



BETTY T. YEE
California State Controller

August 9, 2018

Jose Torres, Vice Chancellor of Business and Fiscal Services
San Bernardino Community College District
114 South Del Rosa Drive
San Bernardino, CA 92408

Dear Mr. Torres:

The State Controller's Office (SCO) reviewed the costs claimed by the San Bernardino Community College District for the legislatively mandated Integrated Waste Management (IWM) Program for the period of July 1, 1999, through June 30, 2009; and July 1, 2010, through June 30, 2011. The district did not claim any program costs for the period of July 1, 2009, through June 30, 2010. We conducted our review under the authority of Government Code (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, dated June 23, 2014. The previous letter report identified \$1,997,947 in unreported offsetting savings for fiscal year (FY) 1999-00 through FY 2008-09 and FY 2010-11. On May 25, 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 \$22,884 had been incorrectly reduced. In compliance with the Commission's decision, we reinstated \$22,884 (\$3,561 for FY 2001-02, \$11,442 for FY 2002-03, and \$7,881 for FY 2003-04). As a result, allowable costs increased by \$20,596 (\$22,884 less a \$2,288 penalty for filing late claims), from \$77,792 to \$98,388. We advised you of the revision to this letter report via email on July 3, 2018.

The district claimed \$382,484 for the mandated program. Our review found that \$98,388 is allowable (\$109,320 less a \$10,932 penalty for filing late claims) and \$284,096 is unallowable. The costs are unallowable because the district did not report 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 \$77,792. The State will pay allowable claimed costs that exceed the amount paid, totaling \$20,596, contingent upon available appropriations.

Following issuance of this letter 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 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-900R

cc: Hussain Agah, Director of Facilities Planning and Construction
San Bernardino Community College District
Christian Osmeña, Vice Chancellor
College Finance and Facilities Planning
California Community Colleges Chancellor's Office
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Local Government Programs and Services Division
California State Controller's Office

**Revised Attachment 1—
Summary of Program Costs
July 1, 1999, through June 30, 2009;
and July 1, 2010, through June 30, 2011**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 1999, through June 30, 2000</u>			
Direct costs:			
Salaries and benefits	\$ 11,613	\$ 11,613	\$ -
Indirect costs	5,292	5,292	-
Total direct and indirect costs	16,905	16,905	-
Less offsetting savings ²	-	(6,715)	(6,715)
Subtotal	16,905	10,190	(6,715)
Less late filing penalty ³	-	(1,019)	(1,019)
Total program costs	<u>\$ 16,905</u>	9,171	<u>\$ (7,734)</u>
Less amount paid by the State ⁴		(9,171)	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits	\$ 26,314	\$ 26,314	\$ -
Indirect costs	13,652	13,652	-
Total direct and indirect costs	39,966	39,966	-
Less offsetting savings ²	-	(12,356)	(12,356)
Subtotal	39,966	27,610	(12,356)
Less late filing penalty ³	-	(2,761)	(2,761)
Total program costs	<u>\$ 39,966</u>	24,849	<u>\$ (15,117)</u>
Less amount paid by the State ⁴		(24,849)	
Allowable costs claimed in excess of 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	\$ 26,314	\$ 26,314	\$ -
Indirect costs	12,354	12,354	-
Total direct and indirect costs	38,668	38,668	-
Less offsetting savings ²	-	(12,725)	(12,725)
Subtotal	38,668	25,943	(12,725)
Less late filing penalty ^{3, 5}	-	(2,594)	(2,594)
Total program costs	<u>\$ 38,668</u>	23,349	<u>\$ (15,319)</u>
Less amount paid by the State ⁴		(20,144)	
Allowable costs claimed in excess of amount paid		<u>\$ 3,205</u>	
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits	\$ 26,314	\$ 26,314	\$ -
Indirect costs	12,941	12,941	-
Total direct and indirect costs	39,255	39,255	-
Less offsetting savings ²	-	(14,964)	(14,964)
Subtotal	39,255	24,291	(14,964)
Less late filing penalty ^{3, 5}	-	(2,429)	(2,429)
Total program costs	<u>\$ 39,255</u>	21,862	<u>\$ (17,393)</u>
Less amount paid by the State ⁴		(11,564)	
Allowable costs claimed in excess of amount paid		<u>\$ 10,298</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits	\$ 26,314	\$ 26,314	\$ -
Indirect costs	11,689	11,689	-
Total direct and indirect costs	38,003	38,003	-
Less offsetting savings ²	-	(16,717)	(16,717)
Subtotal	38,003	21,286	(16,717)
Less late filing penalty ^{3, 5}	-	(2,129)	(2,129)
Total program costs	<u>\$ 38,003</u>	19,157	<u>\$ (18,846)</u>
Less amount paid by the State ⁴		(12,064)	
Allowable costs claimed in excess of amount paid		<u>\$ 7,093</u>	

Revised 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	\$ 27,830	\$ 27,830	\$ -
Indirect costs	12,695	12,695	-
Total direct and indirect costs	40,525	40,525	-
Less offsetting savings ²	-	(73,385)	(73,385)
Subtotal	40,525	(32,860)	(73,385)
Adjustment to eliminate negative balance	-	32,860	32,860
Total program costs	<u>\$ 40,525</u>	-	<u>\$ (40,525)</u>
Less amount paid by the State ⁴		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Salaries and benefits	\$ 33,648	\$ 33,648	\$ -
Indirect costs	16,064	16,064	-
Total direct and indirect costs	49,712	49,712	-
Less offsetting savings ²	-	(166,015)	(166,015)
Subtotal	49,712	(116,303)	(166,015)
Adjustment to eliminate negative balance	-	116,303	116,303
Total program costs	<u>\$ 49,712</u>	-	<u>\$ (49,712)</u>
Less amount paid by the State ⁴		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Salaries and benefits	\$ 30,781	\$ 30,781	\$ -
Indirect costs	13,944	13,944	-
Total direct and indirect costs	44,725	44,725	-
Less offsetting savings ²	-	(369,775)	(369,775)
Subtotal	44,725	(325,050)	(369,775)
Adjustment to eliminate negative balance	-	325,050	325,050
Total program costs	<u>\$ 44,725</u>	-	<u>\$ (44,725)</u>
Less amount paid by the State ⁴		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</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	\$ 16,708	\$ 16,708	\$ -
Indirect costs	9,011	9,011	-
Total direct and indirect costs	25,719	25,719	-
Less offsetting savings ²	-	(553,385)	(553,385)
Subtotal	25,719	(527,666)	(553,385)
Adjustment to eliminate negative balance	-	527,666	527,666
Total program costs	<u>\$ 25,719</u>	-	<u>\$ (25,719)</u>
Less amount paid by the State ⁴		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Salaries and benefits	\$ 19,473	\$ 19,473	\$ -
Indirect costs	11,008	11,008	-
Total direct and indirect costs	30,481	30,481	-
Less offsetting savings ²	-	(592,513)	(592,513)
Subtotal	30,481	(562,032)	(592,513)
Adjustment to eliminate negative balance	-	562,032	562,032
Total program costs	<u>\$ 30,481</u>	-	<u>\$ (30,481)</u>
Less amount paid by the State ⁴		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 11,856	\$ 11,856	\$ -
Indirect costs	6,669	6,669	-
Total direct and indirect costs	18,525	18,525	-
Less offsetting savings ²	-	(156,513)	(156,513)
Subtotal	18,525	(137,988)	(156,513)
Adjustment to eliminate negative balance	-	137,988	137,988
Total program costs	<u>\$ 18,525</u>	-	<u>\$ (18,525)</u>
Less amount paid by the State ⁴		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	

Revised Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>Summary: July 1, 1999, through June 30, 2009; and July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 257,165	\$ 257,165	\$ -
Indirect costs	125,319	125,319	-
Total direct and indirect costs	382,484	382,484	-
Less offsetting savings ²	-	(1,975,063)	(1,975,063)
Subtotal	382,484	(1,592,579)	(1,975,063)
Adjustment to eliminate negative balance	-	1,701,899	1,701,899
Subtotal	382,484	109,320	(273,164)
Less late filing penalty ^{3, 5}	-	(10,932)	(10,932)
Total program costs	<u>\$ 382,484</u>	98,388	<u>\$ (284,096)</u>
Less amount paid by the State ⁴		(77,792)	
Allowable costs claimed in excess of amount paid		<u>\$ 20,596</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 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).

⁴ Payment information current as of June 6, 2018.

⁵ Due to the May 25, 2018 Commission decision, we reinstated \$22,884 to the district (\$3,561 for FY 2001-02; \$11,442 for FY 2002-03; and \$7,881 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 \$2,288. Therefore, allowable costs increased by \$20,596 (\$22,884 less a \$2,288 penalty for filing late claims).

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

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment ¹
		July – December	January – June	Total	
<u>July 1, 1999, through June 30, 2000</u>					
Maximum required diversion percentage		—	25.00%		
Actual diversion percentage	÷	—	÷ 27.47%		
Allocated diversion percentage		—	91.01%		
Tonnage diverted	×	—	×	(202.75)	
Statewide average landfill fee per ton	×	—	×	\$36.39	
Offsetting savings, FY 1999-2000	\$ —	\$ —	\$ (6,715)	\$ (6,715)	\$ (6,715)
<u>July 1, 2000, through June 30, 2001</u>					
Maximum required diversion percentage		25.00%	25.00%		
Actual diversion percentage	÷	27.47%	÷ 30.82%		
Allocated diversion percentage		91.01%	81.12%		
Tonnage diverted	×	(202.75)	×	(191.10)	
Statewide average landfill fee per ton	×	\$36.39	×	\$36.39	
Offsetting savings, FY 2000-01	\$ —	\$ (6,715)	\$ (5,641)	\$ (12,356)	\$ (12,356)
<u>July 1, 2001, through June 30, 2002</u>					
Maximum required diversion percentage		25.00%	25.00%		
Actual diversion percentage	÷	30.82%	÷ 37.57%		
Allocated diversion percentage		81.12%	66.54%		
Tonnage diverted	×	(191.10)	×	(294.30)	
Statewide average landfill fee per ton	×	\$36.39	×	\$36.17	
Offsetting savings, FY 2001-02	\$ —	\$ (5,641)	\$ (7,084)	\$ (12,725)	\$ (12,725)
<u>July 1, 2002, through June 30, 2003</u>					
Maximum required diversion percentage		25.00%	25.00%		
Actual diversion percentage	÷	37.57%	÷ 56.37%		
Allocated diversion percentage		66.54%	44.35%		
Tonnage diverted	×	(294.30)	×	(482.45)	
Statewide average landfill fee per ton	×	\$36.17	×	\$36.83	
Offsetting savings, FY 2002-03	\$ —	\$ (7,084)	\$ (7,880)	\$ (14,964)	\$ (14,964)

Revised Attachment 2 (continued)

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment ¹
		July – December	January – June	Total	
<u>July 1, 2003, through June 30, 2004</u>					
Maximum required diversion percentage		25.00%	50.00%		
Actual diversion percentage		÷ 56.37%	÷ 53.12%		
Allocated diversion percentage		44.35%	94.13%		
Tonnage diverted	×	(482.45)	×	(244.35)	
Statewide average landfill fee per ton	×	\$36.83	×	\$38.42	
Offsetting savings, FY 2003-04	\$ —	\$ (7,880)	\$ (8,837)	\$ (16,717)	\$ (16,717)
<u>July 1, 2004, through June 30, 2005</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 53.12%	÷ 93.49%		
Allocated diversion percentage		94.13%	53.48%		
Tonnage diverted	×	(244.35)	×	(3,094.75)	
Statewide average landfill fee per ton	×	\$38.42	×	\$39.00	
Offsetting savings, FY 2004-05	\$ —	\$ (8,837)	\$ (64,548)	\$ (73,385)	\$ (73,385)
<u>July 1, 2005, through June 30, 2006</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 93.49%	÷ 84.79%		
Allocated diversion percentage		53.48%	58.97%		
Tonnage diverted	×	(3,094.75)	×	(3,740.55)	
Statewide average landfill fee per ton	×	\$39.00	×	\$46.00	
Offsetting savings, FY 2005-06	\$ —	\$ (64,548)	\$ (101,467)	\$ (166,015)	\$ (166,015)
<u>July 1, 2006, through June 30, 2007</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 84.79%	÷ 90.36%		
Allocated diversion percentage		58.97%	55.33%		
Tonnage diverted	×	(3,740.55)	×	(10,102.55)	
Statewide average landfill fee per ton	×	\$46.00	×	\$48.00	
Offsetting savings, FY 2006-07	\$ —	\$ (101,467)	\$ (268,308)	\$ (369,775)	\$ (369,775)
<u>July 1, 2007, through June 30, 2008</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 90.36%	÷ 90.36%		
Allocated diversion percentage		55.33%	55.33%		
Tonnage diverted	×	(10,102.55)	×	(10,102.55)	
Statewide average landfill fee per ton	×	\$48.00	×	\$51.00	
Offsetting savings, FY 2007-08	\$ —	\$ (268,308)	\$ (285,077)	\$ (553,385)	\$ (553,385)

Revised Attachment 2 (continued)

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment ¹
		July – December	January – June	Total	
<u>July 1, 2008, through June 30, 2009</u>					
Maximum required diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	90.36%	90.36%		
Allocated diversion percentage		55.33%	55.33%		
Tonnage diverted	×	(10,102.55)	(10,102.55)		
Statewide average landfill fee per ton	×	\$51.00	\$55.00		
Offsetting savings, FY 2008-09	\$ —	\$ (285,077)	\$ (307,436)	\$ (592,513)	\$ (592,513)
<u>July 1, 2010, through June 30, 2011</u>					
Maximum required diversion percentage		50.00%	—		
Actual diversion percentage	÷	90.36%	—		
Allocated diversion percentage		55.33%	—		
Tonnage diverted	×	(5,051.28)	—		
Statewide average landfill fee per ton	×	\$56.00	—		
Offsetting savings, FY 2010-11	\$ —	\$ (156,513)	\$ —	\$ (156,513)	\$ (156,513)
<u>Summary: July 1, 1999, through June 30, 2009; and July 1, 2010, through June 30, 2011</u>	\$ —	\$ (912,070)	\$ (1,062,993)	\$ (1,975,063)	\$ (1,975,063)

¹ See Revised Attachment 3—Finding and Recommendation.

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

BACKGROUND—

On March 25, 2004, the Commission adopted its statement of decision, finding that Public Resources Code (PRC) sections 40148, 40196.3, 42920 through 42928; Public Contract Code (PCC) sections 12167 and 12167.1; and the State Agency Model Integrated Waste Management Plan (February 2000) require new activities 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 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 the 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 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 \$1,975,063 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
1999-2000	\$ -	\$ (6,715)	\$ (6,715)
2000-01	-	(12,356)	(12,356)
2001-02	-	(12,725)	(12,725)
2002-03	-	(14,964)	(14,964)
2003-04	-	(16,717)	(16,717)
2004-05	-	(73,385)	(73,385)
2005-06	-	(166,015)	(166,015)
2006-07	-	(369,775)	(369,775)
2007-08	-	(553,385)	(553,385)
2008-09	-	(592,513)	(592,513)
2010-11	-	(156,513)	(156,513)
Total	\$ -	\$ (1,975,063)	\$ (1,975,063)

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 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. Our review found that the district realized reduced costs or avoided costs 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, in part:

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:

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

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, FY 2008-09, and FY 2010-11. The district did not provide documentation to support 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, FY 2008-09, and 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 to support 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 2013-14, 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's claiming instructions and the parameters and guidelines when filing its reimbursement claims; and
- Offset all savings realized from implementation of the community college district's IWM plans.