

OFFICE OF THE STATE CONTROLLER  
STATE-MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2013-19  
WILLIAMS CASE IMPLEMENTATION I, II, AND III

JULY 24, 2013

REVISED JULY 1, 2016

In accordance with Government Code (GC) sections 17560 and 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state-mandated cost programs. This document contains claiming instructions and forms that eligible claimants must use for filing claims for the Williams Case Implementation I, II, and III (WCI) program. The SCO issues these claiming instructions subsequent to the Commission on State Mandates (CSM) adopting the program's Parameters and Guidelines (Ps & Gs). The Ps & Gs are included as an integral part of the claiming instructions.

On December 7, 2012, the CSM adopted a Statement of Decision finding that Education Code sections 14501, 33126(b), 35186, 41020, and 42127.6 impose a reimbursable state-mandated program upon school districts within the meaning of article XIII B, section 6 of the California Constitution and GC section 17514.

**Exception**

There will be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

**Eligible Claimants**

With the exception of community colleges, any school district, as defined in GC section 17519, that incurs increased costs as a result of this mandate, is eligible to claim for reimbursement. Charter schools and block grant recipients are not eligible to claim reimbursement.

**Reimbursement Claim Deadline**

Annual reimbursement claims for the **2015-16** fiscal year may be filed by **February 15, 2017**, without a late penalty. **Claims filed more than one year after the filing date will not be accepted.**

**Penalty**

- **Initial Claims**

When filed within one year of the initial filing deadline, claims are assessed a late penalty of 10% of the total amount of the initial claim without limitation pursuant to GC section 17561, subdivision (d)(3).

- **Annual Reimbursement Claim**

When filed within one year of the annual filing deadline, claims are assessed a late penalty of 10% of the claim amount, not to exceed \$10,000, pursuant to GC section 17568.

### **Minimum Claim Cost**

GC section 17564, subdivision (a), provides that no claim may be filed pursuant to sections 17551 and 17561, unless such a claim exceeds one thousand dollars (**\$1,000**), provided that a county superintendent of schools may submit a combined claim on behalf of school districts within their county if the combined claim exceeds **\$1,000**, even if the individual school district's claim does not each exceed **\$1,000**. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement will be allowed except as otherwise allowed by GC section 17564. The county superintendent of schools will determine if the submission of the combined claim is economically feasible and be responsible for disbursing the funds to each school district. These combined claims may be filed only when the county superintendent of schools is the fiscal agent for the districts. A combined claim must show the individual claim costs for each eligible school district. All subsequent claims based upon the same mandate must be filed in the combined form only unless a school district provides a written notice of its intent to file a separate claim to the county superintendent of schools and to the SCO at least 180 days prior to the deadline for filing the claim.

### **Reimbursement of Claims**

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

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating: "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5.

Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, these documents cannot be substituted for source documents.

### **Audit of Costs**

All claims submitted to the SCO are subject to review to determine if costs are related to the mandate, are reasonable and not excessive, and if the claim was prepared in accordance with the SCO's claiming instructions and the Ps & Gs adopted by the CSM. If any adjustments are made to a claim, the claimant will be notified of the amount adjusted, and the reason for the adjustment.

On-site audits will be conducted by the SCO as deemed necessary. Pursuant to GC section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a claimant is subject to audit by the SCO no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was

made to a claimant for the program for the fiscal year for which the claim was filed, the time for the SCO to initiate an audit will commence to run from the date of initial payment of the claim.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to the SCO on request.

### **Record Retention**

All documentation to support actual costs claimed must be retained for a period of three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated or no payment was made at the time the claim was filed, the time for the Controller to initiate an audit will be from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to the SCO on request.

### **Claim Submission**

Submit a signed original Form FAM-27 and one copy with required documents. **Please sign the Form FAM-27 in blue ink and attach the copy to the top of the claim package.**

Mandated costs claiming instructions and forms are available online at the SCO's website: **[www.sco.ca.gov/ard\\_mancost.html](http://www.sco.ca.gov/ard_mancost.html)**.

Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

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

If delivered by  
other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
3301 C Street, Suite 700  
Sacramento, CA 95816

For more information, contact the Local Reimbursements Section by email at [LRSDAR@sco.ca.gov](mailto:LRSDAR@sco.ca.gov), or by telephone (916) 324-5729, or by writing to the address above.

Adopted: April 19, 2013

## PARAMETERS AND GUIDELINES

Education Code sections 14501, 33126(b), 35186, 41020, and 42127.6, as Added or Amended by Statutes 2004, Chapter 900 (SB 550); Statutes 2004, Chapter 902 (AB 3001); Statutes 2004, Chapter 903 (AB 2727); Statutes 2005, Chapter 118 (AB 831); Statutes 2006, Chapter 704 (AB 607); and Statutes 2007, Chapter 526 (AB 347)

*Williams Case Implementation I, II, and III*  
05-TC-04, 07-TC-06, and 08-TC-01

Period of reimbursement begins September 29, 2004,  
or later for specified activities added by subsequent statutes

### I. SUMMARY OF THE MANDATE

These parameters and guidelines arise from the consolidated *Williams* case implementation test claim. The test claim alleged reimbursable state-mandated costs incurred by school districts and county offices of education pursuant to implementation of the legislative enactments resulting from the state's settlement in *Eliezer Williams, et al. v. State of California (Williams)*. In *Williams*, the plaintiffs sought to vindicate the rights of public schoolchildren to receive access to sufficient instructional materials; decent, clean, and safe school facilities; and qualified teachers.

The case was settled under the Schwarzenegger administration, and the settlement agreement called for legislative action to ensure that students would be provided with sufficient instructional materials, qualified teachers, and clean and safe facilities and instructional spaces. The resulting legislation made a number of changes to the Education Code, addressing deficiencies in the provision of instructional materials, assignment and retention of qualified teachers, and the maintenance of clean and safe facilities and instructional spaces.

On December 7, 2012, the Commission on State Mandates (Commission) adopted a statement of decision on the test claim finding that Education Code sections 14501, 33126(b), 35186, 41020, and 42127.6, as added or amended by the test claim statutes, impose reimbursable state-mandated new programs or higher levels of service for school districts and county offices of education, within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514. The Commission approved the test claim with respect to the reimbursable activities found in Section IV, Reimbursable Activities.

### II. ELIGIBLE CLAIMANTS

Any "school district" as defined in Government Code section 17519, excluding community colleges, which incurs increased costs as a result of this mandate, is eligible to claim reimbursement.

### III. PERIOD OF REIMBURSEMENT

This consolidated test claim consists of three initial test claim filings. The claimants, San Diego County Office of Education and Sweetwater High School District, filed the first test claim

(Williams I, 05-TC-04) on September 21, 2005<sup>1</sup>. The claimants filed the second test claim (Williams II, 07-TC-06) on December 14, 2007<sup>2</sup>. The claimants filed the third test claim (Williams III, 08-TC-01) on July 2, 2008<sup>3</sup>. Government Code section 17557(e), states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. However, given the various test claim filing dates and various effective dates of statutes, the beginning of the reimbursement periods differ by approved activity, but range from September 29, 2004 to October 12, 2007. The beginning reimbursement periods for each approved activity are included in Section IV, Reimbursable Activities.

Reimbursement for state-mandated costs may be claimed as follows:

1. Actual costs for one fiscal year shall be included in each claim.
2. Pursuant to Government Code section 17561(d)(1)(A), all claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the claiming instructions.
3. Pursuant to Government Code section 17560(a), a school district may, by February 15 following the fiscal year in which costs were incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
4. If revised claiming instructions are issued by the Controller pursuant to Government Code section 17558(c), between November 15 and February 15, a school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim. (Government Code section 17560(b).)
5. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by Government Code section 17564(a)
6. There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

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<sup>1</sup> Based on the September 21, 2005 filing date, the potential period of reimbursement for the *Williams I* test claim would begin July 1, 2004. However, the test claim statutes alleged in *Williams I* were enacted as urgency legislation and became effective on September 29, 2004, and July 25, 2005, respectively, and therefore the date of enactment marks the potential period of reimbursement for those activities.

<sup>2</sup> Based on the December 14, 2007 filing date, the potential period of reimbursement for the *Williams II* test claim would begin July 1, 2006. However the test claim statutes alleged in *Williams II* were enacted September 29, 2006, became effective January 1, 2007, and therefore the period of reimbursement begins on the later effective date of January 1, 2007.

<sup>3</sup> Based on the July 2, 2008 filing date, the potential period of reimbursement for the *Williams III* test claim would begin July 1, 2007. However the test claim statute at issue in *Williams III* was enacted as urgency legislation and became effective on October 12, 2007, and therefore the date of enactment marks the potential reimbursement period.

#### IV. REIMBURSABLE ACTIVITIES

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

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

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

For each eligible claimant that incurs increased costs, the following activities are reimbursable:

1. Reimbursable activities for school districts:
  - a. Beginning September 29, 2004, reporting the following information on the School Accountability Report Card, pursuant to Education Code section 33126(b):<sup>4</sup>
    - i. Misassignments of teachers, including teachers of English learners, and the number of vacant teacher positions for the most recent three-year period. Reimbursement is not required for reporting the assignment of teachers outside their areas of competence, as was required by Proposition 98 and is not new.
    - ii. Availability of textbooks and other instructional materials. Reimbursement is not required for reporting on the quality and currency of textbooks and other instructional materials; those reporting requirements were required by Proposition 98 and are not new. Additionally, reimbursement is not required to determine whether each student in the district has sufficient textbooks or instructional materials; that activity is required as a condition of seeking funds under the Pupil Textbook and Instructional Materials Incentive grant program pursuant to Education Code section 60119, and was denied by the Commission.

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<sup>4</sup> Statutes 2004, chapter 900.

- iii. Maintenance needed to ensure good repair. Reimbursement is not required for reporting on the safety, cleanliness, and adequacy of school facilities, since that was required by Proposition 98 and is not new.

Reimbursement for this activity is required only if the information provided in the school accountability report card is accurate, as determined by the annual audit performed pursuant to Education Code section 41020. If the information is determined to be inaccurate, reimbursement for reporting the information required by 1.a. i, ii, or iii above, is required if the information is corrected by May 15 following the audit.<sup>5</sup>

- b. Complying with the Williams Complaint Process pursuant to Education Code section 35186 as enacted in Statutes 2004, chapter 900 (SB 550), and amended by Statutes 2004, chapter 903 (AB 2727); Statutes 2005, chapter 118 (AB 831); Statutes 2006, chapter 704 (AB 607); and Statutes 2007, chapter 526 (AB 347):
  - i. Receiving complaints regarding instructional materials, emergency or urgent facilities conditions that pose a threat to the health and safety of pupils or staff, and teacher misassignments or vacancies. The eligible reimbursement period for this activity begins September 29, 2004.<sup>6</sup>
  - ii. Responding to complaints, if requested. The eligible reimbursement period for this activity begins September 29, 2004.<sup>7</sup>
  - iii. Forwarding a complaint beyond the authority of the local school official in a timely manner but not to exceed 10 working days. The eligible reimbursement period for this activity begins September 29, 2004.<sup>8</sup>
  - iv. Making all reasonable efforts to investigate any problem within the principal's authority. The eligible reimbursement period for this activity begins September 29, 2004.<sup>9</sup>
  - v. Remediating a valid complaint within a reasonable time period but not to exceed 30 working days. The eligible reimbursement period for this activity begins September 29, 2004.<sup>10</sup>

The activity of remediating a valid complaint includes costs incurred, where applicable, for the administrative activities of (1) arranging for

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<sup>5</sup> Education Code section 33126(c) (Stats. 2004, ch. 900 (SB 550)).

<sup>6</sup> Education Code section 35186(a)(1) (Stats. 2004, ch. 900 § 12 (SB 550); Stats. 2004, ch. 903 (AB 2727)).

<sup>7</sup> Education Code section 35186(a)(1) (Stats. 2004, ch. 900 § 12 (SB 550)).

<sup>8</sup> Education Code section 35186(a)(3) (Stats. 2004, ch. 900 § 12 (SB 550)).

<sup>9</sup> Education Code section 35186(b) (Stats. 2004, ch. 900 § 12 (SB 550)).

<sup>10</sup> Education Code section 35186(b) (Stats. 2004, ch. 900 § 12 (SB 550)).

the maintenance or repair required to remedy complaints related to facility conditions that pose an emergency or urgent threat to the health and safety of pupils or staff (2) procuring sufficient textbooks or instructional materials, but only in the case that the district is not participating in the Pupil Textbook and Instructional Materials Incentive Program pursuant to Education Code section 60117 et seq.; (3) locating suitable teachers to fill vacancies, or reallocating staff to remedy misassignments, as identified by the complaint process; and (4) remedying a failure to provide intensive instruction and services to a pupil who has not passed one or both parts of the high school exit examination by the end of grade 12.

Reimbursement is **not required** for the costs of any maintenance or repair required to remedy complaints related to facilities conditions that pose an emergency or urgent threat to the health and safety of pupils or staff; teacher salaries and benefits; or the salaries and other direct costs of intensive instruction and services provided to pupils who have not passed one or both parts of the high school exit examination by the end of grade 12.

- vi. Reporting the resolution to the complainant within 45 working days. The eligible reimbursement period for this activity begins September 29, 2004.<sup>11</sup>
- vii. Hearing the complaint at a regularly scheduled hearing of the district governing board. The eligible reimbursement period for this activity begins September 29, 2004.<sup>12</sup>
- viii. Reporting summarized data on the nature and resolution of all complaints on a quarterly basis to the county superintendent and the district governing board. The eligible reimbursement period for this activity begins September 29, 2004.<sup>13</sup>
- ix. Beginning September 29, 2004, the *one-time activity* of posting a notice in each classroom identifying the appropriate subjects of complaint, including sufficient textbooks and instructional materials, and facilities conditions; and informing potential complainants of the location where a complaint form may be obtained in the case of a shortage.<sup>14</sup>
- x. Beginning July 25, 2005, the *one-time activity* of adding to the posted notice in each classroom that “[t]here should be no teacher vacancies or misassignments.”<sup>15</sup>

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<sup>11</sup> Education Code section 35186(b) (Stats. 2004, ch. 900 § 12 (SB 550)).

<sup>12</sup> Education Code section 35186(c) (Stats. 2004, ch. 900 § 12 (SB 550)).

<sup>13</sup> Education Code section 35186(d) (Stats. 2004, ch. 900 § 12 (SB 550)).

<sup>14</sup> Education Code section 35186(f) (Stats. 2004, ch. 900 § 12 (SB 550)).

<sup>15</sup> Education Code section 35186(f) (Stats. 2005, ch. 118 § 5 (AB 831)).

- xi. Beginning October 12, 2007, the *one-time activity* of adding to the posted notice in each classroom in schools that serve grades 10 to 12, that “[p]upils who have not passed the high school exit examination by the end of grade 12 are entitled to receive intensive instruction and services for up to two consecutive academic years after completion of grade 12 or until the pupil has passed both parts of the high school exit examination, whichever comes first.”<sup>16</sup>
- xii. Beginning October 12, 2007, receiving complaints regarding “any deficiencies related to intensive instruction and services provided...to pupils who have not passed one or both parts of the high school exit examination after the completion of grade 12.”<sup>17</sup>
- c. Beginning September 29, 2004, including verification of the following in annual compliance audits, pursuant to Education Code sections 14501 and 41020:
  - i. That the reporting requirements and the hearings required to establish sufficiency of textbooks or instructional materials, or both, as outlined in section 60119, have been completed, for schools that receive instructional materials funds.<sup>18</sup>
  - ii. Whether any of a representative sample of teachers is misassigned, within the meaning of sections 33126(b) and 44258.9.<sup>19</sup>
  - iii. That the information reported on the School Accountability Report Card required by section 33126 is accurate based on the tests and criteria provided for in the Audit Guide.<sup>20</sup>
- d. Beginning September 29, 2004, providing to the county superintendent of schools, pursuant to Education Code section 42127.6:
  - i. A copy of a study, report, evaluation, or audit commissioned by the school district, the county superintendent, the Superintendent of Public Instruction, or a state control agency, which contains evidence that the school district is showing fiscal distress under the standards and criteria adopted in Education Code sections 33127, unless commissioned by the district or the county office of education.

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<sup>16</sup> Education Code section 35186(f) (Stats. 2007, ch. 526 § 2 (AB 347)).

<sup>17</sup> Education Code section 35186(a) (Stats. 2007, ch. 526 § 2 (AB 347)).

<sup>18</sup> Education Code sections 14501; 41020; 60119; 60252 (Stats. 2004, ch. 900 (SB 550)).

<sup>19</sup> Education Code sections 14501; 41020; 44258.9 (Stats. 2004, ch. 900 (SB 550)). See also Code of Regulations, title 5, section 19817.5 (Register 2011, No. 18).

<sup>20</sup> Education Code sections 14501; 41020; 33126(b) (Stats. 2004, ch. 900 (SB550)). See also Code of Regulations, title 5, section 19837.3 (Register 2009, No. 27).

- ii. A copy of a report on the school district by the County Office Fiscal Crisis and Management Assistance Team or any regional team created pursuant to subdivision (i) of Education Code section 42127.8.

Reimbursement is not required to provide a copy of a study, report, evaluation, or audit commissioned *at the discretion of* the district or of the county office of education.

2. Reimbursable activities for county offices of education:

Beginning September 29, 2004, reviewing audit exceptions related to the following, pursuant to Education Code sections 14501 and 41020, and determining whether the exceptions are either corrected or an acceptable plan of correction has been developed:

- i. Reporting and hearing requirements for sufficiency of textbooks or instructional materials, or both, as defined in section 60119.
- ii. Teacher misassignments pursuant to Education Code section 44258.9.
- iii. The accuracy of the information reported on the School Accountability Report Card required by section 33126.<sup>21</sup>

## V. CLAIM PREPARATION AND SUBMISSION

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

### A. Direct Cost Reporting

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

#### 1. Salaries and Benefits

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

#### 2. Materials and Supplies

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

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<sup>21</sup> Education Code section 41020 (Stats. 2004, ch. 900 § 13 (SB 550)).

### 3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services. If the contract services are also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be claimed. Submit contract consultant and attorney invoices with the claim and a description of the contract scope of services.

### 4. Fixed Assets

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

### 5. Travel

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

### B. Indirect Cost Rates

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

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

School districts must use the California Department of Education approved indirect cost rate for the year that funds are expended.

## **VI. RECORD RETENTION**

Pursuant to Government Code section 17558.5(a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter<sup>22</sup> is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment

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<sup>22</sup> This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

## **VII. OFFSETTING REVENUES AND REIMBURSEMENTS**

Any offsets the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, service fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

## **VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS**

Pursuant to Government Code section 17558(b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 90 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

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

## **IX. REMEDIES BEFORE THE COMMISSION**

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

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

## **X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES**

The statements of decision for the test claim and parameters and guidelines are legally binding on all parties and provide the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record. The administrative record is on file with the Commission.

<b>WILLIAMS CASE IMPLEMENTATION I, II, AND III CLAIM FOR PAYMENT</b>	<b>For State Controller Use Only</b>	<b>PROGRAM 351</b>
	(19) Program Number 00351 (20) Date Filed (21) LRS Input	

(01) Claimant Identification Number			<b>Reimbursement Claim Data</b>	
(02) Claimant Name			(22) FORM 1, (04) 1. b.ix. (f)	
County of Location			(23) FORM 1, (04) 1. b.x. (f)	
Street Address or P.O. Box	Suite		(24) FORM 1, (04) 1. b.xi. (f)	
City	State	Zip Code	(25) FORM 1, (04) 1. a. (f)	
		<b>Type of Claim</b>	(26) FORM 1, (04) 1. b. (f)	
	(03)	(09) Reimbursement <input type="checkbox"/>	(27) FORM 1, (04) 1. c. (f)	
	(04)	(10) Combined <input type="checkbox"/>	(28) FORM 1, (04) 1. d. (f)	
	(05)	(11) Amended <input type="checkbox"/>	(29) FORM 1, (04) 2. (f)	
<b>Fiscal Year of Cost</b>	(06)	(12)	(30) FORM 1, (06)	
<b>Total Claimed Amount</b>	(07)	(13)	(31) FORM 1, (07)	
Less: <b>10% Late Penalty</b> (refer to attached Instructions)		(14)	(32) FORM 1, (09)	
Less: <b>Prior Claim Payment Received</b>		(15)	(33) FORM 1, (10)	
<b>Net Claimed Amount</b>		(16)		
<b>Due from State</b>	(08)	(17)		
<b>Due to State</b>		(18)		

**(34) CERTIFICATION OF CLAIM**

In accordance with the provisions of Government Code sections 17560 and 17561, I certify that I am the officer authorized by the school district or county office of education to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 of the Government Code.

I further certify that there was no application other than from the claimant, nor any grant(s) or payment(s) received, for reimbursement of costs claimed herein; claimed costs are for a new program or increased level of services of an existing program; and claimed amounts do not include charter school costs, either directly or through a third party. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer \_\_\_\_\_

Date Signed \_\_\_\_\_

Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_

Type or Print Name and Title of Authorized Signatory \_\_\_\_\_

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(35) Name of Agency Contact Person for Claim \_\_\_\_\_

Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_

Name of Consulting Firm / Claim Preparer \_\_\_\_\_

Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_

<b>PROGRAM 351</b>	<b>WILLIAMS CASE IMPLEMENTATION I, II, AND III CLAIM FOR PAYMENT INSTRUCTIONS</b>	<b>FORM FAM-27</b>
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- (01) Enter the claimant identification number assigned by the State Controller's Office.
- (02) Enter claimant official name, county of location, street or postal office box address, city, State, and zip code.
- (03) to (08) Leave blank.
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing a combined reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate Form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim as shown on Form 1 line (11). The total claimed amount must exceed \$1,000; minimum claim must be \$1,001.
- (14) Initial reimbursement claims must be filed as specified in the claiming instructions. Annual reimbursement claims must be filed by **February 15**, or otherwise specified in the claiming instructions following the fiscal year in which costs were incurred. Claims filed after the specified date must be reduced by a late penalty. Enter zero if the claim was filed on time. Otherwise, enter the penalty amount as a result of the calculation formula as follows:
- Late Initial Reimbursement Claims: Form FAM-27 line (13) multiplied by 10%, without limitation; or
  - Late Annual Reimbursement Claims: Form FAM-27 line (13) multiplied by 10%, late penalty not to exceed \$10,000.
- (15) Enter the amount of payment, if any, received for the claim. If no payment was received, enter zero.
- (16) Enter the net claimed amount by subtracting the sum of lines (14) and (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (33) Bring forward the cost information as specified on the left-hand column of lines (22) through (33) for the reimbursement claim, e.g., Form 1, (04)1.b.ix.(f), means the information is located on Form 1, block (04), line 1.b.ix, column (f). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 7.548% should be shown as 8. **Completion of this data block will expedite the process.**
- (34) Read the statement of Certification of Claim. The claim must be signed and dated by the agency's authorized officer, type or print name and title, telephone number, and email address. **Claims cannot be paid unless accompanied by an original signed certification. (Please sign the Form FAM-27 in blue ink and attach the copy of the claim package.)**
- (35) Enter the name, telephone number, and email address of the agency contact person for the claim. If claim was prepared by a consultant, type or print the name of the consulting firm, the claim preparer, telephone number, and email address.

**SUBMIT A SIGNED ORIGINAL FORM FAM-27 AND ONE COPY WITH ALL OTHER FORMS TO:*****Address, if delivered by U.S. Postal Service:***

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

***Address, if delivered by other delivery service:***

Office of the State Controller  
 Attn: Local Reimbursements Section  
 Division of Accounting and Reporting  
 3301 C Street, Suite 700  
 Sacramento, CA 95816

<b>PROGRAM</b> <b>351</b>	<b>WILLIAMS CASE IMPLEMENTATION I, II, AND III</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>1</b>
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(01) Claimant	(02)	Fiscal Year 20__ / 20__
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03) Leave blank.

Direct Costs	Object Accounts					
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(04) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel	(f) Total
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One-Time Activities						
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1. Reimbursable Activities for School Districts						
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b.ix. Posting a notice in each classroom identifying the appropriate subjects of complaint						
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b.x. Adding to the posted notice in each classroom that "[t]here should be no teacher vacancies or misassignments"						
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b.xi. Adding to the posted notice in each classroom that served grades 10 to 12 that "[p]upils who have not passed the high school exit examination by the end of grade 12 are entitled to..."						
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On-Going Activities						
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1. Reimbursable Activities for School Districts						
---	--	--	--	--	--	--

a. Reporting information on the School Accountability Report Card						
---	--	--	--	--	--	--

b. Complying with the Williams Complaint Process (excl. ix, x, xi) <b>Note:</b> xii. Receiving complaints regarding "any deficiencies related to intensive instruction and services provided..."						
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c. Verifications in the annual compliance audits						
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d. Providing copies of reports to the County Superintendent of Schools						
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2. Reimbursable Activities for County Offices of Education						
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(05) Total Direct Costs						
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Indirect Costs						
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(06) Indirect Cost Rate	[Refer to Claim Summary Instructions]	%
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(07) Total Indirect Costs	[Line (05)(f) - line (05)(d) - \$ <input type="text"/> ] x line (06)	
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(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	
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Cost Reduction						
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(09) Less: Offsetting Revenues						
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(10) Less: Other Reimbursements						
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(11) Total Claimed Amount	[Line (08) - {line (09) + line (10)}]	
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<b>PROGRAM</b> <b>351</b>	<b>WILLIAMS CASE IMPLEMENTATION I, II, AND III</b> <b>CLAIM SUMMARY</b> <b>INSTRUCTIONS</b>	<b>FORM</b> <b>1</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year in which costs were incurred.
- (03) Leave blank.
- (04) For each reimbursable activity, enter the total from Form 2, line (05), columns (d) through (h) to Form 1, block (04), columns (a) through (e) in the appropriate row. Total each row.
- (05) Total columns (a) through (f).
- (06) Enter the approved indirect cost rate from the California Department of Education for the year that funds are expended.
- (07) From the Total Direct Costs, line (05)(f), deduct Total Fixed Assets, line (05)(d) and any other item excluded from indirect cost distribution base in accordance with the California School Accounting Manual, Procedure 915. Enter zero if there are no exclusions. Multiply the result by the Indirect Cost Rate, line (06).
- (08) Enter the sum of Total Direct Costs, line (05)(f), and Total Indirect Costs, line (07).
- (09) If applicable, enter any revenue received by the claimant for this mandate from any state or federal source.
- (10) If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds that reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (11) From Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Revenues, line (09), and Other Reimbursements, line (10). Enter the remainder on this line and carry the amount forward to Form FAM-27, line (13) of the Reimbursement Claim.

<b>PROGRAM 351</b>	<b>WILLIAMS CASE IMPLEMENTATION I, II, AND III ACTIVITY COST DETAIL</b>	<b>FORM 2</b>
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(01) Claimant	(02) Fiscal Year 20__ / 20__
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<p><b><u>One-Time Activities</u></b></p> <p>1. Reimbursable Activities for School Districts</p> <p><input type="checkbox"/> b.ix. Posting a notice in each classroom identifying the appropriate subjects of complaint</p> <p><input type="checkbox"/> b.x. Adding to the posted notice in each classroom that "[t]here should be no teacher vacancies or misassignments" <b>(Begins 07/25/05)</b></p> <p><input type="checkbox"/> b.xi. Adding to the posted notice in each classroom regarding pupils who have not passed the high school exit examination by the end of grade 12 <b>(Begins 10/12/07)</b></p>	<p><b><u>On-Going Activities</u></b></p> <p>1. Reimbursable Activities for School Districts</p> <p><input type="checkbox"/> a. Reporting information on the School Accountability Report Card</p> <p><input type="checkbox"/> b. Complying with the Williams Complaint Process Note: xii. Receiving complaints regarding "any deficiencies related to intensive instruction and services provided..."<b>(Begins 10/12/07)</b></p> <p><input type="checkbox"/> c. Verifications in the annual compliance audits</p> <p><input type="checkbox"/> d. Providing copies of reports to the County Superintendent of Schools</p> <p><input type="checkbox"/> 2. Reimbursable Activities for County Offices of Education</p>
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(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ____ of ____	
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<b>PROGRAM</b> <b>351</b>	<b>WILLIAMS CASE IMPLEMENTATION I, II, AND III</b> <b>ACTIVITY COST DETAIL</b> <b>INSTRUCTIONS</b>	<b>FORM</b> <b>2</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year for which costs were incurred.
- (03) Check the box which indicates the activity being claimed. Check only one box per form. A separate Form 2 must be prepared for each applicable activity.
- (04) The following table identifies the type of information required to support reimbursable costs. To itemize costs for the activity box checked in block (03), enter each employee name, job description, a brief description of the activities performed, productive hourly rate, actual time spent, fringe benefits, supplies used, contract services, fixed assets, and travel expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.**

All documentation to support actual costs claimed must be retained for a period of three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated or no payment was made at the time the claim was filed, the time for the State Controller's Office (SCO) to initiate an audit will be from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to the SCO on request.

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

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