



**BETTY T. YEE**  
California State Controller

June 29, 2018

Marlene Dunn, Vice President of Business Services  
Long Beach Community College District  
4901 East Carson Street  
Long Beach, CA 90808

Dear Ms. Dunn:

The State Controller's Office (SCO) reviewed the costs claimed by the Long Beach Community College District for the legislatively mandated Integrated Waste Management (IWM) Program for the period of July 1, 2000, through June 30, 2011. 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 updates our previous letter, dated May 22, 2014. The previous letter identified \$245,268 in unreported offsetting savings for fiscal year (FY) 2000-01 through FY 2010-11. On March 23, 2018, 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 \$5,106 had been incorrectly reduced. In compliance with the Commission's decision, we reinstated \$5,106 (\$1,290 for FY 2001-02, \$2,553 for FY 2002-03, and \$1,263 for FY 2003-04). As a result, allowable costs increased by \$4,596 (\$5,106 less a \$510 penalty for filing late claims), from \$98,710 to \$103,306. We advised you of the revision to this report via email on June 5, 2018.

The district claimed \$279,043 for the mandated program. Our review found that \$103,306 is allowable (\$114,784 less a \$11,478 penalty for filing late claims) and \$175,737 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 Revised Attachment 1—Summary of Program Costs, Revised Attachment 2—Summary of Offsetting Savings Calculations, and Revised Attachment 3—Finding and Recommendation. The State paid the district \$98,710. The State will pay allowable claimed costs that exceed the amount paid, totaling \$4,596, contingent upon available appropriations. Following the issuance of this letter, 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 Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at (916) 327-3138.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

JVB/rg

Attachments

RE: S14-MCC-902R

cc: Robert Rapoza, Internal Audit Manager  
Long Beach Community College District  
Christian Osmena, Vice Chancellor  
College Finance and Facilities Planning  
California Community Colleges Chancellor's Office  
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, Assistant Program Budget Manager  
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, 2000, through June 30, 2011**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Contract services	\$ 24,995	\$ 24,995	\$ -
Total direct costs	24,995	24,995	-
Less offsetting savings <sup>2</sup>	-	(8,286)	(8,286)
Subtotal	24,995	16,709	(8,286)
Less late filing penalty <sup>3</sup>	-	(1,671)	(1,671)
Total program costs	<u>\$ 24,995</u>	15,038	<u>\$ (9,957)</u>
Less amount paid by the State <sup>4</sup>		(15,038)	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Contract services	\$ 19,950	\$ 19,950	\$ -
Fixed assets	13,529	13,529	-
Total direct costs	33,479	33,479	-
Less offsetting savings <sup>2</sup>	-	(8,810)	(8,810)
Subtotal	33,479	24,669	(8,810)
Less late filing penalty <sup>3, 5</sup>	-	(2,467)	(2,467)
Total program costs	<u>\$ 33,479</u>	22,202	<u>\$ (11,277)</u>
Less amount paid by the State <sup>4</sup>		(21,041)	
Allowable costs claimed in excess of amount paid		<u>\$ 1,161</u>	
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits	\$ 177	\$ 177	\$ -
Contract services	32,750	32,750	-
Total direct costs	32,927	32,927	-
Indirect costs	62	62	-
Total direct and indirect costs	32,989	32,989	-
Less offsetting savings <sup>2</sup>	-	(9,475)	(9,475)
Subtotal	32,989	23,514	(9,475)
Less late filing penalty <sup>3, 5</sup>	-	(2,351)	(2,351)
Total program costs	<u>\$ 32,989</u>	21,163	<u>\$ (11,826)</u>
Less amount paid by the State <sup>4</sup>		(18,865)	
Allowable costs claimed in excess of amount paid		<u>\$ 2,298</u>	

**Revised Attachment 1 (continued)**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits	\$ 6,051	\$ 6,051	\$ -
Contract services	41,985	41,985	-
Fixed assets	56,273	56,273	-
Total direct costs	104,309	104,309	-
Indirect costs	2,021	2,021	-
Total direct and indirect costs	106,330	106,330	-
Less offsetting savings <sup>2</sup>	-	(56,438)	(56,438)
Subtotal	106,330	49,892	(56,438)
Less late filing penalty <sup>3, 5</sup>	-	(4,989)	(4,989)
Total program costs	<u>\$ 106,330</u>	44,903	<u>\$ (61,427)</u>
Less amount paid by the State <sup>4</sup>		(43,766)	
Allowable costs claimed in excess of amount paid		<u>\$ 1,137</u>	
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs:			
Salaries and benefits	\$ 5,367	\$ 5,367	\$ -
Contract servies	23,900	23,900	-
Total direct costs	29,267	29,267	-
Indirect costs	1,736	1,736	-
Total direct and indirect costs	31,003	31,003	-
Less offsetting savings <sup>2</sup>	-	(59,175)	(59,175)
Subtotal	31,003	(28,172)	(59,175)
Adjustment to eliminate negative balance	-	28,172	28,172
Total program costs	<u>\$ 31,003</u>	-	<u>\$ (31,003)</u>
Less amount paid by the State <sup>4</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Salaries and benefits	\$ 7,748	\$ 7,748	\$ -
Contract servies	5,050	5,050	-
Total direct costs	12,798	12,798	-
Indirect costs	2,624	2,624	-
Total direct and indirect costs	15,422	15,422	-
Less offsetting savings <sup>2</sup>	-	(19,127)	(19,127)
Subtotal	15,422	(3,705)	(19,127)
Adjustment to eliminate negative balance	-	3,705	3,705
Total program costs	<u>\$ 15,422</u>	-	<u>\$ (15,422)</u>
Less amount paid by the State <sup>4</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	

## Revised Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Salaries and benefits	\$ 7,946	\$ 7,946	\$ -
Indirect costs	2,598	2,598	-
Total direct and indirect costs	10,544	10,544	-
Less offsetting savings <sup>2</sup>	-	(19,819)	(19,819)
Subtotal	10,544	(9,275)	(19,819)
Adjustment to eliminate negative balance	-	9,275	9,275
Total program costs	<u>\$ 10,544</u>	-	<u>\$ (10,544)</u>
Less amount paid by the State <sup>4</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs:			
Salaries and benefits	\$ 6,725	\$ 6,725	\$ -
Indirect costs	2,378	2,378	-
Total direct and indirect costs	9,103	9,103	-
Less offsetting savings <sup>2</sup>	-	(16,989)	(16,989)
Subtotal	9,103	(7,886)	(16,989)
Adjustment to eliminate negative balance	-	7,886	7,886
Total program costs	<u>\$ 9,103</u>	-	<u>\$ (9,103)</u>
Less amount paid by the State <sup>4</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Salaries and benefits	\$ 6,077	\$ 6,077	\$ -
Indirect costs	2,095	2,095	-
Total direct and indirect costs	8,172	8,172	-
Less offsetting savings <sup>2</sup>	-	(18,190)	(18,190)
Subtotal	8,172	(10,018)	(18,190)
Adjustment to eliminate negative balance	-	10,018	10,018
Total program costs	<u>\$ 8,172</u>	-	<u>\$ (8,172)</u>
Less amount paid by the State <sup>4</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	

## Revised Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs:			
Salaries and benefits	\$ 4,063	\$ 4,063	\$ -
Indirect costs	1,490	1,490	-
Total direct and indirect costs	5,553	5,553	-
Less offsetting savings <sup>2</sup>	-	(19,048)	(19,048)
Subtotal	5,553	(13,495)	(19,048)
Adjustment to eliminate negative balance	-	13,495	13,495
Total program costs	<u>\$ 5,553</u>	-	<u>\$ (5,553)</u>
Less amount paid by the State <sup>4</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 1,051	\$ 1,051	\$ -
Indirect costs	402	402	-
Total direct and indirect costs	1,453	1,453	-
Less offsetting savings <sup>2</sup>	-	(4,805)	(4,805)
Subtotal	1,453	(3,352)	(4,805)
Adjustment to eliminate negative balance	-	3,352	3,352
Total program costs	<u>\$ 1,453</u>	-	<u>\$ (1,453)</u>
Less amount paid by the State <sup>4</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	

## Revised Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>Summary: July 1, 2000, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 45,205	\$ 45,205	\$ -
Contract services	148,630	148,630	-
Fixed assets	69,802	69,802	-
Total direct costs	263,637	263,637	-
Indirect costs	15,406	15,406	-
Total direct and indirect costs	279,043	279,043	-
Less offsetting savings <sup>2</sup>	-	(240,162)	(240,162)
Subtotal	279,043	38,881	(240,162)
Adjustment to eliminate negative balance	-	75,903	75,903
Subtotal	279,043	114,784	(164,259)
Less late filing penalty <sup>3, 5</sup>	-	(11,478)	(11,478)
Total program costs	<u>\$ 279,043</u>	103,306	<u>\$ (175,737)</u>
Less amount paid by the State <sup>4</sup>		(98,710)	
Allowable costs claimed in excess of amount paid		<u>\$ 4,596</u>	

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

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

<sup>3</sup> The district filed its FY 2000-01 through FY 2003-04 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).

<sup>4</sup> Payment information current as of May 11, 2018.

<sup>5</sup> Due to the March 23, 2018 Commission decision, we reinstated \$5,106 to the district (\$1,290 for FY 2001-02; \$2,553 for FY 2002-03; and \$1,263 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 \$510. As such, allowable costs increased by \$4,596 (\$5,106 less a \$510 penalty for filing late claims).

**Revised Attachment 2—  
Summary of Offsetting Savings Calculations  
July 1, 2000, through June 30, 2011**

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment <sup>1</sup>
		July - December	January - June	Total	
<u>July 1, 2000, through June 30, 2001</u>					
Maximum required diversion percentage		25.00%	25.00%		
Actual diversion percentage		÷ 25.47%	÷ 25.47%		
Allocated diversion percentage		98.15%	98.15%		
Tonnage diverted	×	(116.00)	×	(116.00)	
Statewide average landfill fee per ton	×	\$36.39	×	\$36.39	
Offsetting savings, FY 2000-01	\$ —	\$ (4,143)	\$ (4,143)	\$ (8,286)	\$ (8,286)
<u>July 1, 2001, through June 30, 2002</u>					
Maximum required diversion percentage		25.00%	25.00%		
Actual diversion percentage		÷ 25.47%	÷ 31.91%		
Allocated diversion percentage		98.15%	78.35%		
Tonnage diverted	×	(116.00)	×	(164.70)	
Statewide average landfill fee per ton	×	\$36.39	×	\$36.17	
Offsetting savings, FY 2001-02	\$ —	\$ (4,143)	\$ (4,667)	\$ (8,810)	\$ (8,810)
<u>July 1, 2002, through June 30, 2003</u>					
Maximum required diversion percentage		25.00%	25.00%		
Actual diversion percentage		÷ 31.91%	÷ 31.57%		
Allocated diversion percentage		78.35%	79.19%		
Tonnage diverted	×	(164.70)	×	(164.85)	
Statewide average landfill fee per ton	×	\$36.17	×	\$36.83	
Offsetting savings, FY 2002-03	\$ —	\$ (4,667)	\$ (4,808)	\$ (9,475)	\$ (9,475)
<u>July 1, 2003, through June 30, 2004</u>					
Maximum required diversion percentage		25.00%	50.00%		
Actual diversion percentage		÷ 31.57%	÷ 92.13%		
Allocated diversion percentage		79.19%	54.27%		
Tonnage diverted	×	(164.85)	×	(2,476.20)	
Statewide average landfill fee per ton	×	\$36.83	×	\$38.42	
Offsetting savings, FY 2003-04	\$ —	\$ (4,808)	\$ (51,630)	\$ (56,438)	\$ (56,438)
<u>July 1, 2004, through June 30, 2005</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 92.13%	÷ 50.89%		
Allocated diversion percentage		54.27%	98.25%		
Tonnage diverted	×	(2,476.20)	×	(196.90)	
Statewide average landfill fee per ton	×	\$38.42	×	\$39.00	
Offsetting savings, FY 2004-05	\$ —	\$ (51,630)	\$ (7,545)	\$ (59,175)	\$ (59,175)

**Revised Attachment 2 (continued)**

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment <sup>1</sup>
		July - December	January - June	Total	
<u>July 1, 2005, through June 30, 2006</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 50.89%	÷ 60.55%		
Allocated diversion percentage		98.25%	82.58%		
Tonnage diverted	×	(196.90)	×	(304.90)	
Statewide average landfill fee per ton	×	\$39.00	×	\$46.00	
Offsetting savings, FY 2005-06	\$ —	\$ (7,545)	\$ (11,582)	\$ (19,127)	\$ (19,127)
<u>July 1, 2006, through June 30, 2007</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 60.55%	÷ 51.92%		
Allocated diversion percentage		82.58%	96.30%		
Tonnage diverted	×	(304.90)	×	(178.20)	
Statewide average landfill fee per ton	×	\$46.00	×	\$48.00	
Offsetting savings, FY 2006-07	\$ —	\$ (11,582)	\$ (8,237)	\$ (19,819)	\$ (19,819)
<u>July 1, 2007, through June 30, 2008</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 51.92%	÷ 51.92%		
Allocated diversion percentage		96.30%	96.30%		
Tonnage diverted	×	(178.20)	×	(178.20)	
Statewide average landfill fee per ton	×	\$48.00	×	\$51.00	
Offsetting savings, FY 2007-08	\$ —	\$ (8,237)	\$ (8,752)	\$ (16,989)	\$ (16,989)
<u>July 1, 2008, through June 30, 2009</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 51.92%	÷ 51.92%		
Allocated diversion percentage		96.30%	96.30%		
Tonnage diverted	×	(178.20)	×	(178.20)	
Statewide average landfill fee per ton	×	\$51.00	×	\$55.00	
Offsetting savings, FY 2008-09	\$ —	\$ (8,752)	\$ (9,438)	\$ (18,190)	\$ (18,190)
<u>July 1, 2009, through June 30, 2010</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 51.92%	÷ 51.92%		
Allocated diversion percentage		96.30%	96.30%		
Tonnage diverted	×	(178.20)	×	(178.20)	
Statewide average landfill fee per ton	×	\$55.00	×	\$56.00	
Offsetting savings, FY 2009-10	\$ —	\$ (9,438)	\$ (9,610)	\$ (19,048)	\$ (19,048)

## Revised Attachment 2 (continued)

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment <sup>1</sup>
		July - December	January - June	Total	
<u>July 1, 2010, through June 30, 2011</u>					
Maximum required diversion percentage		50.00%	—		
Actual diversion percentage		÷ 51.92%	÷	—	
Allocated diversion percentage		96.30%	—		
Tonnage diverted	×	(89.10)	×	—	
Statewide average landfill fee per ton	×	\$56.00	×	—	
Offsetting savings, FY 2010-11	\$ —	\$ (4,805)	\$ —	\$ (4,805)	\$ (4,805)
<u>Summary: July 1, 2000, through June 30, 2011</u>	<u>\$ —</u>	<u>\$ (119,750)</u>	<u>\$ (120,412)</u>	<u>\$ (240,162)</u>	<u>\$ (240,162)</u>

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

## **Revised Attachment 3— Finding and Recommendation July 1, 2000, through June 30, 2011**

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### **BACKGROUND—**

On March 25, 2004, the Commission adopted its statement of decision, finding that Public Resources Code (PRC) sections 40148, 40196.3, 42920-42928; Public Contract Code (PCC) sections 12167 and 12167.1; and the State Agency Model Integrated Waste Management 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 (PRC section 42920(b)(3) and State Agency Model Integrated Waste Management Plan, February 2000);
- Designating a solid waste reduction and recycling coordinator (PRC section 42920(c));
- Diverting solid waste (PRC sections 42921 and 42922(i));
- Reporting to the Integrated Waste Management Board (Board) (PRC sections 42926(a) and 42922(i)); and
- Submitting recycled material reports (PCC section 12167.1).

In March 2007, the Department of Finance and the Board filed a petition for a Writ of Mandate requesting that the Commission 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 community college districts to 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 for 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 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 \$240,162 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
2000-01	\$ -	\$ (8,286)	\$ (8,286)
2001-02	-	(8,810)	(8,810)
2002-03	-	(9,475)	(9,475)
2003-04	-	(56,438)	(56,438)
2004-05	-	(59,175)	(59,175)
2005-06	-	(19,127)	(19,127)
2006-07	-	(19,819)	(19,819)
2007-08	-	(16,989)	(16,989)
2008-09	-	(18,190)	(18,190)
2009-10	-	(19,048)	(19,048)
2010-11	-	(4,805)	(4,805)
<b>Total</b>	<b>\$ -</b>	<b>\$ (240,162)</b>	<b>\$ (240,162)</b>

Section VIII. (Offsetting Cost Savings) of the amended parameters and guidelines states, in part:

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.

PCC 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 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 realized reduced costs or avoided costs realized through 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:

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

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

*Allocated Diversion Percentage*

PRC section 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 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 PRC section 42926, subdivision (b)(1).

In 2008, the Board began focusing on “per-capita disposal” instead of “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 2007 diversion percentage to calculate the offsetting savings for FY 2007-08 through 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 the Board pursuant to PRC 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 2007 to calculate the offsetting

savings for FY 2007-08 through FY 2010-11. The district did not provide documentation to support a different amount of tonnage diverted.

*Avoided Landfill Disposal Fee (per Ton)*

The avoided landfill disposal fee is used to calculate realized savings, as 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 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 2012-13, the district elected to receive block grant funding pursuant to GC section 17581.7, in lieu of filing annual mandated cost claims. If the IWM Program becomes active again and if the district chooses to opt out of receiving block grant funds, we recommend that the district follow the mandated program claiming instructions and the parameters and guidelines, and offset all savings realized from implementation of the community college district's IWM plans.