



**JOHN CHIANG**  
**California State Controller**

April 30, 2013

Sue Rearic, Vice Chancellor of Business Services  
Grossmont-Cuyamaca Community College District  
District Business Services  
8800 Grossmont College Drive  
El Cajon, CA 92020

Dear Ms. Rearic:

The State Controller's Office reviewed the costs claimed by Grossmont-Cuyamaca Community College District for 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, 2010. Our review was limited to ensuring that expenditures, offsetting savings, and offsetting revenues were properly reported in accordance with program requirements.

The district claimed \$823,774 for the mandated program. Our review found that \$236,669 is allowable and \$587,105 is unallowable. The costs are unallowable because the district primarily understated offsetting savings and offsetting revenues, as described in the attached Summary of Program Costs, Summary of Offsetting Savings Calculations, and the Findings and Recommendations.

For fiscal year (FY) 1999-2000 through FY 2000-01, and FY 2003-04 through FY 2009-10 claims, the State made no payment to the district. Our review found that \$236,669 is allowable. The State will pay that amount, contingent upon available appropriations.

We discussed the review results with Sahar Abushaban, Associate Vice Chancellor of Business Services, at a status meeting on February 21, 2013. During the meeting, Ms. Abushaban stated that she understood the reason for the adjustments.

If you disagree with the review findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's website at [www.csm.ca.gov/docs/IRCForm.pdf](http://www.csm.ca.gov/docs/IRCForm.pdf).

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

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

JVB/sk

Attachments

RE: S13-MCC-938

cc: Sahar Abushaban, Associate Vice Chancellor  
District Business Services  
Grossmont-Cuyamaca Community College District  
Christine Atalig, Specialist, College Finance and Facilities Planning  
California Community Colleges Chancellor's Office  
Ed Hanson, 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, 2010**

| Cost Elements  | Actual Costs<br>Claimed | Allowable<br>per Review | Review<br>Adjustments | Reference <sup>1</sup> |
|--|-------------------------|-------------------------|-----------------------|------------------------|
| <u>July 1, 1999, through June 30, 2000</u>                   |                         |                         |                       |                        |
| Divert solid waste/maintain required level:                  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | \$ 13,081               | \$ 13,081               | \$ —                  |                        |
| Contract services  | 1,384                   | 1,384                   | —                     |                        |
| Fixed assets   | 27,168                  | 13,584                  | (13,584)              | Finding 1              |
| Total direct costs   | 41,633                  | 28,049                  | (13,584)              |                        |
| Indirect costs   | 4,894                   | 4,894                   | —                     |                        |
| Total direct and indirect costs                              | 46,527                  | 32,943                  | (13,584)              |                        |
| Less offsetting savings <sup>2</sup>                         | (228)                   | (4,641)                 | (4,413)               | Finding 2              |
| Less offsetting revenues                                     | —                       | (25,000)                | (25,000)              | Finding 3              |
| Total divert solid waste/maintain required level             | 46,299                  | 3,302                   | (42,997)              |                        |
| All other activities:  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | 4,568                   | 4,568                   | —                     |                        |
| Travel and training  | 479                     | 479                     | —                     |                        |
| Total direct costs   | 5,047                   | 5,047                   | —                     |                        |
| Indirect costs   | 1,709                   | 1,709                   | —                     |                        |
| Total all other activities                                   | 6,756                   | 6,756                   | —                     |                        |
| Total program costs  | <u>\$ 53,055</u>        | 10,058                  | <u>\$ (42,997)</u>    |                        |
| Less amount paid by the State                                |                         | —                       |                       |                        |
| Allowable costs claimed in excess of (less than) amount paid |                         | <u>\$ 10,058</u>        |                       |                        |
| <u>July 1, 2000, through June 30, 2001</u>                   |                         |                         |                       |                        |
| Divert solid waste/maintain required level:                  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | \$ 31,071               | \$ 31,071               | \$ —                  |                        |
| Materials and supplies                                       | 40                      | 40                      | —                     |                        |
| Contract services  | 1,004                   | 1,004                   | —                     |                        |
| Fixed assets   | 3,470                   | 3,470                   | —                     |                        |
| Total direct costs   | 35,585                  | 35,585                  | —                     |                        |
| Indirect costs   | 11,220                  | 11,220                  | —                     |                        |

**Attachment 1 (continued)**

| Cost Elements  | Actual Costs<br>Claimed | Allowable<br>per Review | Review<br>Adjustments | Reference <sup>1</sup> |
|--|-------------------------|-------------------------|-----------------------|------------------------|
| <u>July 1, 2000, through June 30, 2001 (continued)</u>       |                         |                         |                       |                        |
| Total direct and indirect costs                              | 46,805                  | 46,805                  | —                     |                        |
| Less offsetting savings <sup>2</sup>                         | (453)                   | (35,920)                | (35,467)              | Finding 2              |
| Total divert solid waste/maintain required level             | 46,352                  | 10,885                  | (35,467)              |                        |
| All other activities:  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | 6,901                   | 6,901                   | —                     |                        |
| Indirect costs   | 2,491                   | 2,491                   | —                     |                        |
| Total all other activities                                   | 9,392                   | 9,392                   | —                     |                        |
| Total program costs  | \$ 55,744               | 20,277                  | \$ (35,467)           |                        |
| Less amount paid by the State                                |                         | —                       |                       |                        |
| Allowable costs claimed in excess of (less than) amount paid |                         | \$ 20,277               |                       |                        |
| <u>July 1, 2003, through June 30, 2004</u>                   |                         |                         |                       |                        |
| Divert solid waste/maintain required level:                  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | \$ 37,769               | \$ 37,769               | \$ —                  |                        |
| Contract services  | 5,245                   | 5,245                   | —                     |                        |
| Fixed assets   | 9,532                   | 9,532                   | —                     |                        |
| Total direct costs   | 52,546                  | 52,546                  | —                     |                        |
| Indirect costs   | 12,913                  | 12,913                  | —                     |                        |
| Total direct and indirect costs                              | 65,459                  | 65,459                  | —                     |                        |
| Less offsetting savings <sup>2</sup>                         | (420)                   | (67,391)                | (66,971)              | Finding 2              |
| Subtotal   | 65,039                  | (1,932)                 | (66,971)              |                        |
| Adjustment to eliminate negative balance                     | —                       | 1,932                   | 1,932                 |                        |
| Total divert solid waste/maintain required level             | 65,039                  | —                       | (65,039)              |                        |
| All other activities:  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | 7,672                   | 7,672                   | —                     |                        |
| Indirect costs   | 2,623                   | 2,623                   | —                     |                        |
| Total all other activities                                   | 10,295                  | 10,295                  | —                     |                        |
| Total program costs  | \$ 75,334               | 10,295                  | \$ (65,039)           |                        |
| Less amount paid by the State                                |                         | —                       |                       |                        |
| Allowable costs claimed in excess of (less than) amount paid |                         | \$ 10,295               |                       |                        |

**Attachment 1 (continued)**

| Cost Elements  | Actual Costs<br>Claimed | Allowable<br>per Review | Review<br>Adjustments | Reference <sup>1</sup> |
|--|-------------------------|-------------------------|-----------------------|------------------------|
| <u>July 1, 2004, through June 30, 2005</u>                   |                         |                         |                       |                        |
| Divert solid waste/maintain required level:                  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | \$ 39,499               | \$ 39,499               | \$ —                  |                        |
| Materials and supplies                                       | 3,899                   | 3,899                   | —                     |                        |
| Contract services  | 1,301                   | 1,301                   | —                     |                        |
| Fixed assets   | 37,462                  | 37,462                  | —                     |                        |
| Total direct costs   | 82,161                  | 82,161                  | —                     |                        |
| Indirect costs   | 13,256                  | 13,256                  | —                     |                        |
| Total direct and indirect costs                              | 95,417                  | 95,417                  | —                     |                        |
| Less offsetting savings <sup>2</sup>                         | (863)                   | (274,621)               | (273,758)             | Finding 2              |
| Subtotal   | 94,554                  | (179,204)               | (273,758)             |                        |
| Adjustment to eliminate negative balance                     | —                       | 179,204                 | 179,204               |                        |
| Total divert solid waste/maintain required level             | 94,554                  | —                       | (94,554)              |                        |
| All other activities:  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | 9,309                   | 9,309                   | —                     |                        |
| Materials and supplies                                       | 263                     | 263                     | —                     |                        |
| Total direct costs   | 9,572                   | 9,572                   | —                     |                        |
| Indirect costs   | 3,125                   | 3,125                   | —                     |                        |
| Total all other activities                                   | 12,697                  | 12,697                  | —                     |                        |
| Total program costs  | <u>\$ 107,251</u>       | 12,697                  | <u>\$ (94,554)</u>    |                        |
| Less amount paid by the State                                |                         | —                       |                       |                        |
| Allowable costs claimed in excess of (less than) amount paid |                         | <u>\$ 12,697</u>        |                       |                        |
| <u>July 1, 2005, through June 30, 2006</u>                   |                         |                         |                       |                        |
| Divert solid waste/maintain required level:                  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | \$ 95,392               | \$ 95,392               | \$ —                  |                        |
| Materials and supplies                                       | 2,579                   | 2,579                   | —                     |                        |
| Contract services  | 20,095                  | 20,095                  | —                     |                        |
| Total direct costs   | 118,066                 | 118,066                 | —                     |                        |
| Indirect costs   | 38,195                  | 38,195                  | —                     |                        |
| Total direct and indirect costs                              | 156,261                 | 156,261                 | —                     |                        |
| Less offsetting savings <sup>2</sup>                         | —                       | (234,253)               | (234,253)             | Finding 2              |
| Less offsetting revenues                                     | (3,298)                 | (3,298)                 | —                     |                        |
| Subtotal   | 152,963                 | (81,290)                | (234,253)             |                        |
| Adjustment to eliminate negative balance                     | —                       | 81,290                  | 81,290                |                        |
| Total divert solid waste/maintain required level             | 152,963                 | —                       | (152,963)             |                        |

**Attachment 1 (continued)**

| Cost Elements  | Actual Costs<br>Claimed | Allowable<br>per Review | Review<br>Adjustments | Reference <sup>1</sup> |
|--|-------------------------|-------------------------|-----------------------|------------------------|
| <u>July 1, 2005, through June 30, 2006 (continued)</u>       |                         |                         |                       |                        |
| All other activities:  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | 4,294                   | 4,294                   | —                     |                        |
| Indirect costs   | 1,719                   | 1,719                   | —                     |                        |
| Total all other activities                                   | 6,013                   | 6,013                   | —                     |                        |
| Total program costs  | <u>\$ 158,976</u>       | 6,013                   | <u>\$ (152,963)</u>   |                        |
| Less amount paid by the State                                |                         | —                       |                       |                        |
| Allowable costs claimed in excess of (less than) amount paid |                         | <u>\$ 6,013</u>         |                       |                        |
| <u>July 1, 2006, through June 30, 2007</u>                   |                         |                         |                       |                        |
| Divert solid waste/maintain required level:                  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | \$ 67,099               | \$ 67,099               | \$ —                  |                        |
| Contract services  | 18,088                  | 18,088                  | —                     |                        |
| Total direct costs   | 85,187                  | 85,187                  | —                     |                        |
| Indirect costs   | 23,921                  | 23,921                  | —                     |                        |
| Total direct and indirect costs                              | 109,108                 | 109,108                 | —                     |                        |
| Less offsetting savings <sup>2</sup>                         | (4,000)                 | (35,804)                | (31,804)              | Finding 2              |
| Less offsetting revenues                                     | (6,377)                 | (6,377)                 | —                     |                        |
| Total divert solid waste/maintain required level             | 98,731                  | 66,927                  | (31,804)              |                        |
| All other activities:  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | 2,640                   | 2,640                   | —                     |                        |
| Indirect costs   | 941                     | 941                     | —                     |                        |
| Total all other activities                                   | 3,581                   | 3,581                   | —                     |                        |
| Total program costs  | <u>\$ 102,312</u>       | 70,508                  | <u>\$ (31,804)</u>    |                        |
| Less amount paid by the State                                |                         | —                       |                       |                        |
| Allowable costs claimed in excess of (less than) amount paid |                         | <u>\$ 70,508</u>        |                       |                        |
| <u>July 1, 2007, through June 30, 2008</u>                   |                         |                         |                       |                        |
| Divert solid waste/maintain required level:                  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | \$ 77,787               | \$ 77,787               | \$ —                  |                        |
| Materials and supplies                                       | 2,144                   | 2,144                   | —                     |                        |
| Contract services  | 4,321                   | 4,321                   | —                     |                        |
| Total direct costs   | 84,252                  | 84,252                  | —                     |                        |
| Indirect costs   | 27,910                  | 27,910                  | —                     |                        |

**Attachment 1 (continued)**

| Cost Elements  | Actual Costs<br>Claimed | Allowable<br>per Review | Review<br>Adjustments | Reference <sup>1</sup> |
|--|-------------------------|-------------------------|-----------------------|------------------------|
| <u>July 1, 2007, through June 30, 2008 (continued)</u>       |                         |                         |                       |                        |
| Total direct and indirect costs                              | 112,162                 | 112,162                 | —                     |                        |
| Less offsetting savings <sup>2</sup>                         | —                       | (49,592)                | (49,592)              | Finding 2              |
| Less offsetting revenues                                     | (15,898)                | (15,898)                | —                     |                        |
| Total divert solid waste/maintain required level             | 96,264                  | 46,672                  | (49,592)              |                        |
| All other activities:  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | 1,853                   | 1,853                   | —                     |                        |
| Indirect costs   | 665                     | 665                     | —                     |                        |
| Total all other activities                                   | 2,518                   | 2,518                   | —                     |                        |
| Total program costs  | \$ 98,782               | 49,190                  | \$ (49,592)           |                        |
| Less amount paid by the State                                |                         | —                       |                       |                        |
| Allowable costs claimed in excess of (less than) amount paid |                         | \$ 49,190               |                       |                        |
| <u>July 1, 2008, through June 30, 2009</u>                   |                         |                         |                       |                        |
| Divert solid waste/maintain required level:                  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | \$ 66,567               | \$ 66,567               | \$ —                  |                        |
| Materials and supplies                                       | 2,373                   | 2,373                   | —                     |                        |
| Contract services  | 2,032                   | 2,032                   | —                     |                        |
| Total direct costs   | 70,972                  | 70,972                  | —                     |                        |
| Indirect costs   | 24,277                  | 24,277                  | —                     |                        |
| Total direct and indirect costs                              | 95,249                  | 95,249                  | —                     |                        |
| Less offsetting savings <sup>2</sup>                         | —                       | (57,085)                | (57,085)              | Finding 2              |
| Total divert solid waste/maintain required level             | 95,249                  | 38,164                  | (57,085)              |                        |
| All other activities:  |                         |                         |                       |                        |
| Direct costs:  |                         |                         |                       |                        |
| Salaries and benefits  | 513                     | 513                     | —                     |                        |
| Indirect costs   | 187                     | 187                     | —                     |                        |
| Total all other activities                                   | 700                     | 700                     | —                     |                        |
| Total program costs  | \$ 95,949               | 38,864                  | \$ (57,085)           |                        |
| Less amount paid by the State                                |                         | —                       |                       |                        |
| Allowable costs claimed in excess of (less than) amount paid |                         | \$ 38,864               |                       |                        |

**Attachment 1 (continued)**

| Cost Elements   | Actual Costs<br>Claimed | Allowable<br>per Review | Review<br>Adjustments | Reference <sup>1</sup> |
|---|-------------------------|-------------------------|-----------------------|------------------------|
| <u>July 1, 2009, through June 30, 2010</u>  |                         |                         |                       |                        |
| Divert solid waste/maintain required level:   |                         |                         |                       |                        |
| Direct costs:   |                         |                         |                       |                        |
| Salaries and benefits   | \$ 65,754               | \$ 65,754               | \$ —                  |                        |
| Materials and supplies  | 9,420                   | 9,420                   | —                     |                        |
| Contract services   | 2,262                   | 2,262                   | —                     |                        |
| Total direct costs  | 77,436                  | 77,436                  | —                     |                        |
| Indirect costs  | 4,603                   | 4,603                   | —                     |                        |
| Total direct and indirect costs   | 82,039                  | 82,039                  | —                     |                        |
| Less offsetting savings <sup>2</sup>  | —                       | (57,604)                | (57,604)              | Finding 2              |
| Less offsetting revenues  | (6,395)                 | (6,395)                 | —                     |                        |
| Total divert solid waste/maintain required level  | 75,644                  | 18,040                  | (57,604)              |                        |
| All other activities:   |                         |                         |                       |                        |
| Direct costs:   |                         |                         |                       |                        |
| Salaries and benefits   | 680                     | 680                     | —                     |                        |
| Indirect costs  | 47                      | 47                      | —                     |                        |
| Total all other activities  | 727                     | 727                     | —                     |                        |
| Total program costs   | \$ 76,371               | 18,767                  | \$ (57,604)           |                        |
| Less amount paid by the State   |                         | —                       |                       |                        |
| Allowable costs claimed in excess of (less than) amount paid                                    |                         | \$ 18,767               |                       |                        |
| <u>Summary July 1, 1999, through June 30, 2001,<br/>and July 1, 2003, through June 30, 2010</u> |                         |                         |                       |                        |
| Divert solid waste/maintain required level:   |                         |                         |                       |                        |
| Direct costs:   |                         |                         |                       |                        |
| Salaries and benefits   | \$ 494,019              | \$ 494,019              | \$ —                  |                        |
| Materials and supplies  | 20,455                  | 20,455                  | —                     |                        |
| Contract services   | 55,732                  | 55,732                  | —                     |                        |
| Fixed assets  | 77,632                  | 64,048                  | (13,584)              |                        |
| Total direct costs  | 647,838                 | 634,254                 | (13,584)              |                        |
| Indirect costs  | 161,189                 | 161,189                 | —                     |                        |
| Total direct and indirect costs   | 809,027                 | 795,443                 | (13,584)              |                        |
| Less offsetting savings <sup>2</sup>  | (5,964)                 | (816,911)               | (810,947)             |                        |
| Less offsetting revenues  | (31,968)                | (56,968)                | (25,000)              |                        |
| Subtotal  | 771,095                 | (78,436)                | (849,531)             |                        |
| Adjustment to eliminate negative balance  | —                       | 262,426                 | 262,426               |                        |
| Total divert solid waste/maintain required level  | 771,095                 | 183,990                 | (587,105)             |                        |

## Attachment 1 (continued)

| Cost Elements   | Actual Costs<br>Claimed | Allowable<br>per Review | Review<br>Adjustments | Reference <sup>1</sup> |
|---|-------------------------|-------------------------|-----------------------|------------------------|
| <u>Summary July 1, 1999, through June 30, 2001,<br/>and July 1, 2003, through June 30, 2010 (continued)</u> |                         |                         |                       |                        |
| All other activities:   |                         |                         |                       |                        |
| Direct costs:   |                         |                         |                       |                        |
| Salaries and benefits   | 38,430                  | 38,430                  | —                     |                        |
| Materials and supplies  | 263                     | 263                     | —                     |                        |
| Travel and training   | 479                     | 479                     | —                     |                        |
| Total direct costs  | 39,172                  | 39,172                  | —                     |                        |
| Indirect costs  | 13,507                  | 13,507                  | —                     |                        |
| Total all other activities  | 52,679                  | 52,679                  | —                     |                        |
| Total program costs   | <u>\$ 823,774</u>       | 236,669                 | <u>\$ (587,105)</u>   |                        |
| Less amount paid by the State   |                         | —                       |                       |                        |
| Allowable costs claimed in excess of (less than) amount paid  |                         | <u>\$ 236,669</u>       |                       |                        |

<sup>1</sup> See Attachment 3, Findings and Recommendations.

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

**Attachment 2—  
Summary of Offsetting Savings Calculations  
July 1, 1999, through June 30, 2001,  
and July 1, 2003, through June 30, 2010**

| Cost Elements                              | Offsetting Savings Reported | Offsetting Savings Realized |                |            | Review Adjustment <sup>1</sup> |
|--|-----------------------------|-----------------------------|----------------|------------|--------------------------------|
|  |                             | July – December             | January – June | Total      |                                |
| <u>July 1, 1999, through June 30, 2000</u> |                             |                             |                |            |                                |
| <i>Cuyamaca College:</i>                   |                             |                             |                |            |                                |
| Maximum allowable diversion percentage     |                             | —                           | 25.000%        |            |                                |
| Actual diversion percentage                | ÷                           | —                           | ÷              | 52.065%    |                                |
| Allocated diversion percentage             |                             | —                           | 48.017%        |            |                                |
| Tonnage diverted                           | ×                           | —                           | ×              | (105.90)   |                                |
| Statewide average landfill fee per ton     | × \$                        | —                           | × \$           | 36.39      |                                |
| Offsetting savings, Cuyamaca College       |                             | —                           | (1,850)        | (1,850)    |                                |
| <i>Grossmont College:</i>                  |                             |                             |                |            |                                |
| Maximum allowable diversion percentage     |                             | —                           | 25.000%        |            |                                |
| Actual diversion percentage                | ÷                           | —                           | ÷              | 51.536%    |                                |
| Allocated diversion percentage             |                             | —                           | 48.510%        |            |                                |
| Tonnage diverted                           | ×                           | —                           | ×              | (119.11)   |                                |
| Statewide average landfill fee per ton     | × \$                        | —                           | × \$           | 36.39      |                                |
| Subtotal                                   |                             | —                           | (2,103)        |            |                                |
| Hauling fees                               | +                           | —                           | +              | (688)      |                                |
| Offsetting savings, Grossmont College      |                             | —                           | (2,791)        | (2,791)    |                                |
| Total offsetting savings, FY 1999-2000     | \$ (228)                    | \$ —                        | \$ (4,641)     | \$ (4,641) | \$ (4,413)                     |
| <u>July 1, 2000, through June 30, 2001</u> |                             |                             |                |            |                                |
| <i>Cuyamaca College:</i>                   |                             |                             |                |            |                                |
| Maximum allowable diversion percentage     |                             | 25.000%                     | 25.000%        |            |                                |
| Actual diversion percentage                | ÷                           | 52.065%                     | ÷              | 27.850%    |                                |
| Allocated diversion percentage             |                             | 48.017%                     | 89.767%        |            |                                |
| Tonnage diverted                           | ×                           | (105.90)                    | ×              | (114.95)   |                                |
| Statewide average landfill fee per ton     | × \$                        | 36.39                       | × \$           | 36.39      |                                |
| Offsetting savings, Cuyamaca College       |                             | (1,850)                     | (3,755)        | (5,605)    |                                |
| <i>Grossmont College:</i>                  |                             |                             |                |            |                                |
| Maximum allowable diversion percentage     |                             | 25.000%                     | 25.000%        |            |                                |
| Actual diversion percentage                | ÷                           | 51.536%                     | ÷              | 83.745%    |                                |
| Allocated diversion percentage             |                             | 48.510%                     | 29.853%        |            |                                |
| Tonnage diverted                           | ×                           | (119.11)                    | ×              | (2,470.45) |                                |
| Statewide average landfill fee per ton     | × \$                        | 36.39                       | × \$           | 36.39      |                                |

## Attachment 2 (continued)

| Cost Elements  | Offsetting<br>Savings<br>Reported | Offsetting Savings Realized |                   |             | Review<br>Adjustment <sup>1</sup> |
|--|-----------------------------------|-----------------------------|-------------------|-------------|-----------------------------------|
|  |                                   | July –<br>December          | January –<br>June | Total       |                                   |
| <u>July 1, 2000, through June 30, 2001 (continued)</u> |                                   |                             |                   |             |                                   |
| Subtotal   |                                   | (2,103)                     | (26,837)          |             |                                   |
| Hauling fees   |                                   | + (687)                     | + (688)           |             |                                   |
| Offsetting savings, Grossmont College                  |                                   | (2,790)                     | (27,525)          | (30,315)    |                                   |
| Total offsetting savings, FY 2000-01                   | \$ (453)                          | \$ (4,640)                  | \$ (31,280)       | \$ (35,920) | \$ (35,467)                       |
| <u>July 1, 2003, through June 30, 2004</u>             |                                   |                             |                   |             |                                   |
| <i>Cuyamaca College:</i>                               |                                   |                             |                   |             |                                   |
| Maximum allowable diversion percentage                 |                                   | 50.000%                     | 50.000%           |             |                                   |
| Actual diversion percentage                            |                                   | ÷ 61.802%                   | ÷ 88.294%         |             |                                   |
| Allocated diversion percentage                         |                                   | 80.904%                     | 56.629%           |             |                                   |
| Tonnage diverted                                       |                                   | × (126.21)                  | × (588.30)        |             |                                   |
| Statewide average landfill fee per ton                 |                                   | × \$ 36.83                  | × \$ 38.42        |             |                                   |
| Offsetting savings, Cuyamaca College                   |                                   | (3,761)                     | (12,800)          | (16,561)    |                                   |
| <i>Grossmont College:</i>                              |                                   |                             |                   |             |                                   |
| Maximum allowable diversion percentage                 |                                   | 50.000%                     | 50.000%           |             |                                   |
| Actual diversion percentage                            |                                   | ÷ 31.365%                   | ÷ 91.234%         |             |                                   |
| Allocated diversion percentage <sup>2</sup>            |                                   | 100.00%                     | 54.804%           |             |                                   |
| Tonnage diverted                                       |                                   | × (218.54)                  | × (1,802.20)      |             |                                   |
| Actual landfill fee per ton                            |                                   | × \$ 41.00                  | × \$ 41.00        |             |                                   |
| Subtotal   |                                   | (8,960)                     | (40,495)          |             |                                   |
| Hauling fees   |                                   | + (687)                     | + (688)           |             |                                   |
| Offsetting savings, Grossmont College                  |                                   | (9,647)                     | (41,183)          | (50,830)    |                                   |
| Total offsetting savings, FY 2003-04                   | \$ (420)                          | \$ (13,408)                 | \$ (53,983)       | \$ (67,391) | \$ (66,971)                       |
| <u>July 1, 2004, through June 30, 2005</u>             |                                   |                             |                   |             |                                   |
| <i>Cuyamaca College:</i>                               |                                   |                             |                   |             |                                   |
| Maximum allowable diversion percentage                 |                                   | 50.000%                     | 50.000%           |             |                                   |
| Actual diversion percentage                            |                                   | ÷ 88.294%                   | ÷ 88.338%         |             |                                   |
| Allocated diversion percentage                         |                                   | 56.629%                     | 56.601%           |             |                                   |
| Tonnage diverted                                       |                                   | × (588.30)                  | × (655.60)        |             |                                   |
| Statewide average landfill fee per ton                 |                                   | × \$ 38.42                  | × \$ 39.00        |             |                                   |
| Offsetting savings, Cuyamaca College                   |                                   | (12,800)                    | (14,472)          | (27,272)    |                                   |

## Attachment 2 (continued)

| Cost Elements  | Offsetting<br>Savings<br>Reported | Offsetting Savings Realized |                   |              | Review<br>Adjustment <sup>1</sup> |
|--|-----------------------------------|-----------------------------|-------------------|--------------|-----------------------------------|
|  |                                   | July –<br>December          | January –<br>June | Total        |                                   |
| <u>July 1, 2004, through June 30, 2005 (continued)</u> |                                   |                             |                   |              |                                   |
| <i>Grossmont College:</i>                              |                                   |                             |                   |              |                                   |
| Maximum allowable diversion percentage                 |                                   | 50.000%                     | 50.000%           |              |                                   |
| Actual diversion percentage                            | ÷                                 | 91.234%                     | 98.287%           |              |                                   |
| Allocated diversion percentage                         |                                   | 54.804%                     | 50.871%           |              |                                   |
| Tonnage diverted                                       | ×                                 | (1,802.20)                  | (9,875.63)        |              |                                   |
| Actual landfill fee per ton                            | × \$                              | 41.00                       | 41.00             |              |                                   |
| Subtotal   |                                   | (40,495)                    | (205,979)         |              |                                   |
| Hauling fees   | +                                 | (437)                       | (438)             |              |                                   |
| Offsetting savings, Grossmont College                  |                                   | (40,932)                    | (206,417)         | (247,349)    |                                   |
| Total offsetting savings, FY 2004-05                   | \$ (863)                          | \$ (53,732)                 | \$ (220,889)      | \$ (274,621) | \$ (273,758)                      |
| <u>July 1, 2005, through June 30, 2006</u>             |                                   |                             |                   |              |                                   |
| <i>Cuyamaca College:</i>                               |                                   |                             |                   |              |                                   |
| Maximum allowable diversion percentage                 |                                   | 50.000%                     | 50.000%           |              |                                   |
| Actual diversion percentage                            | ÷                                 | 88.338%                     | 72.230%           |              |                                   |
| Allocated diversion percentage                         |                                   | 56.601%                     | 69.223%           |              |                                   |
| Tonnage diverted                                       | ×                                 | (655.60)                    | (162.32)          |              |                                   |
| Statewide average landfill fee per ton                 | × \$                              | 39.00                       | 46.00             |              |                                   |
| Offsetting savings, Cuyamaca College                   |                                   | (14,472)                    | (5,169)           | (19,641)     |                                   |
| <i>Grossmont College:</i>                              |                                   |                             |                   |              |                                   |
| Maximum allowable diversion percentage                 |                                   | 50.000%                     | 50.000%           |              |                                   |
| Actual diversion percentage                            | ÷                                 | 98.287%                     | 55.747%           |              |                                   |
| Allocated diversion percentage                         |                                   | 50.871%                     | 89.691%           |              |                                   |
| Tonnage diverted                                       | ×                                 | (9,875.63)                  | (197.38)          |              |                                   |
| Actual landfill fee per ton                            | × \$                              | 41.00                       | 41.00             |              |                                   |
| Subtotal   |                                   | (205,979)                   | (7,258)           |              |                                   |
| Hauling fees   | +                                 | (687)                       | (688)             |              |                                   |
| Offsetting savings, Grossmont College                  |                                   | (206,666)                   | (7,946)           | (214,612)    |                                   |
| Total offsetting savings, FY 2005-06                   | \$ —                              | \$ (221,138)                | \$ (13,115)       | \$ (234,253) | \$ (234,253)                      |
| <u>July 1, 2006, through June 30, 2007</u>             |                                   |                             |                   |              |                                   |
| <i>Cuyamaca College:</i>                               |                                   |                             |                   |              |                                   |
| Maximum allowable diversion percentage                 |                                   | 50.000%                     | 50.000%           |              |                                   |
| Actual diversion percentage                            | ÷                                 | 72.230%                     | 74.849%           |              |                                   |
| Allocated diversion percentage                         |                                   | 69.223%                     | 66.801%           |              |                                   |
| Tonnage diverted                                       | ×                                 | (162.32)                    | (155.34)          |              |                                   |
| Statewide average landfill fee per ton                 | × \$                              | 46.00                       | 48.00             |              |                                   |
| Offsetting savings, Cuyamaca College                   |                                   | (5,169)                     | (4,981)           | (10,150)     |                                   |

## Attachment 2 (continued)

| Cost Elements  | Offsetting Savings Reported | Offsetting Savings Realized |                |             | Review Adjustment <sup>1</sup> |
|--|-----------------------------|-----------------------------|----------------|-------------|--------------------------------|
|  |                             | July – December             | January – June | Total       |                                |
| <u>July 1, 2006, through June 30, 2007 (continued)</u> |                             |                             |                |             |                                |
| <i>Grossmont College:</i>                              |                             |                             |                |             |                                |
| Maximum allowable diversion percentage                 |                             | 50.000%                     | 50.000%        |             |                                |
| Actual diversion percentage                            | ÷                           | 55.747%                     | ÷              | 85.349%     |                                |
| Allocated diversion percentage                         |                             | 89.691%                     | 58.583%        |             |                                |
| Tonnage diverted                                       | ×                           | (197.38)                    | ×              | (708.64)    |                                |
| Actual landfill fee per ton                            | × \$                        | 41.00                       | × \$           | 41.00       |                                |
| Subtotal   |                             | (7,258)                     | (17,021)       |             |                                |
| Hauling fees   | +                           | (687)                       | +              | (688)       |                                |
| Offsetting savings, Grossmont College                  |                             | (7,945)                     | (17,709)       | (25,654)    |                                |
| Total offsetting savings, FY 2006-07                   | \$ (4,000)                  | \$ (13,114)                 | \$ (22,690)    | \$ (35,804) | \$ (31,804)                    |
| <u>July 1, 2007, through June 30, 2008</u>             |                             |                             |                |             |                                |
| <i>Cuyamaca College:</i>                               |                             |                             |                |             |                                |
| Maximum allowable diversion percentage                 |                             | 50.000%                     | 50.000%        |             |                                |
| Actual diversion percentage                            | ÷                           | 74.849%                     | ÷              | 74.849%     |                                |
| Allocated diversion percentage                         |                             | 66.801%                     | 66.801%        |             |                                |
| Tonnage diverted                                       | ×                           | (155.34)                    | ×              | (155.34)    |                                |
| Statewide average landfill fee per ton                 | × \$                        | 48.00                       | × \$           | 51.00       |                                |
| Offsetting savings, Cuyamaca College                   |                             | (4,981)                     | (5,292)        | (10,273)    |                                |
| <i>Grossmont College:</i>                              |                             |                             |                |             |                                |
| Maximum allowable diversion percentage                 |                             | 50.000%                     | 50.000%        |             |                                |
| Actual diversion percentage                            | ÷                           | 85.349%                     | ÷              | 85.349%     |                                |
| Allocated diversion percentage                         |                             | 58.583%                     | 58.583%        |             |                                |
| Tonnage diverted                                       | ×                           | (708.64)                    | ×              | (708.64)    |                                |
| Actual landfill fee per ton                            | × \$                        | 46.00                       | × \$           | 46.00       |                                |
| Subtotal   |                             | (19,097)                    | (19,097)       |             |                                |
| Hauling fees   | +                           | (562)                       | +              | (563)       |                                |
| Offsetting savings, Grossmont College                  |                             | (19,659)                    | (19,660)       | (39,319)    |                                |
| Total offsetting savings, FY 2007-08                   | \$ —                        | \$ (24,640)                 | \$ (24,952)    | \$ (49,592) | \$ (49,592)                    |
| <u>July 1, 2008, through June 30, 2009</u>             |                             |                             |                |             |                                |
| <i>Cuyamaca College:</i>                               |                             |                             |                |             |                                |
| Maximum allowable diversion percentage                 |                             | 50.000%                     | 50.000%        |             |                                |
| Actual diversion percentage                            | ÷                           | 74.849%                     | ÷              | 74.849%     |                                |
| Allocated diversion percentage                         |                             | 66.801%                     | 66.801%        |             |                                |
| Tonnage diverted                                       | ×                           | (155.34)                    | ×              | (155.34)    |                                |
| Statewide average landfill fee per ton                 | × \$                        | 51.00                       | × \$           | 55.00       |                                |
| Offsetting savings, Cuyamaca College                   |                             | (5,292)                     | (5,707)        | (10,999)    |                                |

## Attachment 2 (continued)

| Cost Elements  | Offsetting<br>Savings<br>Reported | Offsetting Savings Realized |                   |              | Review<br>Adjustment <sup>1</sup> |
|--|-----------------------------------|-----------------------------|-------------------|--------------|-----------------------------------|
|  |                                   | July –<br>December          | January –<br>June | Total        |                                   |
| <u>July 1, 2008, through June 30, 2009 (continued)</u>   |                                   |                             |                   |              |                                   |
| <i>Grossmont College:</i>  |                                   |                             |                   |              |                                   |
| Maximum allowable diversion percentage   |                                   | 50.000%                     | 50.000%           |              |                                   |
| Actual diversion percentage  | ÷                                 | 85.349%                     | 85.349%           |              |                                   |
| Allocated diversion percentage   |                                   | 58.583%                     | 58.583%           |              |                                   |
| Tonnage diverted   | ×                                 | (708.64)                    | (708.64)          |              |                                   |
| Actual landfill fee per ton  | × \$                              | 54.00                       | 54.00             |              |                                   |
| Subtotal   |                                   | (22,418)                    | (22,418)          |              |                                   |
| Hauling fees   | +                                 | (625)                       | (625)             |              |                                   |
| Offsetting savings, Grossmont College  |                                   | (23,043)                    | (23,043)          | (46,086)     |                                   |
| Total offsetting savings, FY 2008-09   | \$ —                              | \$ (28,335)                 | \$ (28,750)       | \$ (57,085)  | \$ (57,085)                       |
| <u>July 1, 2009, through June 30, 2010</u>   |                                   |                             |                   |              |                                   |
| <i>Cuyamaca College:</i>   |                                   |                             |                   |              |                                   |
| Maximum allowable diversion percentage   |                                   | 50.000%                     | 50.000%           |              |                                   |
| Actual diversion percentage  | ÷                                 | 74.849%                     | 74.849%           |              |                                   |
| Allocated diversion percentage   |                                   | 66.801%                     | 66.801%           |              |                                   |
| Tonnage diverted   | ×                                 | (155.34)                    | (155.34)          |              |                                   |
| Statewide average landfill fee per ton   | × \$                              | 55.00                       | 56.00             |              |                                   |
| Offsetting savings, Cuyamaca College   |                                   | (5,707)                     | (5,811)           | (11,518)     |                                   |
| <i>Grossmont College:</i>  |                                   |                             |                   |              |                                   |
| Maximum allowable diversion percentage   |                                   | 50.000%                     | 50.000%           |              |                                   |
| Actual diversion percentage  | ÷                                 | 85.349%                     | 85.349%           |              |                                   |
| Allocated diversion percentage   |                                   | 58.583%                     | 58.583%           |              |                                   |
| Tonnage diverted   | ×                                 | (708.64)                    | (708.64)          |              |                                   |
| Actual landfill fee per ton  | × \$                              | 54.00                       | 54.00             |              |                                   |
| Subtotal   |                                   | (22,418)                    | (22,418)          |              |                                   |
| Hauling fees   | +                                 | (625)                       | (625)             |              |                                   |
| Offsetting savings, Grossmont College  |                                   | (23,043)                    | (23,043)          | (46,086)     |                                   |
| Total offsetting savings, FY 2009-10   | \$ —                              | \$ (28,750)                 | \$ (28,854)       | \$ (57,604)  | \$ (57,604)                       |
| Total offsetting savings, FY 1999-2000<br>through FY 2000-01, and FY 2003-04<br>through FY 2009-10 | \$ (5,964)                        | \$ (387,757)                | \$ (429,154)      | \$ (816,911) | \$ (810,947)                      |

<sup>1</sup> See Attachment 3, Finding 2, Understated Offsetting Savings.

<sup>2</sup> In 2003, Grossmont College did not achieve the maximum allowable diversion percentage. Therefore, 100% of the tonnage diverted is offsetting savings realized by the district as necessary to achieve the maximum allowable level.

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## Attachment 3— Findings and Recommendations July 1, 1999, through June 30, 2001, and July 1, 2003, through June 30, 2010

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The following findings are the result of our review of the mandated cost claims filed for 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, 2010.

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 plans.

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.

### **FINDING 1— Unallowable fixed assets**

For fiscal year (FY) 1999-2000, the district claimed \$27,168 for the purchase of two lawnmowers that included a 72" mulching deck. We determined that \$13,584 is allowable and \$13,584 is unallowable. The lawnmowers cut and mulch the grass. Cutting the grass is not a reimbursable activity. Therefore, we determined that 50% of the costs claimed are unallowable.

Grass that is cut using a regular lawnmower is not sufficiently mulched to seep into the lawn. However, grass that is cut by a mulching mower serves as compost for the lawn because the mulching blades curve and throw the cut piece back into the blade to be cut several more times.

The parameters and guidelines (section IV (B) (5)) state:

Divert at least 25% of all solid waste from landfill disposal or transformation facilities by January 1, 2002, and at least 50% 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.

In addition, the parameters and guidelines (section V (A) (4)) state:

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 activities can be claimed.

### Recommendation

We recommend that the district ensure that claimed costs include only eligible costs.

## **FINDING 2— Understated offsetting savings**

The district understated offsetting savings by \$810,947 for the review period. The following table summarizes the understated offsetting savings by fiscal year:

| <u>Fiscal Year</u> | <u>Offsetting<br/>Savings<br/>Reported</u> | <u>Offsetting<br/>Savings<br/>Realized</u> | <u>Review<br/>Adjustment</u> |
|--------------------|--|--|------------------------------|
| 1999-2000          | \$ (228)                                   | \$ (4,641)                                 | \$ (4,413)                   |
| 2000-01            | (453)                                      | (35,920)                                   | (35,467)                     |
| 2003-04            | (420)                                      | (67,391)                                   | (66,971)                     |
| 2004-05            | (863)                                      | (274,621)                                  | (273,758)                    |
| 2005-06            | -  | (234,253)                                  | (234,253)                    |
| 2006-07            | (4,000)                                    | (35,804)                                   | (31,804)                     |
| 2007-08            | -  | (49,592)                                   | (49,592)                     |
| 2008-09            | -  | (57,085)                                   | (57,085)                     |
| 2009-10            | -  | (57,604)                                   | (57,604)                     |
| <b>Total</b>       | <b>\$ (5,964)</b>                          | <b>\$ (816,911)</b>                        | <b>\$ (810,947)</b>          |

The amended parameters and guidelines (section VIII— Offsetting Cost Savings) state:

Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management Plan 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 are 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 determined that the district had reduced or avoided costs realized from implementation of its IWM Plan that it did not identify and offset from its claims as cost savings.

**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, by the avoided landfill disposal fee, and added the avoided hauling fee, as follows:

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

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

*Allocated Diversion Percentage*

Public Resource 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 allow districts to 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 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 “diversion percentage.” As a result, CalRecycle 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 for 2008, 2009, and 2010. If the district can provide documentation supporting a different diversion percentage, we will revise the finding accordingly.

#### *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 tonnage diverted, as reported by the district to CalRecycle pursuant to Public Resources Code section 42926, subdivision (b)(1).

As previously noted, in 2008, CalRecycle stopped requiring community college districts to report the actual amount of tonnage diverted. Therefore, we used the tonnage diverted in 2007 to calculate the offsetting savings for FY 2007-08, FY 2008-09, and FY 2009-10. If the district can provide documentation supporting a different tonnage amount, we will revise the finding accordingly.

#### *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 Grossmont College for FY 1999-2000 and FY 2000-01, we used the statewide average disposal fee provided by CalRecycle. For FY 2003-04 through FY 2009-10, we used the actual landfill disposal fee provided by EDCO Disposal.

For Cuyamaca College, we used the statewide average disposal fee for each fiscal year in the review period.

#### *Avoided Hauling Fee*

The avoided hauling fee is used to calculate realized savings because the district no longer incurs a cost for their contractor to haul away the diverted tonnage to the landfill. For Grossmont College, we offset the hauling fee identified on the EDCO Disposal invoices. For Cuyamaca College, we did not offset a hauling fee because we were unable to determine the amount.

#### Recommendation

We recommend that the district offset all savings realized from implementation of the community college district’s IWM Plan.

**FINDING 3—  
Understated offsetting  
revenues**

The district understated offsetting revenues by \$25,000. For FY 1999-2000, the district received a \$25,000 grant from CalRecycle to implement the IWM Program. The grant was specifically used for initiation of a cardboard recycling program, implementation of a paper recycling program, and installation of hand dryers in the Cuyamaca College restrooms.

The amended parameters and guidelines (section VII-Offsetting Revenues and Reimbursements) state:

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 revenues shall include all revenues generated from implementing the Integrated Waste Management Plan.

Recommendation

We recommend that the district offset all revenue received from implementation of the community college district's IWM Plan.