose of solid waste [**Tab 7**]. Thus, the higher rate of diversion results in less trash that is disposed of at a landfill, which creates cost savings for the district.

3. Realized Cost Savings

The district reported that it *diverted* from landfill disposal 103.3 tons in calendar year 2000 [Tab 6, page 1], 123.6 tons in calendar year 2001 [Tab 6, page 3], 626.20 tons in calendar year 2003 [Tab 6, page 5], 261.8 tons in calendar year 2004 [Tab 6, page 7], 354.0 tons in calendar year 2005 [Tab 6, page 9], 10,045.4 tons in calendar year 2006 [Tab 6, page 11], and 261.8 tons in calendar year 2007 [Tab 6, page 13], 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.

Public Resources Code section 42925(a) requires that cost savings realized as a result of implementing an IWM plan be redirected to fund IWM plan implementation and administration costs 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 and its failure to perform all of what it calls “prerequisite events” does not preclude it from the requirement to do so.

The amended parameters and guidelines, section VIII (Offsetting Cost Savings) state [Exhibit B, page 60]:

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 8, 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 the district realized savings through diversion activities, and the savings are required to be remitted to the State and are to 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 (Government Code section 11340.5).” 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:

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, **Tab 8, page 7**].

The ruling goes on to state:

The amount or value of the savings may be determined from the calculations of annual solid waste disposal reduction or diversion which California Community Colleges must annually report to petitioner Integrated Waste Management Board pursuant to subdivision (b)(1) of Public Resources Code section 42926. [**Tab 8, page 7**]

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**]. 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 had to be re-filed with the SCO on or before March 31, 2009 [**Exhibit C, page 85**].

The district's IWM claims for FY 1999-2000, FY 2000-01, FY 2003-04, and FY 2004-05 were filed with the SCO on October 6, 2005. The IWM claim for FY 2005-06 was filed on January 16, 2007, the IWM claim for FY 2006-07 was filed on January 22, 2008, and the IWM claim for FY 2007-08 was filed on February 10, 2009. The district did not amend any of these claims to report the required offset identified in the amended parameters and guidelines. Further, neither the FY 2008-09, FY 2009-10, nor 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 9** and **Exhibit A, page 30**]. We believe that this "court-identified" approach provides a reasonable methodology to identify the required offset.

We informed the district of the adjustment via an email on January 17, 2014 [**Tab 4**]. On March 12, 2014, we emailed the district various attachments, including background information regarding the adjustment as well as the offsetting savings calculation. In addition, we offered to have a meeting with the district to discuss this adjustment in greater detail [**Tab 10**]. On March 20, 2014, we received an email response from Nancy Bailey, Executive Assistant, on behalf of Administrative Services at Gavilan College, stating "The District does not agree with the audit finding or the reduced claim amount, due to audit methodology used to derive the unallowable costs. A telephone Exit Conference regarding this audit of the claim is not requested at this time. Your office may proceed with the audit report. The district may then move forward with an appeal." [**Tab 11**]. Nowhere in the district's email response did the district provide an alternate methodology 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.

For every calendar year, Gavilan 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 6]. Therefore, we “allocated” the offsetting savings so as to not penalize the district by recognizing offsetting savings resulting from the district diverting solid waste above and beyond the applicable requirements of Public Resources Code section 42921.

- o Allocated Diversion Percentage for FY 1999-2000 through 2000-01, and FY 2003-04 through FY 2006-07

For calendar years 2000 through 2007, we used the diversion information exactly as reported annually by the district to CalRecycle. However, we “allocated” the diversion percentage to the mandated level. For example, in calendar year 2007, the district reported to CalRecycle that it diverted 261.8 tons of solid waste and disposed of 161.8 tons, which results in an overall diversion percentage of 61.8% [Tab 6, page 13]. 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 211.80 tons (423.6 total tonnage generated × 50%) in order to satisfy the 50% requirement. Therefore, we adjusted our calculation to compute offsetting savings based on 211.80 tons of diverted solid waste rather than a total of 261.8 tons diverted.

As there is no State mandate to exceed solid waste diversion greater than 25% for calendar years 2000 through 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.

- o Allocated Diversion Percentage for FY 2007-08 through FY 2010-11

The district is correct when it states, “The auditor then used the 2007 percentage for all subsequent years.” 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.” As a result of SB 1016, beginning in calendar year 2008, CalRecycle stopped requiring 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.

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 to divert 50% of its solid waste [Tab 12, page 4].

In reviewing the 2008 [Tab 6, page 15], 2009 [Tab 6, page 17], and 2010 [Tab 6, page 19] annual reports, we found the district’s annual per capita disposal rate for both the employee and student populations to be significantly less than the target rate. Therefore, the district met its requirement to divert 50% of its solid waste. As the district did not provide either the tonnage diverted or the diversion percentage for

calendar years 2008, 2009, and 2010, we used the 2007 diversion information [Tab 7, page 13] to calculate the required offsetting savings for FY 2007-08 through 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.

Further, in the 2009 annual report, when asked to explain what significant changes were made to the waste programs during the year, the district states, "The science club and the athletic association have been recycling aluminum and plastic bottles on campus. We have added 12 ea. new containers throughout the campus" [Tab 6, page 18]. In addition, in the 2010 annual report, the district states again that "More recycling containers were placed on campus" [Tab 6, page 19]. Therefore, it is entirely possible that the district's diversion percentages increased each fiscal year since 2007 with these newly implemented activities and that the offsetting savings calculations we determined for FY 2007-08 through FY 2010-11, which were based on the 2007 diversion information, possibly may be understated.

2. Tonnage Diverted

o Composted Material

The district states, "Composted material, which is a significant amount of the diverted tonnage, would not have gone to the landfill." The district does not identify where this material (e.g. grass, weeds, branches, etc.) would be disposed of if it were not composted. Besides, as a result of this mandated program, the district is claiming nearly \$100,000 in salaries and benefits for its groundskeepers to "divert solid waste from landfill disposal or transformation facilities – composting" [Tab 13]. Therefore, it seems reasonable that the correlated landfill fees that the district did not incur for the composted materials translate into savings realized by the district. Further, such savings should be recognized and appropriately offset against composting costs that the district claimed as part of implementing its IWM plan.

o 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 6]; therefore, it is not included in our offsetting savings calculation [Tab 9 or Exhibit A, page 30].

We agree that hazardous waste (e.g., paint) is not a part of the mandate. In fact, CalRecycle has specified that hazardous waste requires proper handling and does not count as diversion, as follows:

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, pages 1 and 2]:

- o Universal waste – radios, stereo equipment, printers . . .
- o Electronic waste – common electronic devices that are identified as hazardous waste, such as computers . . .

- o Additional hazardous wastes should be properly managed: antifreeze, asbestos, paint, treated wood, used oil, etc.

In compliance with these instructions, the district's Waste Management Annual Reports [Tab 6] sent to CalRecycle did not include information regarding the diversion of hazardous waste.

- o Tonnage Diverted in Calendar Year 2007

The SCO's comments regarding the use of 2007 tonnage information to calculate the required offsetting savings for 2008 through 2010, are the same as previously addressed with regards 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 to \$56 per ton, based on data said to be obtained from CalRecycle."

The calendar year 2001 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 through 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.

As previously identified, an internet search for landfill fees revealed that the Buena Vista Sanitary Landfill in Watsonville, California currently charges between \$59 and \$71 per ton to dispose of solid waste [Tab 7]. Therefore, we believe that the \$36 to \$56 statewide average disposal fee used to calculate the offsetting savings realized by the district is reasonable. 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

The district states, "The District did not claim landfill costs, so there are none to be offset." This comment is irrelevant because the mandated program does not reimburse claimants for landfill costs incurred to dispose of solid waste. 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 8, 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].

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 some of the following activities: 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 60**]:

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 55**]

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 55**]

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 57**]

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."

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.

IV. OFFSETTING REVENUES AND REIMBURSEMENTS

Issue

The district did not deposit any revenue into the State IWM Account. In addition, had the district reported recycling income as a reduction of total claimed costs, it would not have been subject to appropriation in the form of cost savings because recycling revenues are not offsetting costs savings.

SCO's Analysis:

We agree with the district.

District's Response:

B. OFFSETTING REVENUES AND REIMBURSEMENTS

The audit report correctly states that this District did not deposit any revenue into the State IWM Account, but there is no such requirement to do so for community colleges. Recycling revenues are not offsetting cost savings, but are offsetting revenues generated from implementing the IWM plan. Regarding recycling revenues, the court stated:

Although Public Contract Code sections 12167 and 12167.1 apply to California Community Colleges for the purpose of offsetting savings pursuant to the terms of Public Resources Code section 42925, sections 12167 and 12167.1 *do not apply to the colleges for the purpose of offsetting revenues or, indeed, any other purpose* [emphasis added by district]. Sections 12167 and 12167.1 apply exclusively to state agencies and institutions; the colleges, which are school districts rather than state agencies, are not specifically defined as state agencies for purposes of the State Assistance for Recycling Markets Act of which sections 12167 and 12167.1 are a part. Therefore, sections 12167 and 12167.1 do not properly govern the revenues generated by the colleges' recycling activities pursuant to their IWM plans. *The limits and conditions placed by sections 12167 and 12167.1 on the expenditure of recycling revenues for the purpose of offsetting recycling program costs are simply inapplicable to the revenues generated by the colleges' recycling activities* [emphasis added by district].

The provisions of Public Resources Code section 42920 et seq. do not address the use of revenues generated by recycling activities of California Community Colleges under IWM plans to offset reimbursable plan costs. *Thus, use of the revenues to offset reimbursable IWM plan costs is governed by the general principles of state mandates, that only the actual increased costs of a state-mandated program are reimbursable and, to that end, revenues provided for by the state-mandated program must be deducted from program costs* [emphasis added by district]. (See Cal. Const., art. XII B, § 6; Gov. Code §§ 17154, 17556, subd. (e); *County of Fresno v. State of California* (1991) 51 Cal.3d 482, 487; *County of Sonoma v. Commission on State Mandates*, (2000) 84 Cal.App.4th 1264, 1284.) These principles are reflected in the respondent's regulation which requires, without limitation or exception, the identification of offsetting revenues in the parameters and guidelines for reimbursable cost claims. (Cal. Code Regs., tit. 2, §1183.1(a)(7).) *Emphasis added.*

The amended and retroactive parameters and guidelines adopted September 26, 2008, state:

VII. OFFSETTING REVENUES AND REIMBURSEMENTS

Reimbursement for this mandate from any source, including but not limited to, service fees collected, federal funds, and other state funds allocated to any service provided under this program, shall be identified and offset from this claim. Offsetting revenue shall include all revenues generated from implanting the Integrated Waste Management Plan.

Therefore, had the District reporting recycling income as a reduction of total claimed costs it would not have been subject to state appropriation in the form of cost savings.

SCO's Comment:

No adjustment was made to the district's claims with regard to offsetting revenues and reimbursements; therefore, we are uncertain as to why the district included this comment in its IRC filing.

V. PROCEDURAL ISSUES

Issue

The district asserts that none of the adjustments made were because program costs claimed were excessive or unreasonable, which is the only mandated cost audit standard in statute. Also, the district states that the Controller did not provide evidence to support its 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...."¹ The district's mandated cost claims exceeded the proper amount based on the reimbursable costs allowable per statutory language and the program's parameters and guidelines. Therefore, the district's comments regarding the Administrative Procedure Act are irrelevant.

¹ Merriam-Webster's Collegiate Dictionary, Tenth Edition, © 2001

2. Burden of Proof

The district's statement mentions what it calls "fictional data" and "factual assumptions" used as a basis for the adjustments made to the district's claims. However, the data that the SCO used to calculate the offsetting savings adjustments were based on information maintained by the district and reported by the district to CalRecycle as a result of implementing its IWM plan [Tab 6]. Further, the tonnage amounts reported to CalRecycle are hardly "fictional." When questioned by CalRecycle as to how the reported tonnage amounts were determined, the district stated,

Actual hauler tonnages were obtained for disposal debris boxes. Other disposal and diversion tonnage was calculated and converted from volume, based upon number of containers, frequency of collection, and average fullness, using CIWMB conversion factors. Estimated counts, sizes, and volumes of certain other materials, such as paper used by Reprographics, bookstore book buybacks, cardboard box reuse, paper form reductions, grass and landscape trims collected for mulch, and tires were converted to tonnage using the CIWMB conversion factors. [Tab 6, page 6]

In addition, we used a statewide average disposal fee based on information provided by CalRecycle [Tabs 15, 16 and 17].

The district is correct when it states that we advised the district of our adjustments to its claims. In an email dated March 12, 2014 [Tab 10], we provided the district with the following information:

- Offsetting Savings Calculation [Tab 9]
- Narrative of Finding (identified as Attachment 3 in the review report) [Exhibit A, page 33]
- Waste Management Annual Reports of Diversion [Tab 6]
- September 10, 2008 Final Staff Analysis (from the Commission on State Mandates)
- Amended Parameters and Guidelines [Exhibit B, page 50]
- Fiscal Analysis (Summary of claimed, allowable, and unallowable costs by fiscal year (identified as Attachment 1 in the review report [Exhibit A, page 26]

As mentioned earlier, we informed the district of the adjustment via an email on January 17, 2014 [Tab 4]. On March 12, 2014, we emailed the district various attachments, including background information regarding the adjustment as well as the offsetting savings calculation. In addition, we offered to have a meeting with the district to discuss this adjustment in greater detail [Tab 10]. On March 20, 2014, we received an email response from Nancy Bailey, Executive Assistant, on behalf of Administrative Services at Gavilan College, stating "The District does not agree with the audit finding or the reduced claim amount, due to audit methodology used to derive the unallowable costs. A telephone Exit Conference regarding this audit of the claim is not requested at this time. Your office may proceed with the audit report. The district may then move forward with an appeal." [Tab 11].

VI. CONCLUSION

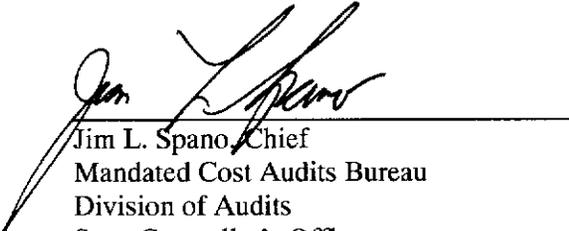
The SCO reviewed Gavilan Community College District's claims for costs of the legislatively mandated Integrated Waste Management Program (Chapter 1116, Statutes of 1992; and Chapter 764, Statutes of 1999) for the period of July 1, 1999, through June 30, 2001; and July 1, 2003 through June 30, 2011. The district did not report any offsetting savings. We found that the district realized savings of \$306,596 from implementation of its IWM plan. However, because the offsetting savings adjustment for FY 2005-06 and FY 2006-07 resulted in a negative balance due to the district, we adjusted the district's claims by a net of \$200,176.

In conclusion, the Commission on State Mandates should find that: (1) the SCO reviewed the district's FY 2000-01 claim within the timeframe permitted by Government Code section 17558.5, subdivision (a); (2) the SCO correctly reduced the district's FY 1999-00 claim by \$1,298; (3) the SCO correctly reduced the district's FY 2000-01 claim by \$2,739; (4) the SCO correctly reduced the district's FY 2003-04 claim by \$11,713; (5) the SCO correctly reduced the district's FY 2004-05 claim by \$9,098; (6) the SCO correctly reduced the district's FY 2005-06 claim by \$68,105; (7) the SCO correctly reduced the district's FY 2006-07 claim by \$70,790; (8) the SCO correctly reduced the district's FY 2007-08 claim by \$10,485; (9) the SCO correctly reduced the district's FY 2008-09 claim by \$11,226; (10) the SCO correctly reduced the district's FY 2009-10 claim by \$11,756; and, (11) the SCO correctly reduced the district's FY 2010-11 claim by \$2,966.

VII. 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 April 14, 2016, 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

12
13 **STATE OF CALIFORNIA DEPARTMENT OF**
FINANCE, CALIFORNIA INTEGRATED
14 **WASTE MANAGEMENT BOARD,**

15 Petitioner,

16 v.

17 **COMMISSION ON STATE MANDATES,**

18 Respondent,

19 **SANTA MONICA COMMUNITY COLLEGE**
20 **DISTRICT, LAKE TAHOE COMMUNITY**
COLLEGE DISTRICT,

21 Real Parties in Interest.
22

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 ///

~~PROPOSED~~ JUDGMENT

1

Case No: 07CS00355

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

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:

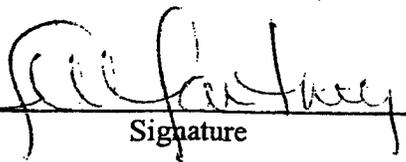
I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General 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

Tab 4

Kurokawa, Lisa

From: Kurokawa, Lisa
Sent: Friday, January 17, 2014 4:29 PM
To: 'tnewman@gavilan.edu'
Cc: 'jkeeler@gavilan.edu'; Bonezzi, Alexandra L.
Subject: Adjustment to Gavilan CCD's Integrated Waste Management Claims

Mr. Newman,

My name is Lisa Kurokawa and I'm an Audit Manager with the State Controller's Office, Division of Audits, Mandated Cost Bureau. I am contacting you because the State Controller's Office will be adjusting the district's Integrated Waste Management Claims for FY 1999-00 through FY 2000-01, and FY 2003-04 through FY 2010-11 because the district did not offset any savings (e.g. avoided landfill disposal fees) received as a result of implementing the district's IWM Plan.

I will notify you, via email, of the exact adjustment amount later next week. Also, included in this email, will be documentation to support the adjustment.

If you have any questions at this time, please don't hesitate to ask.

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

CONFIDENTIALITY NOTICE: This communication with its contents as well as any attachments may contain confidential and/or legally privileged information. It is solely for the use of the intended recipient(s). Unauthorized interception, review, use or disclosure is prohibited and may violate applicable laws including the Electronic Communications Privacy Act. If you are not the intended recipient, please contact the sender and destroy all copies of the communication.

Tab 5

CONTROLLER OF CALIFORNIA, STATE OF CALIFORNIA

P O BOX 942850, SACRAMENTO, CA 94250-0001

REMITTANCE ADVICE

CLAIM SCHEDULE NUMBER: 1000149A
PAYMENT ISSUE DATE: 01/28/2011

SANTA CLARA CO TREASURER K12 EDUCATION AND COMM COLLEGE
PO BOX 1406

SACRAMENTO, CA 95812

Financial Activity

Additional Description:

Part B of chapter 1308/71- Apportionments to Public Community Colleges.

Community Colleges

Fiscal Year: 2010

Collection Period: 07/01/2010 To 06/30/2011

Payment Calculations:

2010/11 Community Colleges Mandate Payments AB 1610	1,252,953.00
2010-11 1st Quarter VTEA Supplemental Apportionment	0.00
Adjustment	0.00

Gross Claim \$1,252,953.00

Net Claim / Payment Amount \$1,252,953.00

YTD Amount: \$71,619,064.00

For assistance, please call: John Herzer at (916) 324-8361

STATE CONTROLLER'S OFFICE
Division of Accounting and Reporting
AB 1610 CH 724, STATUTES of 2010 Apportionment Payment for California Community Colleges
Fiscal Year 2010 - 11
January 2011
Apportionment Date - January 28, 2011

County	District	District Amount	Description of Payments	Net to County
Alameda	Chabot-Las Positas	\$ 334,686.00	AB 1610 CH 724, STATUTES of 2010	
	Ohlone	145,016.00	AB 1610 CH 724, STATUTES of 2010	
	Peralta	394,054.00	AB 1610 CH 724, STATUTES of 2010	
Alameda Total				\$ 873,756.00
Butte	Butte	206,603.00	AB 1610 CH 724, STATUTES of 2010	206,603.00
Contra Costa	Contra Costa	576,853.00	AB 1610 CH 724, STATUTES of 2010	576,853.00
El Dorado	Lake Tahoe	36,559.00	AB 1610 CH 724, STATUTES of 2010	36,559.00
Fresno	State Center	572,643.00	AB 1610 CH 724, STATUTES of 2010	
	West Hills	93,891.00	AB 1610 CH 724, STATUTES of 2010	
Fresno Total				666,534.00
Humboldt	Redwoods	101,410.00	AB 1610 CH 724, STATUTES of 2010	101,410.00
Imperial	Imperial	130,020.00	AB 1610 CH 724, STATUTES of 2010	130,020.00
Kern	Kern	386,397.00	AB 1610 CH 724, STATUTES of 2010	
	West Kern	50,886.00	AB 1610 CH 724, STATUTES of 2010	
Kern Total				437,283.00
Lassen	Lassen	31,183.00	AB 1610 CH 724, STATUTES of 2010	31,183.00
Los Angeles	Antelope Valley	205,709.00	AB 1610 CH 724, STATUTES of 2010	
	Cerritos	319,307.00	AB 1610 CH 724, STATUTES of 2010	
	Citrus	208,299.00	AB 1610 CH 724, STATUTES of 2010	
	Compton	99,578.00	AB 1610 CH 724, STATUTES of 2010	
	El Camino	364,436.00	AB 1610 CH 724, STATUTES of 2010	
	Glendale	321,758.00	AB 1610 CH 724, STATUTES of 2010	
	Long Beach	375,531.00	AB 1610 CH 724, STATUTES of 2010	
	Los Angeles	1,924,617.00	AB 1610 CH 724, STATUTES of 2010	
	Mt. San Antonio	534,429.00	AB 1610 CH 724, STATUTES of 2010	
	Pasadena Area	418,923.00	AB 1610 CH 724, STATUTES of 2010	
	Rio Hondo	261,149.00	AB 1610 CH 724, STATUTES of 2010	
	Santa Clarita	289,860.00	AB 1610 CH 724, STATUTES of 2010	
	Santa Monica	413,930.00	AB 1610 CH 724, STATUTES of 2010	
Los Angeles Total				5,737,526.00
Marin	Marin	90,611.00	AB 1610 CH 724, STATUTES of 2010	90,611.00
Mendocino	Mendocino-Lake	52,170.00	AB 1610 CH 724, STATUTES of 2010	52,170.00
Merced	Merced	182,700.00	AB 1610 CH 724, STATUTES of 2010	182,700.00
Monterey	Hartnell	133,469.00	AB 1610 CH 724, STATUTES of 2010	
	Monterey Peninsula	140,656.00	AB 1610 CH 724, STATUTES of 2010	
Monterey total				274,125.00
Napa	Napa Valley	116,209.00	AB 1610 CH 724, STATUTES of 2010	116,209.00
Orange	Coast	634,760.00	AB 1610 CH 724, STATUTES of 2010	
	North Orange County	673,877.00	AB 1610 CH 724, STATUTES of 2010	
	Rancho Santiago	539,128.00	AB 1610 CH 724, STATUTES of 2010	
	South Orange County	469,342.00	AB 1610 CH 724, STATUTES of 2010	
Orange Total				2,317,107.00
Placer	Sierra	274,698.00	AB 1610 CH 724, STATUTES of 2010	274,698.00
Plumas	Feather River	27,799.00	AB 1610 CH 724, STATUTES of 2010	27,799.00
Riverside	Desert	159,291.00	AB 1610 CH 724, STATUTES of 2010	
	Mt. San Jacinto	231,563.00	AB 1610 CH 724, STATUTES of 2010	
	Palo Verde	33,988.00	AB 1610 CH 724, STATUTES of 2010	
	Riverside	548,390.00	AB 1610 CH 724, STATUTES of 2010	
Riverside Total				973,232.00
Sacramento	Los Rios	1,051,725.00	AB 1610 CH 724, STATUTES of 2010	1,051,725.00
San Bernardino	Barstow	51,784.00	AB 1610 CH 724, STATUTES of 2010	
	Chaffey	262,767.00	AB 1610 CH 724, STATUTES of 2010	
	Copper Mt.	27,541.00	AB 1610 CH 724, STATUTES of 2010	
	San Bernardino	282,224.00	AB 1610 CH 724, STATUTES of 2010	
	Victor Valley	184,660.00	AB 1610 CH 724, STATUTES of 2010	
San Bernardino Total				808,976.00
San Diego	Grossmont-Cuyamaca	372,267.00	AB 1610 CH 724, STATUTES of 2010	
	Mira Costa	182,115.00	AB 1610 CH 724, STATUTES of 2010	
	Palomar	370,930.00	AB 1610 CH 724, STATUTES of 2010	
	San Diego	747,874.00	AB 1610 CH 724, STATUTES of 2010	
	Southwestern	286,996.00	AB 1610 CH 724, STATUTES of 2010	
San Diego Total				1,960,182.00
San Francisco	San Francisco	624,469.00	AB 1610 CH 724, STATUTES of 2010	624,469.00
San Joaquin	San Joaquin Delta	299,620.00	AB 1610 CH 724, STATUTES of 2010	299,620.00
San Luis Obispo	San Luis Obispo	172,104.00	AB 1610 CH 724, STATUTES of 2010	172,104.00
San Mateo	San Mateo	406,102.00	AB 1610 CH 724, STATUTES of 2010	406,102.00
Santa Barbara	Allan Hancock	177,902.00	AB 1610 CH 724, STATUTES of 2010	
	Santa Barbara	292,908.00	AB 1610 CH 724, STATUTES of 2010	
Santa Barbara Total				470,810.00
Santa Clara	Foothill-Deanza	582,788.00	AB 1610 CH 724, STATUTES of 2010	
	Gavilan	98,878.00	AB 1610 CH 724, STATUTES of 2010	
	San Jose-Evergreen	264,296.00	AB 1610 CH 724, STATUTES of 2010	
	West Valley-Mission	306,991.00	AB 1610 CH 724, STATUTES of 2010	
Santa Clara Total				1,252,953.00
Santa Cruz	Cabrillo	236,353.00	AB 1610 CH 724, STATUTES of 2010	236,353.00
Shasta	Shasta-Tehama-Trinity	149,432.00	AB 1610 CH 724, STATUTES of 2010	149,432.00
Siskiyou	Siskiyou	46,803.00	AB 1610 CH 724, STATUTES of 2010	46,803.00
Solano	Solano	167,121.00	AB 1610 CH 724, STATUTES of 2010	167,121.00
Sonoma	Sonoma	370,177.00	AB 1610 CH 724, STATUTES of 2010	370,177.00
Stanislaus	Yosemite	325,271.00	AB 1610 CH 724, STATUTES of 2010	325,271.00
Tulare	Sequoias	191,957.00	AB 1610 CH 724, STATUTES of 2010	191,957.00
Ventura	Ventura	520,805.00	AB 1610 CH 724, STATUTES of 2010	520,805.00
Yuba	Yuba	145,762.00	AB 1610 CH 724, STATUTES of 2010	145,762.00
Total		0.00	\$ 22,307,000.00	\$ 22,307,000.00

State Controller's Office
 Division of Accounting and Reporting
 Apportionment Payment Applied to State Mandated Claims
 Claimant's Account Summary
 As of December 1, 2012

Claimant Name: GAVILAN COMMUNITY COLLEGE DISTRICT

Apportionment Amount: \$ 98,878

(A) Program Name	(B) Program Number	(C) Legal Reference	(D) Fiscal Year	(E) Claim Offset	(F) Accrued Interest Offset	(G) Apportionment Offset (E)+(F)
Collective Bargaining	232	Ch. 961/75	19992000	\$ -	\$ 3,882	\$ 3,882
Collective Bargaining	232	Ch. 961/75	20002001	-	2,215	2,215
Collective Bargaining	232	Ch. 961/75	20012002	-	222	222
Collective Bargaining	232	Ch. 961/75	20022003	-	6,104	6,104
Collective Bargaining	232	Ch. 961/75	20032004	76,099	-	76,099
Integrated Waste Management	256	Ch. 1116/92	20002001	8,406	-	8,406
Mandate Reimbursement Process	237	Ch. 486/75	20002001	-	114	114
Mandate Reimbursement Process	237	Ch. 486/75	20012002	-	274	274
Mandate Reimbursement Process	237	Ch. 486/75	20022003	-	676	676
Mandate Reimbursement Process	237	Ch. 486/75	20032004	-	625	625
Open Meetings/ Brown Act Reform	238	Ch. 641/86	20012002	-	63	63
Open Meetings/ Brown Act Reform	238	Ch. 641/86	20022003	-	116	116
Open Meetings Act II	254	Ch. 641/86	20002001	-	82	82
Gavilan Community College District Total				\$ 84,505	\$ 14,373	\$ 98,878

38

Tab 6

2000



State Agency Reporting Center: Waste Management Annual Report
2000 SARC Annual Report: Gavilan Community College District

New Search | Agency Detail

Facilities | Annual Per Capita Disposal | Programs

Physical Address
5055 Santa Teresa Blvd.
Gilroy, CA 95020

CalRecycle Representative
Christopher Bria
Christopher.Bria@CalRecycle.ca.gov
(916) 324-3560 x

Total Number of Employees including Facilities:0
Recycling Coordinator: Jeff Gopp jgopp@gavilan.edu (408) 848-4705

Facilities

No Facilities exist for this Agency

Annual Per Capita Disposal

Diversion Program Summary

Total Tonnage Diverted: 103.3

Total Tonnage Disposed: 182.0

Total Tonnage Generated: 285.3

Overall Diversion Percentage: 36.2%

1/1/00 - 6/30/00 : 51.65
7/1/00 - 12/31/00 : 51.65
103.30

Questions

What is the mission statement of the State agency/large State facility?

In an environment that nurtures creativity and intellectual curiosity, Gavilan College serves the community by providing a high quality learning experience and preparing students for higher education, technical and public service careers, lifelong learning, and participation in a diverse global society.

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.

The Waste Generation and Diversion Table (Question 3) provides information on the basic components of the waste stream, where the components are generated, and what is currently being done to reduce wastes.

Based on the worksheet (Part III), what is currently being done to reduce waste?

The Waste Generation and Diversion Table below provides information on the basic components of the waste stream, where the components are generated, and what is currently being done to reduce wastes. WASTE GENERATION AND DIVERSION PLAN COMPONENT: WHERE GENERATED: HOW WASTE IS REDUCED Mixed Paper: Throughout campus: Prevented, reused, or collected for recycling (expansion proposed-2002) Cardboard: Throughout campus, especially at Cafeteria, Bookstore and Reprographics: Reused or collected for recycling (expansion proposed-2002) Beverage Containers: Throughout campus, especially near Student Center. Collected for recycling (expansion proposed-2002) Confidential Documents: Various departments, especially Finance and Admissions & Records: Collected with mixed paper for recycling (expanded proposed-2002) Scrap Metal: Facilities and Theatre: Collected for recycling (existing for Facilities; proposed for Theatre-2003) Scrap Wood: Theatre and Facilities: Collect for wood recovery (proposed-2003) Pallets: Facilities: Returned to delivery vendors or collected for wood recovery Toner Cartridges: Throughout campus wherever there are printers and copiers: Collected and returned to the vendor. Outdated Technology equipment: Throughout campus: Repaired when possible; surpluses for public auction; recycled (expansion proposed-2003) Outdated and broken furniture (tables and chairs, desks, etc.): Throughout campus: Repaired when possible; surplus for public auction; recycled (expansion proposed-2003) Lost Items (clothes, books, and sundries): Collected at switchboard: Donated to non-profit organizations. Construction and Demolition Wastes: Throughout campus whenever projects occur. Construction site waste minimization plans (proposed-2002) Lawn Trimmings: Athletic fields and interior lawns: Collected for composting and/or mulching Lawn Trimmings: Sport Park Athletic field: Left on lawn for grasscycling Pruning and landscape trimmings: Throughout campus: Collected for on-site chipping and reuse as mulch Large Tree branches and stumps: Throughout campus: Collected for on-site chipping (proposed-2002)

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.

OFFICE OF THE PRESIDENT Environmental Policy: Adopt a District-Wide environmental policy to designate specific objectives for waste reduction, corresponding to the objectives of California State Law. Enforce and promote the policies throughout each campus. Procurement Policy: Amend the District's procurement policies to favor purchases of products that are refillable, reusable, and repairable and contain recycled content materials. Work with Purchasing and the Public Information Officer to promote the policies. No Electronic Equipment Disposal Policy: Implement a "no-electronic equipment disposal" policy so that all electronic equipment (e.g., projectors, VCR's, computer components, systems, and printers) throughout the campus is collected and offered for surplus. No electronic equipment should be disposed of in garbage dumpsters anywhere throughout the campus. Provide information to all staff to promote this policy. No Green Waste Disposal Policy: Adopt a "no-green waste disposal" policy such that all landscape trimmings including weeds, potted plants, large branches, and tree stumps should not be disposed of in garbage dumpsters. Continue to maintain green waste compost piles, as necessary. Arrange for commercial collection or self-haul of large branches and tree stumps not processed on-site. Provide training to Grounds staff and others as necessary, to reinforce the policy. Waste Reduction Team: Appoint a waste reduction team comprised of the designated Recycling Coordinator and representatives from management, staff, faculty, and students of each District facility. Facilitate a team to guide waste diversion programs and to evaluate ideas and suggestions of staff, faculty and students, provide resources, as necessary. Designate Recycling Coordinator: Designate an individual as the District's Recycling Coordinator, whose tasks will include administering the successful implementation of this Integrated Waste Management Plan throughout all District facilities. Specific duties shall include overseeing the recyclables collection program for centralized functions, providing technical assistance for Purchasing and Public Information activities, and serving as liaison among campus entities, management, outside hauling companies and

2000

vendors. RECYCLING COORDINATOR Improve and Expand Recycling Program: Improve and expand recyclables collection program: Mixed Paper Collection-Evaluate collection container quantities and locations, especially in high use areas such as the Library, Learning Center, and Tutoring. Ensure that a sufficient number of receptacles are appropriately located at all high-generation locations. Ensure that all staff have deskside collection containers procedures. Provide clear and durable labeling of the acceptable materials on all paper recycling receptacles. Purchase and install additional outside, centralized, and deskside containers, as necessary. Corrugated Cardboard-Evaluate collection container quantities and locations, especially at the Cafeteria, Bookstore, and Theatre. Work with janitorial staff to establish efficient collection procedures. Confidential Document Destruction (on-site shredding)-Locate on-site shredding and evaluate collection methods. Work with janitorial staff to establish efficient collection procedures. Mixed Beverage Container Collection (i.e., glass, plastic, and aluminum)-Work with the Disabled Students (DSPS) supervisor to evaluate current and prospective collection container quantities and locations. Work with the Public Information Officer and/or a student organization to provide promotion of the acceptable materials and logistics, including monitoring, of collections of the current recycling programs. DISABLED STUDENTS PROGRAMS & SERVICES (DSPS) Improve and Expand Mixed Beverage Recycling Program: Work with the Recycling Coordinator to evaluate current and prospective collection container quantities and locations. Purchase additional inside and outside beverage container receptacles and position them according to evaluation results. Provide clear and durable labeling of the acceptable materials on all beverage container recycling receptacles. Execute beverage container collection through DSPS self-haul to a processing facility, or through collection and processing by a private commercial hauler. Obtain lists of upcoming events and performances for the Gym/Sport Field and the Theatre, and develop a strategy for collecting mixed beverage containers during these high volume periods. Work with on-campus student organization that will help promote and monitor the program. PUBLIC INFORMATION OFFICER AND RECYCLING COORDINATOR Recycling Program Promotion: Implement a promotional program that publicizes the acceptable materials of the current recycling programs and the logistics of collections. Also include information about recycling wood waste, scrap electronics, books, toner cartridges, and

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.

Development and approval of environmental policy for waste reduction at the Gavilan Community College District will be completed during 2002.

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.

Anticipated resource requirements/allocations. YEAR ONE-2002 Environmental Policy: 2 people, 2 hours each: 4 hours No Green Waste Policy: No Additional time or resources required, 0 hours No Electronic Equipment Disposal Program: Develop Program; 5 hrs., Training: 2 hrs., 4x/yr.: 13 hrs. Waste Reduction Team: Waste Reduction Team; 3 people; 2 hours/mo., 4x/yr.: 24 hrs. Recycling Program Expansion (Janitor and Maintenance): Materials collection and sorting-increase janitor and maintenance workload: 20hours/mo., year round: 240 hrs.: 150 deskside containers @ \$5/ea., \$750 capital: Technical Assistance: Recycling Program Kickoff (specifications, procurement, installation), plus on-going support throughout the year: 30 hrs. @ \$100/hr.: Other \$ equals \$3,000 Recycling Program Expansion (RC): Management, monitoring and training: 15 hrs., wk, and year round. Program auditing and reports: 10 hrs., 4x/year*: 820 hours: 25 centralized paper collection containers @ \$25/ea.***: \$1,000 total capital Mixed Beverage Recycling Program Expansion (DSPS): Materials Collection, sorting, and management: 10 hrs./wk, year round. Program auditing and reports: 5 hrs., 4x/year: 540 hours: 10 centralized indoor beverage container receptacles @ \$50/ea.***: \$500 total capital: 10 outdoor beverage container receptacles @ \$50/ea.***: \$500 total capital: Other recycling expenses (e.g., liners, labels, etc.): \$800 total capital C&D: Kickoff: 2 people, 10 hours each during the first 2 months; Maintain program: 2 hours/month thereafter: 40 hours: Technical assistance consulting support: 8 hours @ \$100/hour: other money totals \$800. Recycling Promotion (Public Information Officer): Develop and maintain program: 20 total hours: Printing: total capital is \$2,500: Technical assistance consulting support: 8 hours @ \$100/hour: other money equals \$800. No Electronic Equipment Disposal Program: No additional time or resources required: 0 hours Waste Reduction Team: Waste Reduction Team: 3 people; 2 hours/month, 4x/year Recycling Program Expansion (Janitor and Maintenance): Maintain additional workload: 20/hour/month, year round: 240 total hours Recycling Program Expansion (RC): Materials collection, sorting, and management: 15 hours/week, year round. Program auditing and reports: 10 hours, 4 times a year: 820 total hours: 25 deskside containers (replacements) @ \$5/each: \$125 total capital Mixed Beverage Recycling Program Expansion (DSPS): Materials collection, sorting, and management: 10 hours/week, year round. Program auditing and reports: 5 hours, 4 times a year: 540 hours total. C&D: Maintain program: 20 total hours Recycling Promotions (RC): Maintain Program: 8 total hours: Update and replacement printing costs: \$800 total capital Enhance Surplus Equipment Program: Kickoff-40 hours. Maintain/monitor program: 2 hours/month, thereafter: 64 total hours Expand Internet Use: 2 hours/week, academic year: 84 total hours Expand E-Mail: Implement Program: 5 total hours Book/Magazine Donation Program: Kickoff-20 hours, Maintain/monitor program: 2 hours/month, thereafter: 44 total hours Scrap Metal and Wood Program: No additional time or resources required Waste Prevention Promotions (RC): Develop and Maintain Program: 50 total hours: Printing: Capital equals \$2,500: Technical Assistance consulting support: 8 hours @ \$100/hour: other money equals \$800 Used Materials Exchange: Establish Exchange: 8 total hours Waste Reduction Team: Waste Reduction Team-3 people; 2 hours/month, 4 times a year: 24 total hours Recycling Program Expansion (Janitor and Maintenance): Maintain additional workload: 20 hours/month, year round: 240 total hours Recycling Program Expansion (RC): Materials collection, sorting, and management; 15 hours/week, year round. Program auditing and reports: 10 hours, 4 times/year: 820 total hours: 25 deskside containers (receptacles) @ \$5/each: \$125 capital Mixed Beverage Recycling Program Expansion (DSPS): Materials collection, sorting, and management; 10 hours/week, year round. Program auditing and reports; 5 hours, 4 times a year: 540 total hours C&D: Maintain program: 20 total hours Recycling Promotions (RC): Maintain Program: 8 total hours: Update and replacement printing costs: \$800 total capital Enhance Surplus Equipment Program: Maintain/monitor program: 2 hours/month: 24 total hours Expand Internet Use: Maintain program: 8 total hours Expand E-Mail: Maintain program: 2 total hours Book/Magazine Donation Program: Maintain/monitor program; 2 hours/month: 24 total hours Paper Reduction Training: Develop Program; 20 hours, 3 hours training 6 times/year: 38 total hours: Printing: \$1,500 total capital Buy-Recycled Training: Develop Program; 20 hours, 3 hours training 6 times/year: 28 total hours: \$3,500 total capital Double-Sided Photocopiers: Procure copiers. Promote and educate on copier use: 40 hours: unknown Repair Ref

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	4.2000
Material Exchange		X	0.0000
Beverage Containers	X		0.7000
Cardboard	X		13.1000
Office Paper (white)	X		4.0000
Scrap Metal		X	0.0000
Xeriscaping, grasscycling	X		12.2000
On-site composting/mulching	X		61.0000
Commercial pickup of compostables		X	0.0000
Tires		X	0.0000
Wood waste	X		6.8000
Concrete/asphalt/rubble (C&D)		X	0.0000
Rendering	X		1.3000

103.3 TONS
DIVERTED, SEE
PAGE 1

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

2001



State Agency Reporting Center: Waste Management Annual Report
2001 SARC Annual Report: Gavilan Community College District

[New Search](#) | [Agency Detail](#)

[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

Physical Address
5055 Santa Teresa Blvd.
Gilroy, CA 95020

CalRecycle Representative
Christopher Bria
Christopher.Bria@CalRecycle.ca.gov
(916) 324-3560 x

Total Number of Employees including Facilities: 178
Recycling Coordinator: Jeff Gopp jgopp@gavilan.edu (408) 848-4705

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Gavilan College	175	5055 Santa Teresa Blvd. Gilroy, CA 95020
Gavilan-Morgan Hill Site	2	15750 Vineyard Blvd. Morgan Hill, CA 95037
Gavilan-Briggs Building Site	1	365 4th Street Hollister, CA 95023
Total Employees in Facilities:		178
Export To Excel		Count: 3

Annual Per Capita Disposal

Diversion Program Summary

Total Tonnage Diverted: 123.6 → 1/1/01 - 6/30/01 : 61.80
 Total Tonnage Disposed: 193.2
 Total Tonnage Generated: 316.8
 Overall Diversion Percentage: 39.0%
 7/1/01 - 12/31/01 : 61.80
123.60

Employees

Total Number of Employees: 178

Non-Employee Population

Total Number of Non-employees: 2,013
Non-employee Population Type: Visitors, Inmates, etc

Disposal

Total amount Disposed: 193.20 tons

Annual Results

	Employee Population			
	Target	Annual	Target	Annual
Per Capita Disposal Rate (pounds/person/day):	0.00	5.90	0.00	0.53

2001

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?

Gavilan's waste stream has not changed significantly since the IWM Plan was submitted, although there is an increase in waste diversion from 36.2% to 39.0% for the reporting year. This increase in waste diversion is based upon data for several existing diversion programs (i.e., double sided photocopying, used book buy-backs, wood reused on campus, and construction materials recovered) unreported in the submitted Plan, but now reported in this Annual Report. Waste disposal data for Gavilan's portion of the corroborative project with the City of Gilroy (Sports/Golf Complex), has been added to disposal quantities to more accurately portray Gavilan's contribution to disposal at this location. Waste diversion data for Gavilan's portion of this project had already been added to calculations. Additionally, the CIWMB's conversion factor for mixed paper has replaced an incorrectly-applied conversion factor in the submitted IWM Plan, resulting in an increase to the data for the weight of mixed paper collected for recycling. Other fluctuations in generation (including cardboard and food grease collection) resulted in minor changes to diversion totals.

What waste diversion programs are currently in place and what waste diversion programs were implemented in 2001 to meet the waste diversion goals?

Source Reduction: electronic (paperless) correspondences; double-sided photocopies, reusable cups, boxes, toner cartridges, found items donation; used book buy-backs. Recycling: beverage containers, cardboard, mixed office paper. Composting: grasscycling, on-site green waste mulching. Special Waste: wood waste, construction materials recovery, grease rendering.

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)?

On-site waste assessments and hauler/processor records reviews were conducted to obtain actual material weights, volumes, areas, and quantities wherever possible. Actual numbers of faculty, staff, students, visitors, and vendors, were used to determine annual generation of certain materials such as paper cups prevented, double-sided photocopies generated, and paper prevented through electronic correspondences. When necessary, periodic material volumes were converted to annual volumes based upon a 42-week active school calendar or a landscape "growing season" (when appropriate) and transformed to weights using CIWMB conversion factors.

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.?

Source Reduction: electronic (paperless) correspondences; double-sided photocopies, reusable cups, boxes, toner cartridges, found items donation; used book buy-backs. Recycling: beverage containers, cardboard, mixed office paper. Composting: grasscycling, on-site green waste mulching. Special Waste: wood waste, construction materials recovery, grease rendering.

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?

Recycling Coordinator. Designated a Recycling Coordinator to direct implementation of IWM Plan. Technical consultant. Hired a technical consultant to conduct on-site waste audits; perform telephone interviews with campus staff to determine materials use; research and analyze hauler and processor waste management records; and provide overall support in the implementation of the IWM Plan. Custodial staff. Employed custodial staff to assist with collection of recyclable cardboard and mixed office paper. Operations staff. Worked directly with construction management company and contractors to encourage recovery of used and excess construction materials.

Programs

Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X		10.7000
Material Exchange	X		2.2000
Beverage Containers	X		0.7000
Cardboard	X		12.6000
Office Paper (mixed)	X		11.4000
Xeriscaping, grasscycling	X		12.2000
On-site composting/mulching	X		65.9000
Wood waste	X		3.6000
Concrete/asphalt/rubble (C&D)	X		1.5000
Rendering	X		2.8000

123.6 TONS DIVERTED,
SEE PAGE 3

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
 Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
 Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

2003



State Agency Reporting Center: Waste Management Annual Report

2003 SARC Annual Report: Gavilan Community College District

New Search | Agency Detail

Facilities | Annual Per Capita Disposal | Programs

Physical Address
5055 Santa Teresa Blvd.
Gilroy, CA 95020

CalRecycle Representative
Christopher Bria
Christopher.Bria@CalRecycle.ca.gov
(916) 324-3560 x

Total Number of Employees including Facilities:220
Recycling Coordinator: Jeff Gopp jgopp@gavilan.edu (408) 848-4705

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Gavilan College - Main Campus	210	5055 Santa Teresa Blvd. Gilroy, CA 95020
Gavilan College - Morgan Hill	2	17060 Monterey Rd. Morgan Hill, CA 95037
Gavilan College - Hollister	1	365 4th Street Hollister, CA 95023
Gavilan College - Small Bus. Dev. Ctr.	3	8351 Church St. Gilroy, CA 95020
Gavilan College - Aviation	4	Hollister Airport/490 Skylane Dr. Hollister, CA 95023
Total Employees in Facilities:	220	

Export To Excel Count: 5

Annual Per Capita Disposal	
Diversion Program Summary	
Total Tonnage Diverted: 626.2	→ 1/01/03 - 6/30/03: 313.10
Total Tonnage Disposed: 204.0	7/01/03 - 12/31/03: 313.10
Total Tonnage Generated: 830.2	
Overall Diversion Percentage: 75.4%	
Employees	<u>626.20</u>
Total Number of Employees:220	
Non-Employee Population	
Total Number of Non-employees:6,500	
Non-employee Population Type:Visitors, Inmates, etc	
Disposal	
Total amount Disposed:204.00 tons	
Annual Results	
<u>Employee Population</u>	

2003

	Target	Annual	Target	Annual
Per Capita Disposal Rate (pounds/person/day):	0.00	5.10	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.)

Gavilan's actual waste stream (i.e. kinds and quantities of materials disposed in landfills) has not changed significantly since submission of the original IWM Plan.

Summarize what waste diversion programs were continued or newly implemented during the report year.

CONTINUED PROGRAMS: *SOURCE REDUCTION: double-sided photocopying; electronic periodical subscriptions; cardboard box reuse; paper form reductions; cardboard box reuse *MATERIAL EXCHANGE: used book buy-backs; book donations *RECYCLING: beverage containers; cardboard, mixed office paper *ORGANICS: grasscycling; green waste chipping and mulching *SPECIAL WASTE MATERIALS: tires, scrap metal, construction concrete, grease rendering.

How were the tonnages determined for the materials disposed and diverted? (e.g. waste assessments, per capita generation and extrapolation, actual disposal weights, or actual recycling weights)

Actual hauler tonnages were obtained for disposal debris boxes. Other disposal and diversion tonnage was calculated and converted from volume, based upon number of containers, frequency of collection, and average fullness, using CIWMB conversion factors. Estimated counts, sizes, and volumes of certain other materials, such as paper reused by Reprographics, bookstore book buybacks, cardboard box reuse, paper form reductions, grass and landscape trims collected for mulch, and tires were converted to tonnage using CIWMB conversion factors.

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: double-sided photocopying; electronic periodical subscriptions; cardboard box reuse; paper form reductions; cardboard box reuse *MATERIAL EXCHANGE: used book buy-backs; book donations *RECYCLING: beverage containers; cardboard, mixed office paper *ORGANICS: grasscycling; green waste chipping and mulching *SPECIAL WASTE MATERIALS: tires, scrap metal, construction concrete, grease rendering.

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?

*Recycling Coordinator. Directed and supported Facilities staff towards program implementation. Tracked data. Expanded diversion programs. Reported program data to senior District staff. Liaison to garbage and recycling hauling company. *Technical consultant. Hired a waste management technical consultant to help analyze disposal and recovery data. *Facilities staff. Employed Facilities staff to collect recyclable materials and greenwaste.

Programs

Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X		23.6000
Material Exchange	X		4.6000
Beverage Containers	X		12.2000
Cardboard	X		17.4000
Office Paper (mixed)	X		42.7000
Xeriscaping, grasscycling	X		18.3000
On-site composting/mulching	X		82.7000
Tires	X		0.4000
Scrap Metal	X		15.5000
Concrete/asphalt/rubble (C&D)	X		405.3000
Rendering	X		3.5000

626.2 TONS DIVERTED,
SEE PAGE 5

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
 Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
 Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

[Conditions of Use](#) | [Privacy Policy](#)

©1995, 2013 California Department of Resources Recycling and Recovery (CalRecycle). All rights reserved.

2004



State Agency Reporting Center: Waste Management Annual Report

2004 SARC Annual Report: Gavilan Community College District

New Search | Agency Detail

Facilities | Annual Per Capita Disposal | Programs

Physical Address
5055 Santa Teresa Blvd.
Gilroy, CA 95020

CalRecycle Representative
Christopher Bria
Christopher.Bria@CalRecycle.ca.gov
(916) 324-3560 x

Total Number of Employees including Facilities:220
Recycling Coordinator: Jeff Gopp igopp@gavilan.edu (408) 848-4705

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Gavilan College - Main Campus	210	5055 Santa Teresa Blvd. Gilroy, CA 95020
Gavilan College - Morgan Hill	2	17060 Monterey Rd. Morgan Hill, CA 95037
Gavilan College - Hollister	1	365 4th Street Hollister, CA 95023
Gavilan College - Small Bus. Dev. Ctr.	3	8351 Church St. Gilroy, CA 95020
Gavilan College - Aviation	4	Hollister Airport/490 Skylane Dr. Hollister, CA 95023
Total Employees in Facilities:	220	
Export To Excel		Count: 5

Annual Per Capita Disposal	
Diversion Program Summary	
Total Tonnage Diverted: 261.8	→ 1/1/04 - 6/30/04 : 130.90
Total Tonnage Disposed: 161.8	7/1/04 - 12/31/04 : 130.90
Total Tonnage Generated: 423.6	<u>261.80</u>
Overall Diversion Percentage: 61.8%	
Employees	
Total Number of Employees:220	
Non-Employee Population	
Total Number of Non-employees:6,500	
Non-employee Population Type:Visitors, Inmates, etc	
Disposal	
Total amount Disposed:161.80 tons	
Annual Results	
Employee Population	

2004

	<u>Target</u>	<u>Annual</u>	<u>Target</u>	<u>Annual</u>
Per Capita Disposal Rate (pounds/person/day):	0.00	4.00	0.00	0.14

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.)

Gavilan's waste stream (i.e. kinds of materials disposed in landfills) has not changed since the Integrated Waste Management Plan was submitted. The quantities did drop by approx. 400 tons from 2003 due to the completed construction of the P.E. Bldg.

Summarize what waste diversion programs were continued or newly implemented during the report year.

Continued in 2004: *SOURCE REDUCTION PROGRAM *RECYCLING PROGRAM *ORGANIC MANAGEMENT PROGRAM *SPECIAL WASTE MATERIALS PROGRAM

How were the tonnages determined for the materials disposed and diverted? (e.g. waste assessments, per capita generation and extrapolation, actual disposal weights, or actual recycling weights)

Actual hauler tonnages were obtained for disposal debris boxes. Other disposal and diversion tonnage was calculated and converted from volume, based upon number of containers, frequency of collection, and average fullness, using CIWMB conversion factors. Estimated counts, sizes, and volumes of certain other materials, such as paper reused by Reprographics, bookstore book buybacks, cardboard box reuse, paper form reductions, grass and landscape trims collected for mulch, and tires were converted to tonnage using CIWMB conversion factors.

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: double-sided copies; electronic media; reusable boxes and paper; paper form reductions; toner cartridge re-filling; used book buy-backs; donations; property re-utilization *RECYCLING: beverage containers; cardboard, mixed office paper *ORGANICS: grasscycling; green waste chipping and mulching *SPECIAL WASTE MATERIALS: tires, scrap metal, construction materials, grease rendering

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?

*Recycling Coordinator. Facilities Manager at main campus directed materials recovery programs and tracked data. Worked with garbage and recycling haulers to execute collection programs. Site managers at District's satellite sites also tracked and reported waste materials data. *Technical consultant. Hired a waste management technical consultant to help gather, analyze, and report disposal and recovery data. *Facilities staff. Employed Facilities staff to collect recyclable materials and greenwaste.

Programs

Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X		22.2000
Material Exchange	X		14.2000
Beverage Containers	X		12.6000
Cardboard	X		20.1000
Office Paper (mixed)	X		48.1000
Xeriscaping, grasscycling	X		25.4000
On-site composting/mulching	X		82.6000
Tires	X		0.2000
Scrap Metal	X		15.0000
Concrete/asphalt/rubble (C&D)	X		19.3000
Rendering	X		2.1000

261.8 TONS DIVERTED,
SEE PAGE 7

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
 Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
 Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

[Conditions of Use](#) | [Privacy Policy](#)

©1995-2013 California Department of Resources Recycling and Recovery (CalRecycle). All rights reserved.



2005



State Agency Reporting Center: Waste Management Annual Report
2005 SARC Annual Report: Gavilan Community College District

[New Search](#) | [Agency Detail](#)

[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

Physical Address
5055 Santa Teresa Blvd.
Gilroy, CA 95020

CalRecycle Representative
Christopher Bria
Christopher.Bria@CalRecycle.ca.gov
(916) 324-3560 x

Total Number of Employees including Facilities:220
Recycling Coordinator: Jeff Gopp jgopp@gavilan.edu (408) 848-4705

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Gavilan College - Main Campus	210	5055 Santa Teresa Blvd. Gilroy, CA 95020
Gavilan College - Morgan Hill	2	17060 Monterey Rd. Morgan Hill, CA 95037
Gavilan College - Hollister	1	365 4th Street Hollister, CA 95023
Gavilan College - Small Bus. Dev. Ctr.	3	8351 Church St. Gilroy, CA 95020
Gavilan College - Aviation	4	Hollister Airport/490 Skylane Dr. Hollister, CA 95023
Total Employees in Facilities:	220	
Export To Excel		Count: 5

Annual Per Capita Disposal	
Diversion Program Summary	
Total Tonnage Diverted: 354.0	→ 1/1/05 - 6/30/05 : 177.0
Total Tonnage Disposed: 161.8	7/1/05 - 12/31/05 : 177.0
Total Tonnage Generated: 515.8	<u>177.0</u>
Overall Diversion Percentage: 68.6%	<u><u>354.0</u></u>
Employees	
Total Number of Employees:220	
Non-Employee Population	
Total Number of Non-employees:6,500	
Non-employee Population Type:Visitors, Inmates, etc	
Disposal	
Total amount Disposed:161.80 tons	
Annual Results	
<u>Employee Population</u>	

2005

	Target	Annual	Target	Annual
Per Capita Disposal Rate (pounds/person/day):	0.00	4.00	0.00	0.14

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.)

Gavilan's waste stream (i.e. kinds of materials disposed in landfills) has not changed since the Integrated Waste Management Plan was submitted.

Summarize what waste diversion programs were continued or newly implemented during the report year.

Continued in 2005: * SOURCE REDUCTION PROGRAM * RECYCLING PROGRAM * ORGANIC MANAGEMENT PROGRAM * SPECIAL WASTE MATERIALS PROGRAM

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)

There were no noticeable increases/decreases in disposal debris box tonnages. Other disposal and diversion tonnage was calculated and converted from volume, based upon number of containers, frequency of collection, average fullness, using CIWMB conversion factors. Estimated counts, sizes, and volumes of certain other materials, such as paper reused by Reprographics, bookstore book buybacks, cardboard box reuse, paper form reductions, grass and landscape trims collected for mulch were converted to tonnage using CIWMB conversion factors.

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: double-sided copies; electronic media; reusable boxes and paper; paper form reductions; used book buy-backs; donations; property re-utilization * RECYCLING: beverage containers; cardboard, mixed office paper * ORGANICS: grasscycling; green waste chipping and mulching * SPECIAL WASTE MATERIALS: scrap metal, construction materials, grease rendering

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?

* Recycling Coordinator. Facilities Services Director at main campus directed materials recovery programs and tracked data. Worked with garbage and recycling haulers to execute collection programs. Site managers at District's satellite sites also tracked and reported waste materials data. * Facilities staff. Employed Facilities staff to collect recyclable materials and greenwaste.

Programs

Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X		25.7000
Material Exchange	X		10.4000
Beverage Containers	X		12.6000
Cardboard	X		20.1000
Office Paper (mixed)	X		48.1000
Xeriscaping, grasscycling	X		68.1000
On-site composting/mulching	X		98.8000
Scrap Metal	X		43.1000
Concrete/asphalt/rubble (C&D)	X		25.0000
Rendering	X		2.1000

354.0 TONS DIVERTED,
SEE PAGE 9

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
 Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
 Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

2006



State Agency Reporting Center: Waste Management Annual Report
2006 SARC Annual Report: Gavilan Community College District

New Search | Agency Detail

Facilities | Annual Per Capita Disposal | Programs

Physical Address
5055 Santa Teresa Blvd.
Gilroy, CA 95020

CalRecycle Representative
Christopher Bria
Christopher.Bria@CalRecycle.ca.gov
(916) 324-3560 x

Total Number of Employees including Facilities:220
Recycling Coordinator: Jeff Gopp jgopp@gavilan.edu (408) 848-4705

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Gavilan College - Main Campus	210	5055 Santa Teresa Blvd. Gilroy, CA 95020
Gavilan College - Morgan Hill	2	17060 Monterey Rd. Morgan Hill, CA 95037
Gavilan College - Hollister	1	365 4th Street Hollister, CA 95023
Gavilan College - Small Bus. Dev. Ctr.	3	5055 Santa Teresa Blvd. Gilroy, CA 95020
Gavilan College - Aviation	4	Hollister Airport/490 Skylane Dr. Hollister, CA 95023
Total Employees in Facilities:	220	

Export To Excel Count: 5

Annual Per Capita Disposal

Diversion Program Summary

Total Tonnage Diverted: 10,045.4
Total Tonnage Disposed: 181.0
Total Tonnage Generated: 10,226.4
Overall Diversion Percentage: 98.2%

→ 1/1/06 - 6/30/06 : 5,022.70
7/1/06 - 12/31/06 : 5,022.70
10,045.40

Employees

Total Number of Employees:220

Non-Employee Population

Total Number of Non-employees:6,500
Non-employee Population Type:Visitors, Inmates, etc

Disposal

Total amount Disposed:181.00 tons

Annual Results

Employee Population

50

2006

	Target	Annual	Target	Annual
Per Capita Disposal Rate (pounds/person/day):	0.00	4.50	0.00	0.15

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.)

Gavilan's waste stream (i.e. kinds of materials disposed in landfills) has not changed since the Integrated Waste Management Plan was submitted.

Summarize what waste diversion programs were continued or newly implemented during the report year.

Continued in 2005 * Source Reduction Program * Recycling Program * Organic Management Program * Special Waste Materials Program

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)

There was a slight increase in the disposal debris box tonnages. This was due to a one time warehouse and on campus clean up program. Other disposal and diversion tonnage was calculated and converted from volume, based upon number of containers, frequency of collection, average fullness, using CIWMB conversion factors. Estimated counts, sizes, and volumes of certain other materials, such as paper used by Reprographics, bookstore book bybacks, cardboard box reuse, paper form reduction, grass and landscaping trims collected for mulch were converted to tonnage using CIWMB conversion factors.

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: Double-sided copies; electronic media; reusable boxes and paper; paper form reduction; used book buy backs; donations; property re-utilization * Recycling: beverage containers; cardboard, mixed office paper * Organics: grasscycling; green waste chipping and mulching * Special Waste Materials: scrap metal, construction materials, grease rendering. * Special note; In 2006-2007 Gavilan college, with the passage of a Measure E Bond (March 2004), almost all of the districts building will be remodeled within the next 8 to 10 years. One of the remodeling projects completed was replacing 6 hot water boilers. Before construction began I placed 60 yd. Metal recycling bins beside each construction site. From these recycling containers we gathered 16 tons of recyclable metals. We have also completed a campus wide under ground infrastructure replacement. The entire under ground electrical, data, high voltage and campus gas service lines were replaced. During this process 2070 tons of asphalt and 7729 tons of concrete were sent to off site recycling points. The remodel process will be 8 to 10 years in length and my goal is to recycle 85% of the materials we remove during this process.

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?

* Recycling Coordinator. Facilities Services Director at main campus directed materials recovery programs and tracked data. Worked with garbage and recycling haulers to execute collection programs. Site managers at District's satellite sites also tracked and reported waste materials data. * Facilities staff. Employed Facilities staff to collect recyclable materials and greenwaste.

Programs

Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X		12.0000
Material Exchange	X		12.0000
Beverage Containers	X	X	13.0000
Cardboard	X		20.1000
Office Paper (mixed)	X		52.2000
Scrap Metal	X		16.0000
Xeriscaping, grasscycling	X		68.1000
On-site composting/mulching	X		80.0000
Concrete/asphalt/rubble (C&D)	X	X	9772.0000

10,045.40 TONS DIVERTED,
SEE PAGE 11

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
 Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
 Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

2007



State Agency Reporting Center: Waste Management Annual Report
2007 SARC Annual Report: Gavilan Community College District

New Search | Agency Detail

Facilities | Annual Per Capita Disposal | Programs

Physical Address
5055 Santa Teresa Blvd.
Gilroy, CA 95020

CalRecycle Representative
Christopher Bria
Christopher.Bria@CalRecycle.ca.gov
(916) 324-3560 x

Total Number of Employees including Facilities:233
Recycling Coordinator: Jeff Gopp jgopp@gavilan.edu (408) 848-4705

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Gavilan College - Main Campus	223	5055 Santa Teresa Blvd. Gilroy, CA 95020
Gavilan College - Morgan Hill	3	17060 Monterey Rd. Morgan Hill, CA 95037
Gavilan College - Hollister	3	365 4th Street Hollister, CA 95023
Gavilan College - Aviation	4	Hollister Airport/490 Skylane Dr. Hollister, CA 95023
Total Employees in Facilities:	233	
Export To Excel		Count: 4

Annual Per Capita Disposal

Diversion Program Summary

Total Tonnage Diverted: 261.8

Total Tonnage Disposed: 161.8

Total Tonnage Generated: 423.6

Overall Diversion Percentage: 61.8%

→ 1/1/07 - 6/30/07 = 130.90
 7/1/07 - 12/31/07 = 130.90
261.80

Employees

Total Number of Employees:233

Non-Employee Population

Total Number of Non-employees:6,500

Non-employee Population Type:Visitors, Inmates, etc

Disposal

Total amount Disposed:161.80 tons

2007

Annual Results

Employee Population

	<u>Target</u>	<u>Annual</u>	<u>Target</u>	<u>Annual</u>
Per Capita Disposal Rate (pounds/person/day):	0.00	3.80	0.00	0.14

Questions

Is the mission statement of the State agency/large State facility the same as reported in the previous year?

How has the waste stream (i.e. those materials disposed in landfills) changed since the Integrated Waste Management Plan was submitted? (Changes include kinds and quantities of materials disposed in landfills.)

The waste stream has remained the same.

Summarize what waste diversion programs were continued or newly implemented during the report year.

* Source Reduction * Recycling * Organic Management * Special Waste Materials

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)

Tonnages listed for 2007 were copied from the Gavilan 2004 annual waste management report. College staff will submit current data when it is available.

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: double-sided copies, reusable boxes, paper form reduction * RECYCLING: beverage containers, cardboard, mixed paper * ORGANIC MANAGEMENT: grasscycling, green waste chipping and mulching * SPECIAL WASTE: tires, scrap metal, concrete, grease

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?

* Facilities Manager. Facilities Manager worked with garbage and recycling hauler to execute collection programs * Facilities staff. Employed Facilities staff to monitor recycling program and recover green waste

Programs

Program Name	Existing	Planned/Expanding	Tons
Business Source Reduction	X		22.2000
Material Exchange	X		14.2000
Beverage Containers	X		12.6000
Cardboard	X		20.1000
Office Paper (mixed)	X		48.1000
Xeriscaping, grasscycling	X		79.3000
On-site composting/mulching	X		28.7000
Tires	X		0.2000
Scrap Metal	X		15.0000
Concrete/asphalt/rubble (C&D)	X		19.3000
Rendering	X		2.1000

261.8 TONS DIVERTED,
SEE PAGE 13

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

2008



State Agency Reporting Center: Waste Management Annual Report
2008 SARC Annual Report: Gavilan Community College District

[New Search](#) | [Agency Detail](#)

[Facilities](#) | [Annual Per Capita Disposal](#) | [Programs](#)

Physical Address
5055 Santa Teresa Blvd.
Gilroy, CA 95020

CalRecycle Representative
Christopher Bria
Christopher.Bria@CalRecycle.ca.gov
(916) 324-3560 x

Total Number of Employees including Facilities:435
Recycling Coordinator: Jeff Gopp jgopp@gavilan.edu (408) 848-4705

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Gavilan College - Main Campus	425	5055 Santa Teresa Blvd. Gilroy, CA 95020
Gavilan College - Morgan Hill	3	17060 Monterey Rd. Morgan Hill, CA 95037
Gavilan College - Hollister	3	365 4th Street Hollister, CA 95023
Gavilan College - Aviation	4	Hollister Airport/490 Skylane Dr. Hollister, CA 95023
Total Employees in Facilities:	435	
Export To Excel		Count: 4

Annual Per Capita Disposal

Employees

Total Number of Employees:435

Non-Employee Population

Total Number of Non-employees:5,384

Non-employee Population Type:Students

NO DIVERSION INFORMATION
IS REPORTED BY THE DISTRICT.

Disposal

Total amount Disposed:90.70 tons

Annual Results

	Employee Population		Student Population	
	Target	Annual	Target	Annual
Per Capita Disposal Rate (pounds/person/day):	127.40	1.10	4.30	0.09

2008

Questions

Is the mission statement of your State agency/large State facility the same as reported in the previous year?

No changes were implemented in our in our Mission Statement. We are operating under the current Waste Management/Recycling program.

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.

We are sending using South Valley Disposal and Recycling to haul our large tree cuttings with their Green Waste Bins.

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.

Just sending large rounds and tree trimmings to South Valley Facility as specified in question #2.

Explain any waste diversion programs that were newly implemented or were discontinued during the report year and explain why.

No new waste diversion plans implemented.

What types of activities are included in each of the waste diversion programs you continued or newly implemented during the reporting year?

We still have recycle containers next to our general trash receptacles.

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?

I am only familiar with programs from our waste/recycling haulers. No new funding for new programs.

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.)

Received a report from our waste hauler, South Valley disposal and Recycling.

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)?

Employee are as follows: 81 Permanant Faculty, 120 Classified Support Staff, 10 Administration, 200 Adjunct Faculty, From Human Resources department 5,384 Registered Students, From the Admissions and Records Department.

Programs

Program Name	Existing	Planned/Expanding
Business Source Reduction	X	
Material Exchange	X	
Beverage Containers	X	
Cardboard	X	
Office Paper (mixed)	X	
Xeriscaping, grasscycling	X	
On-site composting/mulching	X	
Tires	X	
Scrap Metal	X	
Concrete/asphalt/rubble (C&D)	X	
Rendering	X	

NO TONNAGE AMOUNTS OF DIVERSION ARE REPORTED BY THE DISTRICT.

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
 Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
 Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

Conditions of Use | Privacy Policy

©1995, 2013 California Department of Resources Recycling and Recovery (CalRecycle). All rights reserved.

2009



State Agency Reporting Center: Waste Management Annual Report
2009 SARC Annual Report: Gavilan Community College District

New Search | Agency Detail

Facilities | Annual Per Capita Disposal | Programs

Physical Address
5055 Santa Teresa Blvd.
Gilroy, CA 95020

CalRecycle Representative
Christopher Bria
Christopher.Bria@CalRecycle.ca.gov
(916) 324-3560 x

Total Number of Employees including Facilities: 445
Recycling Coordinator: Jeff Gopp jgopp@gavilan.edu (408) 848-4705

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Gavilan College - Main Campus	435	5055 Santa Teresa Blvd. Gilroy, CA 95020
Gavilan College - Morgan Hill	3	17060 Monterey Rd. Morgan Hill, CA 95037
Gavilan College - Hollister	3	365 4th Street Hollister, CA 95023
Gavilan College - Aviation	4	Hollister Airport/490 Skylane Dr. Hollister, CA 95023
Total Employees in Facilities:		445
		Export To Excel
		Count: 4

Annual Per Capita Disposal

Employees

Total Number of Employees: 445

Non-Employee Population

Total Number of Non-employees: 5,748

Non-employee Population Type: Students

Disposal

Total amount Disposed: 106.35 tons

Annual Results

	Employee Population		Student Population	
	Target	Annual	Target	Annual
Per Capita Disposal Rate (pounds/person/day):	127.40	1.30	4.30	0.10

★

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.

The major types of waste materials at Gavilan College are: 1) Office/Classroom waste from the 10 gallon cans located in each area. These items consist mostly of food waste and related items. 2) Food waste and food contaminated from cafeteria.

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.

We have been in the middle of a modernization project on campus. Although much of the construction debris is recycled or placed into separate containers sometimes waste makes its way to our campus waste bins. We also have a new company operating our cafeteria. The new company is cognizant of our policies, they are generating food waste.

56

2009

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 science club and the athletic association have been recycling aluminum and plastic bottles on campus. we have added 12 ea new containers throughout the campus.

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) The tonnage is determined by the Recology Waste and Recycling Company reports. B) This same method was used for last year's report.

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.

A) We receive our headcount numbers from our Human Resources Department which includes full and part time employees. B) This method was used for the previous year report.

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) The number is achieved by the totals of FTES per academic year. An academic year consists of Summer Session, Fall Semester, and Spring Semester. These numbers are received from our Admission and Records Department. B) The same method was used for the previous year reporting.

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.)

I believe that the numbers have increased due to the amount of work occurring on this campus. The campus is over forty years old and the excessive amount of waste is generated from the debris. Further, we continually increase our student count and have community education classes who may not be incorporated into the FTES report. We also have technical schools such as Police Academy, Cosmetology School, Aviation school, Allied Health Program, and the latest GECA High School to College program.

Additional information you wish to provide in your annual report.

I have no additional information at this time.

Programs

Program Name	Existing	Planned/Expanding
Business Source Reduction	X	
Material Exchange	X	
Beverage Containers	X	
Cardboard	X	
Office Paper (white)	X	
Xeriscaping, grasscycling	X	
On-site composting/mulching	X	
Commercial pickup of compostables	X	
Tires	X	
Scrap Metal	X	
Concrete/asphalt/rubble (C&D)	X	

NO TONNAGE AMOUNTS OF DIVERSION ARE REPORTED BY THE DISTRICT.

State Agency Waste Management Programs. <http://www.calrecycle.ca.gov/StateAgency/>
Recycling Coordinator: SARV@calrecycle.ca.gov (916) 341-6199
Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov (916) 341-6199

2010



State Agency Reporting Center: Waste Management Annual Report
2010 SARC Annual Report: Gavilan Community College District

New Search | Agency Detail

Facilities | Annual Per Capita Disposal | Programs

Physical Address
5055 Santa Teresa Blvd.
Gilroy, CA 95020

CalRecycle Representative
Christopher Bria
Christopher.Bria@CalRecycle.ca.gov
(916) 324-3560 x

Total Number of Employees including Facilities: 453
Recycling Coordinator: Jeff Gopp jgopp@gavilan.edu (408) 848-4705

Facilities		
FACILITY NAME	NUMBER OF EMPLOYEES	ADDRESS
Gavilan College - Main Campus	447	5055 Santa Teresa Blvd. Gilroy, CA 95020
Gavilan College - Morgan Hill	3	17060 Monterey Rd. Morgan Hill, CA 95037
Gavilan College - Hollister	3	365 4th Street Hollister, CA 95023
Total Employees in Facilities:	453	

Export To Excel Count: 3

Annual Per Capita Disposal

Employees

Total Number of Employees: 453

Non-Employee Population

Total Number of Non-employees: 5,454

Non-employee Population Type: Students

Disposal

Total amount Disposed: 84.80 tons

Annual Results

Per Capita Disposal Rate (pounds/person/day):	Employee Population		Student Population	
	Target	Annual	Target	Annual
	127.40	1.00	4.30	0.09

★

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?

A. Office/Classroom waste materials disposed in the 10 gallon trashcans. Mostly consist of food waste, candy wrappers, any styrofoam.

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?

A Campus club from the Sciences entitled "Science Alliance" has propagated a massive push for recyclables as a fundraising method. More recycling containers were placed on campus.

★

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.)

The current report (2009) shows less tonnage than the (2010) report.

IN THE TEXT BOX BELOW, PLEASE PROVIDE ANSWERS TO A AND B.

2010

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) The Recology/South Valley Disposal & Recycling co. weighs each container they weigh the "Container Gross" minus the "Container Tare" equals the "Contents Net" which is the tonnage of our waste. B) This is how we determined the "Contents Net" for the 2009 report.

IN THE TEXT BOX BELOW, PLEASE PROVIDE ANSWERS TO A AND B.

In Part I of this report, you entered the number of employees for your agency/facility. This information is usually available from your human resources or payroll department. Having an accurate method to consistently calculate this number each year is important because it is used in the calculation to determine the report year per capita disposal for your agency/facility.

(Note: If your agency submits a modified report, per capita disposal is not calculated, but the number of employees is important in verifying your continued eligibility to submit a modified report).

IN THE TEXT BOX BELOW, PLEASE PROVIDE ANSWERS TO A AND B.

- A. Explain the method you, or the person that provided you with this number, used to calculate the number of employees (e.g. total number of full time employees, full time equivalents, total number of full and part time employees, etc.). Please provide a detailed explanation of the method so that it could be used in the event someone else from your agency/facility had to produce the same number.
- B. Is this the same method used for last year's report? If not, explain the reason for the change.

A) The method used by Human Resources to calculate is: Permanent employees = 218 and Adjunct Faculty = 235 B) the 2009 report method was calculated the same as above.

IN THE TEXT BOX BELOW, PLEASE PROVIDE ANSWERS TO A AND B. (Skip to the next question if you did not enter a non-employee population in Part I.)

NOTE: If there was not an option in Part I to report an additional population, but you believe doing so would be valuable, or if you provided this in the past, but no longer wish to do so, please contact your CalRecycle representative to discuss the merits of adding or deleting this option for future reports.

If your agency/facility also has a non-employee population (such as students, visitors, inmates, residents, patients, etc.) that significantly contributes to the waste your agency/facility creates, Part I of this report asks you for a number for that population. This information is in addition to your employee information - it does not replace it.

- A. Explain the method you (or the person that provided you with this number) used to calculate that number (e.g. full time equivalent students, average number of patients during the report year, etc.). Please provide a detailed explanation of the method so that it could be used in the event someone else from your agency/facility had to produce the same number.
- B. Is this the same method you used for last year's report? If not, explain the reason for the change.

A) The student population is acquired through the Office of Admission and Records and is the actual number of students enrolled. B) This is the same method as in the 2009 report

Additional information you wish to provide in your annual report.

The 2010 report is determined the same as last year and the information was achieved through our: 1) Local Waste/Recycling company "Recology South Valley Disposal/Recycling". 2) Gavilan College "Office of Human Resources". 3) Gavilan College "Admissions and Records Office". I am the Director of Facilities Services.

Programs

Program Name	Existing	Planned/Expanding
Business Source Reduction	X	
Material Exchange	X	
Beverage Containers	X	
Cardboard	X	
Glass	X	
Office Paper (white)	X	
Office Paper (mixed)	X	
Plastics	X	
Scrap Metal	X	
Xeriscaping, grasscycling	X	
On-site composting/mulching	X	
Commercial pickup of compostables	X	
Tires	X	
Scrap Metal	X	
Concrete/asphalt/rubble (C&D)	X	

NO TONNAGE AMOUNTS OF DIVERSION ARE REPORTED BY THE DISTRICT.

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>
 Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199
 Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

Conditions of Use | Privacy Policy

©1995-2013 California Department of Resources Recycling and Recovery (CalRecycle). All rights reserved.

Tab 7

Buena Vista Sanitary Landfill Fee Schedule

FEE SCHEDULE – EFFECTIVE JULY 1, 2015

COUNTY SERVICE AREA DISTRICT 9C RECYCLING AND SOLID WASTE DISPOSAL FACILITIES

FEE SCHEDULE FOR LOADS COMING FROM UNINCORPORATED SANTA CRUZ COUNTY & SCOTTS VALLEY

ALL LOADS FROM THE CITIES OF WATSONVILLE, SANTA CRUZ, CAPITOLA &

OUTSIDE SANTA CRUZ COUNTY ARE SUBJECT TO A 28% SURCHARGE

PROOF OF RESIDENCY IS REQUIRED FOR ALL LOADS

CASH, CHECKS, VISA, MASTERCARD & DISCOVER CARD ACCEPTED

Facilities and Hours of Operation

Recycling and Solid Waste Administration
701 Ocean Street, Room 410
Santa Cruz, CA 454-2160
8:00 a.m. to 5:00 p.m. Monday thru Friday
Except State and Federal holidays

Ben Lomond Transfer Station
9835 Newell Creek Road
Ben Lomond, CA 336-3951
Closed Sunday

Buena Vista Sanitary Landfill
1231 Buena Vista Drive
Watsonville, CA 454-5154
Closed Sunday

7:30 a.m. to 3:30 p.m. on open days. 7:30 a.m. to 11:30 a.m. Christmas Eve.
Closed Thanksgiving, Christmas and New Year's Day

For Recorded General Landfill & Transfer Station Information call **454-2430** or visit our website at www.santacruzcountyrecycles.org

RECYCLING SAVES YOU MONEY AND SAVES YOUR PUBLIC LANDFILL SPACE.

IT IS AGAINST THE LAW TO MIX RECYCLABLES WITH YOUR REFUSE.

* Items are accepted at the discounted rate listed only when market conditions support the recycling of the material. The Director of Public Works will determine applicability of the discounted rate with 30 days advance notice, otherwise refuse rates apply. Check fee schedule on website at www.santacruzcountyrecycles.org or call 454-5154 to get rate currently in effect.

MATERIAL	PER TON	MINIMUM CHARGE
GARBAGE: Household, commercial and business refuse, upholstered furniture, painted or treated lumber, dirt. Call 454-5154 for specific items.	\$71.00	\$20.00
GARBAGE CAN RATE FOR 1, 64 GALLON CAN	XXXXXX	\$10.00 Each
DROP BOX/ROLL OFF RENTALS: Hauler must be a Franchised Hauler with the County of Santa Cruz. Buena Vista Only	\$59.00	\$20.00
CLEAN SORTED WOOD WASTE & YARDWASTE: No refuse, dirt, treated or painted lumber, poison oak, pampas grass, root balls or materials over 8 feet in length or 4 feet in diameter. <u>Bed lengths up to 10 feet charged by cubic yard for stable waste \$13 per cubic yard.</u>	\$46.00	\$13.00
MIXED RECOVERABLE MATERIALS*: Unpainted, untreated wood, drywall, metal, cardboard, aluminum windows, and rigid plastic. Subject to recycling market conditions. Call ahead for materials accepted at reduced rate.	\$59.00	\$17.00
SHEETROCK/GYPSUM BOARD*: No refuse, dirt or other contaminants.	\$40.00	\$13.00
CLEAN, SORTED CONCRETE: No refuse, dirt asphalt, plastic, excess rebar, wire reinforcing or other materials. Oversized Concrete (>2 feet size in any direction) BEN LOMOND 1 CUBIC YARD LIMIT	\$12.00 \$24.00	\$12.00 \$24.00
CLEAN, SORTED ASPHALT, BASE ROCK, BRICK, TILE & PORCELAIN: No refuse, dirt, concrete, plastic, rebar or wire reinforcing. Toilets and sinks must have all plastic and metal parts removed. BEN LOMOND 1 CUBIC YARD LIMIT	\$12.00	\$12.00

Source: www.dpw.co.santa-cruz.ca.us/
www.santacruzcountyrecycles.com/PDF/FeeSchedule61.pdf

MATERIAL	PER TON	MINIMUM CHARGE
SPECIAL HANDLE REFUSE: Includes agricultural plastics, stumps, root balls & logs not accepted for wood waste diversion, large non-recyclable metal items, mobile homes, treated wood waste/telephone poles, rancid waste, dead animals, waste requiring supervised burial, loads containing sortable recyclable materials that are disposed of in the garbage or any waste requiring special handling as determined by facility staff.	\$116.00	\$30.00
CARPET/FOAM CARPET PADDING*: Must be clean, dry and free of debris. Roll carpet and padding separately.	\$40.00	\$12.00
TIRES:		\$6.00 Each
Less than 36"		\$22.00 Each
36" to 48"		\$50.00 Each
49" to 60"		\$130.00 Each
Over 60"		
Bulk Loads (over 25 tires)	\$320.00	
APPLIANCES (with or without Freon)		\$10.00 Per Appliance
PROPANE TANKS:	Contact County Environmental Health at 454-2022 if tank is > 5 gallons and not empty.	\$6.00 Each
1 gallon to 5 gallon		\$20.00 Each
> 5 gallon to 25 gallon*		\$50.00 Each
>25 gallon to 100 gallon*		FREE
Less than 1 gallon		
MATTRESSES OR BOX SPRING*		\$13.00 Per Piece
ELECTRONIC WASTE: Television, Computer Monitors & All Cathode Ray Tube, Plasma or LCD Devices	Broken TV's & monitors must be contained in a garbage bag.	2 FREE Per Day
JUMP START		\$15.00
PULL OFF/PUSH OFF SERVICE		\$41.00 Per Load
UNCOVERED/UNSECURED LOADS		\$18.00 Per Load
CRUSHED CONCRETE (BASEROCK) FOR SALE: Crushed 3/4 inch concrete product, typically used as road base. For purchase at the Buena Vista Landfill while supplies last. Minimum charge applies to each individual load. Product consistency may vary. Available 9:00 a.m. to 2:30 p.m.	\$7.00	\$7.00
CONCRETE RUBBLE FOR SALE: Concrete rubble and chunks in various sizes/dimensions. Minimum charge applied to each individual load. Product consistency may vary. Available 9:00 a.m. to 2:30 p.m.	\$2.00	\$2.00

You will be asked a number of questions when you arrive at the scale house:

- Where is the load from? We need the physical address.
- What is in the load? To properly charge you we need to know what materials are in the load.
- Have you been to the recycling center? You are required to recycle all free recyclable materials before coming to the scale house, so go there first. Pack your load so you can remove the recyclables first.
- Do you have any TV's, tires, mattresses, appliances, hazardous waste, or recyclable materials in your load? Additional fees apply to these materials or they are banned from disposal in the landfill.

GENERAL WASTE ACCEPTANCE INFORMATION

RESIDENTIAL AND COMMERCIAL SELF-HAULERS IN THE UNINCORPORATED COUNTY: CONSIDER THE CONVENIENCE AND COST SAVINGS OF HAVING REFUSE, RECYCLING, AND YARDWASTE COLLECTION AT YOUR HOME OR BUSINESS, CALL GREEN WASTE RECOVERY AT (800) 665-2209 TO SIGN UP FOR SERVICE. SEE SELF HAUL COST COMPARISON FLYER FOR MORE INFORMATION.

- All refuse disposal loads include a \$1.40 per ton CA Integrated Waste Management Fee.
- All vehicles will be charged per cubic yard (CY) when scale/computer is inoperable: Loose Refuse \$20.00/CY; Compacted Refuse -\$38.00/CY; Special Handle Waste \$30.00/CY; Wood waste/Yard waste \$13.00/CY.

Tab 8

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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.¹

16 Cost Savings

17 In complying with the mandated solid waste diversion requirements of Public
18 Resources Code section 42921, California Community Colleges are likely to experience cost
19 savings in the form of reduced or avoided costs of landfill disposal. The reduced or avoided
20 costs are a direct result and an integral part of the IWM plan mandates under Public Resources
21 Code section 42920 et seq.: as solid waste diversion occurs, landfill disposal of the solid waste
22 and associated landfill disposal costs are reduced or avoided. Indeed, diversion is defined in
23 terms of landfill disposal for purposes of the IWM plan mandates. (See Pub. Resources Code §§
24 40124 (“‘diversion’ means activities which reduce or eliminate the amount of solid waste from
25 solid waste disposal for purposes of this division [i.e., division 30, including § 42920 et seq.]”),

26 _____
27 ¹ There is no indication in the administrative record or in the legal authorities provided to the court that, as
28 respondent argues, a California Community College might not receive the full reimbursement of its actual increased
costs required by section 6 if its claims for reimbursement of IWM plan costs were offset by realized cost savings
and all revenues received from plan activities.

1 40192, subd. (b) (for purposes of Part 2 (commencing with Section 40900), 'disposal' means the
2 management of solid waste through landfill disposal or transformation at a permitted solid waste
3 facility.”.)

4 Such reduction or avoidance of landfill fees and costs resulting from solid waste
5 diversion activities under § 42920 et seq. represent savings which must be offset against the costs
6 of the diversion activities to determine the reimbursable costs of IWM plan
7 implementation -- i.e., the actual increased costs of diversion -- under section 6 and section
8 17514. Similarly, under Public Resources Code section 42925, such offsetting savings must be
9 redirected to fund IWM plan implementation and administration costs in accordance with Public
10 Contract Code section 12167. The amount or value of the savings may be determined from the
11 calculations of annual solid waste disposal reduction or diversion which California Community
12 Colleges must annually report to petitioner Integrated Waste Management Board pursuant to
13 subdivision (b)(1) of Public Resources Code section 42926.

14 Respondent's three grounds for omitting offsetting savings from section VII of the
15 IWM plan parameters and guidelines are flawed. First, as explained above, the reduced or
16 avoided costs of landfill disposal are an integral part of the IWM diversion mandates under
17 Public Resources Code section 42920 et seq. Therefore, respondent's conclusion that reduced or
18 avoided disposal costs could not qualify as offsetting cost savings for diversion costs, based on
19 the erroneous premise that the reduced or avoided disposal costs were not part of the
20 reimbursable mandates of Public Resources Code section 42920 et seq., is wrong.

21 Second, respondent incorrectly interpreted the phrase "to the extent feasible" in
22 Public Resources Code section 42925 to mean that the redirection of cost savings resulting from
23 diversion activities by California Community Colleges to fund their IWM plan implementation
24 and administration costs was not mandatory and that the colleges could direct the cost savings to
25 other campus programs upon a finding of infeasibility. Respondent's interpretation is contrary to
26 the manifest legislative intent and purpose of section 42925, that cost savings be used to fund
27 IWM plan costs. In light of this legislative purpose, the phrase "to the extent feasible"
28 reasonably refers to situations where, as a practical matter, the reductions in landfill fees and

1 costs saved as a result of diversion activities by the colleges may not be available for redirection.
2 For example, a college may not have budgeted or allocated funds for landfill fees and costs
3 which they did not expect to incur as a result of their diversion activities.

4 Third, respondent incorrectly interpreted "cost savings realized as a result of the state
5 agency integrated waste management plan" in Public Resources Code section 42925 to mean
6 "revenues received from [a recycling] plan and any other activity involving the collection and
7 sale of recyclable materials" under Public Contract Code sections 12167 and 12167.1. This
8 interpretation, based in turn on a strained interpretation of the phrase "in accordance with
9 Sections 12167 and 12167.1 of the Public Contract Code" at the end of section 42925, used the
10 substantive content of sections 12167 and 12167.1 to redefine "cost savings" in a manner directly
11 contradicting its straightforward description in section 42925. The consequences of this
12 redefinition are unreasonable: the interpretation effectively denies the existence of cost savings
13 resulting from IWM plan implementation and eliminates any possibility of redirecting such cost
14 savings to fund IWM plan implementation and administration costs, thereby defeating the
15 express legislative purpose of section 42925.

16 The reference to Public Contract Code sections 12167 and 12167.1 in Public
17 Resources Code section 42925 may be reasonably interpreted in a manner that preserves section
18 42925's straightforward description of "cost savings" and legislative purpose. The reference to
19 sections 12167 and 12167.1 in section 42925 reflects an effort by the Legislature to coordinate
20 the procedures of two programs involving recycling activities exclusively or primarily by state
21 agencies, the State Assistance for Recycling Markets Act set forth at Public Contracts Code
22 section 12150 et seq. and the IWM provisions of Public Resources Code section 42920 et seq.
23 (See Senate Committee on Environmental Quality, Bill Analysis of A.B. 75, 1999-2000 Reg.
24 Sess., as amended April 27, 1999, p. 6 (need to ensure consistency and avoid conflicts between
25 A.B. 75 and Public Contract Code provisions relating to state agency reporting on recycling,
26 depositing revenues from recycled materials etc.)) By requiring the redirection of cost savings
27 from state agency IWM plans to fund plan implementation and administration costs "in
28 accordance with Sections 12167 and 12167.1 of the Public Contract Code," section 42925

1 assures that cost savings realized from state agencies' IWM plans are handled in a manner
2 consistent with the handling of revenues received from state agencies' recycling plans under the
3 State Assistance for Recycling Markets Act. Thus, in accordance with section 12167, state
4 agencies, along with California Community Colleges which are defined as state agencies for
5 purposes of IWM plan requirements in Public Resources Code section 42920 et seq. (Pub.
6 Resources Code §§ 40196, 40148), must deposit cost savings resulting from IWM plans in the
7 Integrated Waste Management Account in the Integrated Waste Management Fund; the funds
8 deposited in the Integrated Waste Management Account, upon appropriation by the Legislature,
9 may be expended by the Integrated Waste Management Board for the purpose of offsetting IWM
10 plan costs. In accordance with section 12167.1 and notwithstanding section 12167, cost savings
11 from the IWM plans of the agencies and colleges that do not exceed \$2000 annually are
12 continuously appropriated for expenditure by the agencies and colleges for the purpose of
13 offsetting IWM plan implementation and administration costs; cost savings resulting from IWM
14 plans in excess of \$2000 annually are available for such expenditure by the agencies and colleges
15 when appropriated by the Legislature.

16 Accordingly, respondent had no proper justification for omitting offsetting cost
17 savings from the parameters and guidelines for claiming reimbursable costs of IWM plan
18 implementation under Public Resources Code section 42920 et seq. The court will order the
19 issuance of a writ of mandate requiring respondent to correct this omission through an
20 amendment of the parameters and guidelines.

21 Revenues

22 As indicated previously in this ruling, section VII of the parameters and guidelines
23 for claiming reimbursement of IWM plan costs provides for offsetting revenues that are governed
24 by Public Contract Code sections 12167 and 12167.1. Revenues derived from the sale of
25 recyclable materials by a California Community College are deposited in the Integrated Waste
26 Management Account. Revenues that do not exceed \$2000 annually are continuously
27 appropriated for expenditure by the college for the purpose of offsetting recycling program costs
28 upon approval by the Integrated Waste Management Board, and revenues exceeding \$2000

1 annually are available for such expenditure by the college when appropriated by the Legislature.
2 To the extent so approved by the board or appropriated by the Legislature, these revenue amounts
3 offset or reduce the reimbursable costs incurred by the college in implementing an IWM plan
4 under Public Resources Code section 42920 et seq.

5 Although Public Contract Code sections 12167 and 12167.1 apply to California
6 Community Colleges for the purpose of offsetting savings pursuant to the terms of Public
7 Resources Code section 42925, sections 12167 and 12167.1 do not apply to the colleges for the
8 purpose of offsetting revenues or, indeed, any other purpose. Sections 12167 and 12167.1 apply
9 exclusively to state agencies and institutions; the colleges, which are school districts rather than
10 state agencies, are not specially defined as state agencies for purposes of the State Assistance for
11 Recycling Markets Act of which sections 12167 and 12167.1 are a part. Therefore, sections
12 12167 and 12167.1 do not properly govern the revenues generated by the colleges' recycling
13 activities pursuant to their IWM plans. The limits and conditions placed by sections 12167 and
14 12167.1 on the expenditure of recycling revenues for the purpose of offsetting recycling program
15 costs are simply inapplicable to the revenues generated by the colleges' recycling activities.

16 The provisions of Public Resources Code section 42920 et seq. do not address the
17 use of revenues generated by recycling activities of California Community Colleges under IWM
18 plans to offset reimbursable plan costs. Thus, use of the revenues to offset reimbursable IWM
19 plan costs is governed by the general principles of state mandates, that only the actual increased
20 costs of a state-mandated program are reimbursable and, to that end, revenues provided for by the
21 state-mandated program must be deducted from program costs. (See Cal. Const., art. XIII B, § 6;
22 Gov.Code §§ 17514, 17556, subd. (e); *County of Fresno v. State of California* (1991) 51 Cal.3d
23 482, 487; *County of Sonoma v. Commission on State Mandates*, (2000) 84 Cal.App.4th 1264,
24 1284.) These principles are reflected in respondent's regulation which requires, without
25 limitation or exception, the identification of offsetting revenues in the parameters and guidelines
26 for reimbursable cost claims. (Cal. Code Regs., tit. 2, § 1183.1(a)(7).)

27 In sum, respondent erred in adopting parameters and guidelines which, pursuant to
28 Public Contract Code sections 12167 and 12167.1, limited and conditioned the use of revenues

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

generated by recycling activities of California Community Colleges under IWM plans to offset the colleges' reimbursable plan costs. Because the use of revenues to offset the reimbursable costs of IWM plan are properly governed by section 6 principles without the limitations and conditions imposed by sections 12167 and 12167.1, the court will order the issuance of a writ of mandate requiring respondent to correct its error through an amendment of the parameters and guidelines.

RELIEF

The petition is granted. Counsel for petitioners is directed to prepare a proposed judgment and proposed writ of mandate consistent with this ruling, serve it on counsel for respondent for approval as to form, and then submit it to the court pursuant to rule 3.1312 of the California Rules of Court.

Dated: May 29, 2008



Lloyd G. Connelly
LLOYD G. CONNELLY
Judge of the Superior Court

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SACRAMENTO

Gordon D Schaber Courthouse
720 Ninth STREET
Sacramento, CA 95814-1311

SHORT TITLE: ST OF CA DEPT OF FINANCE. ETAL VS. COMMISSION ON ST MANDATES

CLERK'S CERTIFICATE OF SERVICE BY MAIL

**CASE NUMBER:
07CS00355**

I certify that I am not a party to this cause. I certify that a true copy of the attached was mailed following standard court practices in a sealed envelope with postage fully prepaid, addressed as indicated below. The mailing and this certification occurred at Sacramento, California, on 05/30/2008.

Clerk of the Court, by: /s/ C Beebout *Chubert*, Deputy

Leslie R Lopez
P.O.Box 944255
Sacramento, CA 94244

Camille Shelton
980 Ninth Street # 300
Sacramento, CA 95814

Jack C Woodside
P.O.Box 944255
Sacramento, CA 94244

Lisa Rose
*Santa Monica Community College Dist.
1900 Pico Blvd
Santa Monica*

Eric Feller
980 9th Street # 300
Commission on State Mandates
Sacramento, CA 95814

Roberta Mason
*Lake Tahoe Community College Dist.
One College Dr.
South Lake Tahoe, CA 96150*

Additional names and address attached.

CLERK'S CERTIFICATE OF SERVICE BY MAIL

Page: 1

18

75

Tab 9

Gavilan Joint Community College District
 Legislatively Mandated Integrated Waste Management Program
 Offsetting Savings Calculation
 July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011
 Review ID #: S14-MCC-920

Fiscal Year	Dates	Calendar Year	A		B		C		D		E		F		G		H		I	
			Tonnage Diverted	Tonnage Disposed	Tonnage Generated	Actual Diversion Percentage	Maximum Allowable Diversion Percentage	Is the Diversion % (column D) LESS THAN or EQUAL to the Maximum Diversion %	Allocated Diversion %	State-wide Average Landfill Fee (Per Ton)	Offsetting Savings	I = A * G * H								
1999-00	1/1/00 - 6/30/00	2000	51.65	91.00	142.65	36.21%	25.00%	NO	69.04%	\$ 36.39	(1,298)	(1,298)								
2000-01	7/1/00 - 12/31/00	2000	51.65	91.00	142.65	36.21%	25.00%	NO	69.04%	\$ 36.39	(1,298)	(1,298)								
	1/1/01 - 6/30/01	2001	61.80	96.60	158.40	39.02%	25.00%	NO	64.07%	\$ 36.39	(1,441)	(2,739)								
2003-04	7/1/03 - 12/31/03	2003	313.10	102.00	415.10	75.43%	50.00%	NO	66.29%	\$ 36.83	(7,644)	(7,644)								
	1/1/04 - 6/30/04	2004	130.90	80.90	211.80	61.80%	50.00%	NO	80.91%	\$ 38.42	(4,069)	(11,713)								
2004-05	7/1/04 - 12/31/04	2004	130.90	80.90	211.80	61.80%	50.00%	NO	80.91%	\$ 38.42	(4,069)	(4,069)								
	1/1/05 - 6/30/05	2005	177.00	80.90	257.90	68.63%	50.00%	NO	72.85%	\$ 39.00	(5,029)	(9,098)								
2005-06	7/1/05 - 12/31/05	2005	177.00	80.90	257.90	68.63%	50.00%	NO	72.85%	\$ 39.00	(5,029)	(5,029)								
	1/1/06 - 6/30/06	2006	5,022.70	90.50	5,113.20	98.23%	50.00%	NO	50.90%	\$ 46.00	(117,601)	(122,630)								
2006-07	7/1/06 - 12/31/06	2006	5,022.70	90.50	5,113.20	98.23%	50.00%	NO	50.90%	\$ 46.00	(117,601)	(117,601)								
	1/1/07 - 6/30/07	2007	130.90	80.90	211.80	61.80%	50.00%	NO	80.91%	\$ 48.00	(5,084)	(122,685)								
2007-08	7/1/07 - 12/31/07	2007	130.90	80.90	211.80	61.80%	50.00%	NO	80.91%	\$ 48.00	(5,084)	(5,084)								
	1/1/08 - 6/30/08	2008 *	130.90	80.90	211.80	61.80%	50.00%	NO	80.91%	\$ 51.00	(5,401)	(10,485)								
2008-09	7/1/08 - 12/31/08	2008 *	130.90	80.90	211.80	61.80%	50.00%	NO	80.91%	\$ 51.00	(5,401)	(5,401)								
	1/1/09 - 6/30/09	2009 *	130.90	80.90	211.80	61.80%	50.00%	NO	80.91%	\$ 55.00	(5,825)	(11,226)								
2009-10	7/1/09 - 12/31/09	2009 *	130.90	80.90	211.80	61.80%	50.00%	NO	80.91%	\$ 55.00	(5,825)	(5,825)								
	1/1/10 - 6/30/10	2010 *	130.90	80.90	211.80	61.80%	50.00%	NO	80.91%	\$ 56.00	(5,931)	(11,756)								
2010-11	7/1/10 - 10/7/10	2010 *	65.45	40.45	105.90	61.80%	50.00%	NO	80.91%	\$ 56.00	(2,966)	(2,966)								
																			(306,596)	

* 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 through FY 2010-11. The district did not provide documentation to support a different amount of tonnage diverted for these fiscal years.

Tab 10

Kurokawa, Lisa

From: Kurokawa, Lisa
Sent: Wednesday, March 12, 2014 9:30 AM
To: 'scheu@gavilan.edu'
Cc: 'jgopp@gavilan.edu'; tnewman@gavilan.edu
Subject: RE: Adjustment to Gavilan Joint CCD's Integrated Waste Management Claims
Attachments: Offsetting Savings Calculation.xlsx; Narrative of Finding.pdf; Waste Management Diversion Reports for Gavilan CCD (from CalRecycle).pdf; September 10, 2008 Final Staff Analysis.pdf; Amended Parameters and Guidelines.pdf; Fiscal Analysis.pdf; AB1610 Payment Information.pdf

Ms. Cheu,

This email is a follow-up to the email I sent Ms. Newman mid-January. The reason I am contacting you is because the State Controller's Office will be adjusting Gavilan Joint CCD's Integrated Waste Management (IWM) claims for FY 1999-00 through FY 2000-01, and FY 2003-04 through FY 2010-11 by \$200,176. The district contracted with Sixten and Associates to prepare these claims. I have included Mr. Jeff Gopp as a cc: on this email because he is the Director of Maintenance and Operations and may be more familiar with the district's diversion (recycling and composting) activities. We are not adjusting the FY 2001-02 or FY 2002-03 claims because the statute of limitations to initiate an adjustment has expired.

Unreported Offsetting Savings

We are making this adjustment because the district did not report any offsetting savings realized as a result of implementing its IWM plan. For the fiscal years in the review period, the district realized savings of \$306,596, yet reported no offsets. Please see the attached "Offsetting Savings Calculation" and the attached "Narrative of Finding" for an explanation of the adjustment. To calculate the offsetting savings realized by the district, we used the "tonnage diverted" that the district reported to CalRecycle in accordance with Public Resource Code section 42926, subsection (b)(1) (as shown on the attached "Waste Management Report of Diversion").

Background regarding the Offsetting Savings Adjustment

Here's some background information regarding the offsetting savings adjustment:

- In 2007, CalRecycle filed a petition for writ of mandate requesting that the Commission on State Mandates (CSM) issue new parameters and guidelines that give full consideration to the cost savings (e.g. avoided landfill disposal fees) that a district realizes as a result of implementing an IWM program. On June 30, 2008, the court ruled that the CSM was required to amend the parameters and guidelines to require districts to identify and offset 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 in the review period, the district claimed reimbursement of \$658,967 for the IWM Program. However, because of the offsetting savings adjustment, we have found that \$458,791 is allowable and \$200,176 is unallowable (please see the attached "Fiscal Analysis" for a summary of the claimed, allowable, and

unallowable costs by fiscal year). The State has paid the district \$8,406 for the FY 2000-01 claim. Please see the attached "AB1610 Payment Report" for more information regarding these payments. The State will pay allowable costs claimed that exceed the amount paid, totaling \$430,385, 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)
- AB 1610 Payment Report

I will attach the IWM Claims for on a separate email because the file size is too large (3 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 willing to have a telephone conference call to discuss this adjustment in more detail. However, if you would prefer to meet in person to discuss this adjustment, I would be OK with coming down (from Sacramento) for a meeting.

If we don't hear back from the district by **Monday, March 24, 2014**, we will assume that the district has no questions regarding this adjustment and we will proceed with processing an "official" letter report explaining the reason for 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
lkurokawa@sco.ca.gov

CONFIDENTIALITY NOTICE: This communication with its contents as well as any attachments may contain confidential and/or legally privileged information. It is solely for the use of the intended recipient(s). Unauthorized interception, review, use or disclosure is prohibited and may violate applicable laws including the Electronic Communications Privacy Act. If you are not the intended recipient, please contact the sender and destroy all copies of

~~**From:** Kurokawa, Lisa
Sent: Friday, January 17, 2014 4:29 PM
To: 'tnewman@gavilan.edu'
Cc: 'jkeeler@gavilan.edu'; Bonezzi, Alexandra L.
Subject: Adjustment to Gavilan Joint CCD's Integrated Waste Management Claims~~

Ms. Newman,

My name is Lisa Kurokawa and I'm an Audit Manager with the State Controller's Office, Division of Audits, Mandated Cost Bureau. I am contacting you because the State Controller's Office will be adjusting the district's Integrated Waste Management Claims for FY 1999-00 through FY 2000-01, and FY 2003-04 through FY 2010-11 because the district did not offset any savings (e.g. avoided landfill disposal fees) received as a result of implementing the district's IWM Plan.

Tab 11

Desk audit of Gavilan's Integrated Waste Mgt Claims

Thursday, March 20, 2014
2:56 PM

Subject	Desk audit of Gavilan's Integrated Waste Mgt Claims
From	<u>Nancy Bailey</u>
To	Kurokawa, Lisa
Cc	Terry Newman; Steve Kinsella; Kbpsixten@aol.com
Sent	Thursday, March 20, 2014 11:36 AM

Good Morning:

We have reviewed your office's response to our Integrated Waste Management claims.

The District does not agree with the audit finding or the reduced claim amount, due to audit methodology used to derive the unallowable costs.

A telephone Exit Conference regarding this audit of the claim is not requested at this time. Your office may proceed with the audit report. The District may then move forward with an appeal.

The email has been sent on behalf of the office of Administrative Services at Gavilan College.

Thank you,

Nancy E. Bailey

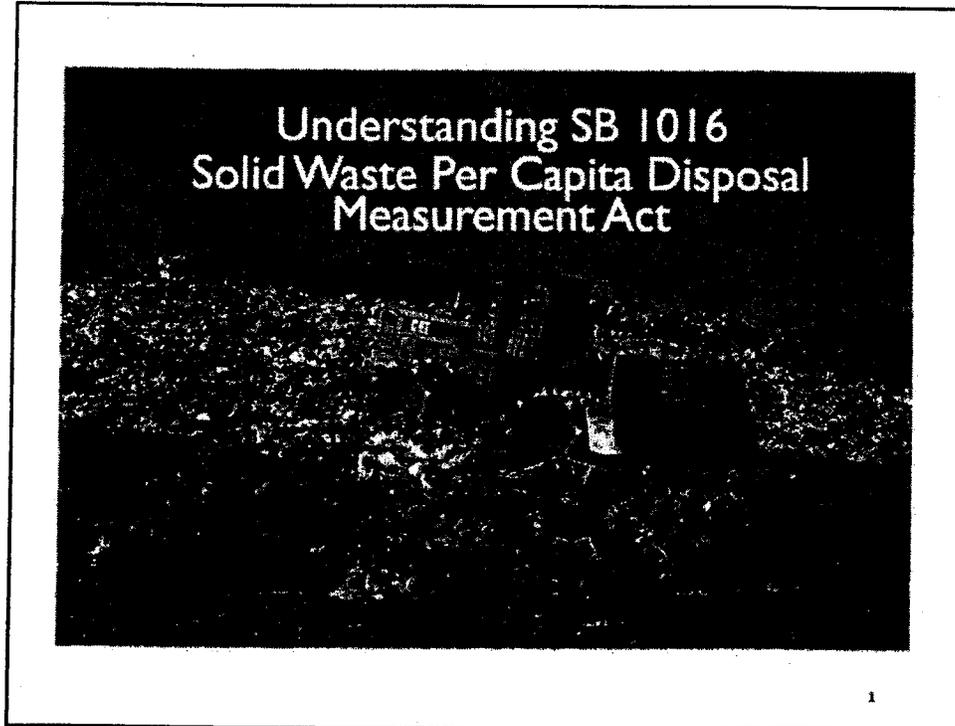
Executive Assistant, Administrative Services

Gavilan Joint Community College District

(408)848-4731

nbailey@gavilan.edu

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.

SOURCE:

<http://www.calrecycle.ca.gov/igcentral/goalmeasure/Tools/SimplePresen.pdf>

(1)

From Diversion...

- ***Diversion Rate:***
 - Complex mathematical calculations and estimates
 - 18-24 months to determine final calculations
 - Focus on 50 percent rather than implementing effective programs

2

The calculation of a jurisdiction's diversion numbers has always played a major role in AB 939.

However, [click] it has long been described as an inefficient, overly complex process – one that takes [click] between 18 and 24 months to complete.

[click] It also improperly places focus on achieving satisfactory numbers rather than implementing successful waste reduction and recycling programs.

[next slide]

...to Disposal

- **Per Capita Disposal Rate:**
 - Simplifies: calculates disposal per person within a jurisdiction
 - Six months to determine final calculations
 - Less “bean counting” and more resources towards program implementation

3

SB 1016 [click] simplifies the measurement process – moving away from the complexities of diversion estimates and instead measuring per capita *disposal* - that is, disposal per person within a particular Jurisdiction.

This shift from diversion to disposal provides much more accurate measurements, [click] takes less time to calculate – 6 months vs. 18-24 – and allows jurisdictions [click] to apply resources toward building successful programs rather than crunching numbers.

[next slide]

How does this Change 50%?

- Old system: 50% or MORE *Diversion* plus program implementation equals success
- New system: 50% or LESS *Disposal* plus program implementation equals success
- Under SB 1016, lower per capita disposal equal less waste

4

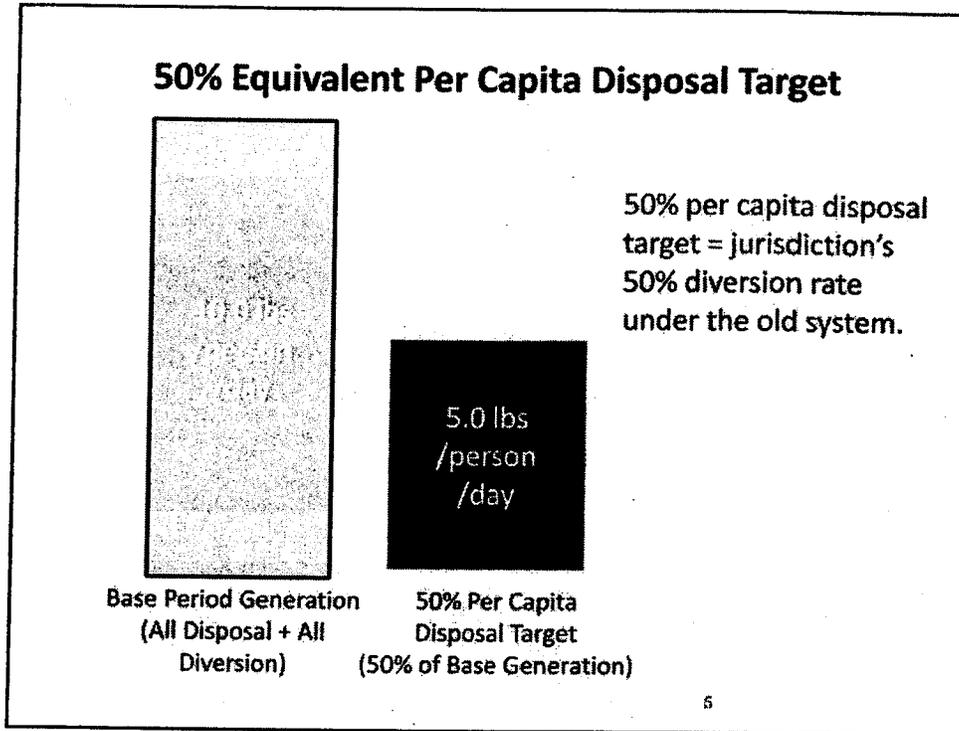
This change in measurement does change how we look at the numbers, however the intent remains the same – reducing our waste disposal.

Under the old system, [click] if a jurisdiction *diverted* 50 percent of its waste or MORE, and it was fully implementing its recycling and related programs, then it had met its mandate and was moving in the right direction.

Now, under SB 1016, each jurisdiction will have a disposal target that is the equivalent of 50 percent diversion, and that target will be expressed on a *per capita basis*. [click] If a jurisdiction *disposes* less than its 50 percent equivalent per capita disposal target AND is implementing its recycling and related programs, it has met the mandate.

You are used to thinking about a diversion rate of *over* 50 percent as being great news! [click] But now, you should be thinking that if your per-capita disposal rate is *less than* your target, then that means you're doing a great job with your programs and now that is great news!

*



Confused? Perhaps this slide will help.

[click] A jurisdiction with a base waste generation rate of 10 pounds per person per day will have a **TARGET [click]** of getting that rate to 5 pounds per person per day, or 50 percent. As you can see, under this new system, a low per capita disposal is a good thing.

In short, the lower the percentage, the less waste a jurisdiction is generating - thus the better it is doing.

Also, an important point to remember **[click]** - if your jurisdiction was at 50 percent diversion under the old system, in most cases, your jurisdiction will remain at 50 percent under the new system—it is just measured in terms of per capita disposal now.

[next slide]

Each Jurisdiction is Unique

- Differing demographics and industrial bases within jurisdictions
- Impossible to compare targets and progress to other jurisdictions

6

Remember that each jurisdiction is unique! **[click]** Each one has its own 50 percent equivalent disposal target, different demographics and industrial bases.

You may be used to comparing your diversion rate with other jurisdictions in the region, but because the per-capita disposal calculation is unique to each jurisdiction, **[click]** it is impossible to compare targets and disposal rates.

Compliance Impacts of SB 1016

- Compliance remains unchanged
- Disposal number is a factor to consider, but does NOT determine compliance
- Evaluation focused on how jurisdictions are implementing their programs
- Technical assistance for struggling programs

7

SB 1016 does not change AB 939's 50 percent requirement—it just measures it differently.

[click] A jurisdiction's compliance is also the same under the new system as it was under the old system. Under both systems, the most important aspect of compliance is program implementation. However, the new system further emphasizes the importance of program implementation.

To evaluate compliance, the Board will look at a jurisdiction's per-capita disposal rates as an indicator of how well its programs are doing to keep or reduce disposal at or below a jurisdiction's unique 50% equivalent disposal target.

[click] But the numbers are simply one of several factors – as opposed to being the primary factor – that the Board uses to determine compliance.

[click] The priority of the Board is to evaluate that a jurisdiction is continuing to implement the programs it chose and is making progress in meeting its target.

If a jurisdiction is struggling to meet its 50 percent target, **[click]** the Board will provide increased technical assistance to help determine why that may be and work with them to make any necessary program modifications.

[next slide]

SB 1016 Recap What Stakeholders Asked For!

- Simplified, accurate and timely
- Maintains 50% requirement
- Emphasis on program implementation instead of number crunching
- Increase CIWMB staff field presence to provide technical assistance

8

SB 1016 was developed - in response to recommendations from you and the CIWMB – **[click]** to create a measurement system that is less complex, more accurate, and more timely than it has been in the past.

[click]

The shift to a per capita disposal system with **[click]** continuing emphasis on successful program implementation, **[click]** as well as an increase in technical assistance to jurisdictions, is the next step to improving waste management practices in California.

It creates a clearer picture of where we stand in our waste reduction efforts - but most importantly, SB 1016 allows us to better see where improvements are needed and to address those areas.

Contacts:

Kaoru Cruz, CIWMB
(916) 341-6249
kcruz@ciwmb.ca.gov

Keir Furey, CIWMB
(916) 341-6622
kfurey@ciwmb.ca.gov

Debra Kustic, CIWMB
(916) 341-6207
dkustic@ciwmb.ca.gov

9

I'm sure you have plenty of questions regarding the finer points of SB 1016 and the Board has a number of staff available to provide any additional information and expertise you might need regarding this important piece of legislation. **[click]** Please do not hesitate to contact them if you have any questions.

[Closing]

It is my hope that you have found this brief introduction to SB 1016 useful and informative. California is a global leader in environmental protection, and it is our work here at the State and Local levels that is so vital to that success.

We at the Board thank you for your efforts thus far, and we look forward to continued success working with you

Thank you very much for your time.

Tab 13

Gavilan 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, 2001; and July 1, 2003, through June 30, 2011

Reimbursable Component - Diversion and Maintenance of Approved Level of Reduction				
Fiscal Year	Activity	Employee Classification	Exhibit D	Salaries & Benefits Claimed
2006-07 ↓	Composting	Groundskeeper	page 261	\$ 4,923.00
	Composting	Groundskeeper	page 261	\$ 8,604.90
	Composting	Groundskeeper	page 261	\$ 5,302.80
	Composting	Groundskeeper	page 261	\$ 54.40
				<u>\$ 18,885.10</u>
2007-08 ↓	Composting	Groundskeeper	page 267	\$ 6,714.00
	Composting	Groundskeeper	page 267	\$ 4,959.00
	Composting	Groundskeeper	page 267	\$ 5,581.80
	Composting	Groundskeeper	page 267	\$ 5,135.40
				<u>\$ 22,390.20</u>
2008-09 ↓	Composting	Groundskeeper	page 274	\$ 6,890.40
	Composting	Groundskeeper	page 274	\$ 5,612.40
	Composting	Groundskeeper	page 274	\$ 6,125.40
	Composting	Groundskeeper	page 274	\$ 5,925.60
				<u>\$ 24,553.80</u>
2009-10 ↓	Composting	Groundskeeper	page 281	\$ 7,275.60
	Composting	Groundskeeper	page 281	\$ 5,974.20
	Composting	Groundskeeper	page 281	\$ 6,523.20
	Composting	Groundskeeper	page 281	\$ 6,480.00
				<u>\$ 26,253.00</u>
2010-11 ↓	Composting	Groundskeeper	page 288	\$ 2,038.94
	Composting	Groundskeeper	page 288	\$ 1,649.97
	Composting	Groundskeeper	page 288	\$ 1,786.74
	Composting	Groundskeeper	page 288	\$ 1,775.10
				<u>\$ 7,250.75</u>
				<u>\$ 99,332.85</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.

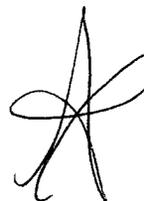
- > Beverage containers
- > Glass Plastics (#3-7)
- > Carpet
- > Cardboard
- > Newspaper
- > Office paper (white)
- > Office paper (mixed)
- > Confidential shredded paper
- > Copier/toner cartridges
- > Scrap metal
- > Wood waste
- > Textiles
- > Ash Sludge (sewage/industrial)
- > Tires
- > White goods
- > 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 (DTSC). Please see the DTSC website for their disposal guidelines.

①

- > **Universal Waste:** Radios, stereo equipment, printers, VCR/DVD players, calculators, cell phones, telephones, answering machines, microwave ovens, cathode ray tubes, cathode ray glass, all types of batteries, lamps (compact fluorescent lightbulbs, commercial fluorescent lights), mercury containing equipment, non-empty aerosol cans (containing propane, butane pesticides), and other common electronic devices.
- > **Electronic Waste:** Common electronic devices that are identified as hazardous waste, such as computers and central processing units (CPU), laptops, monitors and televisions, etc.
- > Additional hazardous wastes should be properly managed: antifreeze, asbestos, paint, treated wood, used oil, etc.



Organics Recycling

In October of 2014 Governor Brown signed AB 1826 Chesbro (Chapter 727, Statutes of 2014), requiring businesses, including State Agencies, to recycle their organic waste on and after April 1, 2016, depending on the amount of organic waste they generate per week. This law also requires that on and after January 1, 2016, local jurisdictions across the state implement an organic waste recycling program to divert organic waste generated by businesses, including State Agencies that meet the progressive thresholds. Learn more about AB 1826 and Mandatory Commercial 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

(2)

Waste Prevention/Reuse

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) reuse: 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 reuse 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, postconsumer 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

(3)

- >> Environmentally Preferable Purchasing (EPP) procurement policy
- >> Staff procurement training regarding RCP/EPP practices
- >> RCP/EPP language included in procurement contracts for products and materials
- >> Other green procurement activities

Training and Education

Programs to reduce trash, re-use, recycle, compost, and to buy green products are more effective when employees are aware, involved and motivated. How does your agency train and educate employees, and non-employees (if applicable) regarding existing waste management and recycling programs?

The annual report will ask you to identify how your agency trains and educates employees, and non-employees (if applicable) regarding efforts to reduce waste, reuse, recycle, compost, and buy green products, and explain how you also educate your suppliers, customers, and/or your community about your efforts to reduce, reuse, recycle, compost, and buy recycled products.

- >> Web page (intranet or internet)
- >> Signage (signs, posters, including labels for recycling bins)
- >> Brochures, flyers, newsletters, publications, newspaper articles/ads
- >> Office recycling guide, fact sheets
- >> New employee package
- >> Outreach (internal/external) e.g. environmental fairs
- >> Seminars, workshops, special speakers
- >> Employee incentives, competitions/prizes
- >> Awards program
- >> Press releases
- >> Employee training
- >> Waste audits, waste evaluations/surveys
- >> Special recycling/reuse events
- >> Other

Please contact your CalRecycle local assistance representative for individual assistance.

.....

Last updated: July 30, 2015

State Agency Waste Management Programs, <http://www.calrecycle.ca.gov/StateAgency/>

Recycling Coordinator: SARC@calrecycle.ca.gov, (916) 341-6199

Buy Recycled Campaign: BuyRecycled@calrecycle.ca.gov, (916) 341-6199

[Conditions of Use](#) | [Privacy Policy](#) | [Language Complaint Form](#)

©1995, 2015 California Department of Resources Recycling and Recovery (CalRecycle). All rights reserved.

4

Tab 15



LINDA S. ADAMS
SECRETARY FOR ENVIRONMENTAL
PROTECTION



ARNOLD SCHWARZENEGGER
GOVERNOR

CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

1001 I STREET, SACRAMENTO, CALIFORNIA 95814 • P.O. BOX 4025, SACRAMENTO, CALIFORNIA 95812-4025
(916) 341-6000 • WWW.CIWMB.CA.GOV

MARGO REID BROWN
CHAIR
MBROWN@CIWMB.CA.GOV
(916) 341-6051

SHEILA JAMES KUEHL
SKUEHL@CIWMB.CA.GOV
(916) 341-6039

JOHN LAIRD
JLAIRD@CIWMB.CA.GOV
(916) 341-6010

CAROLE MILDEN
CMILDEN@CIWMB.CA.GOV
(916) 341-6024

ROSALIE MULE
RMULE@CIWMB.CA.GOV
(916) 341-6016



September 21, 2009

Paula Higashi
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95864

Re: **Development Of Revised Statewide Cost Estimate
Request to Amend Parameters and Guidelines
Integrated Waste Management Board 05-PGA-16
Public Resources Code Sections 40148, 40196.3, 42920-42928
Public Contract Code Sections 12167 and 12167.1
Statutes 1999, Chapter 764; Statutes 1992, Chapter 1116
State Agency Model Integrated Waste Management Plan (February 2000)**

Dear Ms. Higashi:

You have requested a "revised estimate of avoided disposal costs and sales of recyclable materials, based on the information reported to the CIWMB by the 45 claimant districts" for use in developing an accurate revised statewide cost estimate. Compiling this information required a significant effort on the part of a number of our staff and I wanted to express our appreciation for the additional time you have allowed us to respond.

Enclosed you will find summary spreadsheets containing information on each district to the extent it was available for the years involved with this claim. These summary sheets were built from a number of other spreadsheets detailing disposal reduction amounts for waste, and recovered materials by types, such as glass, paper, etc. I have only enclosed the summary sheets in hard copy due to the large amount of paper involved and the inability to fit much of the information on one page at a time. I will be separately e-mailing those documents to you so that your staff may review them in a more readily useable format. For those parties that are also receiving a copy of this letter, if you would like me to e-mail these additional documents to you, please send your e-mail address with a request to me at eblock@ciwmb.ca.gov.

There are several things I must note about the enclosed information. We could not provide information about the years 1999 and 2000 because plans were first coming in during that period and community colleges were not yet reporting their results. Starting in 2001, the data is based on a calendar year, not a fiscal year, as that is the way in which the information was reported to us. We have not provided 2008 data as we have not received and reviewed all of that information yet. Districts do not report their reduced disposal costs or sales of recyclable materials per se, they report their reduction in disposal and the amounts of recyclable materials they have recovered. We then took that data and used average estimated rates for disposal costs and sale of recyclable commodities for the years involved to develop monetary estimates.

Finally, you will notice that despite some significant offsets and available revenue, some community college districts still show a cost for implementation. I want to make clear that it is the CIWMB's position that these claim amounts are still inaccurate – the amounts claimed far exceed

September 21, 2009
Paula Higashi
Page 2

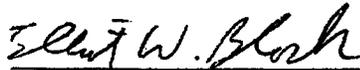
reasonable costs for the programs implemented, particularly when compared to other similar costs from other claimants. While the CIWMB understands that a more detailed level of claim review will occur at a later date, we still believe that the Commission should not include claims that are inaccurate on their face in the calculations of estimated statewide costs.

Once you have had a chance to review this information, you will see that most of the claimants have neglected to provide information to you on offsets and revenues that they reported to us as part of their annual reports. As we have previously indicated, we believe once these numbers are factored in, and other inaccuracies are corrected – the claimants will in fact be owed nothing from the state because the programs that they were required to institute saved them money, rather than costing money.

I realize there is a lot of detail in the information provided and e-mailed separately. Please feel free to let me know if you would like to meet with our staff to obtain any additional information or explanations on how this data was derived. I can be reached at 916-341-6080 if you would like to make arrangements to discuss this further. Thank you for your consideration.

I certify, under penalty of perjury, that I am an authorized representative of the California Integrated Waste Management Board and that the statements made in this document are true and correct to the best of my personal knowledge and belief.

Executed this 21st day of September, 2009 in Sacramento, California, by:



Elliot Block
Chief Counsel
California Integrated Waste Management Board

PROOF OF SERVICE

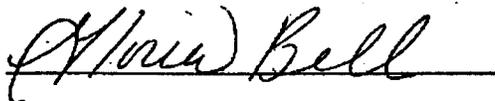
Development Of Revised Statewide Cost Estimate
Integrated Waste Management Board 05-PGA-16

I, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within-entitled cause; my business address is 1001 I Street, 23rd floor, Sacramento, California, 95814.

On September 21, 2009, I served the attached Letter With Enclosures Regarding The Development Of Revised Statewide Cost Estimate to the Commission on State Mandates and by placing a true copy thereof to the Commission and to all of those listed on the attached mailing list enclosed in a sealed envelope with postage thereon fully prepaid in the U. S. Mail at Sacramento, California, in the normal pickup location at 1001 I Street, 23rd floor, for Interagency Mail Service, addressed as follows:

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on September 21, 2009 at Sacramento, California.

A handwritten signature in cursive script that reads "Maria Bell". The signature is written in black ink and is positioned above a horizontal line.

Carol Bingham
California Department of Education (E-08)
Fiscal Policy Division
1430 N Street, Suite 5602
Sacramento, CA 95814

Steve Shields
Shields Consulting Group, Inc.
1536 36th Street
Sacramento, CA 95816

Robert Miyashiro
Education Mandated Cost Network
1121 L Street, Suite 1060
Sacramento, CA 95814

Harmeet Barkschat
Mandate Resource Services
5325 Elkhorn Blvd., #307
Sacramento, CA 95842

Susan Geanacou
Department of Finance (A-15)
915 L Street, Suite 1190
Sacramento, CA 95814

Allan Burdick
MAXIMUS
4320 Auburn Blvd., Suite 2000
Sacramento, CA 95841

Steve Smith
Steve Smith Enterprises, Inc.
2200 Sunrise Blvd., Suite 220
Sacramento, CA 95670

Keith B. Petersen
SixTen & Associates
3841 North Freeway Blvd., Suite 170
Sacramento, CA 95834



Beth Hunter
Centration, Inc.
8570 Utica Ave., Suite 100
Rancho Cucamonga, CA 91730

Jim Spano
State Controller's Office (B-08)
Division of Audits
300 Capitol Mall, Suite 518
Sacramento, CA 95814

Cheryl Miller
CLM Financial Consultants, Inc.
1241 North Fairvale Avenue
Covina, CA 91722

Donna Ferebee
Department of Finance
915 L Street, 11th Floor
Sacramento, CA 95814

Erik Skinner
California Community Colleges
Chancellor's Office (G-01)
1102 Q Street, Suite 300
Sacramento, CA 95814-6549

Ginny Brummels
State Controller's Office (B-08)
Division of Accounting & Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

Sandy Reynolds
Reynolds Consulting Group
P.O. Box 894059
Temecula, CA 92589

Jeannie Oropeza
Department of Finance
Education Systems Unit
915 L Street, 7th Floor
Sacramento, CA 95814

Douglas R. Brinkley
State Center Community College District
1525 EAST Weldon
Fresno, CA 93704-6398

Jolene Tollenaar
MGT of America
455 Capitol Mall, Suite 600
Sacramento, CA 95814

Michael Johnston
Clovis Unified School District
1450 Herndon Ave.
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
Allan Hancock CCD	\$ (13,459.07)	\$ (48,899.21)	\$ (1,185.78)	\$ (8,674.97)	\$ (24,695.78)	\$ (38.54)	\$ (37,252.08)	\$ (134,205.44)
Allan Hancock College								
Butte CCD								
Butte College								
Cabrillo CCD	\$ (143,534.70)	\$ (43,154.69)	\$ (46,261.79)	\$ (49,695.92)	\$ (55,239.65)	\$ (62,209.06)	\$ (50,768.13)	\$ (450,863.94)
Cabrillo College								
Chabot-Las Positas CCD	\$ (14,118.44)	\$ (17,179.18)	\$ (22,818.54)	\$ (18,143.93)	\$ (15,381.47)	\$ (5,411.70)	\$ (25,913.23)	\$ (118,966.49)
Chabot College								
Las Positas College								
Citrus CCD	\$ 80,384.42	\$ 81,333.13	\$ 96,103.70	\$ 116,858.89	\$ 159,153.07	\$ 37,557.42	\$ 27,527.32	\$ 598,917.94
Citrus College								
Coast CCD	\$ (60,776.76)	\$ (26,665.64)	\$ (24,284.47)	\$ (2,624.48)	\$ (11,795.19)	\$ (132,644.25)	\$ (83,666.70)	\$ (342,457.49)
Coastline Community College								
Golden West College								
Orange Coast College								
Sequoias CCD	\$ (86,379.58)	\$ (30,046.73)	\$ 149.92	\$ (29,469.60)	\$ 21,164.81	\$ (49,415.73)	\$ (148,200.90)	\$ (322,197.80)
College of the Sequoias								
Contra Costa CCD	\$ (10,834.92)	\$ (10,310.03)	\$ (20,686.69)	\$ (22,958.41)	\$ (28,017.19)	\$ (33,123.41)	\$ (42,730.48)	\$ (168,661.12)

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)	\$ (258,399.18)
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)	\$ (110,536.36)	\$ (236,092.97)	\$ (181,090.89)	\$ (153,776.91)	\$ (1,180,711.77)
Gavilan Joint CCD								
Gavilan College								
	\$ 63,323.67	\$ 62,091.56	\$ 36,358.77	\$ 45,610.46	\$ 43,765.48	\$ (408,713.79)	\$ 38,836.07	\$ (118,727.79)
Glendale CCD								
Glendale Community College								
	\$ (34,513.22)	\$ 18,688.38	\$ 72,574.80	\$ 46,948.46	\$ 56,408.12	\$ 54,814.00	\$ 80,453.34	\$ 295,373.88
Grossmont-Cuyamaca CCD								
Cuyamaca College								
Grossmont College								
	\$ (137,664.73)	\$ 39,437.16	\$ 39,263.89	\$ (115,710.42)	\$ (721,030.27)	\$ 116,609.81	\$ (597.11)	\$ (779,691.67)
Hartnell CCD								
Hartnell Community College								
	\$ 30,209.01	\$ 43,437.20	\$ 18,598.88	\$ (12,568.36)	\$ 5,597.45	\$ (20,014.70)	\$ (84,752.35)	\$ (19,492.87)

District / College	Total claimed - (offsets + avoided disposal) for 2001	Total claimed - (offsets + avoided disposal) for 2002	Total claimed - (offsets + avoided disposal) for 2003	Total claimed - (offsets + avoided disposal) for 2004	Total claimed - (offsets + avoided disposal) for 2005	Total claimed - (offsets + avoided disposal) for 2006	Total claimed - (offsets + avoided disposal) for 2007	Grand Total For All Years
Lassen CCD								
Lassen College	\$ (10,880.06)	\$ (15,900.70)	\$ (9,691.47)	\$ (15,708.67)	\$ (13,755.67)	\$ (18,911.66)	\$ (23,146.91)	\$ (107,995.14)
Long Beach CCD								
Long Beach City College	\$ 11,682.69	\$ 16,676.15	\$ 12,275.70	\$ (101,090.71)	\$ 10,735.82	\$ (16,139.13)	\$ (10,663.06)	\$ (76,522.54)
Los Rios CCD								
American River College								
Cosumnes River College								
Folsom Lake College								
Sacramento City College	\$ (32,892.88)	\$ (93,854.42)	\$ (66,912.90)	\$ (96,455.32)	\$ (1,231,937.81)	\$ (19,344.10)	\$ (37,187.40)	\$ (1,578,584.82)
Marin CCD								
College of Marin	\$ (13,631.22)	\$ (10,468.62)	\$ (1,086.09)	\$ 8,419.85	\$ 9,879.65	\$ 4,744.82	\$ (19,837.14)	\$ (21,978.75)
Merced CCD								
Merced College	\$ (209,871.37)	\$ 12,812.47	\$ 15,089.74	\$ 6,851.73	\$ 4,494.98	\$ 35,310.27	\$ 34,030.21	\$ (100,281.96)
MiraCosta CCD								
MiraCosta College	\$ (7,547.86)	\$ (10,795.92)	\$ (38,401.45)	\$ (16,505.89)	\$ (55,895.14)	\$ (77,153.72)	\$ (41,286.71)	\$ (247,586.68)
Monterey CCD								
Monterey Peninsula College	\$ (12,928.87)	\$ (18,782.43)	\$ (20,194.80)	\$ (28,059.36)	\$ (25,043.13)	\$ (29,633.94)	\$ (18,153.85)	\$ (152,796.37)

District / College	Total claimed - (offsets + avoided disposal) for 2001	Total claimed - (offsets + avoided disposal) for 2002	Total claimed - (offsets + avoided disposal) for 2003	Total claimed - (offsets + avoided disposal) for 2004	Total claimed - (offsets + avoided disposal) for 2005	Total claimed - (offsets + avoided disposal) for 2006	Total claimed - (offsets + avoided disposal) for 2007	Grand Total For All Years
Mt. San Antonio CCD	\$ 3,452.14	\$ (22,145.81)	\$ 5,517.39	\$ (8,624.39)	\$ 23,867.20	\$ 38,421.14	\$ 34,257.98	\$ 74,745.65
North Orange Cty CCD								
Cypress College								
Fullerton College								
Palo Verde CCD	\$ (3,105.41)	\$ (80,224.30)	\$ (129,370.31)	\$ (134,735.18)	\$ (193,425.60)	\$ (249,952.05)	\$ (34,409.44)	\$ (825,222.29)
Palo Verde College	\$ 71,930.00	\$ 58,605.46	\$ 56,129.09	\$ 59,374.79	\$ 65,689.95	\$ 63,553.71	\$ 26,730.81	\$ 402,013.80
Palomar CCD								
Palomar College	\$ 65,958.21	\$ 72,504.57	\$ 101,216.85	\$ 58,994.82	\$ 40,096.59	\$ 40,897.25	\$ 65,760.78	\$ 445,429.07
Pasadena CCD								
Pasadena City College	\$ 164,564.73	\$ 238,657.67	\$ 256,456.32	\$ 235,830.32	\$ 245,767.58	\$ 14,930.51	\$ 270,023.24	\$ 1,426,230.37
Rancho Santiago CCD								
Santa Ana College	\$ 58,373.70	\$ 49,973.24	\$ 54,125.17	\$ 115,919.38	\$ 67,374.86	\$ 141,308.96	\$ 60,312.53	\$ 547,387.84
Santiago Canyon College								
Redwoods CCD								
College of the Redwoods	\$ (2,801.78)	\$ 31,802.33	\$ 33,184.43	\$ 33,788.47	\$ 31,796.19	\$ 6,146.67	\$ (79,700.05)	\$ 54,216.27
San Bernardino CCD								
Crafton Hills College								

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								
San Luis Obispo CCD	\$ (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
Cuesta College								
San Mateo Co CCD	\$ (23,187.77)	\$ (17,819.63)	\$ (19,530.76)	\$ (18,509.76)	\$ (20,925.33)	\$ 37,492.56	\$ 38,224.33	\$ (24,256.35)
College of San Mateo								
Skyline College								
Santa Clarita CCD	\$ (29,194.91)	\$ (9,486.68)	\$ (11,855.60)	\$ (128,527.81)	\$ (4,882.60)	\$ (97,026.52)	\$ (89,080.30)	\$ (370,054.41)
College of the Canyons								
Santa Monica CCD	\$ (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 College								
Shasta Tehama CCD	\$ (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 College								
	\$ (8,132.25)	\$ (21,651.17)	\$ (15,267.68)	\$ (66,984.34)	\$ (25,203.34)	\$ (8,982.40)	\$ (17,649.48)	\$ (169,870.65)

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 Siskiyou	\$ 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								

	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
District / College	\$ (105,973.59)	\$ (91,365.78)	\$ (106,050.59)	\$ (96,710.98)	\$ (39,130.58)	\$ (123,975.15)	\$ (117,158.48)	\$ (680,365.15)
Yuba CCD								
Yuba College	\$ (12,880.59)	\$ (21,586.25)	\$ (21,248.02)	\$ (41,669.46)	\$ (182,486.12)	\$ (56,694.98)	\$ (26,149.84)	\$ (362,715.27)
GRAND TOTAL	\$ (1,454,769.47)	\$ (109,573.99)	\$ 207,280.89	\$ (509,534.59)	\$ (2,397,305.81)	\$ (1,700,533.15)	\$ (1,514,132.40)	\$ (7,478,568.59)



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
District / College								
Landfill cost per ton	\$ 36.39	\$ 36.17	\$ 36.83	\$ 38.42	\$ 39.00	\$ 46.00	\$ 49.00	
Allan Hancock CCD	\$ 17,898.44	\$ 58,686.19	\$ 15,778.90	\$ 19,224.60	\$ 34,251.75	\$ 23,809.60	\$ 46,574.99	
Allan Hancock College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Butte CCD	\$ 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 College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Butte College	\$ 140,510.89	\$ 39,841.26	\$ 40,434.55	\$ 42,795.27	\$ 43,669.47	\$ 50,620.70	\$ 53,343.85	
Butte College	\$ 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	
Cabrillo College	\$ 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	
Las Positas College	\$ 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	
Citrus College	\$ 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	
Orange Coast College	\$ 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	
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	\$ 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	

District / College	Avoided Cost 2001	Avoided Cost 2002	Avoided Cost 2003	Avoided Cost 2004	Avoided Cost 2005	Avoided Cost 2006	Avoided Cost 2007	Grand Total For All Years
Landfill cost per ton	\$ 36.39	\$ 36.17	\$ 36.83	\$ 38.42	\$ 39.00	\$ 46.00	\$ 49.00	
Los Medanos College	\$ 2,241.62	\$ 3,023.81	\$ 5,377.11	\$ 6,045.39	\$ 5,967.00	\$ 5,416.56	\$ 23,793.91	
	\$ 9,699.03	\$ 13,183.97	\$ 15,423.48	\$ 21,939.74	\$ 20,900.10	\$ 21,414.84	\$ 80,440.61	\$ 183,001.76
El Camino CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
El Camino College	\$ 9,026.18	\$ 14,298.00	\$ 68,860.68	\$ 30,109.75	\$ 81,400.41	\$ 45,523.90	\$ 58,023.60	
Compton Community Educational Center	\$ -	\$ 12,205.93	\$ 18,442.99	\$ -	\$ 5,296.20	\$ 6,459.92	\$ 4,975.95	
	\$ 9,026.18	\$ 26,503.93	\$ 87,303.67	\$ 30,109.75	\$ 86,696.61	\$ 51,983.82	\$ 62,999.55	\$ 354,623.51
Foothill-DeAnza CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
DeAnza College	\$ 32,354.35	\$ 53,028.84	\$ 60,438.03	\$ 54,560.24	\$ 29,246.10	\$ 46,469.20	\$ 34,848.80	
Foothill College	\$ 29,888.93	\$ 239,980.72	\$ 21,240.23	\$ 25,622.30	\$ 177,391.50	\$ 96,991.00	\$ 48,637.40	
	\$ 62,243.28	\$ 293,009.55	\$ 81,678.26	\$ 80,182.54	\$ 206,637.60	\$ 143,460.20	\$ 83,486.20	\$ 950,697.63
Gavilan Joint CCD	\$ 4,395.91	\$ 962.12	\$ 22,934.04	\$ 9,977.67	\$ 13,724.10	\$ 462,088.40	\$ 12,725.30	
Gavilan College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 4,395.91	\$ 962.12	\$ 22,934.04	\$ 9,977.67	\$ 13,724.10	\$ 462,088.40	\$ 12,725.30	\$ 526,807.55
Glendale CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Glendale Community College	\$ 67,633.54	\$ 24,092.11	\$ 20,052.83	\$ 18,820.04	\$ 19,254.69	\$ 20,434.58	\$ 24,842.51	
	\$ 67,633.54	\$ 24,092.11	\$ 20,052.83	\$ 18,820.04	\$ 19,254.69	\$ 20,434.58	\$ 24,842.51	\$ 195,130.30
Grossmont-Cuyamaca CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cuyamaca College	\$ 8,082.58	\$ 9,992.69	\$ 9,189.82	\$ 44,981.75	\$ 51,054.08	\$ 14,811.08	\$ 15,052.31	
Grossmont College	\$ 179,799.35	\$ 14,593.87	\$ 16,097.29	\$ 138,480.66	\$ 770,299.14	\$ 18,147.46	\$ 69,446.72	
	\$ 187,881.93	\$ 24,586.56	\$ 25,287.11	\$ 183,462.42	\$ 821,353.22	\$ 32,958.54	\$ 84,499.03	\$ 1,360,028.81
Hartnell CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Hartnell Community College	\$ 9,850.77	\$ 11,350.51	\$ 11,983.01	\$ 30,470.90	\$ 13,861.77	\$ 15,832.28	\$ 81,052.86	
	\$ 9,850.77	\$ 11,350.51	\$ 11,983.01	\$ 30,470.90	\$ 13,861.77	\$ 15,832.28	\$ 81,052.86	\$ 174,402.10
Lassen CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Lassen College	\$ 12,649.89	\$ 13,968.85	\$ 9,951.47	\$ 13,079.32	\$ 11,591.97	\$ 14,887.90	\$ 14,577.99	
	\$ 12,649.89	\$ 13,968.85	\$ 9,951.47	\$ 13,079.32	\$ 11,591.97	\$ 14,887.90	\$ 14,577.99	\$ 90,707.39

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	\$ 46.00	\$ 283,641.98
Long Beach CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long Beach City College	\$ 8,442.48	\$ 11,914.40	\$ 12,142.85	\$ 190,270.06	\$ 15,359.76	\$ 28,050.80	\$ 17,461.64	\$ 283,641.98
Los Rios CCD	\$ 1,676.12	\$ 2,536.78	\$ 2,386.47	\$ 2,548.01	\$ 3,563.43	\$ 3,013.55	\$ 3,358.80	\$ -
American River College	\$ 10,192.11	\$ 16,360.41	\$ 20,682.99	\$ 24,871.96	\$ 24,963.51	\$ 29,823.64	\$ 32,529.14	\$ -
Cosumnes River College	\$ 4,919.93	\$ 39,787.40	\$ 7,275.55	\$ 7,805.60	\$ 79,703.52	\$ 31,698.60	\$ 21,073.43	\$ -
Folsom Lake College	\$ -	\$ -	\$ -	\$ -	\$ 1,107,929.20	\$ 3,039.68	\$ 3,390.95	\$ -
Sacramento City College	\$ 2,867.17	\$ 11,460.46	\$ 10,382.75	\$ 12,514.55	\$ 13,676.52	\$ 15,381.94	\$ 16,503.20	\$ -
Marin CCD	\$ 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
College of Marin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Merced CCD	\$ 6,328.95	\$ 8,319.10	\$ 6,279.15	\$ 6,689.31	\$ 6,134.31	\$ 8,623.62	\$ 7,396.06	\$ -
Merced College	\$ 6,328.95	\$ 8,319.10	\$ 6,279.15	\$ 6,689.31	\$ 6,134.31	\$ 8,623.62	\$ 7,396.06	\$ 49,770.49
MiraCosta CCD	\$ 96,369.45	\$ 479.61	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MiraCosta College	\$ 93,531.03	\$ 20,609.67	\$ 23,141.03	\$ 36,825.19	\$ 45,099.21	\$ 43,589.60	\$ 46,244.24	\$ -
Monterey CCD	\$ 189,900.49	\$ 21,089.28	\$ 23,141.03	\$ 36,825.19	\$ 45,099.21	\$ 43,589.60	\$ 46,244.24	\$ 405,889.03
Monterey Peninsula College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mt. San Antonio CCD	\$ 4,475.97	\$ 7,197.83	\$ 30,858.02	\$ 15,185.89	\$ 53,120.26	\$ 71,094.70	\$ 53,322.63	\$ -
Mt. San Antonio College	\$ 4,475.97	\$ 7,197.83	\$ 30,858.02	\$ 15,185.89	\$ 53,120.26	\$ 71,094.70	\$ 53,322.63	\$ 235,255.30
North Orange Cty CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cypress College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 1,146.29	\$ 13,146.71	\$ 15,485.91	\$ 25,016.80	\$ 43,624.62	\$ 28,653.40	\$ 33,754.63	\$ -

★

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	



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	\$ 9,440.84	\$ 31,721.61	\$ 26,128.99	\$ 29,191.29	\$ 34,148.36	\$ 34,656.08	\$ 30,805.36	
San Jose City College	\$ 10,041.82	\$ 16,153.16	\$ 8,399.93	\$ 19,877.85	\$ 10,347.64	\$ 166,758.97	\$ 16,725.42	
	\$ 19,488.66	\$ 47,874.97	\$ 36,528.91	\$ 49,069.14	\$ 44,496.00	\$ 201,415.05	\$ 47,531.27	\$ 446,404.01
San Luis Obispo CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cuesta College	\$ 14,154.84	\$ 13,404.96	\$ 16,676.26	\$ 13,242.22	\$ 14,828.00	\$ 17,394.90	\$ 23,889.46	
	\$ 14,154.84	\$ 13,404.96	\$ 16,676.26	\$ 13,242.22	\$ 14,828.00	\$ 17,394.90	\$ 23,889.46	\$ 113,590.63
San Mateo Co CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
College of San Mateo	\$ 6,096.78	\$ 17,866.89	\$ 21,602.38	\$ 139,365.09	\$ 19,560.84	\$ 29,220.67	\$ 22,601.25	
Skyline College	\$ 13,068.09	\$ 10,780.47	\$ 10,726.37	\$ 12,508.13	\$ 12,074.40	\$ 57,144.47	\$ 49,543.02	
	\$ 19,164.87	\$ 28,647.36	\$ 32,328.75	\$ 151,873.22	\$ 31,635.24	\$ 86,365.14	\$ 72,144.27	\$ 422,158.85
Santa Clarita CCD	\$ 10,471.22	\$ 11,556.32	\$ 16,774.22	\$ 17,932.54	\$ 19,513.65	\$ 25,042.40	\$ 29,694.00	
College of the Canyons	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 10,471.22	\$ 11,556.32	\$ 16,774.22	\$ 17,932.54	\$ 19,513.65	\$ 25,042.40	\$ 29,694.00	\$ 130,984.35
Santa Monica CCD	\$ 994,431.35	\$ 97,145.39	\$ 217,496.99	\$ 346,715.14	\$ 290,473.17	\$ 488,949.64	\$ 327,850.18	
Santa Monica College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 994,431.35	\$ 97,145.39	\$ 217,496.99	\$ 346,715.14	\$ 290,473.17	\$ 488,949.64	\$ 327,850.18	\$ 2,763,061.86
Shasta Tehama CCD	\$ 5,074.95	\$ 17,259.96	\$ 7,966.70	\$ 57,606.60	\$ 15,253.68	\$ 19,997.86	\$ 18,083.25	
Shasta College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 5,074.95	\$ 17,259.96	\$ 7,966.70	\$ 57,606.60	\$ 15,253.68	\$ 19,997.86	\$ 18,083.25	\$ 141,243.00
Sierra Joint CCD	\$ 7,441.76	\$ 10,422.39	\$ 14,958.87	\$ 20,504.75	\$ 21,989.37	\$ 26,471.16	\$ 28,738.50	
Sierra College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 7,441.76	\$ 10,422.39	\$ 14,958.87	\$ 20,504.75	\$ 21,989.37	\$ 26,471.16	\$ 28,738.50	\$ 130,526.80
Siskiyou CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
College of the Siskiyou	\$ 7,202.67	\$ 17,743.56	\$ 5,516.40	\$ 17,513.37	\$ 15,415.53	\$ 16,526.42	\$ 16,452.24	
	\$ 7,202.67	\$ 17,743.56	\$ 5,516.40	\$ 17,513.37	\$ 15,415.53	\$ 16,526.42	\$ 16,452.24	\$ 96,370.19
Solano Co CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

District / College	Avoided Cost 2001	Avoided Cost 2002	Avoided Cost 2003	Avoided Cost 2004	Avoided Cost 2005	Avoided Cost 2006	Avoided Cost 2007	Grand Total For All Years
Landfill cost per ton	\$ 36.39	\$ 36.17	\$ 36.83	\$ 38.42	\$ 39.00	\$ 46.00	\$ 49.00	
Solano Community College	\$ 27,769.21	\$ 149,566.57	\$ 30,549.92	\$ 35,637.85	\$ 32,682.30	\$ 35,203.42	\$ 58,377.75	
	\$ 27,769.21	\$ 149,566.57	\$ 30,549.92	\$ 35,637.85	\$ 32,682.30	\$ 35,203.42	\$ 58,377.75	
State Center CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 349,711.02
Fresno City College	\$ 14,495.59	\$ 11,320.12	\$ 12,458.48	\$ 14,579.24	\$ 14,660.49	\$ 17,456.54	\$ 16,964.78	
Roedley 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

118

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
Butte Valley 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
Cabrillo CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cabrillo College	\$ 6,684.69	\$ 8,701.85	\$ 7,014.79	\$ 8,190.85	\$ 6,295.25	\$ 8,137.06	\$ 13,612.27	\$ 58,636.56
Cabrillo College	\$ 6,684.69	\$ 8,701.85	\$ 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
Las Positas College	\$ 7,040.82	\$ 9,525.97	\$ 10,471.23	\$ 5,087.44	\$ 6,091.33	\$ 7,733.78	\$ 23,378.54	\$ 69,329.10
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
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
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	\$ 294.08	\$ 506.02	\$ 718.91	\$ 660.08	\$ 2,267.19	\$ 1,643.03	\$ 3,585.39	\$ 9,685.60
Golden West College	\$ 2,590.96	\$ 3,004.83	\$ 4,895.22	\$ 8,704.43	\$ 10,181.55	\$ 8,085.98	\$ 13,065.76	\$ 50,526.62
Orange Coast College	\$ 16,992.27	\$ 12,546.77	\$ 16,713.32	\$ 21,188.47	\$ 19,785.02	\$ 25,603.69	\$ 54,369.79	\$ 167,202.32
Orange Coast College	\$ 20,620.89	\$ 17,824.24	\$ 23,646.42	\$ 32,494.97	\$ 34,891.21	\$ 36,406.16	\$ 72,504.63	\$ 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
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
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	\$ 4,344.53	\$ 5,990.25	\$ 6,891.49	\$ 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	\$ 5,217.80	\$ 5,692.94	\$ 6,460.48	\$ 8,784.35	\$ 10,346.26	\$ 6,592.04	\$ 6,639.41	\$ 49,733.08
Los Medanos College	\$ 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	\$ 3,283.13	\$ 2,392.30	\$ 3,963.50	\$ 9,858.40	\$ 8,993.22	\$ 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

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
Foothill-DeAnza CCD	\$ 2,170.92	\$ 6,498.37	\$ 3,402.30	\$ 3,583.50	\$ 13,645.92	\$ 10,131.11	\$ 15,880.65	\$ 55,712.76
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	\$ 27,346.27	\$ 26,172.76	\$ 44,300.19	\$ 150,894.04
Gavilan Joint CCD	\$ 14,300.15	\$ 21,345.91	\$ 26,637.00	\$ 35,497.32	\$ 41,151.37	\$ 41,856.69	\$ 70,290.71	\$ 250,879.14
Gavilan College	\$ 3,487.42	\$ 4,286.32	\$ 9,508.19	\$ 11,167.87	\$ 11,004.42	\$ 14,730.39	\$ 19,228.63	\$ 71,413.24
Glendale CCD	\$ 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 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
Grossmont-Cuyamaca CCD	\$ 4,251.68	\$ 2,615.50	\$ 1,714.37	\$ 3,573.50	\$ 3,397.19	\$ 1,992.43	\$ 4,081.15	\$ 21,625.82
Cuyamaca College	\$ 550.53	\$ 1,455.20	\$ 1,012.79	\$ 1,587.54	\$ 790.52	\$ 652.16	\$ 4,913.85	\$ 10,802.61
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
Hartnell CCD	\$ 5,536.80	\$ 6,808.29	\$ 6,168.00	\$ 7,582.04	\$ 6,928.05	\$ 9,407.65	\$ 18,410.08	\$ 60,825.86
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
Lassen CCD	\$ 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 College	\$ 2,726.17	\$ 1,931.65	\$ 1,500.00	\$ 2,629.35	\$ 2,163.70	\$ 4,023.76	\$ 8,568.92	\$ 23,543.75
Long Beach CCD	\$ 2,369.83	\$ 1,540.45	\$ 5,271.45	\$ 6,517.66	\$ 1,807.42	\$ 3,510.33	\$ 3,745.42	\$ 24,762.56
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
Los Rios CCD	\$ 570.11	\$ 1,140.59	\$ 1,951.34	\$ 2,992.98	\$ 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	\$ 349,991.21
Cosumnes River College	\$ 3,020.27	\$ 4,165.53	\$ 2,273.05	\$ 8,435.41	\$ 5,251.28	\$ 5,296.95	\$ 11,093.52	\$ 39,456.02
Folsom Lake College	\$ 2,119.41	\$ 2,553.28	\$ -	\$ 1,197.11	\$ -	\$ 856.50	\$ 1,174.86	\$ 3,175.40
Sacramento City College	\$ 23,665.54	\$ 44,388.36	\$ 45,175.14	\$ 66,176.20	\$ 73,834.63	\$ 71,406.69	\$ 82,060.88	\$ 468,702.45
Marin CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College of Marin	\$ 7,302.27	\$ 2,149.52	\$ 3,770.94	\$ 4,866.84	\$ 4,805.04	\$ 8,683.56	\$ 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
Merced CCD	\$ 7,902.27	\$ 2,189.52	\$ 3,770.94	\$ 4,865.84	\$ 4,805.04	\$ 8,083.56	\$ 12,441.08	\$ 43,419.26
Merced College	\$ 10,288.44	\$ 77.29	\$ 5,273.23	\$ 5,497.08	\$ 5,467.81	\$ 7,001.13	\$ 17,698.55	\$ 10,365.73
MiraCosta CCD	\$ 20,576.88	\$ 5,588.25	\$ 5,273.23	\$ 5,497.08	\$ 5,467.81	\$ 7,001.13	\$ 17,698.55	\$ 56,687.20
MiraCosta College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,052.93
Monterey CCD	\$ 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 Peninsula 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
Mt. San Antonio CCD	\$ 2,863.69	\$ 5,388.64	\$ 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	\$ 5,388.64	\$ 4,131.94	\$ 4,732.54	\$ 4,457.24	\$ 2,876.44	\$ 4,483.65	\$ 28,914.14
North Orange City CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cypress College	\$ 1,332.07	\$ 18,697.34	\$ 19,300.38	\$ 6,322.71	\$ 39,092.99	\$ 5,695.06	\$ 19,654.72	\$ 104,095.27
Fullerton College	\$ 346.49	\$ 30,465.51	\$ 39,238.36	\$ 47,048.79	\$ 52,108.81	\$ 43,207.50	\$ 72,246.76	\$ 284,664.22
Palo Verde CCD	\$ 1,678.56	\$ 49,182.85	\$ 58,538.74	\$ 59,371.49	\$ 91,201.80	\$ 48,902.55	\$ 85,993.48	\$ 388,759.48
Palo Verde College	\$ 1,678.56	\$ 49,182.85	\$ 58,538.74	\$ 59,371.49	\$ 91,201.80	\$ 48,902.55	\$ 85,993.48	\$ 388,759.48
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	\$ 697.48	\$ 526.34	\$ 533.72	\$ 836.64	\$ 1,317.22	\$ 4,320.70
Santa Ana College	\$ 891.83	\$ 1,992.07	\$ 994.74	\$ 2,523.27	\$ 4,396.03	\$ 4,216.78	\$ 4,880.22	\$ 19,825.75
Santiago Canyon College	\$ 1,078.08	\$ 2,215.52	\$ 1,832.82	\$ 3,045.81	\$ 4,919.76	\$ 5,053.42	\$ 6,197.45	\$ 24,146.45
Redwoods CCD	\$ 1,633.34	\$ 2,586.21	\$ 5,729.97	\$ 8,261.74	\$ 7,399.16	\$ 15,448.46	\$ 33,467.86	\$ 74,466.74

121

Districts / 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	\$ 40,866.27
	\$ 6,005.74	\$ 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	\$ 2,210.52	\$ 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	\$ 59,506.83
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	\$ 9,092.93	\$ 4,414.67	\$ 2,854.50	\$ 5,267.54	\$ 6,097.33	\$ 5,142.54	\$ 11,093.21	\$ 43,902.72
	\$ 9,092.93	\$ 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	\$ 19,130.20	\$ 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	\$ 8,523.46	\$ 8,397.91	\$ 10,185.64	\$ 13,880.56	\$ 59,594.09
	\$ 11,430.04	\$ 24,725.31	\$ 21,937.85	\$ 22,214.59	\$ 19,979.36	\$ 17,119.38	\$ 21,792.03	\$ 139,298.57
Santa Clarita CCD	\$ 2,090.31	\$ 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 2,090.31	\$ 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	\$ 15,133.25	\$ 22,415.34	\$ 104,214.14
Santa Monica College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 8,804.71	\$ 12,628.67	\$ 12,866.13	\$ 11,045.91	\$ 22,883.45	\$ 15,133.25	\$ 22,415.34	\$ 104,214.14
Shasta Tehama CCD	\$ 3,057.30	\$ 4,391.20	\$ 7,900.98	\$ 9,377.74	\$ 9,949.66	\$ 9,237.54	\$ 15,158.23	\$ 58,472.65
Shasta College	\$ 3,057.30	\$ 4,391.20	\$ 7,900.98	\$ 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
	\$ 2,864.14	\$ 5,779.17	\$ 6,730.28	\$ 13,015.52	\$ 17,831.29	\$ 20,930.78	\$ 35,535.63	\$ 102,686.82

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
Siakhyou 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	\$ 500.00	\$ 90.00	\$ 100.00	\$ 210.73	\$ 363.56	\$ 1,564.29
Solano Community College	\$ 550.00	\$ 4,658.01	\$ 3,287.78	\$ 3,861.56	\$ 3,992.20	\$ 4,982.88	\$ 9,433.98	\$ 30,216.42
	\$ -	\$ 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	\$ -	\$ -	\$ -
Rendley College	\$ 4,577.68	\$ 6,352.98	\$ 5,564.95	\$ 8,186.92	\$ 7,681.74	\$ 13,948.57	\$ 11,908.84	\$ 63,273.70
	\$ 7,995.37	\$ 11,967.43	\$ 12,694.37	\$ 19,182.49	\$ 18,040.90	\$ 22,430.15	\$ 14,168.35	\$ 55,114.20
Victor Valley CCD	\$ 10,233.98	\$ 8,657.50	\$ 7,274.75	\$ 7,815.49	\$ 6,164.33	\$ 5,749.41	\$ 6,365.21	\$ 52,234.66
Victor Valley College	\$ 10,233.98	\$ 8,657.50	\$ 7,274.75	\$ 7,815.49	\$ 6,164.33	\$ 5,749.41	\$ 6,365.21	\$ 52,234.66
West Kern CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taft College	\$ 711.42	\$ 785.95	\$ 785.35	\$ 2,095.40	\$ 792.99	\$ 833.05	\$ 2,396.87	\$ 8,403.97
	\$ 711.42	\$ 785.95	\$ 785.35	\$ 2,095.40	\$ 792.99	\$ 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	\$ 8,316.30	\$ 28,649.69
	\$ 2,107.50	\$ 1,114.07	\$ 2,628.94	\$ 3,878.83	\$ 5,294.93	\$ 5,299.13	\$ 8,316.30	\$ 28,649.69
Yosemite CCD	\$ 23,754.95	\$ 3,416.93	\$ 4,826.50	\$ 6,904.32	\$ 5,201.11	\$ 5,377.18	\$ 9,039.78	\$ 58,620.77
West Valley College	\$ 5,219.92	\$ 5,249.76	\$ 8,680.71	\$ 11,014.13	\$ 8,383.95	\$ 8,279.49	\$ 15,489.26	\$ 62,296.22
	\$ 28,974.87	\$ 8,666.70	\$ 13,516.21	\$ 17,918.45	\$ 13,585.06	\$ 13,656.67	\$ 24,528.04	\$ 120,916.99
Columbia College CCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Modesto Junior College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Yuba CCD	\$ 4,106.28	\$ 5,901.76	\$ 9,730.94	\$ 22,976.11	\$ 31,641.73	\$ 27,261.09	\$ 4,414.26	\$ 105,982.18
Yuba College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 4,106.28	\$ 5,901.76	\$ 9,730.94	\$ 22,976.11	\$ 31,641.73	\$ 27,261.09	\$ 4,414.26	\$ 105,982.18
GRAND TOTAL	\$ 295,133.74	\$ 387,515.98	\$ 438,649.37	\$ 549,282.80	\$ 642,049.66	\$ 622,928.35	\$ 961,310.21	\$ 3,827,540.90

123 23

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 16th.

Debra

From: Kustic, Debra
Sent: Tuesday, March 20, 2012 2:26 PM
To: 'Martin, Alexandra L.'
Cc: Kurokawa, Lisa
Subject: RE: Rancho Santiago CCD IWM Audit Questions



Hi,

I was able to get answers for your questions related to Rancho Santiago CCD.

There are 3 landfills on Orange County – Bowerman, Prims Desecha, and Olinda Alpha. All three have the same rates, and it was \$22/ton for haulers that hold franchise agreements from 1997-2010. The County entered in a long term contract with cities, franchised waste haulers, and sanitary districts in 1997 in order to maintain a stable customer base.

Since 2010, we believe the franchised hauler rate remained about the same, but the County added a large surcharge to waste hauled by independent haulers – their rate is around \$55/ton. The difference between the true landfill rate and this added surcharge is given to cities and public entities as grants. The surcharge is supposed to make MRF processing a more appealing option versus bringing the material directly to the landfill.

Here are the disposal numbers for the two colleges in the district (in total tons and pounds/person/day). This is useful in seeing the disposal trend over time. The data only goes through 2010 as they have not yet submitted their annual report with 2011 – that reporting period is now open and reports are due by May 1st.

Santa Ana College

Year	Disposal in Tons	Lbs/person/day Disposed
------	------------------	-------------------------

General Page 1

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,

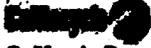
[REDACTED]

[REDACTED]



Regards,

Debra Kustic



California Department of Resources Recycling and Recovery
debra.kustic@calrecycle.ca.gov
Phone: 916-341-6207
Fax: 916-319-8112

General Page 3

Tab 17

Lanfill Disposal Fees

Tuesday, March 12, 2013

3:12 PM

Subject	Lanfill Disposal Fees
From	Kustic, Debra
To	Kurokawa, Lisa
Sent	Thursday, May 31, 2012 1:19 PM

Hi Lisa,

I finally got updated landfill disposal fee information! When the organization from which we get this data provided us with the 2010 and 2011 fees, they also provided us with an updated 2009 fee. I think this happens because they have had additional time to gather a more complete data set. We saw this with another year for which I had provided you with a landfill cost and when they provided us with updated figures, it had decreased.

2009: \$55/ton (previously was noted at \$54/ton)

2010: \$56/ton

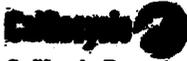
2011: \$56/ton

*

If you have any questions, please let me know.

Regards,

Debra Kustic



California Department of Resources Recycling and Recovery

debra.kustic@calrecycle.ca.gov

Phone: 916-341-6207

Fax: 916-319-8112

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On April 18, 2016, I served the:

SCO Late Comments on Incorrect Reduction Claim

Integrated Waste Management, 14-0007-I-04

Public Resources Code Section 40418, 40196.3, 42920-42928;

Public Contract Code Section 12167 and 12167.1

Statutes 1992, Chapter 1116 (AB 3521); Statutes 1999, Chapter 764 (AB 75)

Fiscal Years: 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011

Gavilan 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 April 18, 2016 at Sacramento, California.



Jill L. Magee

Commission on State Mandates

980 Ninth Street, Suite 300

Sacramento, CA 95814

(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 3/24/16

Claim Number: 14-0007-I-04

Matter: Integrated Waste Management

Claimant: Gavilan 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

Lacey Baysinger, *State Controller's Office*

Division of Accounting and Reporting, 3301 C Street, Suite 700, Sacramento, CA 95816

Phone: (916) 324-0254

lbaysinger@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

Rebecca Hamilton, *Department of Finance*

Education Systems Unit, 915 L Street, 7th Floor, Sacramento, CA 95814

Phone: (916) 445-0328

Rebecca.Hamilton@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

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

Dan Kaplan, *Fiscal & Policy Analyst, Legislative Analyst's Office*

925 L Street, Suite 1000, Sacramento, CA 95814

Phone: (916) 319-8353

Dan.Kaplan@lao.ca.gov

Anne Kato, *State Controller's Office*

Division of Accounting and Reporting, 3301 C Street, Suite 700, Sacramento, CA 95816

Phone: (916) 324-5919

akato@sco.ca.gov

Steven Kinsella, *Superintendent/President, Gavilan Community College District*

5055 Santa Teresa Blvd, Gilroy, CA 95020-9599

Phone: (408) 848-4711

skinsella@gavilan.edu

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

Andy Nichols, *Nichols Consulting*

1857 44th Street, Sacramento, CA 95819

Phone: (916) 455-3939

andy@nichols-consulting.com

Christian Osmena, *Department of Finance*

915 L Street, Sacramento, CA 95814

Phone: (916) 445-0328

christian.osmena@dof.ca.gov

Arthur Palkowitz, *Artiano Shinoff & Holtz, APC*

2488 Historic Decatur Road, Suite 200, San Diego, CA 92106

Phone: (619) 232-3122

apalkowitz@sashlaw.com

Keith Petersen, *SixTen & Associates*

Claimant Representative

P.O. Box 340430, Sacramento, CA 95834-0430

Phone: (916) 419-7093

kbsixten@aol.com

Sandra Reynolds, *Reynolds Consulting Group, Inc.*

P.O. Box 894059, Temecula, CA 92589

Phone: (951) 303-3034

sandrareynolds_30@msn.com

Carla Shelton, *Commission on State Mandates*

980 9th Street, Suite 300, Sacramento, CA 95814

Phone: (916) 327-6490

carla.shelton@csm.ca.gov

Jim Spano, Chief, Mandated Cost Audits Bureau, *State Controller's Office*

Division of Audits, 3301 C Street, Suite 700, Sacramento, CA 95816

Phone: (916) 323-5849

jspano@sco.ca.gov

Dennis Speciale, *State Controller's Office*

Division of Accounting and Reporting, 3301 C Street, Suite 700, Sacramento, CA 95816

Phone: (916) 324-0254

DSpeciale@sco.ca.gov

STATE of CALIFORNIA
**COMMISSION ON STATE
MANDATES**



July 14, 2017

Mr. Christian Keiner
Dannis Woliver Kelly
555 Capitol Mall, Suite 645
Sacramento, CA 95814

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-04
Public Resources Code Sections 40418, 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, 2003-2004, 2004-2005, 2005-2006, 2006-2007,
2007-2008, 2008-2009, 2009-2010, and 2010-2011
Gavilan Joint Community College District, Claimant

Dear Mr. Keiner 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 **August 4, 2017**. 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.¹

You are advised that comments filed with the Commission on State Mandates (Commission) are required to be simultaneously served on the other interested parties on the mailing list, and to be accompanied by a proof of service. However, this requirement may also be satisfied by electronically filing your documents. Refer to http://www.csm.ca.gov/dropbox_procedures.php on the Commission's website for electronic filing instructions. (Cal. Code Regs., tit. 2, § 1181.3.)

¹ 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. Keiner and Ms. Kanemasu

July 14, 2017

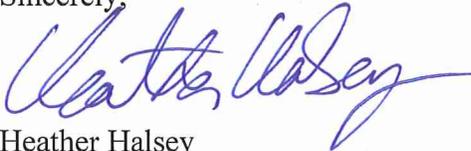
Page 2

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, September 22, 2017**, at 10:00 a.m., State Capitol, Room 447, Sacramento, California. The Proposed Decision will be issued on or about September 8, 2017. 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, 2003-2004, 2004-2005, 2005-2006,
2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011

14-0007-I-04

Gavilan Joint Community College District, Claimant

EXECUTIVE SUMMARY

Overview

This Incorrect Reduction Claim (IRC) addresses the reductions by the State Controller's Office (Controller) to reimbursement claims of the Gavilan Community College District (claimant) for fiscal years 1999-2000, 2000-2001, and 2003-2004 through 2010-2011, under the *Integrated Waste Management* program, 00-TC-07. The Controller made the audit reductions because the claimant did not identify and deduct from its reimbursement claims offsetting savings resulting from the claimant's diversion of solid waste and the associated reduced or avoided landfill disposal costs.

Staff finds that the Controller timely initiated the audit of the 2000-2001 reimbursement claim, and timely completed the audit of all claims.

Staff further finds, based on the evidence in the record, that the Controller's calculation of offsetting cost savings for fiscal years 1999-2000, 2000-2001, the second half of fiscal year 2003-2004, and fiscal years 2004-2005 through 2010-2011, is correct as a matter of law and is not arbitrary, capricious, or entirely lacking in evidentiary support.

However, the Controller's reduction of costs claimed for the first half of fiscal year 2003-2004 is incorrect as a matter of law. During this period, the claimant achieved an actual diversion percentage of 75.43 percent.¹ The Controller used a 50 percent rate to calculate the allocated diversion rate, when the test claim statutes required only 25 percent diversion in calendar year 2003. The requirement to divert 50 percent of all solid waste did not become operative until January 1, 2004.² Applying the Controller's formula for the calculation of cost savings (using 25

¹ Exhibit B, Controller's Late Comments on the IRC, page 77.

² Public Resources Code sections 42921; Exhibit A, IRC, page 43 (Parameters and Guidelines, adopted March 30, 2005).

percent to calculate the allocated diversion rate) to the first half of fiscal year 2003-2004, results in offsetting costs savings of \$3,822 (25 percent mandated diversion rate divided by 75.43 percent actual diversion rate equals a 33.14 percent allocated rate, multiplied by 313.1 tons diverted, multiplied by the avoided statewide average landfill disposal fee of \$36.83),³ rather than the \$7,644 calculated by the Controller using a 50 percent diversion rate.

Accordingly, staff finds that \$3,822 has been incorrectly reduced and should be reinstated to the claimant.

The Integrated Waste Management Program

The test claim statutes require community college districts⁴ 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 the CIWMB challenged the Statement of Decision and Parameters and Guidelines, arguing that the Commission did not properly account for all the offsetting cost savings from avoided disposal costs, or offsetting revenues from the sale of recyclable materials in the Statement of Decision or Parameters and Guidelines. On May 29, 2008, the Sacramento County Superior Court partially agreed with the petitioners and directed the Commission to amend the Parameters and Guidelines to:

1. [R]equire community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims, consistent with the

³ Exhibit B, Controller's Late Comments on the IRC, page 77.

⁴ 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.

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.⁵

In accordance with this court ruling, the Commission amended the Parameters and Guidelines on September 26, 2008.

This program was made optional by statutes of 2010, chapter 724 (AB1610), section 34, effective October 19, 2010, and has remained so since that time.⁶

Procedural History

The claimant filed its 1999-2000, 2000-2001, 2003-2004, and 2004-2005 reimbursement claims on October 6, 2005.⁷ The claimant filed its 2005-2006 reimbursement claim on December 27, 2006,⁸ its 2006-2007 reimbursement claim on January 22, 2008,⁹ its 2007-2008 reimbursement claim on February 17, 2009,¹⁰ its 2008-2009 reimbursement claim on December 18, 2009,¹¹ its 2009-2010 reimbursement claim on February 15, 2011,¹² and its 2010-2011 reimbursement claim on February 14, 2012.¹³ The Controller notified the claimant of the audit on January 17, 2014.¹⁴ The Controller issued the Final Audit Report on April 11, 2014.¹⁵

⁵ Exhibit B, Controller's Late Comments on the IRC, page 30 (Judgment Granting Petition for Writ of Administrative Mandamus).

⁶ See Government Code section 17581.5.

⁷ Exhibit A, IRC, pages 224, 230, 237, and 244.

⁸ Exhibit A, IRC, page 251.

⁹ Exhibit A, IRC, page 258.

¹⁰ Exhibit A, IRC, page 264.

¹¹ Exhibit A, IRC, page 270.

¹² Exhibit A, IRC, page 277.

¹³ Exhibit A, IRC, page 284.

¹⁴ Exhibit B, Controller's Late Comments on the IRC, pages 12, 34. See also Exhibit A, IRC, page 33 (Final Audit Report).

¹⁵ Exhibit A, IRC, page 24 (Final Audit Report).

The claimant filed the IRC on July 14, 2014.¹⁶ The Controller filed late comments on the IRC on April 18, 2016.¹⁷ Commission staff issued the Draft Proposed Decision on July 14, 2017.

Commission Responsibilities

Government Code section 17561(d) authorizes the Controller to audit the claims filed by local agencies and school districts and to reduce any claim for reimbursement of state-mandated costs that the Controller determines is excessive or unreasonable.

Government Code Section 17551(d) requires the Commission to hear and decide a claim that the Controller has incorrectly reduced payments to the local agency or school district. If the Commission determines that a reimbursement claim has been incorrectly reduced, section 1185.9 of the Commission's regulations requires the Commission to send the decision to the Controller and request that the costs in the claim be reinstated.

The Commission must review questions of law, including interpretation of parameters and guidelines, de novo, without consideration of legal conclusions made by the Controller in the context of an audit. The Commission is vested with exclusive authority to adjudicate disputes over the existence of state-mandated programs within the meaning of article XIII B, section 6.¹⁸ The Commission must also interpret the Government Code and implementing regulations in accordance with the broader constitutional and statutory scheme. In making its decisions, the Commission must strictly construe article XIII B, section 6 of the California Constitution and not apply it as an "equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities."¹⁹

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.²⁰

¹⁶ Exhibit A, IRC.

¹⁷ Exhibit B, Controller's Late Comments on the IRC. Note that Government Code section 17553(d) states: "the Controller shall have no more than 90 days after the claim is delivered or mailed to file any rebuttal to an incorrect reduction claim. The failure of the Controller to file a rebuttal to an incorrect reduction claim shall not serve to delay the consideration of the claim by the Commission." However, in this instance, due to the backlog of IRCs, these late comments have not delayed consideration of this item and so have been included in the analysis and Proposed Decision.

¹⁸ *Kinlaw v. State of California* (1991) 54 Cal.3d 326, 331-334; Government Code sections 17551, 17552.

¹⁹ *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.

²⁰ *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.²¹ 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.²²

Claims

The following chart provides a brief summary of the claims and issues raised and staff’s recommendation.

Issue	Description	Staff Recommendation
Whether the Controller timely initiated the audit of the fiscal year 2000-2001 reimbursement claim, and timely completed the audit.	The claimant alleges that the Controller failed to timely initiate the audit of the fiscal year 2000-2001 reimbursement claim. Government Code section 17558.5 requires a valid audit to be initiated no later than three years after the date the reimbursement claim is filed or last amended. However, the section also provides that <i>if no funds are appropriated or no payment is made</i> “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.”	<i>The audit was timely initiated and completed</i> – The record shows that payment on the 2000-2001 reimbursement claim was first made by the Controller on either January 18, 2011, ²³ or January 28, 2011, ²⁴ within three years of the date the audit was initiated on January 17, 2014. Thus, the audit was timely initiated. The audit was complete for all reimbursement claims when the final audit report was issued April 11, 2014, ²⁵ well before the two-year deadline of January 17, 2016.
The Controller’s reduction of costs claimed based on	Pursuant to the ruling and writ issued in <i>State of California v. Commission on State Mandates</i> ,	<i>Partially Incorrect</i> – The Controller correctly presumed, absent any evidence to the

²¹ *Gilbert v. City of Sunnyvale* (2005) 130 Cal.App.4th 1264, 1274-1275.

²² 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.

²³ Exhibit A, IRC, page 292.

²⁴ Exhibit B, Controller’s Late Comments on the IRC, page 36.

²⁵ Exhibit A, IRC, page 24 (Final Audit Report).

<p>unreported cost savings resulting from implementation of the IWM plan.</p>	<p>(Super. Ct., Sacramento County, 2008, No. 07CS00355), the amended Parameters and Guidelines require claimants to identify and offset from their claims, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1, cost savings realized as a result of implementing their 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 reduce and 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, the amount of the cost savings may be determined from calculations of annual solid waste disposal reduction or diversion that community colleges are required to annually report to CIWMB. There is a rebuttable statutory presumption of cost savings. To rebut the presumption, the claimant has the burden of proof and must file evidence to show that cost savings were not realized.</p> <p>For all fiscal years at issue, the claimant diverted more solid waste than required by law. However, the Controller's cost savings formula "allocated" the diversion percentage by</p>	<p>contrary, that the percentage of waste required to be diverted resulted in offsetting savings equal to the avoided landfill fee per ton of waste diverted. The avoided landfill disposal fee was based on the statewide average disposal fee provided by the 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 reduction of costs is correct as a matter of law.</p> <p>However, the Controller applied the wrong mandated diversion rate (i.e., 50% when the mandate was 25% in 2003) when calculating the offsetting savings for the first half of fiscal year 2003-2004 and this is incorrect as a matter of law.</p> <p>Applying the Controller's formula for the calculation of cost savings (using 25% to calculate the allocated diversion rate of 33.14%) to the first half of fiscal year 2003-2004, results in offsetting costs savings of \$3,822 (25% mandated diversion rate divided by 75.43% actual diversion rate, multiplied by 313.1 tons diverted, multiplied by the avoided statewide average landfill disposal fee of \$36.83),²⁸ rather than the \$7,644 calculated by the Controller. The difference of \$3,822 has been incorrectly</p>
---	--	---

²⁸ Exhibit B, Controller's Late Comments on the IRC, page 77.

	<p>dividing the percentage of solid waste required to be diverted, either 25% or 50%, by the actual percentage of solid waste diverted as reported by the claimant to CIWMB to avoid penalizing the claimant for diverting more solid waste than the amount mandated by the state. The resulting quotient is then multiplied by the tons of solid waste diverted multiplied by the avoided landfill disposal fee (based on the statewide average fee).</p> <p>For the first half of fiscal year 2003-2004, the Controller calculated the allocated diversion rate using a 50% diversion rate, although the required diversion rate at that time was 25%.²⁶ As a result of applying the 50% diversion rate to the first half of 2003-2004, the Controller used an allocated 66.29% of the diversion to calculate offsetting cost savings, resulting in a reduction of \$7,644 (313.1 tons of diverted waste multiplied by the allocated diversion rate of 66.29%, multiplied by the avoided statewide average landfill disposal fee of \$36.83).²⁷</p>	<p>reduced and should be reinstated to the claimant.</p>
--	---	--

²⁶ Exhibit A, IRC, page 43 (Parameters and Guidelines, adopted March 30, 2005). The Controller admits, “there is no state mandate to exceed solid waste diversion for amounts in excess of 25% for calendar years 2000 through 2003 or 50% for calendar year 2004 and later” See Exhibit B, Controller’s Late Comments on the IRC, page 21.

²⁷ Exhibit A, IRC, page 30 (Final Audit Report); Exhibit B, Controller’s Late Comments on the IRC, page 77.

Staff Analysis

A. The Controller Timely Initiated the Audit of the Fiscal Year 2000-2001 Reimbursement Claim, and Timely Completed the Audit of All Claims.

The Controller timely initiated the audit of the fiscal year 2000-2001 reimbursement claim and timely completed the audit for all claims pursuant to Government Code section 17558.5. Government Code section 17558.5(a) tolls the time to initiate the audit to three years from the date of initial payment on the claim, rather three years from the date the claim was filed, “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 record shows that payment on the 2000-2001 reimbursement claim was first made by the Controller on either January 18, 2011,²⁹ or January 28, 2011,³⁰ within three years of the date the audit was initiated on January 17, 2014. Thus, the audit was timely initiated. The audit was complete for all reimbursement claims when the final audit report was issued April 11, 2014,³¹ well before the two-year deadline of January 17, 2016.

B. The Controller’s Reduction of Costs Is Generally Correct as a Matter of Law; However, the Reduction of Costs for the First Half of Fiscal Year 2003-2004 Based on the Incorrect Mandated Diversion Rate, Is Incorrect as a Matter of Law.

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.

Staff finds, based on the evidence in the record, that the Controller’s calculation of offsetting cost savings for fiscal years 1999-2000, 2000-2001, the second half of fiscal year 2003-2004, and fiscal years 2004-2005 through 2010-2011, is correct as a matter of law and is not arbitrary, capricious, or entirely lacking in evidentiary support. Because the claimant exceeded the mandate and diverted more solid waste than required by law, the Controller’s cost savings formula “allocated” the diversion percentage 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 California Integrated Waste Management Board (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).³² The formula allocates cost savings based on the mandated levels of diversion, and was intended to prevent penalizing the claimant for diverting more solid waste than the amount mandated by law.³³ The claimant has not filed any evidence to rebut the statutory presumption of cost savings or to show that the

²⁹ Exhibit A, IRC, page 292.

³⁰ Exhibit B, Controller’s Late Comments on the IRC, page 36.

³¹ Exhibit A, IRC, page 24 (Final Audit Report).

³² Exhibit A, IRC, pages 33-35 (Final Audit Report); Exhibit B, Controller’s Late Comments on the IRC, page 21.

³³ Exhibit B, Controller’s Late Comments on the IRC, page 21.

statewide average disposal fee is incorrect or arbitrary. Thus, the Controller's reduction of costs claimed for these fiscal years is correct as a matter of law.

However, the Controller's reduction of costs claimed for the first half of fiscal year 2003-2004 is incorrect as a matter of law. During this period, the claimant achieved an actual diversion percentage of 75.43 percent.³⁴ The Controller allocated the diversion rate for the first half of fiscal year 2003-2004, as it had done for the other fiscal years, since the claimant exceeded the mandate. However, the Controller used a 50 percent rate to calculate the allocated diversion rate, when the test claim statutes required only 25 percent diversion in calendar year 2003. The requirement to divert 50 percent of all solid waste did not become operative until January 1, 2004.³⁵ Therefore, applying the Controller's calculation of cost savings (using 25 percent to calculate the allocated diversion rate) to the first half of fiscal year 2003-2004, results in offsetting costs savings of \$3,822 (25 percent mandated diversion rate divided by 75.43 percent actual diversion rate equals a 33.14 percent allocated rate, multiplied by 313.1 tons diverted, multiplied by the avoided statewide average landfill disposal fee of \$36.83),³⁶ rather than the \$7,644 calculated by the Controller using a 50 percent diversion rate.

Conclusion

Staff finds that the Controller's reduction of costs claimed for fiscal years 1999-2000, 2000-2001, the second half of fiscal year 2003-2004, and fiscal years 2004-2005 through 2010-2011 is correct as a matter of law and is not arbitrary, capricious, or entirely lacking in evidentiary support.

However, the reduction of costs claimed for the first half of fiscal year 2003, based on the wrong mandated diversion rate, is incorrect as a matter of law. The law and the record support offsetting cost savings for the first half of fiscal year 2003-2004 of \$3,822, rather than \$7,644, and the difference of \$3,822 has been incorrectly reduced and should be reinstated to 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 \$3,822 to the claimant. Staff further recommends that the Commission authorize staff to make any technical, non-substantive changes to Proposed Decision following the hearing.

³⁴ Exhibit B, Controller's Late Comments on the IRC, page 77.

³⁵ Public Resources Code sections 42921; Exhibit A, IRC, page 43 (Parameters and Guidelines, adopted March 30, 2005).

³⁶ Exhibit B, Controller's Late Comments on the IRC, page 77.

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 3251); Statutes 1999, Chapter 764 (AB 75); State Agency Model Integrated Waste Management Plan (February 2000)

Fiscal Years 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010 and 2010-2011

Gavilan Joint Community College District,
Claimant

Case No.: 14-0007-I-04

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 September 22, 2017)

DECISION

The Commission on State Mandates (Commission) heard and decided this Incorrect Reduction Claim (IRC) during a regularly scheduled hearing on September 22, 2017. [Witness list will be included in the adopted Decision.]

The law applicable to the Commission’s determination of a reimbursable state-mandated program is article XIII B, section 6 of the California Constitution, Government Code section 17500 et seq., and related case law.

The Commission [adopted/modified] the Proposed Decision to [approve/partially approve/deny] the IRC by a vote of [vote count will be included in the adopted Decision] as follows:

Member	Vote
Lee Adams, County Supervisor	
Ken Alex, Director of the Office of Planning and Research	
Richard Chivaro, Representative of the State Controller, Vice Chairperson	
Mark Hariri, Representative of the State Treasurer	
Sarah Olsen, Public Member	
Eraina Ortega, Representative of the Director of the Department of Finance, Chairperson	
Carmen Ramirez, City Council Member	

Summary of the Findings

This IRC addresses reductions made by the State Controller's Office (Controller) to reimbursement claims of the Gavilan Community College District (claimant) for fiscal years 1999-2000, 2000-2001, and 2003-2004 through 2010-2011, under the *Integrated Waste Management* program, 00-TC-07. The 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 Commission finds that the Controller timely initiated the audit of the fiscal year 2000-2001 reimbursement claim and timely completed the audit for all claims pursuant to Government Code section 17558.5. Government Code section 17558.5(a) tolls the time to initiate the audit to three years from the date of initial payment on the claim, rather three years from the date the claim was filed, "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 record shows that payment on the 2000-2001 reimbursement claim was first made by the Controller on either January 18, 2011,³⁷ or January 28, 2011,³⁸ within three years of the date the audit was initiated on January 17, 2014. Thus, the audit was timely initiated. The audit was complete for all reimbursement claims when the final audit report was issued April 11, 2014,³⁹ well before the two-year deadline of January 17, 2016.

On the merits, the Commission finds that the audit reductions are partially correct. 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 further finds, based on the evidence in the record, that the Controller's calculation of offsetting cost savings for fiscal years 1999-2000, 2000-2001, the second half of fiscal year 2003-2004, and fiscal years 2004-2005 through 2010-2011, is correct as a matter of law and is not arbitrary, capricious, or entirely lacking in evidentiary support. Because the claimant exceeded the mandate and diverted more solid waste than required by law, the Controller's cost savings formula "allocated" the diversion percentage 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 California Integrated Waste Management Board (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).⁴⁰ The formula allocates cost savings based on the mandated levels of diversion, and was intended to prevent penalizing the claimant for diverting more solid waste than the amount

³⁷ Exhibit A, IRC, page 292.

³⁸ Exhibit B, Controller's Late Comments on the IRC, page 36.

³⁹ Exhibit A, IRC, page 24 (Final Audit Report).

⁴⁰ Exhibit A, IRC, pages 33-35 (Final Audit Report); Exhibit B, Controller's Late Comments on the IRC, page 21.

mandated by law.⁴¹ 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 fiscal years is correct.

However, the Controller's reduction of costs claimed for the first half of fiscal year 2003-2004 is incorrect as a matter of law. During this period, the claimant achieved an actual diversion percentage of 75.43 percent.⁴² The Controller allocated the diversion rate for the first half of fiscal year 2003-2004, as it had done for the other fiscal years, because the claimant exceeded the mandate. However, the Controller used a 50 percent rate to calculate the allocated diversion rate, when the test claim statutes required only 25 percent diversion in calendar year 2003. The requirement to divert 50 percent of all solid waste did not become operative until January 1, 2004.⁴³ Therefore, applying the Controller's calculation of cost savings (using 25 percent to calculate the allocated diversion rate) to the first half of fiscal year 2003-2004, results in offsetting costs savings of \$3,822 (25 percent mandated diversion rate divided by 75.43 percent actual diversion rate equals a 33.14 percent allocated rate, multiplied by 313.1 tons diverted, multiplied by the avoided statewide average landfill disposal fee of \$36.83),⁴⁴ rather than the \$7,644 calculated by the Controller using a 50 percent diversion rate.

Accordingly, the Commission finds that the law and the record support offsetting cost savings for the first half of fiscal year 2003-2004 of \$3,822, rather than \$7,644, and that the difference of \$3,822 has been incorrectly reduced.

Therefore, 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 \$3,822 to the claimant.

COMMISSION FINDINGS

I. Chronology

- 10/06/2005 The claimant filed its 1999-2000, 2000-2001, 2003-2004, and 2004-2005 reimbursement claims.⁴⁵
- 12/27/2006 The claimant filed its 2005-2006 reimbursement claim.⁴⁶
- 01/22/2008 The claimant filed its 2006-2007 reimbursement claim.⁴⁷

⁴¹ Exhibit B, Controller's Late Comments on the IRC, page 21.

⁴² Exhibit B, Controller's Late Comments on the IRC, page 77.

⁴³ Public Resources Code sections 42921; Exhibit A, IRC, page 43 (Parameters and Guidelines, adopted March 30, 2005).

⁴⁴ Exhibit B, Controller's Late Comments on the IRC, page 77.

⁴⁵ Exhibit A, IRC, pages 224, 230, 237, and 244.

⁴⁶ Exhibit A, IRC, page 251.

⁴⁷ Exhibit A, IRC, page 258.

02/17/2009 The claimant filed its 2007-2008 reimbursement claim.⁴⁸
 12/18/2009 The claimant filed its 2008-2009 reimbursement claim.⁴⁹
 02/15/2011 The claimant filed its 2009-2010 reimbursement claim.⁵⁰
 01/18/2011 Controller issued a letter to claimant for 2000-2001, indicating that payment was made for 2000-2001 on this date.⁵¹
 01/28/2011 Payment issue date for 2000-2001, according to Controller's remittance advice and apportionment report.⁵²
 02/14/2012 The claimant filed its 2010-2011 reimbursement claim.⁵³
 01/17/2014 The claimant was notified of the audit.⁵⁴
 04/11/2014 The Controller issued the Final Audit Report.⁵⁵
 07/14/2014 The claimant filed this IRC.⁵⁶
 04/18/2016 The Controller filed late comments on the IRC.⁵⁷
 07/14/2017 Commission staff issued the Draft Proposed Decision.⁵⁸

⁴⁸ Exhibit A, IRC, page 264.

⁴⁹ Exhibit A, IRC, page 270.

⁵⁰ Exhibit A, IRC, page 277.

⁵¹ Exhibit A, IRC, page 292 (Letter from the Controller to the claimant).

⁵² Exhibit B, Controller's Late Comments on the IRC, pages 36 and 38 (Remittance Advice and Apportionment Report).

⁵³ Exhibit A, IRC, page 284.

⁵⁴ Exhibit B, Controller's Late Comments on the IRC, pages 12, 34; see also Exhibit A, IRC, page 33 (Final Audit Report).

⁵⁵ Exhibit A, IRC, page 24 (Final Audit Report).

⁵⁶ Exhibit A, IRC.

⁵⁷ Exhibit B, Controller's Late Comments on the IRC. Note that Government Code section 17553(d) states: "the Controller shall have no more than 90 days after the claim is delivered or mailed to file any rebuttal to an incorrect reduction claim. The failure of the Controller to file a rebuttal to an incorrect reduction claim shall not serve to delay the consideration of the claim by the Commission." However, in this instance, due to the backlog of IRCs, these late comments have not delayed consideration of this item and so have been included in the analysis and Proposed Decision.

⁵⁸ Exhibit D, Draft Proposed Decision.

II. Background

A. The Integrated Waste Management Program

The test claim statutes require community college districts⁵⁹ to adopt and implement, in consultation with the California Integrated Waste Management Board (CIWMB, now the California Department of Resources Recycling and Recovery, or CalRecycle), 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.⁶⁰ 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...”⁶¹

The 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.⁶² 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.⁶³ 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.⁶⁴ 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.⁶⁵

⁵⁹ The test claim statutes apply to “state agencies” and define them to include “the California Community Colleges” (Pub. Res. Code, § 40196.3).

⁶⁰ Public Resources Code section 42920(b).

⁶¹ Public Resources Code section 40124.

⁶² Public Resources Code section 42920(b)(3).

⁶³ Public Resources Code section 42926.

⁶⁴ Public Resources Code section 42924(b).

⁶⁵ 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

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.

of recycled paper products and other recycled resources in daily state operations (See Pub. Contract Code, §§ 12153, 12160; Stats. 1989, ch. 1094). The Act, including sections 12167 and 12167.1, 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 Late Comments on the IRC, page 105 (*State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates, et al.* (Sacramento County Superior Court, Case No. 07CS00355)).

NOTE: Although reporting on promotional programs and procurement activities in the model plan is reimbursable, implementing promotional programs and procurement activities is not.

2. Respond to any Board reporting requirements during the approval process. (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
3. Consult with the Board to revise the model plan, if necessary. (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
4. Designate one solid waste reduction and recycling coordinator for each college in the district to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928). The coordinator shall implement the integrated waste management plan. The coordinator shall act as a liaison to other state agencies (as defined by section 40196.3) and coordinators. (Pub. Resources Code, § 42920, subd. (c).)
5. Divert at least 25 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2002, and at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting activities. Maintain the required level of reduction, as approved by the Board. (Pub. Resources Code, §§ 42921 & 42922, subd. (i).)

C. Alternative Compliance (*Reimbursable from January 1, 2000 – December 31, 2005*)

1. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c).)
 - a. Notify the Board in writing, detailing the reasons for its inability to comply.
 - b. Request of the Board an alternative to the January 1, 2002 deadline.
 - c. Provide evidence to the Board that the college is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan.
 - d. Provide information that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college.
 - e. Submit a plan of correction that demonstrates that the college will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including

the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be implemented to meet those requirements, and the means by which these programs will be funded.

2. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2004 deadline to divert 50 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42922, subds. (a) & (b).)
 - a. Notify the Board in writing, detailing the reasons for its inability to comply.
 - b. Request of the Board an alternative to the 50-percent requirement.
 - c. Participate in a public hearing on its alternative requirement.
 - d. Provide the Board with information as to:
 - (i) the community college's good faith efforts to implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board;
 - (ii) the community college's inability to meet the 50 percent diversion requirement despite implementing the measures in its plan;
 - (iii) how the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve; and,
 - (iv) the circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.⁶⁶

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.

⁶⁶ 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.

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.)

The Parameters and Guidelines further require that each claimed reimbursable cost be supported by contemporaneous source documentation.⁶⁷

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

⁶⁷ Exhibit A, IRC, page 41 (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.⁶⁸

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 the CIWMB filed a petition for a 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 the 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.⁶⁹

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.”⁷⁰ The court noted that “diversion is defined in terms of landfill disposal for purposes of the IWM plan mandates” and cited the statutory definition of diversion: “activities which reduce or eliminate the amount of solid waste from solid waste disposal for purposes of this division [i.e., division 30, including§ 42920 et seq.]” as well as the

⁶⁸ Exhibit A, IRC, page 41-47 (Parameters and Guidelines, adopted March 30, 2005).

⁶⁹ Exhibit B, Controller's Late Comments on the IRC, page 63 (Ruling on Submitted Matter).

⁷⁰ Exhibit B, Controller's Late Comments on the IRC, page 63 (Ruling on Submitted Matter). Emphasis added.

statutory definition of disposal: “the management of solid waste through landfill disposal or transformation at a permitted solid waste facility.”⁷¹ The court explained that:

[R]eduction or avoidance of landfill fees resulting from solid waste diversion activities under § 42920 et seq. represent savings *which must be offset* against the costs of the diversion activities to determine the reimbursable costs of the IWM plan implementation . . . The amount or value of the savings may be determined from the calculations of annual solid waste disposal reduction or diversion which California Community Colleges must annually report to petitioner Integrated Waste Management Board pursuant to subdivision (b)(1) of Public Resources Code section 42926.⁷²

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.⁷³

The court issued a writ of mandate directing the Commission to amend the Parameters and Guidelines to require community college districts claiming reimbursable costs of an integrated waste management plan to:

⁷¹ Exhibit B, Controller’s Late Comments on the IRC, pages 63-64 (Ruling on Submitted Matter).

⁷² Exhibit B, Controller’s Late Comments on the IRC, page 64 (Ruling on Submitted Matter). Emphasis added.

⁷³ Exhibit B, Controller’s Late Comments on the IRC, pages 65-66 (Ruling on Submitted Matter).

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.⁷⁴

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.⁷⁵

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.~~

⁷⁴ Exhibit B, Controller's Late Comments on the IRC, page 31 (Judgment Granting Petition for Writ of Administrative Mandamus).

⁷⁵ Exhibit A, IRC page 59 (Amended Parameters and Guidelines, adopted Sept. 26, 2008).

~~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.⁷⁶

All other requirements in the Parameters and Guidelines remained the same.

The 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.⁷⁷ 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 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

⁷⁶ Exhibit A, IRC, pages 58-59 (Amended Parameters and Guidelines, adopted Sept. 26, 2008).

⁷⁷ Exhibit X, Commission on State Mandates, Excerpt from the Minutes for the September 26, 2008 Meeting.

in excess of \$2000 annually are available for such expenditure by the agencies and colleges when appropriated by the Legislature.⁷⁸

The 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 the CIWMB pursuant to Public Resources Code section 42926(b). This report is required to include the district's "calculations of annual disposal reduction" and "information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors." Thus, the Commission denied the 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 the CIWMB to Amend the Parameters and Guidelines to Require Detailed Reports on Cost Savings and Revenues

The CIWMB filed a request to amend the Parameters and Guidelines to 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 the 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 the CIWMB; the Commission has no authority to impose additional requirements on community college districts regarding this program; the offsetting cost savings paragraph in the Parameters and Guidelines already identifies the offsetting savings consistent with the language of Public Resources Code section 42925(a), Public Contract Code sections 12167 and 12167.1, and the court's judgment and writ; and information on cost savings is already available in the community colleges' annual reports submitted to CIWMB, as required by Public Resources Code section 42926(b)(1).⁷⁹

E. Integrated Waste Management Program Made Optional

This program was made optional by statutes of 2010, chapter 724 (AB1610), section 34, effective October 19, 2010 and has remained so since that time.⁸⁰

F. The Controller's Audit

The Controller issued the audit report for reimbursement claims for the fiscal years 1999-2000, 2000-2001, and 2003-2004 through 2010-2011 fiscal years (the audit period) dated

⁷⁸ Exhibit B, Controller's Late Comments on the IRC, pages 65-66 (Ruling on Submitted Matter).

⁷⁹ Exhibit X, Item 9, Final Staff Analysis of Proposed Amendments to the Parameters and Guidelines for *Integrated Waste Management*, 05-PGA-16, January 30, 2009, pages 2-3.

⁸⁰ See Government Code section 17581.5.

April 11, 2014. Of the \$658,967 claimed over the audit period, the Controller found that \$458,791 is allowable and \$200,176 is unallowable because the claimant did not report offsetting savings of \$306,596 related to implementation of its IWM plan.⁸¹ The Controller did not audit the claims for fiscal years 2001-2002 and 2002-2003 because, according to the Controller, the statute of limitations to initiate the audit had expired before the Controller began the review.⁸²

The Controller’s audit finding is based on the court’s ruling, which states that “the amount or value of the savings may be determined from the calculations of annual solid waste disposal reduction or diversion which California Community Colleges must annually report to petitioner Integrated Waste Management Board pursuant to subdivision (b)(l) of Public Resources Code section 42926,”⁸³ and the resulting amendment to the Parameters and Guidelines.

The Controller determined that for every year, the claimant diverted more solid waste than the amount mandated by the test claim statute.⁸⁴ Therefore, the Controller allocated the diversion percentage based on the mandated level and used the following formula to calculate offsetting cost savings:

$$\text{Offsetting Savings Realized} = \frac{\text{Allocated Diversion \%}}{\frac{\text{Maximum Allowable Diversion \%}}{\text{Actual Diversion \%}}} \times \text{Tonnage Diverted} \times \text{Avoided Landfill Disposal Fee (per Ton)}$$

This allocated diversion rate is the percentage of solid waste required to be diverted (the Controller used 25 percent for fiscal years 1999-2000 and 2000-2001 and 50 percent for fiscal years 2003-2004, through 2010-2011) divided by the actual percentage of solid waste diverted (as reported by the claimant to CIWMB).⁸⁵ The resulting quotient is then multiplied by the tons of solid waste diverted (as annually reported by the claimant to the CIWMB), multiplied by the avoided landfill disposal fee (based on the statewide average fee). The Controller states that “[t]his calculation determines the cost that the district did not incur for solid waste disposal as a result of implementing its IWM plan.”⁸⁶

The Controller provided an example of how this formula works. In calendar year 2007, the claimant reported that it diverted 261.8 tons of solid waste and disposed of 161.8 tons, which

⁸¹ Because the audit adjustment exceeded the amount claimed in two fiscal years (2005-2007) an excess of \$106,420 was subtracted from the offset amount, leaving a net audit adjustment of \$200,176. (Exhibit A, IRC, pages 17, 24, 29 (Final Audit Report); Exhibit B, Controller’s Late Comments on the IRC, page 28.)

⁸² Exhibit A, IRC, page 24 (Final Audit Report); Exhibit B, Controller’s Late Comments on the IRC, page 79 (Email from the Controller to the claimant).

⁸³ Exhibit B, Controller’s Late Comments on the IRC, page 70 (Ruling on Submitted Matter).

⁸⁴ Exhibit B, Controller’s Late Comments on the IRC, pages 21, 77.

⁸⁵ Exhibit B, Controller’s Late Comments on the IRC, page 77.

⁸⁶ Exhibit A, IRC, pages 34-35 (Final Audit Report).

totals 423.6 tons of solid waste generated for that year. Diverting 261.8 tons out of the 423.6 tons generated results in a diversion rate of 61.8 percent (more than the 50 percent required).⁸⁷ The Controller did not want to penalize the claimant for diverting more solid waste than the amount mandated⁸⁸ and thus, instead of using 100 percent of the claimant's diversion, allocated the diversion percentage by dividing the mandated diversion percentage (50 percent) by the actual diversion percentage (61.8 percent), which equals 80.91 percent. The allocated diversion percentage of 80.91 percent is then multiplied by the 261.8 tons diverted that year, which equals 211.8 tons of diverted solid waste, instead of the 261.8 tons actually diverted. The allocated 211.8 tons of diverted waste is then multiplied by the statewide average disposal fee per ton, which in calendar year 2007 was \$48, resulting in "offsetting cost savings" for calendar year 2007 of \$10,168.⁸⁹ The audit report states that the claimant did not provide documentation supporting a different disposal fee.⁹⁰

In 2008, the CIWMB stopped requiring community college districts to report the actual amount of 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 the last half of fiscal year 2007-2008, as well as for fiscal years 2008-2009, 2009-2010 and 2010-2011. According to the Controller, the claimant did not provide documentation supporting a different diversion percentage.⁹¹

⁸⁷ Exhibit B, Controller's Late Comments on the IRC, pages 21, 77 (Controller's calculations of offsetting savings for the audit period).

⁸⁸ Exhibit B, Controller's Late Comments on the IRC, page 21.

⁸⁹ Exhibit B, Controller's Late Comments on the IRC, pages 21, 77 (Controller's calculations of offsetting savings for the audit period). Page 21 of the Controller's Late 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 2007, the district reported to CalRecycle that it diverted 261.8 tons of solid waste and disposed of 161.8 tons, which results in an overall diversion percentage of 61.8% [Tab 6, page 13]. 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 211.8 tons (423 total tonnage generated x 50%) in order to satisfy the 50% requirements.

Therefore, we adjusted our calculation to compute offsetting savings based on 211.8 tons of diverted solid waste rather than a total of 261.8 tons diverted.

Using this formula results in cost savings for calendar year 2007 of \$10,166 (423.6 tons generated x 50 percent required = 211.8 tons x \$48 = 10,166).

⁹⁰ Exhibit A, IRC, page 36 (Final Audit Report). Exhibit B, Controller's Late Comments on the IRC, page 23.

⁹¹ Exhibit A, IRC, page 35 (Final Audit Report).

The Controller calculated total offsetting savings for the audit period at \$306,596,⁹² but because the adjustment exceeded the amount claimed for two fiscal years (2005-2006 and 2006-2007) an excess of \$106,420 was subtracted from the offset amount, leaving a net audit adjustment of \$200,176.⁹³

III. Positions of the Parties

A. Gavilan Joint Community College District

The claimant maintains that the audit reductions are incorrect and requests the reinstatement of the full amount reduced.

The claimant first argues that the three-year deadline to initiate the audit had expired for fiscal year 2000-2001 when the Controller commenced the audit. According to claimant, “Pursuant to Chapter 724, Statutes of 2010, an appropriation was made to the District by January 14, 2011, for FY 2000-01 for \$8,404. The exact date of payment is a matter of record not available to the District but that can be produced by the Controller.”⁹⁴ Claimant cites the audit report that states that claimant was first contacted by the Controller on January 17, 2014 regarding the audit, which is more than three years after the January 14, 2011, appropriation for the fiscal year 2000-2001 annual claim, so the Controller did not have jurisdiction to audit fiscal year 2000-2001.⁹⁵

The claimant next 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. Claimant argues that:

The court presupposes a previous legal requirement for districts to incur landfill disposal fees to divert solid waste. Thus, potentially relieved of the need to incur new or additional landfill fees for increased waste diversion, a cost savings would occur. There is no finding of fact or law in the court decision or from the Commission Statement of Decision for the test claim for this assumed duty to use landfills.⁹⁶

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:

The cost savings must exist (avoided landfill costs); be converted to cash; amounts in excess of \$2,000 per year deposited in the state fund; and, these deposits by the districts appropriated by the Legislature to districts for purposes of mitigating the cost of implementing the plan. None of those prerequisite events

⁹² Exhibit A, IRC, page 32, 33 (Final Audit Report).

⁹³ Exhibit A, IRC, pages 17, 24, 29 (Final Audit Report); Exhibit B, Controller’s Late Comments on the IRC, page 28.

⁹⁴ Exhibit A, IRC, pages 9-10.

⁹⁵ Exhibit A, IRC, pages 9-10.

⁹⁶ Exhibit A, IRC, page 12.

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.⁹⁷

The claimant also argues that the Parameters and Guidelines are silent as to how to calculate the avoided costs, but that the court provided two alternative methods, either disposal reduction or diversion reported by districts. The Controller used the diversion percentage, which assumes, without findings of fact, that all diversion tonnage is landfill disposal tonnage reduction. The claimant contends that the Controller's calculation of cost savings is wrong because: (1) the formula is a standard of general application that was not adopted pursuant to the Administrative Procedure Act and is therefore an unenforceable underground regulation; (2) the Controller's formula assumes facts not in evidence, such as applying the same percentage of waste diverted in 2007 to all subsequent years without evidence in the record, and assumes that all tonnage diverted would have been disposed in a landfill, although some waste may have been composted or may not apply to the mandate (e.g. paint); and (3) the landfill disposal fee, a statewide average calculated by the CIWMB, does not include the data used to generate the average fee amounts, so the average is unknown and unsupported by the audit findings.⁹⁸

Claimant also argues that application of the formula is incorrect. Since no landfill costs were claimed, none can be offset, so the offsets are not properly matched to relevant costs. Moreover, the Controller's calculation method prevents the claimant from receiving full reimbursement for its actual increased program costs. Claimant contends, using audit results for 23 other claimants under the *Integrated Waste Management* program, the application of the Controller's formula has arbitrary results because the percentages of allowed costs for those claimants ranges from zero to 83.4 percent.⁹⁹

Finally, the claimant argues: (1) the Controller used the wrong standard of review in that the claimed costs were not found to be excessive or unreasonable, as required by Government Code section 17561(d)(2); and (2) the Controller has the burden of proof as to the propriety of its audit findings "because it bears the burden of going forward and because it is the party with the power to create, maintain, and provide evidence regarding its auditing methods and procedures, as well as the specific facts relied upon for its audit findings."¹⁰⁰

B. State Controller's Office

The Controller maintains that the audit findings are correct and that the offsetting savings were correctly deducted from the costs claimed. The Controller first argues that it complied with the three-year deadline in Government Code section 17558.5, in that it sent a remittance advice to the claimant for 2000-2001 on January 28, 2011, and initiated the audit on January 17, 2014,

⁹⁷ Exhibit A, IRC, pages 13-14. Emphasis in original.

⁹⁸ Exhibit A, IRC, pages 14-16.

⁹⁹ Exhibit A, IRC, pages 16-18.

¹⁰⁰ Exhibit A, IRC, pages 20-21.

within the three-year deadline, so the Controller had jurisdiction to audit the fiscal year 2000-2001 claim.¹⁰¹

The Controller also notes that the claimant does not indicate how undiverted solid waste would be disposed of if not at a landfill. In addition, the claimant does not state that it disposed of its solid waste at any location other than a landfill or used any other means to dispose of its waste rather than to contract with a commercial waste hauler.¹⁰²

The Controller concludes that the claimant's comments relating to alternatives for the disposal of solid waste are irrelevant. The Controller cites the claimant's annual reports of tonnage disposed for each year of the audit period, arguing that the claimant "does not indicate in these annual reports that it used any other methodology to dispose of solid waste other than in the landfill."¹⁰³ The Controller also cites some of the claimant's annual reports that indicates that the claimant disposed of waste in a landfill.¹⁰⁴ According to the Controller:

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. Gavilan Community College is located in Gilroy, California. An internet search for landfill fees revealed that the Buena Vista Sanitary Landfill in Watsonville, California, currently charges between \$59 and \$71 per ton to dispose of solid waste [citation omitted]. Thus, the higher rate of diversion results in less trash that is disposed at a landfill, which creates cost savings for the district.¹⁰⁵

As to the claimant not remitting cost savings from the implementation of its IWM plan into the Integrated Waste Management Account in compliance with the Public Contract Code, the Controller asserts that the claimant is not precluded from the requirement to do so, as indicated in the Parameters and Guidelines and the court ruling. The Controller 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.¹⁰⁶

In response to the claimant's argument that the Controller's formula is a standard of general application that is an underground regulation, the Controller responds that the calculation is a "court approved methodology" to determine the "required offset." The Controller also states that the claimant did not amend any of its reimbursement claims after the Parameters and Guidelines were amended in September 2008. According to the Controller: "We believe that this "court-identified" approach provides a reasonable methodology to identify the required offset."¹⁰⁷

¹⁰¹ Exhibit B, Controller's Late Comments on the IRC, pages 12-13.

¹⁰² Exhibit B, Controller's Late Comments on the IRC, page 18.

¹⁰³ Exhibit B, Controller's Late Comments on the IRC, page 18.

¹⁰⁴ Exhibit B, Controller's Late Comments on the IRC, page 18.

¹⁰⁵ Exhibit B, Controller's Late Comments on the IRC, page 18.

¹⁰⁶ Exhibit B, Controller's Late Comments on the IRC, pages 19.

¹⁰⁷ Exhibit B, Controller's Late Comments on the IRC, pages 19-20.

The Controller also states that it “allocated” the offsetting savings to avoid penalizing the claimant for diverting more than the minimum percentage of diversion required. According to the Controller:

As there is no State mandate to exceed solid waste diversion for amounts in excess of 25% for calendar years 2000 through 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.¹⁰⁸

The Controller notes that after the passage of Statutes 2008, chapter 343, the 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.¹⁰⁹

Defending its use of the claimant’s 2007 reported diversion to calculate claimant’s offsets for 2007-2008 through 2010-2011, the Controller calls the 2007 report a “fair representation” of 2008 -2010 “because the district’s recycling processes have already been established and committed to.”¹¹⁰ The Controller notes that the claimant’s reported per-capita disposal rate is well below the target rate for 2008, 2009, and 2010, so “the district is meeting its requirement to divert 50% of its solid waste.”¹¹¹ The Controller also cites the claimant’s 2009 report that states: “The science club and the athletic association have been recycling aluminum and plastic bottles on campus. We have added 12 ea. new containers throughout the campus.” In its 2010 report, the claimant states: “More recycling containers were placed on campus.”¹¹² Based on these statements, the Controller states that its savings calculations for 2007-2008 through 2010-2011 may be understated.¹¹³

The Controller also responded to claimant’s argument against the assumption that all tonnage diverted would have been disposed in a landfill, even though some waste may have been composted or may not apply to the mandate (e.g. paint). Noting that nearly \$100,000 was claimed for salaries and benefits for groundskeepers for diversion via composting, “it seems reasonable that the correlated landfill fees that the district did not incur for the composted materials translate into savings realized by the district . . . [that] should be recognized and appropriately offset against composting costs that the district claimed as part of implementing its IWM plan.”¹¹⁴ The Controller also states that claimant’s reference to paint disposal is irrelevant because hazardous waste is not included in the diversion amounts that claimant reported, and therefore, are not included in the Controller’s offsetting savings calculation.¹¹⁵

¹⁰⁸ Exhibit B, Controller’s Late Comments on the IRC, page 21.

¹⁰⁹ Exhibit B, Controller’s Late Comments on the IRC, page 21.

¹¹⁰ Exhibit B, Controller’s Late Comments on the IRC, page 22.

¹¹¹ Exhibit B, Controller’s Late Comments on the IRC, page 21.

¹¹² Exhibit B, Controller’s Late Comments on the IRC, page 22.

¹¹³ Exhibit B, Controller’s Late Comments on the IRC, page 22.

¹¹⁴ Exhibit B, Controller’s Late Comments on the IRC, page 22.

¹¹⁵ Exhibit B, Controller’s Late Comments on the IRC, page 22.

Regarding the data for the statewide disposal fee, the Controller states the information was provided by the CIWMB, is included in the record, and is based on private surveys of a large percentage of landfills across California. In addition, claimant “did not provide any information, such as its contract with or invoices received from its commercial waste hauler 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.”¹¹⁶

In response to the claimant’s argument that it “did not claim landfill costs, so there are none to be offset,” the Controller answers that the mandated program does not reimburse claimants for landfill costs incurred to dispose of solid waste, so none would be claimable. Rather, the program reimburses claimant’s 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 costs of having the waste hauled there, which creates offsetting savings that claimant is required to identify in its reimbursement claims.¹¹⁷

In response to the claimant’s argument that “the adjustment method does not match or limit the landfill costs avoided to landfill costs, if any, actually claimed,” the Controller quotes Public Resources Code section 42925 that “cost savings realized as a result of the IWM plan are to “fund plan *implementation and administration costs.*” The Controller argues that offsetting savings applies to the whole program and is not limited to solid waste diversion activities. The Controller also cites the reimbursable activities in the Parameters and Guidelines that refer to “implementation of the IWM plan,” concluding that it is reasonable that offsetting savings from implementing the plan be offset against direct costs to implement the plan. The Controller also asserts, in response to claimant’s reference to other IWM audits, that other audits are irrelevant to the current issue.¹¹⁸

The Controller also disagrees with claimant’s assertion that the Controller used the wrong standard of review because the Controller did conclude that the claims were excessive. As to the burden of proof, the Controller states that it used data from the claimant’s annual reports to CIWMB from implementing its IWM program.¹¹⁹

IV. Discussion

Government Code section 17561(d) authorizes the Controller to audit the claims filed by local agencies and school districts and to reduce any claim for reimbursement of state mandated costs that the Controller determines is excessive or unreasonable.

Government Code Section 17551(d) requires the Commission to hear and decide a claim that the Controller has incorrectly reduced payments to the local agency or school district. If the Commission determines that a reimbursement claim has been incorrectly reduced, section 1185.9 of the Commission’s regulations requires the Commission to send the decision to the Controller and request that the costs in the claim be reinstated.

¹¹⁶ Exhibit B, Controller’s Late Comments on the IRC, page 23.

¹¹⁷ Exhibit B, Controller’s Late Comments on the IRC, page 23.

¹¹⁸ Exhibit B, Controller’s Late Comments on the IRC, page 24.

¹¹⁹ Exhibit B, Controller’s Late Comments on the IRC, pages 26-27.

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.¹²⁰ The Commission must also interpret the Government Code and implementing regulations in accordance with the broader constitutional and statutory scheme. In making its decisions, the Commission must strictly construe article XIII B, section 6 of the California Constitution and not apply it as an “equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities.”¹²¹

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.¹²² 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.’ ”¹²³

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.¹²⁴ In addition, sections 1185.1(f)(3) and 1185.2(c) of the Commission’s regulations require that any assertions of fact by the parties to an IRC must be supported by documentary evidence. The Commission’s ultimate findings of fact must be supported by substantial evidence in the record.¹²⁵

¹²⁰ *Kinlaw v. State of California* (1991) 54 Cal.3d 326, 331-334; Government Code sections 17551, 17552.

¹²¹ *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.

¹²² *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.

¹²³ *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547-548.

¹²⁴ *Gilbert v. City of Sunnyvale* (2005) 130 Cal.App.4th 1264, 1274-1275.

¹²⁵ 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.

A. The Controller Timely Initiated the Audit of the Fiscal Year 2000-2001 Reimbursement Claim, and Timely Completed the Audit of All Claims.

Government Code section 17558.5 requires an audit to be initiated no later than three years after the date the reimbursement claim is filed or last amended. However, section 17558.5 also provides that *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.”¹²⁶ “In any case,” section 17558.5 requires the audit to be completed no later than two years after it is commenced.¹²⁷

The claimant argues that the Controller did not timely initiate the audit of the 2000-2001 reimbursement claim. For the reasons below, the Commission finds that the Controller timely initiated and completed the audit.

1. The audit of the 2000-2001 reimbursement claim was timely initiated.

The claimant filed the 2000-2001 reimbursement claim on October 6, 2005.¹²⁸ However, payment was not made at that time. The claimant alleges that payment on the 2000-2001 claim was made on January 14, 2011, and that the Controller initiated the audit more than three years later on January 17, 2014, according to information in the final audit report. Therefore, the claimant asserts that the Controller did not timely initiate the audit.¹²⁹

Government Code section 17558.5(a) tolls the time to initiate the audit to three years from the date of initial payment on the claim, rather three years from the date the claim was filed, “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,” as follows:

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.¹³⁰

Although the parties agree that payment was first made on the 2000-2001 claim in January 2011, the parties dispute the date of payment. The claimant alleges:

Pursuant to Chapter 724, Statutes of 2010, an appropriation was made to the District by January 14, 2011, for FY 2000-01 for \$8,404. The exact date of

¹²⁶ Government Code section 17558.5 (as amended, Stats. 2002, ch. 1128 (AB 2834)).

¹²⁷ Government Code section 17558.5 (as amended, Stats. 2004, ch. 890 (AB 2856)).

¹²⁸ Exhibit A, IRC, page 230.

¹²⁹ Exhibit A, IRC, page 9.

¹³⁰ Emphasis added.

payment is a matter of record not available to the District but that can be produced by the Controller.¹³¹

There is no evidence in the record, however, to support the claimant's assertion that payment was made by January 14, 2011. Rather, the record supports a finding that payment was first made on the 2000-2001 reimbursement claim on either January 18, 2011, or January 28, 2011.

The claimant filed, as part of its IRC, a copy of a notice from the Controller to the claimant dated April 18, 2014 (following the audit), showing the audit adjustments to the 2000-2001 reimbursement claim, and identifying a payment on the 2000-2001 reimbursement claim on *January 18, 2011* by "Schedule No. AP00122A" of \$8,406, as follows:

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	69,207.00
ADJUSTMENT TO CLAIM:	
FIELD AUDIT FINDINGS	- 2,739.00
TOTAL ADJUSTMENTS	2,739.00
LESS PRIOR PAYMENT: SCHEDULE NO. AP00122A PAID 01-18-2011	<u>8,406.00</u>
AMOUNT DUE CLAIMANT	\$ 58,062.00 ¹³²

The Controller asserts that payment was first made on the 2000-2001 reimbursement claim on *January 28, 2011*, pursuant to Statutes of 2010, chapter 724 (AB 1610, eff. October 19, 2010).¹³³ That statute appropriated funds to offset the outstanding balance of the state's minimum funding obligation under Proposition 98 to school districts and community college districts, and required that funds appropriated and allocated to the districts first be deemed to be paid in satisfaction of any outstanding claims for reimbursement of state-mandated costs. The Controller filed a copy of a remittance advice showing payments made pursuant to AB 1610 to the claimant for several state-mandated programs, including a payment of \$8,406 for the *Integrated Waste Management*

¹³¹ Exhibit A, IRC, page 9.

¹³² Exhibit A, IRC, page 292.

¹³³ Exhibit A, IRC, page 24 (Final Audit Report – "For the FY 2000-01 claim, the State paid the district \$8,406 from funds appropriated under Chapter 724, Statutes of 2010."); Exhibit B, Controller's Late Comments on the IRC, page 12 ("The SCO sent a remittance advice to the district dated January 28, 2011, notifying the district of payment made on that date pursuant to Chapter 724, Statutes 2010 (Assembly Bill No. 1610) totaling \$8,406 [Tab 5].").

program for fiscal year 2000-2001 by “Claim Schedule Number: 1000149A, Payment Issue Date: 01/28/2011.”¹³⁴

The Controller has not explained the discrepancy between the notice indicating payment of \$8,406 for the 2000-2001 reimbursement claim on January 18, 2011 by “Schedule No. AP00122A,” and the remittance advice indicating payment of \$8,406 for the 2000-2001 reimbursement claim on January 28, 2011 by “Schedule Number: 1000149A.” Nevertheless, both documents were generated by the Controller’s Office and support a finding that payment was first made on the 2000-2001 reimbursement claim on either January 18, 2011, or January 28, 2011.

As indicated above, Government Codes section 17558.5(a) tolls the time to initiate the audit of a claim “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,” to three years from the date of initial payment on the claim. Therefore, using the earlier of the two dates showing payment on the 2000-2001 reimbursement claim on January 18, 2011, the Controller had until January 18, 2014 to initiate the audit of the 2000-2001 claim.

The Legislature has not specifically defined the event that initiates the audit and, unlike other auditing agencies that have adopted formal regulations to clarify when the audit begins (which can be viewed as the controlling interpretation of a statute),¹³⁵ the Controller has not adopted a regulation for the audits of state-mandate reimbursement claims. Therefore, the Commission cannot, as a matter of law, state the act or event that initiates an audit in all cases, but must determine when the audit was initiated based on the evidence in the record. The initiation of an audit requires a unilateral act of the Controller. In this respect, the audit initiation provision of Government Code section 17558.5 can be characterized as a statute of repose; the statute provides a period during which an audit or review has been commenced, and after which the claimant may enjoy repose, dispose of any evidence or documentation to support their claims, and assert a defense that the audit is not timely and therefore void.¹³⁶ Since the Controller’s authority to audit must be exercised within a specified time, it must be within the Controller’s exclusive control to meet or fail to meet the deadline imposed. The Controller has the burden of proof on this issue and must show with evidence in the record that the claimant was notified that an audit was being initiated by the statutory deadline to ensure that the claimant not dispose of any evidence or documentation to support its claim for reimbursement.

The Controller asserts that the audit began on January 17, 2014, the day before the January 18, 2014 deadline. In support of this assertion, the Controller filed a declaration by Jim Spano (Chief, Mandated Cost Audits Bureau, Division of Audits), stating under penalty of perjury that “a review of the claims . . . commenced on January 17, 2014 (initial contact

¹³⁴ Exhibit B, Controller’s Late Comments on the IRC, page 36.

¹³⁵ See, e.g., regulations adopted by the California Board of Equalization (title 18, section 1698.5, stating that an “audit engagement letter” is a letter “used by Board staff to confirm the start of an audit or establish contact with the taxpayer”).

¹³⁶ *Giest v. Sequoia Ventures, Inc.* (2000) 83 Cal.App.4th 300, 305.

date).”¹³⁷ The Controller also filed a copy of an email dated January 17, 2014, from an audit manager at the Controller’s Office to the claimant, to evidence the Controller’s initial contact with the claimant about the audit. The email states in relevant part the following:

I am contacting you because the State Controller’s Office will be adjusting the district’s Integrated Waste Management claims for FY 2000-02, . . . because the district did not offset any savings (e.g. avoided landfill disposal fees) received as a result of implementing the districts’ IWM Plan.

I will notify you, via email, of the exact adjustment amount later this week. Also, included in this email, will be documentation to support the adjustment.¹³⁸

The claimant does not dispute that the audit was initiated with the Controller’s initial contact on January 17, 2014.¹³⁹

Accordingly, the Commission finds that the Controller timely initiated the audit, pursuant to Government Code section 17558.5(a), on January 17, 2014.

2. The audit was timely completed.

Government Code section 17558.5 also prescribes the time in which an audit must be completed: “In any case, an audit shall be completed not later than two years after the date that the audit is commenced.”¹⁴⁰ As indicated above, the audit was initiated on January 17, 2014, the date of initial contact with the claimant about the audit and thus, had to be completed no later than January 17, 2016. An audit is completed when the Controller issues the final audit report to the claimant. The final audit report constitutes the Controller’s final determination on the subject claims and provides written notice of the claim components adjusted, the amounts adjusted, and the reasons for the adjustment, as required by Government Code section 17558.5(c), allowing the claimant to thereafter file an IRC. Here, the final audit report was issued April 11, 2014, well before the January 17, 2016 deadline.¹⁴¹

Based on the foregoing, the Commission finds that the Controller’s audit was timely completed in accordance with Government Code section 17558.5.

B. The Controller’s Reduction of Costs Is Generally Correct as a Matter of Law; However, the Reduction of Costs for the First Half of Fiscal Year 2003-2004 Based on the Incorrect Mandated Diversion Rate, Is Incorrect as a Matter of Law.

1. The test claim statutes presume that by complying with the mandate to reduce and divert solid waste through the IWM program, landfill fees are reduced or avoided and cost savings are realized.

¹³⁷ Exhibit B, Controller’s Late Comments on the IRC, page 5.

¹³⁸ Exhibit B, Controller’s Late Comments on the IRC, page 34 (emphasis in original).

¹³⁹ Exhibit A, IRC, pages 9-10.

¹⁴⁰ Government Code section 17558.5 (Stats. 2004, ch. 890).

¹⁴¹ Exhibit A, IRC, page 24.

The test claim statute added Public Resources Code section 42925(a), which provides that “Any cost savings realized as a result of the state agency integrated waste management plan shall, to the extent feasible, be redirected to the agency’s integrated waste management plan to fund plan implementation and administration costs, in accordance with Sections 12167 and 12167.1 of the Public Contract Code.”

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.”¹⁴² The court explained that:

[R]eduction or avoidance of landfill fees resulting from solid waste diversion activities under § 42920 et seq. represent savings *which must be offset* against the costs of the diversion activities to determine the reimbursable costs of the IWM plan implementation . . . The amount or value of the savings may be determined from the calculations of annual solid waste disposal reduction or diversion which California Community Colleges must annually report to petitioner Integrated Waste Management Board pursuant to subdivision (b)(l) of Public Resources Code section 42926.¹⁴³

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

¹⁴² Exhibit B, Controller’s Late Comments on the IRC, page 69 (Ruling on Submitted Matter).

¹⁴³ Exhibit B, Controller’s Late Comments on the IRC, page 70 (Ruling on Submitted Matter). Emphasis added.

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.¹⁴⁴

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.”¹⁴⁵ As the court held, “landfill fees resulting from solid waste diversion activities under § 42920 et seq. represent savings *which must be offset* against the costs of the diversion activities to determine the reimbursable costs. . . .”¹⁴⁶

The statutes, therefore, presume that by complying with the mandate to reduce and divert solid waste through the IWM program, landfill fees are reduced or avoided and cost savings are realized. As indicated in the court’s ruling, the amount or value of the cost savings may be determined from the calculations of annual solid waste disposal reduction or diversion, which community colleges are required to annually report to the CIWMB. The amount of cost savings realized must be identified by the claimant and used to offset the costs incurred to comply with IWM plan implementation and administration activities approved for reimbursement in the Parameters and Guidelines. Accordingly, the court’s ruling requires claimants to report in their reimbursement claims the costs incurred to comply with the reimbursable activities (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 bottom line request for reimbursement of the net increased costs.

The Parameters and Guidelines are consistent with the court’s ruling and require in Section IV. that “[t]he claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.”¹⁴⁷ 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

¹⁴⁴ Exhibit B, Controller’s Late Comments on the IRC, pages 71-72 (Ruling on Submitted Matter).

¹⁴⁵ Exhibit B, Controller’s Late Comments on the IRC, page 69 (Ruling on Submitted Matter).

¹⁴⁶ Exhibit B, Controller’s Late Comments on the IRC, page 70 (Ruling on Submitted Matter). Emphasis added.

¹⁴⁷ Exhibit A, IRC, page 55 (Parameters and Guidelines).

savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1.”¹⁴⁸ The court’s decision and the amended Parameters and Guidelines are binding.¹⁴⁹

2. During the audit period, the claimant exceeded the mandated diversion rate for solid waste, but has filed no evidence to rebut the presumption that cost savings, based on solid waste diversion, were realized.

In this case, the claimant reported no cost savings in its reimbursement claims and asserts that no cost savings were realized, but does not explain why.¹⁵⁰

The record shows that the claimant complied with the mandate and diverted more solid waste during the audit period than the amount mandated by the state. 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 divert at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004.¹⁵¹ The claimant’s annual reports to the CIWMB for calendar years 2000, 2001, and 2003 report diversion percentages from 36.21 percent to 75.43 percent of the total tonnage of waste generated, which exceeds the mandated diversion requirement of 25 percent.¹⁵² The claimant’s annual reports to the CIWMB for calendar years 2004 through 2007 also report diversion percentages that exceed the mandated diversion requirement of 50 percent, and range from 61.8 percent to 98.23 percent of the total tonnage of waste generated.¹⁵³

In 2008, the CIWMB stopped requiring community college districts to report the actual amount and percentage of tonnage diverted, and instead required community colleges to report the "per-capita disposal" of waste.¹⁵⁴ 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.¹⁵⁵

In this case, the reports for 2008, 2009, and 2010 show that the claimant’s annual per capita disposal rate for both the employee and student populations to be equivalent to, or below the target rate and thus, the claimant satisfied the requirement to divert 50 percent of its solid waste

¹⁴⁸ Exhibit A, IRC, page 60 (Parameters and Guidelines).

¹⁴⁹ *California School Boards Association v. State of California* (2009) 171 Cal.App.4th 1183, 1201.

¹⁵⁰ Exhibit A, IRC, page 10.

¹⁵¹ Public Resources Code sections 42921; Exhibit A, IRC, pages 52 and 56 (Parameters and Guidelines, section IV.(B)(5)).

¹⁵² Exhibit B, Controller’s Late Comments on the IRC, pages 40-45 and 77.

¹⁵³ Exhibit B, Controller’s Late Comments on the IRC, pages 46-53 and 77.

¹⁵⁴ The new requirement was a result of Statutes 2008, chapter 343 (SB 1016).

¹⁵⁵ Exhibit B, Controller’s Late Comments on the IRC, pages 84-92 [“Understanding SB 1016 Solid Waste Per Capita Disposal Measurement Act”, <http://www.calrecycle.ca.gov/lgcentral/goalmeasure/Tools/SimplePresen.pdf>].

during these years.¹⁵⁶ In addition, the claimant's 2008, 2009, and 2010 reports continue to show that the claimant had solid waste reduction programs in place. In its 2008 report, the claimant listed the following programs: "Business Source Reduction, Material Exchange, Beverage Containers, Cardboard, Office Paper (mixed), Xeriscaping, grasscycling, On-site composting/mulching, Tires, Scrap Metal, Concrete/asphalt/rubble (C&D), Rendering."¹⁵⁷ Also in its 2008 report, the claimant stated: "No changes were implemented in our Mission Statement. We are operating under our current Waste Management/Recycling program. ... We still have recycle containers next to our general trash receptacles."¹⁵⁸ In its 2009 report, the claimant stated: "The science club and the athletic association have been recycling aluminum and plastic bottles on campus. We have added 12 ea new containers throughout the campus."¹⁵⁹ And in its 2010 report, the claimant stated: "Campus club from the sciences entitled 'Science Alliance' has propagated a massive push for recyclables as a fundraising method. More recycling containers were placed on campus."¹⁶⁰

The record also shows that the tonnage of solid waste that was not diverted was disposed at a landfill. The annual reports filed by the claimant with the CIWMB during the audit period identify the total tonnage of waste disposed and the use of a waste hauler.¹⁶¹ Moreover, there are statements in the claimant's 2003, 2004, 2005, and 2006 annual reports pertaining to decreased landfill disposal, indicating that the claimant used a landfill to some extent.¹⁶² The avoided

¹⁵⁶ Exhibit B, Controller's Late Comments on the IRC, pages 54 (2008 report, showing an employee population target of 127.4, and 1.1 was achieved; and a student population target of 4.3, and 0.09 was achieved); 56 (2009 report, showing an employee population target of 127.4, and 1.3 was achieved; and a student population target of 4.3, and 0.1 was achieved); and 58 (2010 report, showing an employee population target of 127.4, and 1.0 was achieved; and a student population target of 4.3, and 0.09 was achieved).

¹⁵⁷ Exhibit B, Controller's Late Comments on the IRC, page 55 (2008 report to CIWMB).

¹⁵⁸ Exhibit B, Controller's Late Comments on the IRC, page 55 (2008 report to CIWMB).

¹⁵⁹ Exhibit B, Controller's Late Comments on the IRC, page 57 (2009 report to CIWMB).

¹⁶⁰ Exhibit B, Controller's Late Comments on the IRC, page 58 (2010 report to CIWMB).

¹⁶¹ For example, the 2001 report to CIWMB states: "On-site waste assessments and hauler/processor records review were conducted to obtain actual material weights, volumes, areas, and quantities wherever possible. . . . Hired a technical consultant to . . . research and analyze hauler and processor waste management records;" See Exhibit B, Controller's Late Comments on the IRC, page 43. The 2003 report states: "Actual hauler tonnages were obtained for disposal debris boxes. . . . Recycling Coordinator . . . Liaison to garbage and recycling hauling company." Similar statements were made in the 2003 report (p. 45) the 2004 report (p. 47). Statements that the recycling coordinator "Worked with garbage and recycling haulers to execute collection programs" is in the 2004 report (p. 47), the 2005 report (p. 49) and the 2006 report (p. 51). The 2008 report indicated that the claimant used "South Valley Disposal and Recycling" to haul its materials (p. 55). The 2009 report indicated that the claimant used "Recology Waste and Recycling Company" (p. 57).

¹⁶² Exhibit B, Controller's Late Comments on the IRC, pages 45, 47, 49, 51.

landfill disposal fee was based on the statewide average disposal fee provided by the 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.¹⁶³

Based on this documentation, the Controller correctly presumed, consistent with the presumption in the test claim statutes and the court’s interpretation of those statutes and without any evidence to the contrary, that the percentage of waste diverted results in offsetting savings in an amount equal to the avoided landfill fee per ton of waste diverted.

The statutory presumption of cost savings controls unless the claimant files evidence to rebut the presumption and shows that cost savings were not realized.¹⁶⁴ 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.¹⁶⁵ The Parameters and Guidelines, as amended pursuant to the court’s

¹⁶³ Exhibit B, Controller’s Late Comments on the IRC, pages 23, 101-130.

¹⁶⁴ Government Code section 17559, which requires that the Commission’s decisions be supported by substantial evidence in the record. See also, *Coffy v. Shiimoto* (2015) 60 Cal.4th 1198, 1209, a case interpreting the rebuttable presumption in Vehicle Code section 23152 that if a person had 0.08 percent or more, by weight, of alcohol in the blood at the time of testing, then it is presumed by law that he or she had 0.08 percent or more, by weight, of alcohol in the blood at the time of driving, unless he or she files evidence to rebut the presumption. The court states that unless and until evidence is introduced that would support a finding that the presumption does not exist, the statutory presumption that the person was driving over the legal limit remains the finding of fact.

¹⁶⁵ 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

writ, also require claimants to show the costs incurred to divert solid waste and to perform the administrative activities, and *to report and identify* the costs saved or avoided by diverting solid waste: “Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management plans *shall be* identified and offset from this claim as cost savings.”¹⁶⁶ 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.

Accordingly, the Commission finds that the claimant has not filed any evidence to rebut the statutory presumption of cost savings. Therefore, the Controller’s presumption of cost savings is correct as a matter of law.

3. For fiscal years 1999-2000, 2000-2001, the second half of fiscal year 2003-2004, and 2004-2005 through 2010-2011, the Controller’s calculation of cost savings is correct as a matter of law, and is not arbitrary, capricious, or entirely lacking in evidentiary support.

The Controller determined that for every year during the audit period, the claimant diverted more solid waste than the amount mandated by the test claim statute. Therefore, the Controller allocated the actual diversion percentage based on the mandated diversion percentage to calculate offsetting savings. Instead of using 100 percent of the amount actually diverted, the Controller allocated the diversion rate, taking the percentage of solid waste required to be diverted (either 25 percent or 50 percent) divided by the actual percentage of solid waste diverted (as reported by the claimant to the CIWMB). The resulting quotient is then multiplied by the tons of solid waste diverted (as annually reported by the claimant to the CIWMB), multiplied by the avoided landfill disposal fee (based on the statewide average fee).¹⁶⁷

$$\begin{array}{rcccl}
 & \text{Allocated Diversion \%} & & & \\
 & \text{Maximum Allowable} & & & \text{Avoided} \\
 \text{Offsetting} & \text{Diversion \%} & \times & \text{Tonnage} & \text{Landfill} \\
 \text{Savings} & \text{Actual} & \times & \text{Diverted} & \text{Disposal Fee} \\
 \text{Realized} & \text{Diversion \%} & & & \text{(per Ton)} \\
 & & & & \\
 & = & & & \\
 & \frac{\text{Maximum Allowable Diversion \%}}{\text{Actual Diversion \%}} & \times & \text{Tonnage Diverted} & \times & \text{Avoided Landfill Disposal Fee (per Ton)}
 \end{array}$$

The formula allocates or reduces cost savings based on the mandated level, and is intended to prevent penalizing the claimant for diverting more solid waste than the amount mandated by law.¹⁶⁸

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.)

¹⁶⁶ Exhibit A, IRC, page 96 (Parameters and Guidelines). Emphasis added.

¹⁶⁷ Exhibit A, IRC, pages 33-35; Exhibit B, Controller’s Late Comments on the IRC, page 21.

¹⁶⁸ Exhibit B, Controller’s Late Comments on the IRC, page 21.

The claimant raises several arguments to assert that the Controller's calculation of cost savings is incorrect. These arguments, however, are not supported by the law or evidence in the record.

The claimant first 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 \$2000 per year must be deposited in the state fund and appropriated back by the Legislature to mitigate the costs.¹⁶⁹ Because the Controller agrees that the claimant did not remit to the state any savings realized from the implementation of the IWM plan, this fact is undisputed.¹⁷⁰ However, as indicated above, cost savings are presumed by the statutes and the claimant has not filed evidence to rebut that presumption. Thus, based on the evidence in the record, the claimant should have deposited the cost savings into the state's account as required by the test claim statutes, but failed to do so. The claimant's failure to comply with the law does not make the Controller's calculations of cost savings incorrect as a matter of law, or arbitrary or capricious. Since cost savings are presumed by the statutes, the claimant has the burden to show increased costs mandated by the state. As 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."¹⁷¹

The claimant next asserts that the Controller's formula is an underground regulation.¹⁷² 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 indicated above, however, the formula is consistent with the statutory presumption of cost savings, as interpreted by the court for this program. Interpretations that arise in the course of case-specific adjudication are not regulations.¹⁷³

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."¹⁷⁴ 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.¹⁷⁵ 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

¹⁶⁹ Exhibit A, IRC, page 13; Exhibit C, Claimant's comments, pages 6, 7.

¹⁷⁰ Exhibit B, Controller's Late Comments on the IRC, page 19.

¹⁷¹ Exhibit B, Controller's Late Comments on the IRC, page 69 (Ruling on Submitted Matter).

¹⁷² Exhibit A, IRC, page 14; Exhibit C, Claimant's comments, page 8.

¹⁷³ *Tidewater Marine Western, Inc. v. Bradshaw* (1996) 14 Cal.4th 557, 571.

¹⁷⁴ Exhibit A, IRC, page 17.

¹⁷⁵ Exhibit A, IRC, page 56 (Parameters and Guidelines).

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 17514.¹⁷⁶

The court also noted that diversion “means activities which reduce or eliminate the amount of solid waste from solid waste disposal.”¹⁷⁷

In addition, the claimant argues that the formula assumes facts without evidence in the record. For example, the claimant questions the Controller’s assumption that the diversion percentage achieved in 2007 applies equally to subsequent years, that all diverted waste would have been disposed in a landfill, and that the statewide average cost to dispose of waste at a landfill actually applied to the claimant.¹⁷⁸

The Controller’s assumptions, however, are supported by evidence in the record. The Controller applied the diversion percentage achieved in 2007 to subsequent years because the CIWMB stopped requiring community college districts to report the actual amount and percent of tonnage diverted in 2008. As the Controller notes, the claimant’s diversion program was well-established by 2007, and the claimant’s reports of subsequent years reflect increased diversion. In its 2008 report, the claimant stated: “We are operating under the current Waste Management/Recycling program. ... We still have recycle containers next to our general trash receptacles”¹⁷⁹ In its 2009 report, the claimant stated: “The science club and the athletic association have been recycling aluminum and plastic bottles on campus. We have added 12 ea new containers throughout the campus.”¹⁸⁰ And in its 2010 report, the claimant stated: “Campus club from the sciences entitled ‘Science Alliance’ has propagated a massive push for recyclables as a fundraising method. More recycling containers were placed on campus”¹⁸¹ Thus, there is evidence in the record that for 2008 through 2010, the claimant met or exceeded the diversion rates recorded in 2007.

The Controller obtained the statewide average cost for landfill disposal fees from the CIWMB, which was based on private surveys of a large percentage of landfills across California.¹⁸² The

¹⁷⁶ Exhibit B, Controller’s Late Comments on the IRC, pages 69-70 (Ruling on Submitted Matter).

¹⁷⁷ Exhibit B, Controller’s Late Comments on the IRC, page 69 (Ruling on Submitted Matter).

¹⁷⁸ Exhibit A, IRC, pages 15-16; Exhibit C, Claimant’s comments, page 7.

¹⁷⁹ Exhibit B, Controller’s Late Comments on the IRC, page 55 (2008 Annual Report).

¹⁸⁰ Exhibit B, Controller’s Late Comments on the IRC, page 57 (claimant’s 2009 report to CIWMB).

¹⁸¹ Exhibit B, Controller’s Late Comments on the IRC, page 58 (claimant’s 2010 report to CIWMB).

¹⁸² Exhibit B, Controller’s Late Comments on the IRC, page 23.

Controller's audit report indicates that the claimant did not provide documentation to support a different disposal fee.¹⁸³ 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.¹⁸⁴

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, but adequately considered all relevant factors.¹⁸⁵ 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 costs allowed by the Controller in those cases vary and are arbitrary.¹⁸⁶ The Controller's audits 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 calculations of cost savings for fiscal years 1999-2000, 2000-2001, the second half of fiscal year 2003-2004, and fiscal years 2004-2005 through 2010-2011, are correct as a matter of law, and are not arbitrary, capricious, or entirely lacking in evidentiary support.

4. The Controller's calculation of the allocated diversion rate for the first half of fiscal year 2003-2004 using 50 percent required diversion rate, rather than the 25 percent rate actually required, is incorrect as a matter of law.

For the first half of fiscal year 2003-2004, the claimant achieved an actual diversion percentage of 75.43 percent.¹⁸⁷ The Controller allocated the diversion rate for the first half of fiscal year 2003-2004, as it had done for the other fiscal years, because the claimant exceeded the mandate. However, the Controller used a 50 percent rate to calculate the allocated diversion rate, when the test claim statutes required only 25 percent diversion in calendar year 2003. The requirement to divert 50 percent of all solid waste did not become operative until January 1, 2004.¹⁸⁸ Therefore, using the 50 percent rate, the Controller's allocated diversion rate was calculated at 66.29 percent, which resulted in a reduction of \$7,644 for this time period (313.1 tons of diverted waste

¹⁸³ Exhibit A, IRC, page 36.

¹⁸⁴ Exhibit B, Controller's Late Comments on the IRC, page 23.

¹⁸⁵ *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547-548.

¹⁸⁶ Exhibit A, IRC, pages 18-19.

¹⁸⁷ Exhibit B, Controller's Late Comments on the IRC, page 77.

¹⁸⁸ Public Resources Code sections 42921; Exhibit A, IRC, page 43 (Parameters and Guidelines, adopted March 30, 2005).

multiplied by the allocated diversion rate of 66.29 percent -50 percent divided by 75.43 percent - multiplied by the avoided statewide average landfill disposal fee of \$36.83).¹⁸⁹

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.¹⁹⁰ Thus, from July 1, 2003, through December 31, 2003, community college districts were mandated to achieve only 25 percent diversion. The Controller's comments comport with this reading of the mandate, stating, "as there is no state mandate to exceed solid waste diversion for amounts in excess of 25% for calendar years 2000 through 2003 or 50% for calendar year 2004 and later, there is no basis for calculating offsetting savings realized for actual diversion percentages that exceed the levels set by statute."¹⁹¹

However, the Controller's calculation of cost savings incorrectly applied a 50 percent diversion level to calculate the allocated diversion rate for the period of July 1, 2003, through December 31, 2003, instead of the mandated 25 percent diversion level.¹⁹² Because the Controller used the incorrect percentage to calculate the allocated rate, the calculation of offsetting savings for this time period is incorrect as a matter of law.

As indicated above, the Controller's formula for offsetting cost savings for years where the claimant exceeded the diversion mandate, which allocates the diversion percentage achieved based on the mandated diversion percentage, is consistent with the test claim statutes and the court's decision on this program. That allocated rate is the percentage of solid waste required to be diverted (either 25 percent or 50 percent) divided by the actual percentage of solid waste diverted (as reported by the claimant to CIWMB). The resulting quotient is then multiplied by the tons of solid waste diverted (as annually reported by the claimant to the CIWMB), multiplied by the avoided landfill disposal fee (based on the statewide average fee).¹⁹³

Applying the formula to the first half of fiscal year 2003-2004, using the 25 percent diversion requirement, results in a finding of offsetting costs savings of \$3,822 (25 percent mandated diversion rate divided by the 75.43 percent diversion actually achieved equals an allocated

¹⁸⁹ Exhibit A, IRC, page 30 (Final Audit Report); Exhibit B, Controller's Late Comments on the IRC, page 77.

¹⁹⁰ Public Resources Code sections 42921; Exhibit A, IRC, page 92 (Parameters and Guidelines).

¹⁹¹ Exhibit B, Controller's Late Comments on the IRC, page 21; see also the Final Audit Report, which states: "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." (Exhibit A, IRC, page 35).

¹⁹² Exhibit B, Controller's Late Comments on the IRC, page 77.

¹⁹³ Exhibit A, IRC, pages 34 - 35 (Final Audit Report). Exhibit B, Controller's Late Comments on the IRC, page 77.

diversion rate of 33.14 percent, multiplied by 313.1 tons diverted, multiplied by the avoided statewide average landfill disposal fee of \$36.83), rather than \$7,644.¹⁹⁴

Accordingly, the Commission finds that the reduction of \$7,644 in the first half of fiscal year 2003-2004, based on the incorrect diversion rate used to calculate offsetting cost savings, is incorrect as a matter of law. The law and the record support offsetting cost savings for the first half of fiscal year 2003-2004 of \$3,822, rather than \$7,644, and that the difference of \$3,822 has been incorrectly reduced.

V. Conclusion

Based on the foregoing, the Commission concludes that the Controller's reduction of costs claimed for fiscal years 1999-2000, 2000-2001, the second half of fiscal year 2003-2004, and fiscal years 2004-2005 through 2010-2011 is correct as a matter of law and is not arbitrary, capricious, or entirely lacking in evidentiary support.

However, the reduction of costs claimed for the first half of fiscal year 2003 is incorrect as a matter of law.

Accordingly, the Commission partially approves this IRC and requests that the Controller reinstate \$3,822 to the claimant pursuant to Government Code section 17551(d) and section 1185.9 of the Commission's regulations.

¹⁹⁴ Exhibit B, Controller's Late Comments on the IRC, pages 37 and 71.

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 14, 2017, I served the:

Draft Proposed Decision, Schedule for Comments, and Notice of Hearing

Integrated Waste Management, 14-0007-I-04

Public Resources Code Sections 40418, 40196.3, 42920-42928;

Public Contract Code Sections 12167 and 12167.1

Statutes 1992, Chapter 1116 (AB 3521); Statutes 1999, Chapter 764 (AB 75)

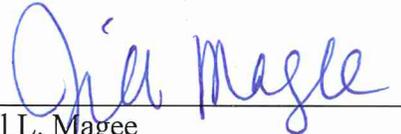
State Agency Model Integrated Waste Management Plan (February 2000)

Fiscal Years: 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011

Gavilan Joint 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 14, 2017 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: 3/22/17

Claim Number: 14-0007-I-04

Matter: Integrated Waste Management

Claimant: Gavilan Joint 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

Lacey Baysinger, *State Controller's Office*

Division of Accounting and Reporting, 3301 C Street, Suite 700, Sacramento, CA 95816

Phone: (916) 324-0254

lbaysinger@sco.ca.gov

Anita Dagan, Manager, Local Reimbursement Section, *State Controller's Office*

Local Government Programs and Services Division, Bureau of Payments, 3301 C Street, Suite 740, Sacramento, CA 95816

Phone: (916) 324-4112

Adagan@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

Wade Ellis, Director of Business Services, *Gavilan Joint Community College District*

5055 Santa Teresa Blvd, Gilroy, CA 95020

Phone: (408) 848-4739

wellis@gavilan.edu

Eric Feller, *Commission on State Mandates*

980 9th Street, Suite 300, Sacramento, CA 95814

Phone: (916) 323-3562

eric.feller@csm.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

Heather Halsey, Executive Director, *Commission on State Mandates*
980 9th Street, Suite 300, Sacramento, CA 95814
Phone: (916) 323-3562
heather.halsey@csm.ca.gov

Rebecca Hamilton, *Department of Finance*
Education Systems Unit, 915 L Street, 7th Floor, Sacramento, CA 95814
Phone: (916) 445-0328
Rebecca.Hamilton@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

Frederick Harris, Vice President, *Gavilan Joint Community College District*
5055 Santa Teresa Boulevard, Gilroy, CA 95020
Phone: (408) 848-4715
fharris@gavilan.edu

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

Dan Kaplan, Fiscal & Policy Analyst, *Legislative Analyst's Office*
925 L Street, Suite 1000, Sacramento, CA 95814
Phone: (916) 319-8353
Dan.Kaplan@lao.ca.gov

Anne Kato, *State Controller's Office*
Division of Accounting and Reporting, 3301 C Street, Suite 700, Sacramento, CA 95816
Phone: (916) 324-5919
akato@sco.ca.gov

Christian Keiner, *Dannis Woliver Kelly*
Claimant Representative
555 Capitol Mall, Suite 645, Sacramento, CA 95814
Phone: (916) 978-4040
ckeiner@dwkesq.com

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

Andy Nichols, *Nichols Consulting*
1857 44th Street, Sacramento, CA 95819
Phone: (916) 455-3939
andy@nichols-consulting.com

Christian Osmena, *Department of Finance*
915 L Street, Sacramento, CA 95814
Phone: (916) 445-0328
christian.osmena@dof.ca.gov

Arthur Palkowitz, *Artiano Shinoff*
2488 Historic Decatur Road, Suite 200, San Diego, CA 92106
Phone: (619) 232-3122
apalkowitz@as7law.com

Keith Petersen, *SixTen & Associates*
P.O. Box 340430, Sacramento, CA 95834-0430
Phone: (916) 419-7093
kbsixten@aol.com

Sandra Reynolds, *Reynolds Consulting Group, Inc.*
P.O. Box 894059, Temecula, CA 92589
Phone: (951) 303-3034
sandrareynolds_30@msn.com

Camille Shelton, Chief Legal Counsel, *Commission on State Mandates*
980 9th Street, Suite 300, Sacramento, CA 95814
Phone: (916) 323-3562
camille.shelton@csm.ca.gov

Carla Shelton, *Commission on State Mandates*
980 9th Street, Suite 300, Sacramento, CA 95814
Phone: (916) 327-6490
carla.shelton@csm.ca.gov

Jim Spano, Chief, Mandated Cost Audits Bureau, *State Controller's Office*
Division of Audits, 3301 C Street, Suite 700, Sacramento, CA 95816
Phone: (916) 323-5849
jspano@sco.ca.gov

Dennis Speciale, *State Controller's Office*
Division of Accounting and Reporting, 3301 C Street, Suite 700, Sacramento, CA 95816
Phone: (916) 324-0254
DSpeciale@sco.ca.gov

William Tunick, Attorney, *Dannis Woliver Kelley*
275 Battery Street, Suite 1150, San Francisco, CA 94111
Phone: (415) 543-4111
wtunick@dwkesq.com

RECEIVED
July 28, 2017
Commission on
State Mandates



BETTY T. YEE
California State Controller

July 27, 2017

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-04

Public Resources Code Sections 40418, 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, 2003-2004, 2004-2005, 2005-2006, 2006-2007,
2007-2008, 2008-2009, 2009-2010, and 2010-2011

Gavilan Joint 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 July 14, 2017, for the above incorrect reduction claim filed by Gavilan Joint Community College District. This letter constitutes the SCO's response to the Commission's draft proposed decision.

We agree with the Commission's conclusion and recommendation to support our reduction of costs claimed for fiscal years (FY) 1999-2000, 2000-2001, the second half of FY 2003-04, and FY 2004-05 through FY 2010-2011. In addition, we agree to reinstate \$3,822 for the first half of FY 2003-04, which the Commission concluded was incorrect as a matter of law.

If you have any questions, please contact me by telephone at (916) 323-5849.

Sincerely,

JIM L. SPANO, CPA, Assistant Division Chief
Division of Audits

JS/kw

18297

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 28, 2017, I served the:

- **SCO Comments on the Draft Proposed Decision filed July 28, 2017**

Integrated Waste Management, 14-0007-I-04

Public Resources Code Sections 40418, 40196.3, 42920-42928;

Public Contract Code Sections 12167 and 12167.1

Statutes 1992, Chapter 1116 (AB 3521); Statutes 1999, Chapter 764 (AB 75)

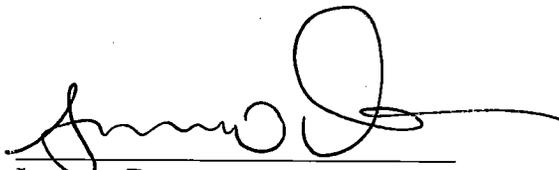
State Agency Model Integrated Waste Management Plan (February 2000)

Fiscal Years: 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011

Gavilan Joint 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 28, 2017 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: 3/22/17

Claim Number: 14-0007-I-04

Matter: Integrated Waste Management

Claimant: Gavilan Joint 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

Lacey Baysinger, *State Controller's Office*

Division of Accounting and Reporting, 3301 C Street, Suite 700, Sacramento, CA 95816

Phone: (916) 324-0254

lbaysinger@sco.ca.gov

Anita Dagan, Manager, Local Reimbursement Section, *State Controller's Office*

Local Government Programs and Services Division, Bureau of Payments, 3301 C Street, Suite 740, Sacramento, CA 95816

Phone: (916) 324-4112

Adagan@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

Wade Ellis, Director of Business Services, *Gavilan Joint Community College District*

5055 Santa Teresa Blvd, Gilroy, CA 95020

Phone: (408) 848-4739

wellis@gavilan.edu

Eric Feller, *Commission on State Mandates*

980 9th Street, Suite 300, Sacramento, CA 95814

Phone: (916) 323-3562

eric.feller@csm.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

Heather Halsey, Executive Director, *Commission on State Mandates*
980 9th Street, Suite 300, Sacramento, CA 95814
Phone: (916) 323-3562
heather.halsey@csm.ca.gov

Rebecca Hamilton, *Department of Finance*
Education Systems Unit, 915 L Street, 7th Floor, Sacramento, CA 95814
Phone: (916) 445-0328
Rebecca.Hamilton@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

Frederick Harris, Vice President, *Gavilan Joint Community College District*
5055 Santa Teresa Boulevard, Gilroy, CA 95020
Phone: (408) 848-4715
fharris@gavilan.edu

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

Dan Kaplan, Fiscal & Policy Analyst, *Legislative Analyst's Office*
925 L Street, Suite 1000, Sacramento, CA 95814
Phone: (916) 319-8353
Dan.Kaplan@lao.ca.gov

Anne Kato, *State Controller's Office*
Division of Accounting and Reporting, 3301 C Street, Suite 700, Sacramento, CA 95816
Phone: (916) 324-5919
akato@sco.ca.gov

Christian Keiner, *Dannis Woliver Kelly*
Claimant Representative
555 Capitol Mall, Suite 645, Sacramento, CA 95814
Phone: (916) 978-4040
ckeiner@dwkesq.com

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

Andy Nichols, *Nichols Consulting*
1857 44th Street, Sacramento, CA 95819
Phone: (916) 455-3939
andy@nichols-consulting.com

Christian Osmena, *Department of Finance*
915 L Street, Sacramento, CA 95814
Phone: (916) 445-0328
christian.osmena@dof.ca.gov

Arthur Palkowitz, *Artiano Shinoff*
2488 Historic Decatur Road, Suite 200, San Diego, CA 92106
Phone: (619) 232-3122
apalkowitz@as7law.com

Keith Petersen, *SixTen & Associates*
P.O. Box 340430, Sacramento, CA 95834-0430
Phone: (916) 419-7093
kbsixten@aol.com

Sandra Reynolds, *Reynolds Consulting Group, Inc.*
P.O. Box 894059, Temecula, CA 92589
Phone: (951) 303-3034
sandrareynolds_30@msn.com

Camille Shelton, Chief Legal Counsel, *Commission on State Mandates*
980 9th Street, Suite 300, Sacramento, CA 95814
Phone: (916) 323-3562
camille.shelton@csm.ca.gov

Carla Shelton, *Commission on State Mandates*
980 9th Street, Suite 300, Sacramento, CA 95814
Phone: (916) 327-6490
carla.shelton@csm.ca.gov

Jim Spano, Chief, Mandated Cost Audits Bureau, *State Controller's Office*
Division of Audits, 3301 C Street, Suite 700, Sacramento, CA 95816
Phone: (916) 323-5849
jspano@sco.ca.gov

Dennis Speciale, *State Controller's Office*
Division of Accounting and Reporting, 3301 C Street, Suite 700, Sacramento, CA 95816
Phone: (916) 324-0254
DSpeciale@sco.ca.gov

William Tunick, Attorney, *Dannis Woliver Kelley*
275 Battery Street, Suite 1150, San Francisco, CA 94111
Phone: (415) 543-4111
wtunick@dwkesq.com

MINUTES

COMMISSION ON STATE MANDATES

State Capitol, Room 447
Sacramento, California
September 26, 2008

- Present: Member Tom Sheehy, Chairperson
 Representative of the Director of the Department of Finance
 Member Francisco Lujano, Vice Chairperson
 Representative of the State Treasurer
 Member Richard Chivaro
 Representative of the State Controller
 Member Anne Schmidt
 Representative of the Director of the Office of Planning and Research
 Member J. Steven Worthley
 County Supervisor
 Member Sarah Olsen
 Public Member
- Absent: Member Paul Glaab
 City Council Member

CALL TO ORDER AND ROLL CALL

Chairperson Sheehy called the meeting to order at 9:38 a.m.

APPROVAL OF MINUTES

Item 1 August 1, 2008

The August 1, 2008 hearing minutes were adopted by a vote of 5-0. Ms. Schmidt abstained.

PROPOSED CONSENT CALENDAR

INFORMATIONAL HEARING PURSUANT TO CALIFORNIA CODE OF REGULATIONS,
TITLE 2, CHAPTER 2.5, ARTICLE 8 (ACTION)

A. PROPOSED PARAMETERS AND GUIDELINES

Item 7 *Reporting Improper Governmental Activities*, 02-TC-24
 Education Code Section 87164
 Statutes 2001, Chapter 416, Statutes 2002, Chapter 81
 Santa Monica Community College District, Claimant

Mr. Petersen responded that they would not be compelled to do the state portion if they were not in the DSPS program. Ms. Olsen then asked where is the practical compulsion. Mr. Petersen responded that they still have to continue performing the federal mandate which has always been funded by the state.

Ms. Shelton added that it was funded by the state under the state's vocational rehabilitation program, and before enactment of DSPS, students were receiving overlapping services. Therefore, the Department of Rehabilitation and the Chancellor's Office s came to agreement that the colleges would perform the services and vocational rehabilitation would not. There was no funding in that agreement.

Member Olsen stated that she was trying to clarify the practical compulsion allegation and whether it was based on the parents of DSPS students going to court if a district did not comply with DSPS. Mr. Petersen clarified that the practical compulsion is that school districts still have to continue the federal mandate, which was previously funded by the state. If a district stops participating in the state DSPS program, there would be no funding for providing any service.

Chairperson Sheehy asked Mr. Petersen if he wished to discuss the next issue on instructional materials. Mr. Petersen stated that he would not, because the Commission must decide the threshold issue first.

Member Chivaro moved to adopt the staff recommendations. With a second by Member Lujano, the Commission adopted the staff recommendation to deny the test claim by a vote of 6-0.

B. PROPOSED STATEMENT OF DECISION

- Item 4 *Disabled Student Programs and Services, (02-TC-22)*
 See Item 3

Ms. Shelton also presented this item. She stated that the sole issue before the Commission was whether the proposed Statement of Decision accurately reflected the Commission's decision on the *Disabled Student Programs and Services* test claim. Staff recommended that the Commission adopt the proposed Statement of Decision including minor changes.

Member Chivaro made a motion to adopt the proposed Statement of Decision. With a second by Member Lujano, the Statement of Decision was adopted by a vote of 6-0.

Ms. Higashi noted that Items 5 and 6 were postponed at the request of the claimant.

INFORMATIONAL HEARING PURSUANT TO CALIFORNIA CODE OF REGULATIONS, TITLE 2, CHAPTER 2.5, ARTICLE 8 (ACTION)

PROPOSED PARAMENTERS AND GUIDELINES

- Item 8 *Integrated Waste Management Board, (00-TC-07)*
 Public Resources Code Sections 40148, 40196.3, 42920-42928, Public Contract Code Sections 12167 and 12167.1, Statutes 1999, Chapter 764, Statutes 1992, Chapter 1116, Manuals of the California Integrated Waste Management Board
 Santa Monica and South Lake Tahoe Community College Districts,
 Co-Claimants

Camille Shelton, Chief Legal Counsel, presented this item. Ms. Shelton explained that this item is on remand from the Sacramento County Superior Court on a judgment and writ. The *Integrated Waste Management Board* program requires community college districts to develop and adopt waste management plans to divert solid waste from landfills and to submit annual

reports to the Integrated Waste Management Board. The writ issued by the court requires the Commission to amend the parameters and guidelines for this program in two respects: It requires the Commission to amend the offsetting revenue section to require claimants to identify and offset from their reimbursement claims, all revenue generated as a result of implementing their waste plans, without regard to the limitations described in the Public Contract Code.

The second amendment requires that the Commission add an offsetting cost savings section to the parameters and guidelines to require claimants to identify and offset from their reimbursement claims cost savings realized as a result of implementing their plans, consistent with the limitations provided in the Public Contract Code.

Ms. Shelton continued that under the Public Contract Code provisions, community colleges are required to deposit all cost savings that result from implementing their waste plans in the Integrated Waste Management account. Upon appropriation by the Legislature, the funds may be expended by the Integrated Waste Management Board for the purpose of offsetting plan costs. Subject to Board approval, cost savings by a community college that do not exceed \$2,000 annually, are appropriated for expenditure by the community college for the purpose of offsetting their costs. Cost savings exceeding \$2,000 annually may be available for expenditure by the community college only when appropriated by the Legislature. The proposed amendments contain these changes required by the court.

Ms. Shelton added that the Integrated Waste Management Board is requesting that the Commission add more language to the offsetting cost-savings section to require community college districts to: (1) provide information with their reimbursement claims identifying all cost savings resulting from the plans, including costs savings that exceed \$2,000; and (2) to analyze categories of potential cost savings to determine what to include in their claims.

Staff finds that the Board's request for additional language goes beyond the scope of the court's judgment and writ. Therefore, staff recommends that the Commission deny the Board's request and adopt the proposed amendments to the parameters and guidelines as recommended by staff.

Parties were represented as follows: Keith Petersen, an interested party having represented the claimant many years ago; Elliot Block representing the California Integrated Waste Management Board, and Susan Geanacou representing the Department of Finance.

Mr. Block stated that he disagreed with the staff analysis. The Board argues that staff is viewing the court's decision more narrowly than is necessary. The reimbursement claims are difficult to review. The Board is requesting the language to provide additional guidance to help the claims be formulated in a way that they are actually reviewable and usable. He noted that the Board has a pending request to amend the parameters and guidelines to add these additional reporting requirements, and that the staff analysis suggests that the additional reporting requirements could be added prospectively, but not retroactively. He stated that if the parameters and guidelines could have been originally drafted to include this requirement, why can't the parameters and guidelines be amended now to include this guidance.

Chairperson Sheehy asked Mr. Block to clarify the comment that the claims that are being submitted are difficult to review.

Mr. Block reiterated that the claims were incomplete and difficult to review, and pointed out that even Commission staff sought help from the Board when they initially reviewed the claims because there were portions of the claims filed that did not make sense and did not seem to align with the original parameter and guidelines.

Ms. Higashi noted that when the Commission adopted the statewide cost estimate, it requested a summary compilation of the amounts claimed by the community college districts filing timely reimbursement claims with the State Controller's Office. The State Controller's Office report identified the claimant by name, amount claimed and amounts offset and was the basis for the Commission's preparation of the statewide cost estimate.

Ms. Geanacou stated that the Department of Finance, as a co-petitioner before the court, has followed this matter closely. She observed that the cost savings information required in the claims will clearly appear as an offset for reimbursement and is already available in two sources of information if the test claim statutes are complied with.

Ms. Shelton stated that the Commission's jurisdiction in this matter is really limited to the court's writ and the writ directed two specific changes to the parameters and guidelines. She noted that the court found that the information to support cost savings was already provided to the Board in their existing annual report. The court did not indicate that the Board needed additional information. She added that every year, the Board receives a report that describes the calculations of annual disposal reduction and information on changes in waste generated or disposed. Also, this issue can be addressed in the Board's pending request to amend the parameters and guidelines.

Member Worthley moved to adopt the staff recommendations. With a second by member Olsen, the staff recommendation to approve the proposed amendments to the parameters and guidelines was adopted by a vote of 6-0.

STAFF REPORTS

Item 12 Chief Legal Counsel's Report (info)

No report was made.

Item 13 Executive Director's Report (info)

Ms. Higashi introduced our newest analyst Heidi Palchik.

Ms. Higashi also recognized staff member Lorenzo Duran who recently participated in a state agency sponsored fundraiser for the California State Employees Charitable Campaign. He successfully dunked our Commission Chair, Mr. Genest, in the dunk tank.

Ms. Higashi reported the adopted State Budget did not make any new changes to the Commission's budget. Also, the Commission filed the annual workload report with the Director of Finance.

Ms. Higashi proposed changing the November 6th hearing to an alternate date in December. It was decided to find an agreeable date and report it back to the Commission. She also noted that work is continuing on the proposal for delivery of agenda materials.

Ms. Higashi reported that Anne Sheehan, Chief Deputy Director of the Department of Finance, was appointed Director of Corporate Governance, CALSTRS.

Ms. Higashi also noted that the Commission will probably be exploring a hiring freeze exemption.

PUBLIC COMMENT

Chairperson Sheehy introduced Deborah Borzelleri and acknowledged her upcoming retirement. On behalf of the Commission, Chairperson Sheehy presented Ms. Borzelleri with a Resolution recognizing her retirement as a state employee for 35 years and her many accomplishments.

ITEM 9
FINAL STAFF ANALYSIS
PROPOSED AMENDMENTS TO PARAMETERS AND
GUIDELINES

Public Resources Code Sections 40148, 40196.3, 42920-42928
Public Contract Code Sections 12167 and 12167.1

Statutes 1999, Chapter 764 (A.B. 75)
Statutes 1992, Chapter 1116 (A.B. 3521)

State Agency Model Integrated Waste Management Plan (February 2000)

Integrated Waste Management
05-PGA-16

Integrated Waste Management Board, Requestor

EXECUTIVE SUMMARY

Background

This is a request filed by the Integrated Waste Management Board pursuant to Government Code section 17557, subdivision (d), to amend the original parameters and guidelines for the *Integrated Waste Management* program. If the Commission approves the Board's request, the amendments would be effective for costs incurred beginning July 1, 2005.

The Board requests that the parameters and guidelines be amended in Section VIII, Offsetting Cost Savings, to include language requiring community college districts to analyze avoided disposal costs and other offsetting savings relating to staffing, overhead, materials, storage, etc., as a result of the test claim statutes when filing reimbursement claims. A similar request was made by the Board at the Commission's September 26, 2008 hearing, when the Commission amended the parameters and guidelines pursuant to the court's writ and judgment in *State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates* (Sacramento County Superior Court, Case No. 07CS00355). The Commission denied the Board's request and found that the request was not consistent with the statutes or the court's judgment and writ. (See Exhibit G.)

The Board also requests that the following additional language be included in Section IX, State Controller's Claiming Instructions:

The claiming instructions shall include sufficient instructions to ensure that only additional expenses related to this mandate are included and that any offsetting savings, as described above, are not included.

The Board contends that the proposed amendments should be made “to more accurately capture the information necessary to provide accurate claims and a Statewide Cost Estimates [sic].”

The request to amend the parameters and guidelines was issued for comment on April 10, 2006. No comments were received. A draft staff analysis recommending that the Commission deny the Board’s request was issued on December 8, 2008. On December 30, 2008, the Integrated Waste Management Board filed comments on the draft. No other comments have been received.

Staff Analysis

Staff recommends that the Commission deny the request to amend the parameters and guidelines to include language requiring community colleges to specifically analyze the cost savings information identified by the Board when filing reimbursement claims for the following reasons:

- There is no requirement in statute or Board regulations that community college districts perform the analysis specified by the Board.
- The Commission does not have the authority to impose additional requirements on community college districts regarding this program.
- The current offsetting cost savings paragraph identifies the offsetting savings consistent with the language of Public Resources Code section 42925, subdivision (a), and Public Contract Code sections 12167 and 12167.1, and with the court’s judgment and writ in *State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates, et al.* (Sacramento County Superior Court, Case No. 07CS00355).
- Information on cost savings is already available to the Board in the community colleges’ annual reports submitted to the Board pursuant to Public Resources Code section 42926, subdivision (b)(1).

Staff further recommends that the Commission deny the proposed language to amend Section IX of the parameters and guidelines to require that the claiming instructions include sufficient instructions to ensure that only additional expenses related to this mandate are included and that any offsetting savings are not included, for the following reasons:

- The requirement that only increased costs be claimed is already provided in the boilerplate language of Section IV of the parameters and guidelines.
- The offsetting cost savings are adequately described in Section VIII of the parameters and guidelines, the first sentence of which states that “[r]educed or avoided costs realized from implementation of the community college districts’ Integrated Waste Management plans *shall be identified and offset from this claim* as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1.” (Emphasis added.)

- The claiming instructions prepared by the State’s Controller’s Office are required to be derived from the test claim decision and the adopted parameters and guidelines. (Gov. Code, § 17558, subd. (b).)

Conclusion and Staff Recommendation

Staff recommends that the Commission deny the request of the Integrated Waste Management Board to amend the original parameters and guidelines.

STAFF ANALYSIS

Requestor

Integrated Waste Management Board

Chronology

- 03/25/04 Statement of Decision adopted by Commission
- 03/30/05 Parameters and guidelines adopted by Commission
- 03/30/06 Integrated Waste Management Board files comments to the proposed statewide cost estimate and requests that the Commission amend the parameters and guidelines
- 04/10/06 Integrated Waste Management Board's request to amend the parameters and guidelines is issued for comment
- 10/26/06 Commission adopts statewide cost estimate
- 03/--/07 Integrated Waste Management Board and Department of Finance file petition for writ of mandate challenging the Statement of Decision and parameters and guidelines (Sacramento County Superior Court, Case No. 07CS00355)
- 06/30/08 Sacramento County Superior Court issues judgment and writ of mandate in Case No. 07CS00355 ordering Commission to amend the parameters and guidelines with respect to offsetting revenue and cost savings
- 09/26/08 Commission amends parameters and guidelines in compliance with the court's writ of mandate
- 12/08/08 Draft Staff Analysis issued on the request to amend the parameters and guidelines by the Integrated Waste Management Board
- 12/30/08 Integrated Waste Management Board files comments on the draft staff analysis

Background

The Board's Request to Amend the Parameters and Guidelines

This is a request filed by the Integrated Waste Management Board (hereafter "the Board") pursuant to Government Code section 17557, subdivision (d), to amend the parameters and guidelines for the *Integrated Waste Management* program.¹ If the Commission approves the Board's request, the amendments would be effective for costs incurred beginning July 1, 2005.

The Board requests that the parameters and guidelines be amended in Section VIII, Offsetting Cost Savings,² to include the following language requiring community college

¹ Exhibit A.

² Exhibit B, parameters and guidelines.

districts to analyze avoided disposal costs and other offsetting savings as a result of the test claim statutes when filing reimbursement claims.

Only additional expenses related to this mandate may be included in a claim and offsetting savings to the same program experienced as a result of this same mandate shall be subtracted from the amount of the claim. Claimants shall analyze the following items in determining what to include in their claims:

Staffing:

Through the implementation of the program being claimed a reduction in staff hours (PYs) can be achieved. In order to determine any cost increases or decreases the claimant will need to evaluate the total staff required to implement the program being claimed prior to AB 75 and the staff needed to implement and operate the current program. All values identified must be calculated based on a conversion to the dollar values for the particular year being claimed.

Overhead:

Costs incurred for overhead, such as benefits, for the PYs identified under “staffing.”

Materials:

Through the implementation of the program being claimed a reduction or elimination of supplies and materials may have been achieved. This could include, and is not limited to: White office paper, mixed office paper, cardboard, printed catalogs, postage, envelopes, and other office supplies.

Storage:

Through the implementation of this program being claimed a reduction or elimination of storage of supplies and materials may have been achieved. The elimination of storage is a cost savings that must be allotted to offset any costs associated to the implementation of the identified program(s) being claimed by the claimant.

Transportation Costs:

The transportation of supplies and waste materials has a cost. The claimant should determine how many trips staff was making to purchase, pick-up and deliver supplies needed for the program being claimed and the current level of the activity.

Claimant should also consider the cost incurred or avoided for the collection of waste materials associated with the activity being claimed.

Equipment:

Any costs associated with new/replacement equipment, including any costs avoided for maintenance of obsolete equipment.

Sale of Commodities:

This would include any and all revenues generated due to the sale of materials collected through the implementation of the specific program being claimed. This could include, but is not limited to white office paper, mixed office paper, cardboard, beverage containers, ferrous and nonferrous metals, glass, plastic, re-sale of used text books, compost, mulch, and firewood.

Avoided disposal fees:

Through the implementation of the AB 75 program(s) a facility will see a direct reduction in the amount of materials that would have been placed into a landfill or a trash dumpster on the campus. These direct savings are to be credited to the program based on today's disposal costs.

Sale of obsolete equipment:

Proceeds of any sales of obsolete equipment.

Other revenue related to program:

Dependent on the particular program or activity being submitted to the Commission for reimbursement several other factors can and will generate a cost savings.

The Board also requests that the following additional language be included in Section IX, State Controller's Claiming Instructions:

The claiming instructions shall include sufficient instructions to ensure that only additional expenses related to this mandate are included and that any offsetting savings, as described above, are not included.

The Board contends that the proposed amendments should be made "to more accurately capture the information necessary to provide accurate claims and a Statewide Cost Estimates [sic]."

On December 30, 2008, the Board filed comments on the draft staff analysis, stating that "since the Commission has already rejected our arguments, rather than reiterate them, we are simply incorporating by reference our earlier comment letter, dated August 26, 2008, and asking that they be included in the record, so that the record will reflect our arguments in the matter."³ The Board's August 26, 2008 letter is in the record under Exhibit G, (Item 8, September 26, 2008 Commission Hearing, Adoption of Amendments to Parameters and Guidelines, on Remand from the Sacramento County Superior Court in Case No. 07CS00355) on page 385, and is summarized in the history and analysis below.

The Board further states the following:

In closing, I just want to note that the Board's position is that the Commission views its authority too narrowly in this matter and the result will be that it will receive a number of inaccurate claims that it and other

³ Exhibit H.

state agencies will have to spend unnecessary time and resources reviewing. Furthermore, if those claims are not completely reviewed and/or audited, the State may end up paying for claims that it should not.

History of the Claim

The *Integrated Waste Management* program requires community college districts to develop and adopt, in consultation with the Integrated Waste Management Board, an integrated waste management plan. Each community college is required to divert from landfills at least 25 percent of generated solid waste by January 1, 2002, and at least 50 percent by January 1, 2004. Community college districts are also required to submit annual reports to the Integrated Waste Management Board describing the calculations of annual disposal reduction and information on changes in waste generated or disposed for the year. The Commission approved the test claim and adopted the Statement of Decision on March 25, 2004.⁴

Parameters and guidelines were adopted in March 2005.⁵ In comments to the proposed parameters and guidelines, the Integrated Waste Management Board argued that the program would inevitably result in cost savings as a result of avoided disposal costs and recommended that the parameters and guidelines require information on cost savings in any claim submitted to the State Controller's Office. Similar to the Board's request in this item, the Board proposed that the Commission adopt the following costs/savings worksheet to be attached to the parameters and guidelines "as guidance for collecting relevant information."

Expenses

- *Staffing.* Through the implementation of the program being claimed a reduction in staff hours (PYs) can be achieved. In order to determine any cost increases or decreases the claimants will need to evaluate the total staff required to implement the program being claimed prior to AB 75 and the staff needed to implement and operate the current program. All values identified must be calculated based on a conversion to the dollar values for the particular year being claimed.
- *Overhead.* Costs incurred for overhead, such as benefits, for the PYs identified under "staffing."
- *Materials.* Through the implementation of the program being claimed a reduction or elimination of supplies and materials may have been achieved. This could include, and is not limited to: white office paper, mixed office paper, cardboard, printed catalogs, postage, envelopes, and other office supplies.
- *Storage.* Through the implementation of the program being claimed a reduction or elimination of storage of supplies and materials may have been achieved. The elimination of storage is a cost savings that must be

⁴ Exhibit C.

⁵ Exhibit D.

allocated to offset any costs associated to the implementation of the identified program(s) being claimed by the claimants.

- *Transportation costs:* The transportation of supplies and waste materials has a cost. The claimants should determine how many trips staff was making to purchase, pick-up and deliver supplies needed for the program being claimed and the current level of the activity. It should be calculated based on a conversion of the previous programs' activities being converted to the dollar values for the particular year for which a claim is being submitted.

Claimants should also consider the cost incurred for the collection of waste materials associated with the activity being claimed.

- *Equipment.* Any costs associated with new/replacement equipment, including any costs avoided for maintenance of obsolete equipment.
- *Disposal fees.* Costs associated to the disposal of materials prior to the implementation of the specific program being implemented. Since the intent and impact of the legislation is to divert materials from the landfill, a direct savings is seen.
- *Other expenses related to program.* The claimants should take into consideration the specific program being claimed for reimbursement and identify all areas that have been impacted.

Revenue

- *Sale of commodities.* This would include any and all revenues generated due to the sale of materials collected through the implementation of the specific program being claimed. This could include, but is not limited to, white office paper, mixed office paper, cardboard, beverage containers, ferrous and nonferrous metals, glass, plastic, re-sale of used text books, compost, mulch, and firewood.
- *Avoided disposal fees.* Through the implementation of the AB 75 program(s) a facility will see a direct reduction in the amount of materials that would have been placed into a landfill or a trash dumpster on the campus. These direct savings are to be credited to the program based on today's disposal costs.
- *Sale of obsolete equipment.* Proceeds of any sales of obsolete equipment.
- *Other revenue related to program.* Dependent on the particular program or activity being submitted to the Commission for reimbursement several other factors can and will generate a cost savings. It is suggested that the claimants be required to identify all savings associated to the particular program or activity as per the findings of the Commission.⁶

⁶ Exhibit D.

In the parameters and guidelines analysis adopted in March 2005, the Commission found that community colleges are not required to identify in their reimbursement claims the potential costs savings that may result from avoiding disposal costs. The Commission also found that community college districts are not required by law to submit with their reimbursement claims a program worksheet recommended by the Board.⁷

Thus, the parameters and guidelines did not identify any offsetting cost savings for avoided disposal costs as a result of the mandate to divert solid waste.

In October 2006, the Commission adopted a statewide cost estimate in the amount of \$10,785,532 (with an average annual cost of \$1,198,392), covering fiscal years 1999-2000 through 2006-2007. The statewide cost estimate was based on 142 actual, unaudited, reimbursement claims filed by 27 community college districts for fiscal years 1999-2000 through 2004-2005, and estimated costs using the implicit price deflator for fiscal years 2005-2006 through 2006-2007. During the proceedings for the statewide cost estimate, the Board contended that the Commission's failure to include offsetting cost savings in the parameters and guidelines resulted in inaccurate cost claims. The Board filed comments arguing that the statewide cost estimate should be set at zero since community college districts collectively reported to the Board the diversion of waste in a tonnage amount that equaled \$22 million in avoided disposal costs.⁸

The Integrated Waste Management Board and the Department of Finance then filed a petition for writ of mandate in March 2007, asking the court to set aside the Commission's decision granting the test claim and to require the Commission to issue a new Statement of Decision and parameters and guidelines that give full consideration to the community colleges' cost savings (e.g. avoided landfill disposal fees) and revenues (from recyclables) by complying with the test claim statutes. They contended that the Commission did not properly account for all the offsetting cost savings from avoided disposal costs, or offsetting revenues from the sale of recyclable materials in the Statement of Decision or parameters and guidelines. (*State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates, et al.* Sacramento County Superior Court, Case No. 07CS00355.)

On May 29, 2008, the Sacramento County Superior Court issued its Ruling on Submitted Matter, finding that the Commission's rationale for the treatment of cost savings and revenues in the parameters and guidelines was erroneous and required that the parameters and guidelines be amended.⁹

With regard to cost savings, the court found that the reduction or avoidance of costs resulting from solid waste diversion activities represent savings that must be offset and deducted from the claim for costs incurred as a result of the mandated activities in accordance with Public Contract Code section 12167 and 12167.1. Cost savings may be determined from the calculations of annual solid waste disposal reduction or diversion that community colleges must annually report to the Board pursuant to Public Resources

⁷ Exhibit D.

⁸ Exhibit E.

⁹ Exhibit F.

Code section 42926, subdivision (b)(1).¹⁰ The court further concluded that offsetting savings are limited by Public Contract Code section 12167 and 12167.1, which require community colleges to deposit cost savings into the Integrated Waste Management Account in the Integrated Waste Management Fund. These funds may, on appropriation by the Legislature, be spent by the Board to offset integrated waste management plan implementation costs. The cost savings that do not exceed \$2000 annually are continuously appropriated for the colleges to spend to offset implementing and administering the costs of the integrated waste management plan. Cost savings in excess of \$2000 annually are available for this same purpose when appropriated by the Legislature.¹¹ The judgment and writ issued by the court on June 30, 2008, directed the Commission to amend the parameters and guidelines with respect to cost savings as follows:

Amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1, cost savings realized as a result of implementing their plans.¹²

The hearing on the parameters and guidelines on remand from the court took place on September 26, 2008. In addition to making the changes required by the court's writ, the Board requested that the Commission amend the parameters and guidelines to further require community college districts to provide information with their claims identifying all cost savings resulting from the plans, including amounts that exceed \$2000. The Board also requested that the Commission require community college districts to analyze the following categories of potential cost savings in determining what to include in their claims:

Staffing:

Through the implementation of the program being claimed a reduction in staff hours (PYs) can be achieved. In order to determine any cost increases or decreases the claimant will need to evaluate the total staff required to implement the program being claimed prior to AB 75 and the staff needed to implement and operate the current program. All values identified must be calculated based on a conversion to the dollar values for the particular year being claimed.

Overhead:

Costs incurred for overhead, such as benefits, for the PYs identified under "staffing."

¹⁰ Exhibit F, Ruling, page 7.

¹¹ Exhibit F, Ruling, pages 8-9.

¹² Exhibit F.

Materials:

Through the implementation of the program being claimed a reduction or elimination of supplies and materials may be have been achieved. This could include, and is not limited to: White office paper, mixed office paper, cardboard, printed catalogs, postage, envelopes, and other office supplies.

Storage:

Through the implementation of this program being claimed a reduction or elimination of storage of supplies and materials may have been achieved. The elimination of storage is a cost savings that must be allotted to offset any costs association to the implementation of the identified program(s) being claimed by the claimant.

Transportation Costs:

The transportation of supplies and waste materials has a cost. The claimant should determine how many trips staff was making to purchase, pick-up and deliver supplies needed for the program being claimed and the current level of the activity.

Claimant should also consider the cost incurred or avoided for the collection of waste materials associated with the activity being claimed.

Equipment:

Any costs associated with new/replacement equipment, including any costs avoided for maintenance of obsolete equipment.

Sale of Commodities:

This would include any and all revenues generated due to the sale of materials collected through the implementation of the specific program being claimed. This could include, but is not limited to white office paper, mixed office paper, cardboard, beverage containers, ferrous and nonferrous metals, glass, plastic, re-sale of used text books, compost, mulch, and firewood.

Avoided disposal fees:

Through the implementation of the AB 75 program(s) a facility will see a direct reduction in the amount of materials that would have been placed into a landfill or a trash dumpster on the campus. These direct savings are to be credited to the program based on today's disposal costs.

Sale of obsolete equipment:

Proceeds of any sales of obsolete equipment.

Other revenue related to program:

Dependent on the particular program or activity being submitted to the Commission for reimbursement several other factors can and will generate a cost savings.

The Board argued that “this change is consistent with the Commission’s statutes which provide that the ‘reasonable reimbursement methodology’ used should identify the costs to implement the mandate in a cost-efficient manner.”¹³

The Commission disagreed with the Board’s argument and denied the request. The Commission found that the request to require community college districts to provide offsetting savings information whether or not the offsetting savings generated exceeds the \$2000 continuous appropriation was not consistent with the statutes or the court’s judgment and writ. Pages 6-8 of the analysis adopted by the Commission makes the following findings in this regard:

Rather, as described below, the court interpreted the plain language of these statutes as requiring community college districts to deposit all cost savings resulting from their Integrated Waste Management plans in the Integrated Waste Management Account in the Integrated Waste Management Fund. The funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, and approval of the Integrated Waste Management Board, may be appropriated for the expenditure by those community college districts for the purposes of offsetting program costs.

Public Resources Code section 42925, subdivision (a), states the following:

Any cost savings realized as a result of the state agency integrated waste management plan shall, to the extent feasible, be redirected to the agency’s integrated waste management plan to fund plan implementation and administration costs, in accordance with Sections 12167 and 12167.1 of the Public Contract Code.

Public Contract Code section 12167 states:

Revenues received from this plan or any other activity involving the collection and sale of recyclable materials in state and legislative offices located in state-owned and state-leased buildings, such as the sale of waste materials through recycling programs operated by the California Integrated Waste Management Board or in agreement with the board, shall be deposited in the Integrated Waste Management Account in the Integrated Waste Management Fund and are hereby continuously appropriated to the board, without regard to fiscal years, until June 30, 1994, for the purposes of offsetting recycling program costs. On and after July 1, 1994, the funds in the Integrated Waste Management Account may be expended by the board, only upon appropriation by the Legislature, for the purpose of offsetting recycling program costs.

Public Contract Code section 12167.1 states:

Notwithstanding Section 12167, upon approval by the California Integrated Waste Management Board, revenues derived from the sale of recyclable materials by state agencies and institutions that do not

¹³ Exhibit G.

exceed two thousand dollars (\$2,000) annually are hereby continuously appropriated, without regard to fiscal years, for expenditure by those state agencies and institutions for the purposes of offsetting recycling program costs. Revenues that exceed two thousand dollars (\$2,000) annually shall be available for expenditure by those state agencies and institutions when appropriated by the Legislature. Information on the quantities of recyclable materials collected for recycling shall be provided to the board on an annual basis according to a schedule determined by the board and participating agencies.

The court interpreted these statutes as follows:

By requiring the redirection of cost savings from state agency IWM plans to fund plan implementation and administration costs “in accordance with Sections 12167 and 12167.1 of the Public Contract Code,” section 42925 assures that cost savings realized from state agencies’ IWM plans are handled in a manner consistent with the handling of revenues received from state agencies’ recycling plans under the State Assistance for Recycling Markets Act. Thus, in accordance with section 12167, state agencies, along with California Community Colleges which are defined as state agencies for purposes of IWM plan requirements in Public Resources Code section 42920 et seq. [citations omitted], must deposit cost savings resulting from IWM plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the Integrated Waste Management Board for the purpose of offsetting IWM plan costs. In accordance with section 12167.1 and notwithstanding section 12167, cost savings from the IWM plans of the agencies and colleges that do not exceed \$2000 annually are continuously appropriated for expenditure by the agencies and colleges for the purpose of offsetting IWM plan implementation and administration costs; cost savings resulting from IWM plans in excess of \$2000 annually are available for such expenditure by the agencies and colleges when appropriated by the Legislature.¹⁴

Accordingly, the Board’s request is not consistent with these statutes or the court’s judgment and writ. Thus, the Commission does not have jurisdiction to make the changes requested by the Board.

The Commission also found that the Board’s request to require community college districts to analyze specified categories of potential cost savings in staffing, overhead, materials, etc., when filing their claims was not required by the test claim statutes and not consistent with the court’s ruling, judgment, and writ. The Commission’s findings are as follows:

¹⁴ Exhibit F, Ruling, page 9.

The Commission's jurisdiction on this item is limited by the court's judgment and writ. The court's judgment and writ do not direct the Commission to include the additional language requested by the Board in the parameters and guidelines.

The court agreed with the Board that community college districts are required by Public Resources Code section 42925, subdivision (a), to redirect any cost savings realized as a result of the diversion activities to fund the district's implementation and administration of the integrated waste management plan. But the court determined that the amount or value of cost savings is already available from the annual report the community colleges provide to the Board pursuant to Public Resources Code section 42926, subdivision (b).¹⁵ This report is required to include the district's "calculations of annual disposal reduction" and "information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors." The court's writ requires the Commission to amend the parameters and guidelines as follows:

Amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. *to identify and offset from their claims, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1, cost savings realized as a result of implementing their plans.*

The writ does not direct the Commission to amend the parameters and guidelines to require community college districts to analyze the potential categories of cost savings identified by the Board.

Thus, the offsetting cost language adopted by the Commission on September 26, 2008, tracks the statutory language of Public Resources Code sections 42925 and Public Contract Code sections 12167 and 12167.1. Section VIII of the parameters and guidelines, Offsetting Cost Savings, states the following:

VIII. OFFSETTING COST SAVINGS

Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management plans shall be identified and offset from this claim as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1.

Pursuant to these statutes, community college districts are required to deposit cost savings resulting from their Integrated Waste Management plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the California Integrated Waste Management Board for the

¹⁵ Exhibit F, Ruling, page 7.

purpose of offsetting Integrated Waste Management plan costs. Subject to the approval of the California Integrated Waste Management Board, cost savings by a community college that do not exceed two thousand dollars (\$2,000) annually are continuously appropriated for expenditure by the community college for the purpose of offsetting Integrated Waste Management program costs. Cost savings exceeding two thousand dollars (\$2,000) annually may be available for expenditure by the community college only when appropriated by the Legislature. To the extent so approved or appropriated and applied to the college, these amounts shall be identified and offset from the costs claimed for implementing the Integrated Waste Management Plan.¹⁶

Issue 1: Should the Commission amend Section VIII of the parameters and guidelines to require community college districts to analyze specified categories of potential cost savings in staffing, overhead, materials, etc., when filing their claims?

The Board requests that the parameters and guidelines be amended in Section VIII, Offsetting Cost Savings, to include the following language requiring community college districts to analyze avoided disposal costs and other offsetting savings as a result of the test claim statutes when filing reimbursement claims.

Only additional expenses related to this mandate may be included in a claim and offsetting savings to the same program experienced as a result of this same mandate shall be subtracted from the amount of the claim. Claimants shall analyze the following items in determining what to include in their claims:

Staffing:

Through the implementation of the program being claimed a reduction in staff hours (PYs) can be achieved. In order to determine any cost increases or decreases the claimant will need to evaluate the total staff required to implement the program being claimed prior to AB 75 and the staff needed to implement and operate the current program. All values identified must be calculated based on a conversion to the dollar values for the particular year being claimed.

Overhead:

Costs incurred for overhead, such as benefits, for the PYs identified under “staffing.”

Materials:

Through the implementation of the program being claimed a reduction or elimination of supplies and materials may be have been achieved. This could include, and is not limited to: White office paper, mixed office

¹⁶ Exhibit B.

paper, cardboard, printed catalogs, postage, envelopes, and other office supplies.

Storage:

Through the implementation of this program being claimed a reduction or elimination of storage of supplies and materials may have been achieved. The elimination of storage is a cost savings that must be allotted to offset any costs association to the implementation of the identified program(s) being claimed by the claimant.

Transportation Costs:

The transportation of supplies and waste materials has a cost. The claimant should determine how many trips staff was making to purchase, pick-up and deliver supplies needed for the program being claimed and the current level of the activity.

Claimant should also consider the cost incurred or avoided for the collection of waste materials associated with the activity being claimed.

Equipment:

Any costs associated with new/replacement equipment, including any costs avoided for maintenance of obsolete equipment.

Sale of Commodities:

This would include any and all revenues generated due to the sale of materials collected through the implementation of the specific program being claimed. This could include, but is not limited to white office paper, mixed office paper, cardboard, beverage containers, ferrous and nonferrous metals, glass, plastic, re-sale of used text books, compost, mulch, and firewood.

Avoided disposal fees:

Through the implementation of the AB 75 program(s) a facility will see a direct reduction in the amount of materials that would have been placed into a landfill or a trash dumpster on the campus. These direct savings are to be credited to the program based on today's disposal costs.

Sale of obsolete equipment:

Proceeds of any sales of obsolete equipment.

Other revenue related to program:

Dependent on the particular program or activity being submitted to the Commission for reimbursement several other factors can and will generate a cost savings.

The Board contends that the proposed amendments should be made “to more accurately capture the information necessary to provide accurate claims and a Statewide Cost Estimates [sic].”

Staff recommends that the Commission deny the request to amend the parameters and guidelines by requiring community colleges to specifically analyze the cost savings information identified by the Board when filing reimbursement claims. There is no requirement in statute or Board regulations that community college districts perform the analysis specified by the Board. Moreover, the Commission does not have the authority to impose additional requirements on community college districts regarding this program. Rather, section 1183.1, subdivision (a)(8), of the Commission's regulations simply requires that the parameters and guidelines include an identification of offsetting savings in the same program experienced because of the state statutes or executive orders found to contain a mandate. The current offsetting cost savings paragraph identifies the offsetting savings consistent with the language of Public Resources Code section 42925, subdivision (a), and Public Contract Code sections 12167 and 12167.1, and with the court's judgment and writ. The language is also consistent with Public Resources Code section 42927, subdivision (b), which becomes operative and effective on January 1, 2009. (Stats. 2008, ch. 343, Sen. Bill No. 1016.) Section 42927 is consistent with the court's ruling and judgment, and requires a community college to "expend all cost savings that result from implementation of the district's integrated waste management plan pursuant to this chapter to fund the continued implementation of the plan consistent with the requirement that revenues from the sale of recyclable materials be used to offset recycling program costs, as specified in Sections 12167 and 12167.1 of the Public Contract code."

Furthermore, the Board incorrectly argues that "this change is consistent with the Commission's statutes which provide that the 'reasonable reimbursement methodology' used should identify the costs to implement the mandate in a cost-efficient manner." A reasonable reimbursement methodology is defined in Government Code section 17518.5 to mean a formula for reimbursing school districts for costs mandated by the state that is based on general allocation formulas, uniform cost allowances, and other approximations of local costs. Reasonable reimbursement methodologies are used in lieu of a district maintaining detailed documentation of actual local costs and may be developed by the Department of Finance, the State Controller's Office, an affected state agency, a claimant, or an interested party. The Commission has not adopted a reasonable reimbursement methodology in this case, and one has not yet been proposed.

Finally, the Board contends that the proposed amendments are necessary to capture information necessary to provide accurate claims. But the information on cost savings is already available to the Board. The court found that cost savings can be determined from the calculations of annual solid waste disposal reduction or diversion included in the community colleges' annual reports to the Board pursuant to Public Resources Code section 42926, subdivision (b)(1).¹⁷ In comments to the proposed statewide cost estimate, the Board was able to determine from this report the dollar amount of cost savings for the fiscal years in question and argued that the statewide cost estimate should be set at zero "since community college districts collectively reported to the Board the

¹⁷ Exhibit F, Ruling, page 7.

diversion of waste in a tonnage amount that equaled \$22 million in avoided disposal costs.”¹⁸

Therefore, staff recommends that the Commission deny the Board’s request to amend the parameters and guidelines to require community colleges to specifically analyze the cost savings information identified by the Board when filing reimbursement claims.

Issue 2: Should the Commission amend Section IX of the parameters and guidelines to add language regarding the State Controller’s claiming instructions?

Section IX of the parameters and guidelines states the following:

IX. STATE CONTROLLER’S REVISED CLAIMING INSTRUCTIONS

The Controller shall, within 60 days after receiving amended parameters and guidelines prepare and issue revised claiming instructions for mandates that require state reimbursement after any decision or order of the commission pursuant to section 17558. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission. Pursuant to Government Code section 17561, subdivision (d)(2), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission. In preparing revised claiming instructions, the Controller may request the assistance of other state agencies. (Gov. Code, § 17558, subdivision (c).)

If revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between November 15 and February 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

The Board requests that the Commission add the following language to Section IX:

The claiming instructions shall include sufficient instructions to ensure that only additional expenses related to this mandate are included and that any offsetting savings, as described above, are not included.

Staff recommends that the Commission deny the proposed language. The requirement that only increased costs be claimed is already provided in the boilerplate language of Section IV of the parameters and guidelines, Reimbursable Activities, which states that:

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

¹⁸ Exhibit E.

Furthermore, staff finds that offsetting cost savings are adequately described in Section VIII of the parameters and guidelines, the first sentence of which states that “[r]educed or avoided costs realized from implementation of the community college districts’ Integrated Waste Management plans *shall be identified and offset from this claim* as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1.” (Emphasis added.)

The claiming instructions prepared by the State’s Controller’s Office are required to be derived from the test claim decision and the adopted parameters and guidelines. (Gov. Code, § 17558, subd. (b).)

Accordingly, staff recommends that the Commission deny the proposed amendments to Section IX of the parameters and guidelines.

Conclusion and Staff Recommendation

Staff recommends that the Commission deny the request of the Integrated Waste Management Board to amend the parameters and guidelines.