



BETTY T. YEE
California State Controller

February 21, 2018

Tracey L. Richardson, Vice President
Administrative Services Division
Victor Valley Community College District
18422 Bear Valley Road
Victorville, CA 92395

Dear Ms. Richardson:

The State Controller's Office (SCO) reviewed the costs claimed by the Victor Valley 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, 2010. We conducted our review under the authority of Government Code (GC) sections 12410, 17558.5, and 17561. Our review was limited to ensuring that offsetting savings were properly reported in accordance with program requirements.

This reissued letter report updates our previous letter report, issued April 9, 2014. The previous letter report identified \$203,932 in unreported offsetting savings for fiscal year (FY) 1999-2000 through FY 2009-10. On December 1, 2017, the Commission on State Mandates (Commission) issued a decision in response to an Incorrect Reduction Claim filed by the district for the IWM Program. In its decision, the Commission concluded that our reduction of costs claimed for the second half of FY 2001-02, all of FY 2002-03, and the first half of FY 2003-04 (which was based on a diversion rate of 50% rather than 25%), was incorrect and that the difference of \$11,983 was incorrectly reduced. In compliance with the Commission's decision, we have reinstated \$11,983 (\$2,964 for FY 2001-02; \$5,992 for FY 2002-03; and \$3,027 for FY 2003-04). As a result, allowable costs increased by \$10,784 (\$11,983 less a \$1,199 penalty for filing late claims), from \$667,182 to \$677,966. We advised you of the revision to this report via email on January 3, 2018.

The district claimed \$908,792 for the mandated program. Our review found that \$677,966 is allowable (\$716,843 less a \$38,877 penalty for filing late claims) and \$230,826 is unallowable. The costs are unallowable because the district did not report any offsetting savings realized as a result of implementing its IWM plans, as described in the attached Summary of Program Costs, Summary of Offsetting Savings Calculations, and Finding and Recommendation. The State paid the district \$409,210. The State will pay allowable costs claimed that exceed the amount paid, totaling \$268,756, contingent upon available appropriations. Following issuance of this report, the SCO's Local Government Programs and Services Division will notify the district of the reinstatement adjustment via a system-generated letter for FY 2001-02, FY 2002-03, and FY 2003-04.

If you have any questions, please contact Jim L. Spano, CPA, Assistant Division Chief, by telephone at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/as

Attachments

RE: S14-MCC-921R

cc: Shawntee M. Milton, Director, Fiscal Services
Administrative Services Division
Victor Valley Community College District
Frances Parmelee, Assistant Vice Chancellor
College Finance and Facilities Planning
California Community Colleges Chancellor's Office
Wrenna Finche, Director of Fiscal Standards and Accountability
College Finance and Facilities Planning
California Community Colleges Chancellor's Office
Chris Ferguson, Principal Program Budget Analyst
Educations Systems Unit
California Department of Finance
Keith Nezaam, Staff Finance Budget Analyst
Educations Systems Unit
California Department of Finance
Anita Dagan, Manager
Local Government Programs and Services Division
California State Controller's Office

Revised Attachment 1— Summary of Program Costs July 1, 1999, through June 30, 2010

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	\$ 14,315	\$ 14,315	\$ -
Indirect costs	8,440	8,440	-
Total direct and indirect costs	22,755	22,755	-
Less offsetting savings ²	-	(1,706)	(1,706)
Subtotal	22,755	21,049	(1,706)
Less late filing penalty ³	-	(2,105)	(2,105)
Total program costs	<u>\$ 22,755</u>	18,944	<u>\$ (3,811)</u>
Less amount paid by the State ⁴		(18,944)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits	\$ 41,798	\$ 41,798	\$ -
Indirect costs	24,431	24,431	-
Total direct and indirect costs	66,229	66,229	-
Less offsetting savings ²	-	(5,231)	(5,231)
Subtotal	66,229	60,998	(5,231)
Less late filing penalty ³	-	(6,100)	(6,100)
Total program costs	<u>\$ 66,229</u>	54,898	<u>\$ (11,331)</u>
Less amount paid by the State ⁴		(54,898)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Revised Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits	\$ 47,347	\$ 47,347	\$ -
Contract services	6,579	6,579	-
Total direct costs	53,926	53,926	-
Indirect costs	29,015	29,015	-
Total direct and indirect costs	82,941	82,941	-
Less offsetting savings ²	-	(6,898)	(6,898)
Subtotal	82,941	76,043	(6,898)
Less late filing penalty ^{3,5}	-	(7,604)	(7,604)
Total program costs	<u>\$ 82,941</u>	68,439	<u>\$ (14,502)</u>
Less amount paid by the State ⁴		(65,771)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 2,668</u>	
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits	\$ 49,536	\$ 49,536	\$ -
Contract services	8,851	8,851	-
Total direct costs	58,387	58,387	-
Indirect costs	27,343	27,343	-
Total direct and indirect costs	85,730	85,730	-
Less offsetting savings ²	-	(6,925)	(6,925)
Subtotal	85,730	78,805	(6,925)
Less late filing penalty ^{3,5}	-	(7,881)	(7,881)
Total program costs	<u>\$ 85,730</u>	70,924	<u>\$ (14,806)</u>
Less amount paid by the State ⁴		(65,532)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 5,392</u>	

Revised Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits	\$ 55,755	\$ 55,755	\$ -
Contract services	7,661	7,661	-
Total direct costs	63,416	63,416	-
Indirect costs	30,057	30,057	-
Total direct and indirect costs	93,473	93,473	-
Less offsetting savings ²	-	(13,192)	(13,192)
Subtotal	93,473	80,281	(13,192)
Less late filing penalty ^{3,5}		(8,028)	(8,028)
Total program costs	<u>\$ 93,473</u>	72,253	<u>\$ (21,220)</u>
Less amount paid by the State ⁴		(69,529)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 2,724</u>	
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs:			
Salaries and benefits	\$ 55,755	\$ 55,755	\$ -
Contract services	8,770	8,770	-
Total direct costs	64,525	64,525	-
Indirect costs	25,430	25,430	-
Total direct and indirect costs	89,955	89,955	-
Less offsetting savings ²	-	(18,366)	(18,366)
Subtotal	89,955	71,589	(18,366)
Less late filing penalty ³		(7,159)	(7,159)
Total program costs	<u>\$ 89,955</u>	64,430	<u>\$ (25,525)</u>
Less amount paid by the State ⁴		(64,430)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Revised Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Salaries and benefits	\$ 61,294	\$ 61,294	\$ -
Contract services	14,061	14,061	-
Total direct costs	75,355	75,355	-
Indirect costs	28,545	28,545	-
Total direct and indirect costs	103,900	103,900	-
Less offsetting savings ²	-	(33,794)	(33,794)
Total program costs	<u>\$ 103,900</u>	70,106	<u>\$ (33,794)</u>
Less amount paid by the State ⁴		(70,106)	
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	\$ 20,275	\$ 20,275	\$ -
Contract services	8,642	8,642	-
Travel and training	2,392	2,392	-
Total direct costs	31,309	31,309	-
Indirect costs	8,381	8,381	-
Total direct and indirect costs	39,690	39,690	-
Less offsetting revenues and reimbursements	(962)	(962)	-
Less offsetting savings ²	-	(35,718)	(35,718)
Total program costs	<u>\$ 38,728</u>	3,010	<u>\$ (35,718)</u>
Less amount paid by the State ⁴		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 3,010</u>	

Revised 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	\$ 90,491	\$ 90,491	\$ -
Materials and supplies	1,950	1,950	-
Contract services	2,128	2,128	-
Fixed assets	14,181	14,181	-
Travel and training	961	961	-
Total direct costs	109,711	109,711	-
Indirect costs	53,861	53,861	-
Total direct and indirect costs	163,572	163,572	-
Less offsetting revenues and reimbursements	(15,052)	(15,052)	-
Less offsetting savings ²	-	(21,968)	(21,968)
Total program costs	<u>\$ 148,520</u>	126,552	<u>\$ (21,968)</u>
Less amount paid by the State ⁴		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 126,552</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Salaries and benefits	\$ 74,660	\$ 74,660	\$ -
Materials and supplies	1,153	1,153	-
Total direct costs	75,813	75,813	-
Indirect costs	36,583	36,583	-
Total direct and indirect costs	112,396	112,396	-
Less offsetting revenues and reimbursements	(9,692)	(9,692)	-
Less offsetting savings ²	-	(23,521)	(23,521)
Total program costs	<u>\$ 102,704</u>	79,183	<u>\$ (23,521)</u>
Less amount paid by the State ⁴		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 79,183</u>	

Revised Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs:			
Salaries and benefits	\$ 49,599	\$ 49,599	\$ -
Indirect costs	24,258	24,258	-
Total direct and indirect costs	73,857	73,857	-
Less offsetting savings ²	-	(24,630)	(24,630)
Total program costs	<u>\$ 73,857</u>	49,227	<u>\$ (24,630)</u>
Less amount paid by the State ⁴		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 49,227</u>	
<u>Summary: July 1, 1999, through June 30, 2010</u>			
Direct costs:			
Salaries and benefits	\$ 560,825	\$ 560,825	\$ -
Materials and supplies	3,103	3,103	-
Contract services	56,692	56,692	-
Fixed assets	14,181	14,181	-
Travel and training	3,353	3,353	-
Total direct costs	638,154	638,154	-
Indirect costs	296,344	296,344	-
Total direct and indirect costs	934,498	934,498	-
Less offsetting revenues and reimbursements	(25,706)	(25,706)	-
Less offsetting savings ²	-	(191,949)	(191,949)
Total program costs	908,792	716,843	(191,949)
Less late filing penalty ^{3,5}	-	(38,877)	(38,877)
Total program costs	<u>\$ 908,792</u>	677,966	<u>\$ (230,826)</u>
Less amount paid by the State ⁴		(409,210)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 268,756</u>	

¹ See Revised Attachment 3, Finding and Recommendation.

² See Revised Attachment 2, Summary of Offsetting Savings Calculations.

³ The district filed its FY 1999-2000 through FY 2004-05 initial reimbursement claims after the due date specified in GC section 17560. Pursuant to GC section 17561, subdivision (d)(3), the State assessed a late filing penalty equal to 10% of allowable costs, with no maximum penalty amount (for claims filed on or after September 30, 2002).

⁴ Payment information current as of November 28, 2017.

⁵ Due to the December 1, 2017, Commission decision, we reinstated \$11,983 to the district (\$2,964 for FY 2001-02; \$5,992 for FY 2002-03; and \$3,027 for FY 2003-04). However, the district filed the FY 2001-02, FY 2002-03, and FY 2003-04 initial reimbursement claims after the due date specified in GC section 17560. Therefore, pursuant to GC section 17561, subdivision (d)(3), we assessed a 10% late filing penalty on the reinstated costs, totaling \$1,199. As such, allowable costs increased by \$10,784 (\$11,983 less a \$1,199 penalty for filing late claims).

Revised Attachment 2— Summary of Offsetting Savings Calculations July 1, 1999, through June 30, 2010

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		÷	—	÷	32.27%
Allocated diversion percentage		—	77.47%		
Tonnage diverted		×	—	×	(60.50)
Statewide average landfill fee per ton		×	—	×	\$36.39
Offsetting savings, FY 1999-2000	\$ —	\$ —	\$ (1,706)	\$ (1,706)	\$ (1,706)
<u>July 1, 2000, through June 30, 2001</u>					
Maximum allowable diversion percentage		25.00%	25.00%		
Actual diversion percentage		÷	32.27%	÷	46.57%
Allocated diversion percentage		77.47%	53.68%		
Tonnage diverted		×	(60.50)	×	(180.45)
Statewide average landfill fee per ton		×	\$36.39	×	\$36.39
Offsetting savings, FY 2000-01	\$ —	\$ (1,706)	\$ (3,525)	\$ (5,231)	\$ (5,231)
<u>July 1, 2001, through June 30, 2002</u>					
Maximum allowable diversion percentage		25.00%	25.00%		
Actual diversion percentage		÷	46.57%	÷	46.97%
Allocated diversion percentage		53.68%	53.23%		
Tonnage diverted		×	(180.45)	×	(175.20)
Statewide average landfill fee per ton		×	\$36.39	×	\$36.17
Offsetting savings, FY 2001-02	\$ —	\$ (3,525)	\$ (3,373)	\$ (6,898)	\$ (6,898)
<u>July 1, 2002, through June 30, 2003</u>					
Maximum allowable diversion percentage		25.00%	25.00%		
Actual diversion percentage		÷	46.97%	÷	46.30%
Allocated diversion percentage		53.23%	54.00%		
Tonnage diverted		×	(175.20)	×	(178.65)
Statewide average landfill fee per ton		×	\$36.17	×	\$36.83
Offsetting savings, FY 2002-03	\$ —	\$ (3,373)	\$ (3,552)*	\$ (6,925)	\$ (6,925)
<u>July 1, 2003, through June 30, 2004</u>					
Maximum allowable diversion percentage		25.00%	50.00%		
Actual diversion percentage		÷	46.30%	÷	59.94%
Allocated diversion percentage		54.00%	83.42%		
Tonnage diverted		×	(178.65)	×	(300.75)
Statewide average landfill fee per ton		×	\$36.83	×	\$38.42
Offsetting savings, FY 2003-04	\$ —	\$ (3,553)	\$ (9,639)	\$ (13,192)	\$ (13,192)

Revised Attachment 2 (continued)

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment ¹
		July-December	January -June	Total	
<u>July 1, 2004, through June 30, 2005</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 59.94%	÷ 55.09%		
Allocated diversion percentage		83.42%	90.76%		
Tonnage diverted	×	(300.75)	×	(246.55)	
Statewide average landfill fee per ton	×	\$38.42	×	\$39.00	
Offsetting savings, FY 2004-05	\$ —	\$ (9,639)	\$ (8,727)	\$ (18,366)	\$ (18,366)
<u>July 1, 2005, through June 30, 2006</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 55.09%	÷ 80.10%		
Allocated diversion percentage		90.76%	62.42%		
Tonnage diverted	×	(246.55)	×	(873.00)	
Statewide average landfill fee per ton	×	\$39.00	×	\$46.00	
Offsetting savings, FY 2005-06	\$ —	\$ (8,727)	\$ (25,067)	\$ (33,794)	\$ (33,794)
<u>July 1, 2006, through June 30, 2007</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 80.10%	÷ 50.42%		
Allocated diversion percentage		62.42%	99.17%		
Tonnage diverted	×	(873.00)	×	(223.75)	
Statewide average landfill fee per ton	×	\$46.00	×	\$48.00	
Offsetting savings, FY 2006-07	\$ —	\$ (25,067)	\$ (10,651)	\$ (35,718)	\$ (35,718)
<u>July 1, 2007, through June 30, 2008</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 50.42%	÷ 50.42%		
Allocated diversion percentage		99.17%	99.17%		
Tonnage diverted	×	(223.75)	×	(223.75)	
Statewide average landfill fee per ton	×	\$48.00	×	\$51.00	
Offsetting savings, FY 2007-08	\$ —	\$ (10,651)	\$ (11,317)	\$ (21,968)	\$ (21,968)
<u>July 1, 2008, through June 30, 2009</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 50.42%	÷ 50.42%		
Allocated diversion percentage		99.17%	99.17%		
Tonnage diverted	×	(223.75)	×	(223.75)	
Statewide average landfill fee per ton	×	\$51.00	×	\$55.00	
Offsetting savings, FY 2008-09	\$ —	\$ (11,317)	\$ (12,204)	\$ (23,521)	\$ (23,521)

Revised Attachment 2 (continued)

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment ¹
		July-December	January -June	Total	
<u>July 1, 2009, through June 30, 2010</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 50.42%	÷ 50.42%		
Allocated diversion percentage		99.17%	99.17%		
Tonnage diverted		× (223.75)	× (223.75)		
Statewide average landfill fee per ton		× \$55.00	× \$56.00		
Offsetting savings, FY 2009-10	\$ —	\$ (12,204)	\$ (12,426)	\$ (24,630)	\$ (24,630)
<u>Summary: July 1, 1999, through June 30, 2010</u>	<u>\$ —</u>	<u>\$ (89,762)</u>	<u>\$ (102,187)</u>	<u>\$ (191,949)</u>	<u>\$ (191,949)</u>

¹ See Revised Attachment 3, Finding and Recommendation.

* Difference due to rounding.

Revised Attachment 3— Finding and Recommendation July 1, 1999, through June 30, 2010

BACKGROUND—

On March 25, 2004, the 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 IWM Plan (February 2000); require new activities that 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 GC section 17514.

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

- Complying with the model plan (Public Resources Code section 42920(b)(3) and State Agency Model IWM Plan, February 2000);
- Designating a solid waste reduction and recycling coordinator (Public Resources Code section 42920(c));
- Diverting solid waste (Public Resources Code sections 42921 and 42922(i));
- Reporting to the Integrated Waste Management Board (Board) (Public Resources Code sections 42926(a) and 42922(i)); and
- Submitting recycled material reports (Public Contract Code section 12167.1).

In March 2007, the Department of Finance and the Board filed a petition for Writ of Mandate requesting the Commission 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) generated by complying with the test claim statutes. The Judgment and a Writ of Mandate were issued on June 30, 2008, ordering the Commission to amend the parameters and guidelines to require that community college districts identify and offset from their claims, cost savings realized as a result of implementing their IWM plans.

On September 26, 2008, the Commission 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 GC section 17558, the SCO issues claiming instructions to assist local agencies, school districts, and community college districts in claiming mandated-program reimbursable costs.

**REVISED 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 \$191,949 from implementation of its IWM plans.

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

Fiscal Year	Offsetting Savings Reported	Offsetting Savings Realized	Review Adjustment
1999-00	\$ -	\$ (1,706)	\$ (1,706)
2000-01	-	(5,231)	(5,231)
2001-02	-	(6,898)	(6,898)
2002-03	-	(6,925)	(6,925)
2003-04	-	(13,192)	(13,192)
2004-05	-	(18,366)	(18,366)
2005-06	-	(33,794)	(33,794)
2006-07	-	(35,718)	(35,718)
2007-08	-	(21,968)	(21,968)
2008-09	-	(23,521)	(23,521)
2009-10	-	(24,630)	(24,630)
Total	\$ -	\$ (191,949)	\$ (191,949)

Section VIII. (Offsetting Savings) of the amended parameters and guidelines 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 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, which is continuously appropriated to the Board for the purposes of offsetting recycling program costs. For the review period, the district did not deposit any revenue into the IWM Account in the IWM Fund. We have determined that the district had reduced or avoided costs realized from implementation of its IWM plans that it did not identify and offset from its claims as cost savings.

Offsetting Savings Calculation

The Commission's Final Staff Analysis of the proposed amendments to the parameters and guidelines (Item No. 8 – Commission hearing of September 26, 2008) states:

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

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

$$\text{Offsetting Savings} = \frac{\text{Maximum Allowable Diversion \%}}{\text{Actual Diversion \%}} \times \text{Tonnage Diverted} \times \text{Avoided Landfill Disposal Fee (per Ton)}$$

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

Allocated Diversion Percentage

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

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

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

Tonnage Diverted

The tonnage diverted refers to 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 the Board pursuant to Public Resources Code section 42926, subdivision (b)(1).

As previously noted, in 2008, the Board stopped requiring community college districts to report the actual amount of tonnage diverted. Therefore, we used the tonnage diverted in calendar year 2007 to calculate the offsetting savings for FY 2007-08, FY 2008-09, and FY 2009-10. 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 costs 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 the California Department of Resources Recycling and Recovery, which was established in 2010 to replace the Board. The district did not provide documentation supporting a different disposal fee.

Recommendation

The IWM Program was suspended in the FY 2011-12 through FY 2017-18 Budget Acts. Furthermore, commencing in FY 2014-15, the district elected to participate in a block grant program pursuant to GC section 17581.7, in lieu of filing annual mandated cost claims. If the program becomes active again and if the district chooses to opt out of the block grant program, we recommend that the district offset all savings realized from implementation of the community college district's IWM plans.