

Office of the State Controller
State-Mandated Costs Claiming Instructions No. 2021-02
Graduation Requirements (Amended) – Program No. 297
Revised October 1, 2025

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 of claims for the Graduation Requirements Program. SCO issues these claiming instructions subsequent to the Commission on State Mandates (CSM) adopting the program's Parameters and Guidelines (Ps & Gs). The amended [Ps & Gs](#) are included as an integral part of the claiming instructions and are located on CSM's website.

On January 22, 1987, CSM adopted a Statement of Decision finding that the test claim legislation imposed a reimbursable state-mandated program on school districts within the meaning of Article XIII B, section 6 of the California Constitution and GC section 17514.

On November 6, 2008, CSM adopted the Ps & Gs amendment which replaced the actual cost claiming method with a reasonable reimbursement methodology for claiming increased teacher salary costs for staffing the new mandated science class.

On July 25, 2011, the Department of Finance (DOF) filed the Request for Ps & Gs amendment alleging that Education Code (EC) section 42238.24 specifies offsetting revenues for teacher salary and benefit costs and to suggest other language changes. The request was stayed pending resolution of California School Boards Association (CSBA) v. State of California. In that case, the CSBA and several school districts challenged the constitutionality of EC section 42238.24 as an offset for the Graduation Requirements program, arguing that the state may not identify pre-existing education funding as mandate payment, but must instead allocate additional funding to satisfy its mandate reimbursement obligation under Article XIII B, section 6.

On December 19, 2019, the California Supreme Court found that the state does not violate Article XIII B, section 6, or the separation of powers provision of the California Constitution when it directs the use of general education funding it already provides to school districts and county offices of education as offsetting revenue for the purpose of reimbursing state-mandated programs.

On February 1, 2021, the Alameda County Superior Court resolved the remaining issues in the case on remand by entering judgment following a stipulation of the parties that Education Protection Account funding from Proposition 30 is not offsetting revenue under EC section 42238.24.

On July 23, 2021, CSM adopted a decision approving the amendments to the Ps & Gs according to Section IX, Offsetting Revenue and Other Reimbursements, to incorporate the requirements of EC section 42238.24 (Stats. 2010, Ch. 724, AB 1610) for teacher salary and benefit costs incurred beginning October 19, 2010.

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

Any school district, as defined in GC section 17519, with the exception of community college districts, is eligible to claim reimbursement for increased cost incurred as a result of this mandate. Charter schools and block grant recipients are not eligible to claim for reimbursement.

Reimbursement Claim Deadline

Pursuant to GC section 17560(a), annual reimbursement claims may be filed by **February 15** following the fiscal year in which costs were incurred. If the deadline falls on a weekend or holiday, claims are due the following business day. Claims filed after the deadline must be reduced by a late penalty. **Claims filed more than one year after the deadline will not be accepted.**

Claimants that previously submitted claims for Program 297, should file amended claims using the new forms if there are mandatory offsetting revenues beginning October 19, 2010. These are outlined in the amended Ps and Gs adopted by CSM on July 23, 2021. Amended claims must be filed with SCO and be delivered or postmarked on or before February 15, 2022, before a late fee is assessed. A separate claim must be filed for each fiscal year.

Penalty

- **Initial Reimbursement 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(d)(3).

- **Annual Reimbursement Claims**

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(a) states that no claim may be filed pursuant to sections 17551 and 17561, unless such a claim exceeds one thousand dollars (**\$1,000**). However, 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 unless a school district provides a written notice of its intent to file a separate claim to the county superintendent of schools and to 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 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 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 SCO as deemed necessary. Pursuant to GC section 17558.5(a), a reimbursement claim for actual costs filed by a claimant is subject to audit by 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 SCO to initiate an audit will commence to run from the date of initial payment of the claim.

Record Retention

All documentation to support actual costs claimed must be retained during the period subject to audit and made available to the SCO upon request. The period subject to audit is at a minimum, three years after the date that the actual reimbursement claim is filed or last amended, whichever is later, or, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, three years after the date of initial payment of the claim. 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.

Claim Submission

Electronic submissions of the signed Form FAM-27, all other forms, and supporting documentation are accepted through an online file transfer protocol called the **Data Exchange Portal (DEP)**. All information regarding [DEP](#) is available on the SCO's website.

For more information, contact the Local Reimbursements Section by [email](#).

GRADUATION REQUIREMENTS CLAIM FOR PAYMENT FORM		For State Controller's Office Use Only (19) Program Number 00297 (20) Date Filed (21) LRS Input		PROGRAM 297
(01) Claimant Identification Number		Reimbursement Claim Data		
(02) Claimant Name		(22)	FORM 1, (03) (a)	
County of Location		(23)	FORM 1, (03) (b)	
Street Address or P.O. Box and Suite		(24)	FORM 1, (03) (c)	
City, State, and Zip Code		(25)	FORM 1, (03) (d)	
(03)	Type of Claim	(26)	FORM 1, (04) A. (f)	
(04)	(09) Reimbursement	(27)	FORM 1, (04) B. (f)	
(05)	(10) Combined	(28)	FORM 1, (04) C. (f)	
(06)	(11) Amended	(29)	FORM 1, (04) D. (f)	
(07)	(12) Fiscal Year of Cost	(30)	FORM 1, (04) E. (f)	
(08)	(13) Total Claimed Amount	(31)	FORM 1, (06)	
(14) Less: 10% Late Penalty		(32)	FORM 1, (07)	
(15) Less: Prior Claim Payment Received		(33)	FORM 1, (09)	
(16) Net Claimed Amount		(34)	FORM 1, (10)	
(17) Due from State		(35)	FORM 1, (11)	
(18) Due to State		(36)		
(37) 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	
Type or Print Name and Title of Authorized Signatory	Email Address	

(38) Name of Agency Contact Person for Claim	Telephone Number	
	Email Address	
Name of Consulting Firm/Claim Preparer	Telephone Number	
	Email Address	

PROGRAM 297	GRADUATION REQUIREMENTS CLAIM FOR PAYMENT INSTRUCTIONS	FORM FAM-27
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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 in 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 (12). 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 as 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 result from the following penalty calculation formula:
- 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.

PROGRAM 297	GRADUATION REQUIREMENTS CLAIM FOR PAYMENT INSTRUCTIONS (CONTINUED)	FORM FAM-27
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(22) to (35) Bring forward the cost information as specified in the left-hand column of lines (22) through (35) for the reimbursement claim, e.g., Form 1, (04) A. (f), means the information is located on Form 1, block (04), line A., 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. The 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.

(36) Leave blank.

(37) Read the statement of Certification of Claim. The claim must be signed and dated by the agency's authorized officer, and include their typed or printed name, 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 or electronic signature. If submitting by U.S. Postal Service or by other delivery service, attach a copy of the FAM-27 to the top of the claim package.

(38) Enter the name, telephone number, and email address of the agency contact person for the claim. If the claim was prepared by a consultant, type or print the name of the consulting firm, claim preparer, telephone number, and email address.

Electronic submissions of the signed Form FAM-27, all other forms, and supporting documentation are accepted through an online file transfer protocol called the Data Exchange Portal (DEP). All information regarding [DEP](#) is available on the SCO's website.

For more information, contact the Local Reimbursements Section by [email](#).

PROGRAM 297	GRADUATION REQUIREMENTS CLAIM SUMMARY	FORM 1
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(01) Claimant	(02) Fiscal Year 20__/20__
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Reasonable Rate Methodology - Reimbursable Activity D

(03) (a) Total regular secondary enrollment for grades 9 through 12 on the CBEDS Information Day divided by 4	
(b) Number of additional classes equals [Line (03)(a) divided by Average science class size]	
(c) Additional teachers equals [Line (03)(b) divided by 5 (Classes taught by fulltime equivalent teacher)]	
(d) Increased cost equals [Line (03)(c) times Average annual teacher salary and benefit cost for the district]	

Direct Costs	Object Accounts					
	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel	(f) Total
(04) Reimbursable Activities						
A. Acquisition of Additional Space						
B. Acquisition of Additional Equipment and Furniture						
C. Remodeling Existing Space						
D. Increased Cost for Staffing New Science Class		Enter the total from line (03)(d) in columns (a) and (f)				
E. Increased Costs for Textbooks and Supplies						
(05) Total Direct Costs						

Indirect Costs

(06) Indirect Cost Rate	[Refer to Claim Summary Instructions]	%
(07) Total Indirect Costs	Line (05)(f) minus line (05)(d) minus \$] times line (06)	
(08) Total Direct and Indirect Costs	[Line (05)(f) plus line (07)]	

Cost Reduction

(09) Less: Offsetting Revenues (<i>see Attachment A</i>)	
(10) Less: Offsetting Savings (<i>see Attachment A</i>)	
(11) Less: Other Reimbursements	
(12) Total Claimed Amount	[Line (08) minus {line (09) plus line (10) plus line (11)}]

PROGRAM 297	GRADUATION REQUIREMENTS CLAIM SUMMARY INSTRUCTIONS	FORM 1
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(01) Enter the name of the claimant.

(02) Enter the fiscal year of costs.

Reasonable Rate Methodology for Activity D.

This formula covers all direct costs based on the number of teachers who teach the additional year of science.

(03) (a) Enter the total regular secondary enrollment for grades 9 through 12 on the CBEDS Information Day for the claim year and divide by four for the additional year of science.

(b) Enter the number of additional classes from line (03)(a) divided by the average science class size.

(c) Enter the result of dividing line (03)(b) by 5, the number of classes taught by a full time equivalent teacher.

(d) Enter the product of multiplying line (03)(c) by the average annual teacher salary and benefit cost for the school district for the year of claim.

(04) For reimbursable activities A., B., C., and E., 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. For reimbursable activity D., enter the total from line (03)(d) to block (04) D., columns (a) and (f). Total each row.

See [current unit cost rate](#).

[(Current Year Index divided by Base Year Index) times Base Year Actual Unit Cost equals Current Year Actual Unit Cost Rate]

(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 offsetting revenue received by the claimant for this mandate from any state or federal source. The mandatory offsetting revenues outlined in the amended Ps & Gs, pages 30 through 32, SECTION IX, OFFSETTING REVENUES AND REIMBURSEMENTS adopted by the Commission on State Mandates are listed on Attachment A. Complete Attachment A detailing all offsetting revenues.

(10) If applicable, enter any offsetting savings received by the claimant as a result of the same statutes or executive orders found for this mandate. The offsetting savings outlined in the amended Ps & Gs, page 32, SECTION X, OFFSETTING SAVINGS adopted by the Commission on State Mandates is on Attachment A. Complete Attachment A detailing offsetting savings.

(11) 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.

(12) From the Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Revenues, line (09), Offsetting Savings, line (10), and Other Reimbursements, line (11). Enter the remainder on this line and carry the amount forward to Form FAM-27, line (13) of the Reimbursement Claim.

PROGRAM 297	GRADUATION REQUIREMENTS DETAILED SUMMARY OF OFFSETTING REVENUES AND SAVINGS	ATTACHMENT A
(01) Claimant	(02)	Fiscal Year 20 ____ /20 ____
OFFSETTING REVENUES		Amount
Total science teacher salary and benefit costs, including related indirect costs, that are funded from the following sources as required by Education Code (EC) section 42238.24 (Stats. 2010, Ch. 724, AB 1610):		
A. For school districts, the amount of state funding apportioned pursuant to Article 2 of Chapter 7 of Part 24 of Division 3 of Title 2 of the EC (commencing with section 42238 et seq.) for the courses specified by EC section 51225.3(a)(1) and required by EC sections 42238.24 and 41372 to first fund the teacher salary and benefit costs incurred for all 13 state-required courses, which are used for the second science course mandated in the Graduation Requirements program by EC section 51225.3(a)(1)(C) (as amended by Stats. 1983, Ch. 498). These funds are a mandatory offset and only after all of these funds have been expended exclusively for the teacher salary and benefits costs for the (currently 13) state required courses, may any additional remaining teacher salary and benefits costs be claimed for the mandated second science course.		
B. For county offices of education, the amount of state funding apportioned pursuant to Article 3 (commencing with EC section 2550) of Chapter 12 of Part 2 of Division 1 of Title 1 of the EC for the courses specified by EC section 51225.3(a)(1) and required by EC sections 42238.24 and 41372 to first fund the teacher salary and benefit costs incurred for all 13 state-required courses, which are used for the second science course mandated in the Graduation Requirements program by EC section 51225.3(a)(1)(C) (as amended by Stats. 1983, Ch. 498). These funds are a mandatory offset and only after all of these funds have been expended exclusively for the teacher salary and benefits costs for the (currently 13) state required courses, may any additional remaining teacher salary and benefits costs be claimed for the mandated second science course.		
C. The amount of state funding received from any of the items listed in EC section 42605 from fiscal years 2008-2009 through 2012-2013 and required by EC sections 42238.24 and 41372 to first fund the teacher salary and benefit costs incurred for all 13 state-required courses, which are used for the second science course mandated in the Graduation Requirements program by EC section 51225.3(a)(1)(C) (as amended by Stats. 1983, Ch. 498). These funds are a mandatory offset and only after all of these funds have been expended exclusively for the teacher salary and benefits costs for the (currently 13) state required courses, may any additional remaining teacher salary and benefits costs be claimed for the mandated second science course.		
Funds appropriated to school districts from the Schiff-Bustamante Standards-Based Instructional Materials Program (EC section 60450 et seq., repealed by Stats. 2002, Ch. 1168 (AB 1818, section 71, eff. Jan. 1, 2004) and used for supplying the second science course mandated by EC section 51223.5(a)(1)(C) (as amended by Stats. 1983, Ch. 498) with instructional materials; funds appropriated from the State Instructional Materials Fund (EC section 60240 et seq.) and used for supplying the second science course mandated by EC section 51223.5(a)(1)(C) (as amended by Stats. 1983, Ch. 498) with instructional materials and supplies.		
If the school district or county office submits a valid reimbursement claim for a new science facility, the reimbursement shall be reduced by the amount of state bond funds, if any, received by the school district or county office to construct the new science facility.		
TOTAL OFFSETTING REVENUES		

PROGRAM 297	GRADUATION REQUIREMENTS DETAILED SUMMARY OF OFFSETTING REVENUES AND SAVINGS (CONTINUED)	ATTACHMENT A
OFFSETTING SAVINGS		
Any offsetting savings 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.		
TOTAL OFFSETTING SAVINGS		

PROGRAM 297	GRADUATION REQUIREMENTS ACTIVITY COST DETAIL						FORM 2
(01) Claimant				(02) Fiscal Year 20__ / 20__			
(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.							
☐ A. Acquisition of Additional Space ☐ D. Increased Costs for Staffing New Science Class ☐ B. Acquisition of Additional Equipment and Furniture ☐ E. Increased Costs for Textbooks and Supplies ☐ C. Remodeling Existing Space							
(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 ☐ Subtotal ☐ Page: __ of __							

PROGRAM 297	GRADUATION REQUIREMENTS ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (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 checked in block (03), enter each employee name, job classification, 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 (04)(a) must be of sufficient detail to explain the cost of activities or items being claimed.

Object Accounts	Columns								Submit Supporting Documents with the Claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Salaries	Employee Name and Job Classification	Hourly Rate	Hours Worked	Salaries equal Hourly Rate times Hours Worked					Copy of Timesheets
Benefits	Activities Performed	Benefit Rate		Benefits equal Benefit Rate times Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Costs equal Unit Cost times Quantity Used				Copy of Invoices
Contract Services	Name of Contractor and Specific Tasks Performed	Hourly Rate	Hours Worked And Inclusive Dates of Service			Costs equal Hourly Rate times Hours Worked or Total Contract Cost			Copy of Contract and/or Invoices
Fixed Assets	Description of Equipment Purchased	Unit Cost times Quantity	Usage				Costs equal Total Cost times Usage		Copy of Contract and/or Invoices
Travel	Purpose of Trip, Name and Title, Destination, Departure Date, and Return Date	Per Diem Rate, Mileage Rate, and Travel Cost	Days, Miles, and Travel Mode					Costs equal Rate times Days or Miles	Rate(s) Verification and/or Invoices

- (05) Total line (04), columns (d) through (h) and enter the sums 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 activity costs, number each page. Enter totals from line (05), columns (d) through (h) to Form 1, block (03), columns (a) through (e) in the appropriate row.