

STATE ALLOCATION BOARD AGENDA

Meeting Date: August 19, 2025

East End Complex
1500 Capitol Avenue, Auditorium
Sacramento, CA 95814
4:00 p.m.

Revision date: August 18, 2025

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Thank you,

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August 19, 2025 Agenda

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To seek approval from the State Allocation Board to extend the General Site Development grant for five years.	
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To present proposed emergency regulations to the State Allocation Board that implement the Natural Disaster Assistance provisions of Proposition 2 in the School Facility Program.	

BACKGROUND (cont.)

implement Proposition 2 provisions for applications received on or after October 31, 2024. Additional proposed amendments will be presented at future Board meetings.

Below is an overview of the relevant Proposition 2 statute.

Natural Disaster Assistance

EC Section 17075.20 was added to statute, and is summarized as follows:

- Subdivision (a), notwithstanding any other law, allows the Board to provide assistance for purposes of procuring interim housing, including, but not limited to, the lease or acquisition of Portable Classrooms and any work associated with placing them on a site, to school districts and County Offices of Education (COE) impacted by a natural disaster for which the Governor has declared a state of emergency. In addition, funds provided shall supplement funding from insurance or any other local, state, or federal government disaster assistance.
- Subdivision (b) qualifies school districts and COEs that are impacted by a natural disaster as described in (a) to have met the requirements set forth in EC Section 17075.10, known as the Facility Hardship Program in SFP Regulation Section 1859.82. Under this program, districts and COEs may receive funding to replace lost or damaged necessary school facilities.
- Subdivision (c) allows school districts and COEs to retain savings from a project that received funds under this section and to use those savings for other high-priority capital outlay purposes consistent with the requirements of EC Section 17070.63(c).
- Subdivision (d)(1) indicates that a grant pursuant to this section will not affect the applicant's eligibility for the SFP, except as specified in subdivision (d)(2).
- Subdivision (d)(2) specifies that Portable Classrooms purchased pursuant to (a) shall be included in the determination of eligibility for new construction funding, pursuant to EC Section 17071.75. This means that any such Portable Classrooms must be included in a district's classroom inventory during establishment of new construction eligibility or added to a district's existing inventory via an adjustment to new construction eligibility if already established.
- Subdivision (e) indicates that the Board may provide any other assistance to a school district or COE determined by the Board to be impacted by a natural disaster described in (a).

STAFF ANALYSIS/STATEMENTS

Stakeholder Meetings

At the February 13 stakeholder meeting, staff introduced EC Section 17075.20 and discussed broader components of implementing the statute.

STAFF ANALYSIS/STATEMENTS (cont.)

At the April 10 stakeholder meeting, staff responded to stakeholder feedback and continued the discussion of implementation. Staff also presented proposed amendments to the SFP regulations, as well as concepts for a new form and checklist with the goal of providing guidance and support to school districts requesting natural disaster assistance. This stakeholder meeting item also discussed the statutory language of EC Section 17075.20(e) and several applications approved by the Board prior to the passage of Proposition 2, which staff provided as examples illustrating that in the future, districts may request accelerated processing and funding of applications under the “any other assistance” provision.

At the June 12 stakeholder meeting, staff continued to respond to stakeholder feedback and presented additional proposed regulatory amendments, a new *Application for Natural Disaster Assistance* (Form SAB 195), and a new checklist. Staff also clarified impacts to New Construction eligibility.

Finally, at the July 24 stakeholder meeting, staff responded to stakeholder feedback, proposed additional regulatory amendments to clarify reporting requirements and build in a mechanism for school districts who qualify for Financial Hardship assistance to request advance design funding, presented two grant agreement templates for Interim Housing and Other Assistance Following a Natural Disaster, and refined the proposed Form SAB 195 and companion checklist to conform to the proposed regulations.

Stakeholder Feedback

Staff appreciates those who attended and those who raised questions or provided feedback. Feedback that was received for each respective stakeholder meeting may be found on Attachment H, alongside the items as previously presented. A summary of stakeholder feedback received since the last stakeholder meeting and staff’s response is provided on Attachment I. Collectively, staff’s recommendations presented in this item were informed by stakeholder feedback and represent staff’s final recommendations for implementation of the natural disaster assistance provisions in Proposition 2.

Proposed SFP Regulations

Below is a summary of the proposed SFP Regulation amendments, which are included as Attachment B:

SFP Regulation Section 1859.2 – Definitions

- The new “Form SAB 195,” which means the *Application for Natural Disaster Assistance* (Form SAB 195), is proposed to be incorporated by reference.
- The existing definition for the term “Interim Housing” is amended to mean the rental or lease of classrooms used to house pupils temporarily displaced as a result of the modernization or construction of classroom facilities; or the lease or purchase of classrooms or ancillary facilities including but not limited to, restrooms, administrative space,

STAFF ANALYSIS/STATEMENTS (cont.)

or minimum essential facilities obtained due to a natural disaster for which the Governor has declared a state of emergency, pursuant to EC Section 17075.20.

Non-Substantive Technical and Language Adjustments Since the Last Stakeholder Meeting

Since the most recent stakeholder meeting, a minor amendment was made to the proposed amended definition of Interim Housing to indicate “school administration” rather than “administrative space” when referring to ancillary facilities.

SFP Regulation Section 1859.31 – Gross Classroom Inventory

Amendments to this section include minor technical language adjustments to capitalize defined terms such as “School District,” “Classroom,” and “Interim Housing,” as well as the removal of the phrase “for a modernization project” from subsection (i) to conform to the amended definition of Interim Housing.

SFP Regulation Section 1859.51 – Adjustments to the New Construction Baseline Eligibility

Amendments to this section include minor technical language adjustments to capitalize and conform to defined terms within SFP Regulations.

Amendments are proposed for Subsection (i)(5) to clarify that the exemption from baseline New Construction eligibility adjustments for leased Portable Classrooms used for purposes of Interim Housing is not limited to a maximum eight-year period if the Portable Classroom was funded with a grant provided pursuant to Education Code Section 17075.20(a).

Subsection (i)(13) is proposed to be added to specify that classrooms constructed with a grant provided pursuant to Education Code Section 17075.20 are exempt from baseline New Construction eligibility adjustments, unless the classroom is a Portable Classroom purchased pursuant to subdivision (a) of Education Code Section 17075.20.

Additionally, subsections (t)(1), (t)(2), and (u) are proposed to be added, reflecting the following baseline eligibility adjustments:

- Subsection (t)(1) is included to function as a placeholder adjustment, specifically for Portable Classrooms purchased for purposes of Interim Housing following a natural disaster.
- Subsection (t)(2) is added to function as a reversal of the placeholder adjustment once the school district permanently removes the purchased Portable Classrooms within eight years of occupancy as Interim Housing.

STAFF ANALYSIS/STATEMENTS (cont.)

- Subsection (u) is added to allow an adjustment to a district's New Construction eligibility for any classrooms destroyed or rendered unsafe to occupy due to a natural disaster declared on or after July 3, 2024, that will not be replaced. This subsection also would permit the Board to consider adjustments for classrooms destroyed or rendered unsafe to occupy due to a natural disaster that occurred prior to July 3, 2024, that the district elected not to replace, on a case-by-case basis.

Modifications Since the Last Stakeholder Meeting

Since the most recent stakeholder meeting, staff added the proposed amendments to subsection (i)(5) and added proposed subsection (i)(13) to clarify which classrooms constructed with a grant provided pursuant to Education Code Section 17075.20 are exempt from baseline New Construction eligibility adjustments.

SFP Regulation Section 1859.80 – General

In addition to minor language amendments to conform with defined terms, subsection (d) has been added to specify that school districts shall qualify for hardship assistance provided they qualify for natural disaster assistance pursuant to Sections 1859.84.1 or 1859.84.2.

SFP Regulation Section 1859.81.1 – Separate Apportionment for Site Acquisition and Design Costs

In addition to minor amendments to conform with defined terms, subsection (f) has been added, which permits the Board to apportion an amount not to exceed 25 percent of the state share of the grant less any school district funds available for the project pursuant to Section 1859.81(a) for applications for other assistance following a natural disaster. This amount shall be offset from the full grant amount the school district would be eligible for pursuant to Section 1859.84.2 when the school district submits an additional Form SAB 195 to request additional funding.

SFP Regulation Section 1859.84 – Natural Disaster Assistance Program

This section provides the circumstances under which a school district may apply for interim housing and any other assistance pursuant to EC Section 17075.20. This section states that the state of emergency must be open at the time of application submittal, further defines what a natural disaster may include for purposes of this section, and indicates that applications received on or after October 31, 2024 are subject to matching share requirements in accordance with Sections 1859.77.1 or 1859.79, as applicable.

Non-Substantive Technical and Language Adjustments Since the Last Stakeholder Meeting

Since the most recent stakeholder meeting, a minor amendment was made to clarify that natural disaster assistance applications are subject to matching

STAFF ANALYSIS/STATEMENTS (cont.)

share requirements applicable to SFP New Construction or Modernization projects, as applicable.

SFP Regulation Section 1859.84.1 – Interim Housing Assistance Following a Natural Disaster

This section provides the eligibility criteria and process for a school district to request interim housing assistance following a natural disaster, as follows:

- Introductory text for this Section specifies that interim housing assistance is subject to the availability of New Construction bond authority and shall supplement insurance, local, state, and federal disaster funding. Additionally, introductory text specifies that eligibility to request interim housing assistance is contingent upon facilities lost or damaged by a natural disaster for which the Governor declared a state of emergency, and the state of emergency must be “open” on the date the district submits the Form SAB 195.
- Subsection (a) requires a school district to submit a Form SAB 195 signed by an Authorized District Representative to request funding for interim housing.
- Subsection (b) indicates that the school district must submit specified documentation to demonstrate that interim housing assistance will supplement funding from insurance or any other government disaster assistance. Specifically, subsection (b) requires districts to provide documentation demonstrating that the costs associated with interim housing have not been covered by insurance proceeds or any other local, state or federal government disaster assistance, if the district will not receive insurance proceeds or other government disaster assistance for interim housing. If the school district expects to receive future insurance proceeds or other government disaster assistance attributable to the costs of interim housing, the district must provide: 1) an estimate of expected insurance proceeds or any other government disaster assistance for interim housing expenses; 2) a narrative statement indicating the necessity for interim housing assistance prior to receipt of insurance proceeds or any other government disaster assistance for this purpose; and 3) acknowledgement of the reporting requirement and potential future adjustment to any apportionment, pursuant to subsection (c).
- Subsection (c) indicates that any apportionment provided in accordance with this section shall be adjusted for funding received from insurance proceeds or government disaster assistance for interim housing. The apportionment shall be reduced by 50 percent of the funding received from insurance proceeds and/or government disaster assistance for interim housing, or a commensurate amount adjusted for the district matching share pursuant to Section 1859.77.1. This subsection also requires school districts to report insurance proceeds and/or government disaster assistance collected to OPSC by means of an annual narrative from the date the application was

STAFF ANALYSIS/STATEMENTS (cont.)

submitted to OPSC until all claims for insurance proceeds and requests for government disaster assistance are closed.

- Subsection (d) specifies that apportionments provided pursuant to this section are subject to the fund release and priority funding requirements in Sections 1859.90 or 1859.90.2.
- Subsection (e) states that a Grant Agreement pursuant to Section 1859.90.4 is required as a condition of receiving interim housing funding.
- Subsection (f) states that the school district is subject to the program reporting and audit requirements of Sections 1859.104 and 1859.105.

Modifications Since the Last Stakeholder Meeting

- Since the most recent stakeholder meeting, staff removed previously presented subdivision (c), which indicated that Interim Housing assistance may not be requested in place of an Approved Application pursuant to Section 1859.70 or 1859.82.1.

Since the most recent stakeholder meeting, staff modified the point in time when the reporting requirement begins. In the most recent stakeholder meeting, the proposed regulations indicated districts receiving an apportionment under this Section must report receipt of any insurance proceeds and/or government disaster assistance collected after the apportionment in the form of an annual narrative from the date of the apportionment until all claims for insurance proceeds and requests for government disaster assistance are closed. Subsequently, staff determined the reporting requirement should apply to receipt of any insurance proceeds and/or government disaster assistance collected from the date the district submitted the application to OPSC until all claims for insurance proceeds and requests for government disaster assistance are closed, to better ensure that apportionments provided for this purpose supplement funding from insurance proceeds and other government disaster assistance.

- Additionally, staff made non-substantive, clarifying language amendments to this section.

SFP Regulation Section 1859.84.2. – Other Assistance Following a Natural Disaster
This section provides the eligibility criteria and process for a school district to request other assistance following a natural disaster, as follows:

- Introductory text specifies that funding provided by this Section is subject to the availability of New Construction or Modernization bond authority, as applicable to the scope of work in the request, and shall supplement insurance, local, state, and federal disaster funding. Additionally, introductory text specifies that eligibility for this funding is at the Board's discretion if the district is determined to be impacted by a natural disaster for which the Governor declared a state of emergency, and the state of emergency was "open" on the date the district submitted the Form SAB 195.

STAFF ANALYSIS/STATEMENTS (cont.)

- Subsection (a) indicates that in determining whether to provide other assistance following a natural disaster, the Board may consider any previous SFP Approved Applications that received an apportionment for the impacted site as it relates to the natural disaster, and all information required on the Form SAB 195.
- Subsection (b) requires a school district to submit a Form SAB 195 signed by an Authorized District Representative to request other assistance funding following a natural disaster.
- Subsection (c) indicates that the school district must submit specified documentation to demonstrate that any funding provided by this Section will supplement funding from insurance or any other government disaster assistance. Specifically, subsection (c) requires districts to provide documentation demonstrating that the costs associated with the scope of work in the Form SAB 195 have not been covered by insurance proceeds or any other local, state or federal government disaster assistance, if the district will not receive insurance proceeds or other government disaster assistance for this purpose. If the school district expects to receive future insurance proceeds or other government disaster assistance attributable to the costs associated with the scope of work in the Form SAB 195, the district must provide: 1) an estimate of expected insurance proceeds or any other government disaster assistance for this purpose; 2) a narrative statement indicating the necessity for other assistance following a natural disaster prior to receipt of insurance proceeds or other government assistance for this purpose; and 3) acknowledgement of the reporting requirement and potential future adjustment to any apportionment, pursuant to subsection (f).
- ~~Subsection (d) specifies that the district's New Construction baseline eligibility will be adjusted for any net increase in classroom capacity in the project, pursuant to Section 1859.51.~~
- ~~Subsection (e) indicates that the baseline eligibility for Modernization as provided in Section 1859.60 shall be adjusted for any funding received, and the age of the applicable classroom(s) and square footage in the project shall be reset to the date of the apportionment for the project.~~
- Subsection (fd) specifies that an apportionment provided pursuant to this Section will be adjusted for funds received from insurance proceeds or government disaster assistance for the same purpose or scope of work funded by the apportionment, as follows:
 - Reduced by 50 percent of the funding received from insurance or government disaster assistance, or a commensurate amount adjusted for the New Construction district matching share pursuant to Section 1859.77.1, or
 - Reduced by 60 percent of the funding received from insurance or government disaster assistance, or a commensurate amount adjusted for the Modernization district matching share pursuant to Section 1859.79.

STAFF ANALYSIS/STATEMENTS (cont.)

- Subsection (ge) states that any insurance proceeds and/or government disaster assistance collected shall be reported to OPSC in the form of an annual narrative from the date the application was submitted to OPSC until all claims for insurance proceeds and requests for government disaster assistance are closed.
- Subsection (hf) specifies that apportionments provided pursuant to this section are subject to the fund release and priority funding requirements in Sections 1859.90 or 1859.90.2.
- Subsection (ig) states that a Grant Agreement pursuant to Section 1859.90.4 is required as a condition of receiving funding pursuant to this Section.
- Subsection (jh) indicates that the school district is subject to the program reporting and audit requirements of Sections 1859.104 and 1859.105.

Modifications Since the Last Stakeholder Meeting

Since the most recent stakeholder meeting, staff removed previously proposed subsections (d) and (e) from this Section, which referred to eligibility adjustments to a district's New Construction and Modernization baseline eligibility due to receipt of other assistance following a natural disaster. Upon further review, staff removed these proposed subsections and added proposed amendments to Section 1859.51(i) to clarify which classrooms constructed with a grant pursuant to Education Code Section 17075.20 are exempt from eligibility adjustments. With removal of these subsections, conforming and non-substantive changes were made to subsequent subsections and cross-references in the proposed regulations (Attachment B) and the Application for Natural Disaster Assistance Checklist (Attachment D).

Since the most recent stakeholder meeting, staff also modified the point in time when the reporting requirement begins. In the most recent stakeholder meeting, the proposed regulations indicated districts receiving an apportionment under this Section must report receipt of any insurance proceeds and/or government disaster assistance collected after the apportionment in the form of an annual narrative from the date of the apportionment until all claims for insurance proceeds and requests for government disaster assistance are closed. Subsequently, staff determined the reporting requirement should apply to receipt of any insurance proceeds and/or government disaster assistance collected from the date the district submitted the application to OPSC until all claims for insurance proceeds and requests for government disaster assistance are closed, to better ensure that apportionments provided for this purpose supplement funding from insurance proceeds and other government disaster assistance. Additionally, staff made non-substantive, clarifying language amendments to this section.

STAFF ANALYSIS/STATEMENTS (cont.)

SFP Regulation Section 1859.90 – Fund Release Process

In addition to minor technical amendments to conform with defined terms within the SFP regulations, subsections (a) and (d) reference timelines and requirements for fund release of apportionments made pursuant to the proposed Section 1859.81.1(f).

SFP Regulation Section 1859.93 – Modernization Project Funding Order

This section is proposed to be amended to incorporate reference to the funding order of applications requesting funding pursuant to Section 1859.84.2.

- Subsection (b) includes reference to applications for other assistance following a natural disaster pursuant to Section 1859.84.2 in order of receipt of a Form SAB 195.
- Subsection (c), formerly (b), adds a reference to the new subsection (b).

SFP Regulation Section 1859.93.1 – New Construction Project Funding Order

This section is proposed to be amended to incorporate references to the funding order of applications requesting funding pursuant to Sections 1859.84.1 and 1859.84.2.

- Subsection (a) is amended to give priority to applications pursuant to Section 1859.84.1, in order of receipt of a Form SAB 195.
- Subsection (b) is amended to give second priority to applications for Facility Hardship pursuant to Sections 1859.82.1(b) and 1859.82.2(b) in order of receipt of an approved application for funding.
- Subsection (c) is amended to give third priority to applications pursuant to Section 1859.84.2 in order of receipt of a Form SAB 195.
- Subsection (d), formerly (b), has a conforming amendment to add reference to subsection (c).
- The remaining subsections are renumbered as a result of the new additions.

SFP Regulation Section 1859.104 – Program Reporting Requirements

In addition to minor technical amendments to conform language with defined terms within the SFP regulations, the following additions are included within the proposed regulations:

- Subsection (a)(1)(C) is added to specify that notwithstanding subsection (a)(1)(B), a project shall be deemed complete eight years from the date of the final fund release for projects receiving funding pursuant to Section 1859.84.1 or Section 1859.84.2. Existing regulations require annual submittal of expenditure reports using the Form SAB 50-06 following the release of funds.
- Subsection (h) has been added, indicating that if an apportionment was made under Section 1859.84.1, the school district must provide a certification that:

STAFF ANALYSIS/STATEMENTS (cont.)

- (h)(1) - Upon either project completion or no later than 60 months from the date the lease was signed for purposes of interim housing, leased Portable Classrooms have either been removed or remain in use within the school district. For leased Portable Classrooms that have a qualifying project and receive an extension by the Board pursuant to Section 1859.51(i)(5), the school district shall provide an additional certification no later than three years from the approval date of the extension.
- (h)(2) - Upon either project completion or no later than 96 months from the date of the apportionment, purchased Portable Classrooms for interim housing have either been removed or remain in use within the school district.

SFP Regulation Section 1859.106 – Program Accountability Expenditure Audit

In addition to minor technical amendments to conform language with defined terms within the SFP regulations, the following amendments are proposed:

- Subsection (c) states that an adjustment will be made to the SFP grant for insurance proceeds or other government disaster assistance collected by the school district for any project that received funding pursuant to Sections 1859.84.1(c), or 1859.84.2(f).
- References to Sections 1859.84, 1859.84.1, and 1859.84.2 were added to specify that if an audit finding determines that some or all school district expenditures were not made in accordance with these provisions for projects following a natural disaster, OPSC shall recommend to the Board that the apportionment be adjusted based on the audit findings.
- A paragraph is added to specify that for any project that received funding pursuant to Sections 1859.84.1 or 1859.84.2, the school district must report to OPSC the receipt of any insurance or other government disaster assistance proceeds received after the completion of the expenditure audit within 60 days.

Modifications Since the Last Stakeholder Meeting

Since the most recent stakeholder meeting, staff added a 60-day timeframe associated with the requirement for the district to report to OPSC the receipt of any insurance proceeds or government disaster assistance received after the completion of the expenditure audit. Additionally, staff made non-substantive, clarifying language amendments to this section.

Proposed Form SAB 195

The proposed Form SAB 195 on Attachment C functions as a means for a school district to apply for funding for either interim housing or other assistance following a natural disaster, pursuant to EC Section 17075.20. This form incorporates all of the proposed regulatory requirements and provides sections wherein a district may provide a narrative for each respective interim housing or other assistance request.

STAFF ANALYSIS/STATEMENTS (cont.)Modifications Since the Last Stakeholder Meeting

- Section 1 of the instructions and the Form were amended to add a subsection for applicants to specify the type of request, and to add subsection numbering for purposes of clarity, organization, and ease of reference for applicants.
- Sections 1e. and 1f. of the instructions were amended to add the terms “Portable Classrooms” and “ancillary facilities.”
- Section 3 of the instructions was amended to remove an erroneous reference to check boxes and to broaden the header to “Prior SFP Approval(s)” rather than “Prior SFP Apportionments” to be inclusive of unfunded approvals.
- Section 8 of the instructions was amended to add California Department of Education and Division of the State Architect plan approvals, as applicable, to the documentation required as part of a request for interim housing assistance.
- Section 10 Certifications were updated to align with the latest corresponding regulations.
- Various additional changes were made to align the Form with the proposed regulations and clarify the Form instructions.

Proposed Checklist

The proposed checklist on Attachment D is an optional document that functions as a tool for school districts to use when applying for natural disaster assistance. Its purpose is to guide applicants through the process and documentation required to apply for either type of Natural Disaster Assistance.

Modifications Since the Last Stakeholder Meeting

- References to the subsections in Section 1 of the Form SAB 195 were added for clarity.
- A section was added for districts to indicate whether they have applied for any other government disaster assistance and to indicate the estimated amount they may receive that is attributable to the same purpose or scope of work in the request.
- Under the Other Assistance Following a Natural Disaster Requests component of the checklist, additional checkboxes have been added under Section 1 that delineate when a “New” application or “Amended” application should be selected, relative to the type of request.
- Section 7 was amended to clarify that if the school district is requesting a separate design apportionment under Section 1g of the Form SAB 195 and has selected “New application under Section 1a, this section can be left blank.
- Various additional changes were made to align the checklist with the proposed regulations and the proposed Form SAB 195.

STAFF ANALYSIS/STATEMENTS (cont.)**Proposed Grant Agreements – Interim Housing and Other Assistance Following a Natural Disaster**

A proposed Grant Agreement for interim housing assistance following a natural disaster may be found on Attachment E, and a proposed Grant Agreement for other assistance following a natural disaster may be found on Attachment F. New grant agreements are needed expeditiously if the Board approves one or both of the two Natural Disaster Assistance projects requesting approval at the August 19, 2025 Board meeting.

These proposed grant agreements are streamlined and briefer than the existing grant agreements for other SFP projects, and are intended to outline the scope of the project alongside annual reporting requirements.

Modifications Since the Last Stakeholder Meeting

- The proposed grant agreements were amended for purposes of specificity in describing the project scope of work and aligning with requested information on the Form SAB 195.
- Outdated certifications were removed.
- On page 2 of each of the proposed grant agreements, the phrase “The Grantee shall not make any changes to the scope of work without the prior written approval of the OPSC” has been amended to indicate “...without the prior written approval of the State Allocation Board” for consistency with existing grant agreements for SFP projects.

Proposed Fund Release Authorization (Form SAB 50-05)

Staff proposes to amend the Form SAB 50-05 to include applications for Natural Disaster Assistance to request a fund release.

This amendment includes the addition of instructions and entry boxes for Natural Disaster Assistance Projects under Part X of the Form SAB 50-05. This amendment shifts previous sections Parts X and XI to be re-numbered to Parts XI and XII.

For purposes of clarification, the Form SAB 50-05 is not required for purposes of Fund Release for advance design applicants, who only need to submit a signed grant agreement for purposes of fund release. This is similar to the process for SFP Modernization and New Construction design applicants.

Modifications Since the Last Stakeholder Meeting

The body of the Form SAB 50-05 is amended to remove a previously presented certification that requests the district certify that it currently has financial hardship status under the provisions of Section 1859.81. This certification is not necessary for purposes of a fund release, and would have been determined prior to approval by the Board.

STAFF ANALYSIS/STATEMENTS (cont.)**Five-Year School Facilities Master Plans**

Proposition 2 requires that, as a condition of participating in the SFP, school districts must submit to OPSC a five-year school facilities master plan, or an updated five-year school facilities master plan, approved by the governing board of the school district.

At the December 3, 2024 meeting, the Board adopted timelines and policies related to the five-year school facilities master plan. The adopted policies at the December 3, 2024 meeting did not include timelines associated with funding for Natural Disaster Assistance projects.

OPSC recommends that the Board consider establishing expectations around timelines for school districts to submit the required five-year school facilities master plan so that school districts have a clear understanding of how to fulfill the new statutory requirement while minimizing impact to timelines for current and upcoming Natural Disaster Assistance projects. OPSC recommends that the timelines consider the unique and expedited nature of the Natural Disaster Assistance Program applications requesting funding to procure interim housing and other assistance following a natural disaster. Specifically, OPSC recommends that the Board adopt the following timelines and policies for Natural Disaster Assistance Program Applications:

- Under the proposed SFP regulations, Natural Disaster Assistance Program applications receive higher priority for processing and presentation to the Board than most New Construction and Modernization applications, pursuant to the proposed project funding order in Sections 1859.93 and 1859.93.1. Natural Disaster Assistance Program applications submitted on or after October 31, 2024 are subject to the Proposition 2 requirement to submit a five-year school facilities master plan. Accordingly, to allow submittal, processing, and approval of these applications without delay, submittal of the master plan would be required by the time of submittal of the 100 percent complete *Expenditure Report* (Form SAB 50-06).
- Applications submitted on or after December 4, 2024 would be required to include a governing board resolution acknowledging the requirement to submit the master plan by the previously mentioned deadline. The governing board resolution must also acknowledge the project may be rescinded for failure to submit a master plan with the required components. OPSC will provide applicants who submit an application without the resolution a corrective “24-hour letter” to request submittal of the resolution to OPSC within 24 hours or the application will be returned to the applicant.

RECOMMENDATIONS

1. Adopt the proposed amendments to the SFP Regulations as shown on Attachment B.
2. Adopt the proposed Form SAB 195 as shown on Attachment C.
3. Adopt the proposed Grant Agreements on Attachments E and F.
4. Adopt the proposed amendments to the Form SAB 50-05 on Attachment G.
5. Authorize the Executive Officer to file the proposed regulatory amendments with the Office of Administrative Law on an emergency basis and make the regulations permanent.
6. Adopt the policy for the five-year school facilities master plan requirement for Natural Disaster Assistance Program applications for applications received on or after December 4, 2024.

Section 1859.2. Definitions.

...

"Form SAB 195" means the *Application for Natural Disaster Assistance* (Form SAB 195) (New 08/25), which is incorporated by reference.

...

"Interim Housing" means the rental or lease of eClassrooms used to house pupils temporarily displaced as a result of the modernization or construction of classroom facilities; or the lease or purchase of Classrooms or ancillary facilities including but not limited to, restrooms, school administration, or Minimum Essential Facilities obtained due to a natural disaster for which the Governor has declared a state of emergency, pursuant to Education Code Section 17075.20.

...

Note: Authority cited: Sections 17075.20, 17070.35 and 17078.64, Education Code.

Section 1859.31. Gross Classroom Inventory.

The School dDistrict shall prepare a gross inventory consisting of all eClassrooms owned or leased in the School dDistrict, the HSAA or Super HSAA as appropriate. For the purpose of this gross eClassroom inventory, the following shall be considered a eClassroom. Any eClassroom:

- (a) for which a contract was signed for the construction or acquisition of facilities or for which construction work has commenced at the time the SFP application for determination of eligibility is submitted to the OPSC;
- (b) constructed with funds from the LPP;
- (c) used for Special Day Class or Resource Specialist Programs;
- (d) that are standard classrooms, shops, science laboratories, computer laboratories, or computer eClassrooms;
- (e) acquired or created for Class Size Reduction purposes;
- (f) used for preschool programs;
- (g) converted to any non-classroom purpose including use by others;
- (h) with Housing and Community Development or Department of Housing insignia;
- (i) ~~acquired for iInterim hHousing for a modernization project;~~
- (j) leased or purchased under the State Relocatable Program pursuant to Chapter 14 of Part 10 of the Education Code;
- (k) that have a waiver for continued use by the Board for Field Act exemptions;
- (l) used for Community School purposes;
- (m) included in a closed school.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17071.25, 17071.30, and 17075.20, Education Code.

Section 1859.51. Adjustments to the New Construction Baseline Eligibility.

The baseline eligibility for new construction determined on the Form SAB 50-03 will be adjusted as follows:

- (a) Reduced by the number of pupils provided grants in a new construction SFP project and by the number of pupils that received a Preliminary Apportionment pursuant to

Section 1859.140 or a Preliminary Charter School Apportionment pursuant to Section 1859.162.2.

(b) Reduced by the number of pupils housed, based on the loading standards pursuant to Education Code Section 17071.25(a)(2)(A), in a new construction LPP project funded under the provisions of the LPP pursuant to Sections 1859.12 or 1859.13.

(c) Reduced by the number of pupils housed in additional classrooms constructed or purchased based on the loading standards, pursuant to Education Code Section 17071.25(a)(2)(A), in a modernization SFP project.

(d) Adjusted as a result of the audit findings made pursuant to Sections 1859.90, 1859.90.3 and 1859.105.

(e) Increased/decreased by changes in projected enrollment in subsequent enrollment reporting years for all districts using a fifth-year projection or a tenth-year projection, except decreases as provided in (j) below.

For all funding requests received by OPSC on or after June 6, 2017, OPSC will notify the School District in writing that OPSC is scheduled to begin processing the School District's Form SAB 50-04 and that the School District shall submit the Form SAB 50-01 based on ~~s~~S~~chool~~ ~~d~~i~~strict~~ enrollment data, as shown in the table below:

OPSC Received Date of Form SAB 50-01	Enrollment Reporting Year
July 1 through October 31	Submit Prior Fiscal Year Enrollment Data
November 1 through June 30	Submit Current Fiscal Year Enrollment Data

OPSC may return the Form SAB 50-04 to the School District for failure to submit the Form SAB 50-01 within 90 calendar days of OPSC's notification.

(f) Adjusted as a result of errors or omissions by the S~~chool~~ ~~d~~i~~strict~~ or by the OPSC.

(g) Adjusted as a result of amendments to these Regulations that affect the eligibility.

(h) Increased by the number of pupils eligible for grants pursuant to Section 1859.82.1(b)(4)(A) or 1859.82.2(b)(4)(A).

(i) Reduced by the number of pupils housed, based on loading standards pursuant to Education Code Section 17071.25(a)(2)(A), in any Classroom Provided after the baseline eligibility was determined by the Board with the exception of those pupils housed or to be housed in a classroom:

(1) That is a trailer and transportable/towed on its own wheels and axles.

(2) Of less than 700 interior square feet.

(3) That is a ~~P~~Portable ~~e~~Classroom, leased pursuant to Chapter 14 (commencing with Section 17085) of the Education Code.

(4) That is a ~~P~~Portable ~~e~~Classroom leased for a period of less than five years, whether in a single lease or cumulative total of several leases.

(5) That is a ~~P~~Portable ~~e~~Classroom that needs to be leased beyond five years to provide ~~i~~interim ~~h~~Housing in a modernization or new construction project provided the cumulative lease term does not exceed a specified time period as determined by the Board not to exceed three years on each qualifying project, and the Portable Classroom was not funded with a grant provided pursuant to Education Code Section 17075.20(a).

For this purpose, a project means all work contained in a single set of construction plans.

- (6) Where the contract for the lease, lease-purchase, purchase, or construction of the eClassroom was made prior to January 1, 2000.
- (7) That is included in a SFP project where the School dDistrict has funded a portion of the project beyond its required district contribution and the pupil capacity of the eClassroom does not exceed 150 percent of the number of pupils receiving a new construction grant (rounded up) for the SFP project.
- (8) That was acquired with joint-use funds specifically available for that purpose.
- (9) That was acquired with career technical education funds specifically available pursuant to Education Code Section 17078.72.
- (10) That was built or acquired exclusively for regional occupational centers, regional occupational programs, child care, preschool and/or Adult Education Programs, and with funds specifically available for those purposes.
- (11) That replaces a eClassroom, previously included in the determination of the School dDistrict's new construction eligibility pursuant to Education Code Section 17071.75, in a project funded by the School dDistrict without participation from the State and the School dDistrict permanently removes the replaced facility from classroom use immediately after the replacement classroom is occupied.
- (12) That was constructed with Overcrowding Relief Grant funds specifically available for that purpose.
- (13) That was constructed with a grant provided pursuant to Education Code Section 17075.20, unless the classroom is a Portable Classroom purchased pursuant to subdivision (a) of Education Code Section 17075.20.
- (j) For Small School Districts:
- (1) Decreased by any reduction in projected enrollment that follows a five-year period after the district's eligibility was approved by the Board, and either (A) or (B), as applicable:
- (A) Increased/decreased by changes in projected enrollment in the 2016/2017 enrollment year using a fifth-year projection or a tenth-year projection if the Form SAB 50-01 was received at OPSC by October 31, 2017.
- (B) Increased/decreased by changes in projected enrollment in subsequent enrollment reporting years following 2016/2017 using a fifth-year projection or a tenth-year projection.
- (2) If the Small School District does not submit an adjustment under (A) or (B) prior to OPSC notification of its schedule to begin processing the School District's request for new construction funding that was received by OPSC on or after November 1, 2012, then the requirements of (e) shall apply.
- (k) Adjusted for any change in classroom inventory as a result of a reorganization election.
- (l) For classroom loading standards adopted by the Board for non-severely disabled individuals with exceptional needs and severely disabled individuals with exceptional needs.
- (m) As directed by the Board due to a finding of a Material Inaccuracy pursuant to Regulation Section 1859.104.1.
- (n) Increased by the number of pupils that received a Preliminary Apportionment that was rescinded pursuant to Section 1859.148 or a Preliminary Charter School Apportionment that was rescinded pursuant to Section 1859.166.

(o) Adjusted for operational grant changes as determined/provided by the California Department of Education.

(p) For a HSAA School dDistrict with Preliminary Apportionments within the 2002 or 2004 Critically Overcrowded School Facilities Account as follows:

(1) Decreased by the number of pupils that received a Preliminary Apportionment, distributed proportionately among HSAAs in which the pupils used to justify the conversion of the Preliminary Apportionment were enrolled but did not reside.

(2) In the subsequent enrollment reporting year after verification of Occupancy of a project, increased by the number of pupils equal to the reduction due to Section 1859.51(p)(1), for the project which was occupied.

(3) Increased by the number of pupils equal to the reduction due to Section 1859.51(p)(1), for a Preliminary Apportionment rescinded pursuant to the provisions of Section 1859.148.

(q) Adjusted by the difference between the Alternative Enrollment Projection for the current enrollment reporting year and the projected enrollment determined pursuant to Section 1859.42 for the current enrollment reporting year, or by the eligibility remaining from this calculation that can no longer be utilized if the funds made available pursuant to Education Code Section 17071.75(a)(1)(A) have been exhausted.

(r) Adjusted pursuant to Education Code Section 17071.75(b)(2) by the number of pupils housed, based on the loading standards pursuant to Education Code Section 17071.25(a)(2)(A), in any eClassroom(s) where title was relinquished to the School District receiving the transferred classroom(s).

(s) Increased by the capacity of eClassrooms that meet all of the following:

(1) The classrooms are included in an Approved Application that have a qualifying health and safety threat pursuant to Sections 1859.82.1 or 185.9.82.2 that were originally included in the School dDistrict's baseline eligibility, except the School dDistrict did not have the current enrollment to support the replacement and funding of those eClassrooms.

(2) The eClassrooms are included in an Approved Application pursuant to Sections 1859.82.1 or 1859.82.2 and did not receive funding as part of that project and were demolished or removed from eClassroom use. Buildings removed from K-12 classroom use that remain on the school site will be identified on a list published on OPSC's website.

(3) The Board shall approve the adjustment upon receiving the local school board resolution acknowledging that the buildings have been removed from K-12 eClassroom use.

(t) Adjusted by the capacity of Classrooms, as applicable:

(1) Decreased by the number of pupils housed in Pportable Classrooms purchased for purposes of Interim Housing pursuant to Education Code Section 17075.20.

(2) Increased by the number of pupils housed in Pportable Classrooms purchased pursuant to Section 1859.51(t)(1) that are permanently removed from the School District within eight years of occupancy.

(u) Increased by the capacity of Classrooms that were destroyed or rendered unsafe to occupy due to a natural disaster for which the Governor declared a state of emergency on or after July 3, 2024, that the School District elected not to replace. The Board may consider adjustments for Classrooms that were destroyed or rendered unsafe to occupy

due to a natural disaster that occurred prior to July 3, 2024, that the School District elected not to replace, on a case-by-case basis.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17052, 17070.51, 17071.25, 17071.75, 17071.76, 17072.20, 17075.20, 17077.40, 17078.72, 17079.20, 42268, and 42270, Education Code.

Section 1859.80. General.

A School dDistrict shall qualify for hardship assistance by demonstrating one or more of the following:

- (a) A financial hardship, as provided in Section 1859.81, which prevents the School dDistrict from funding all or a portion of the matching share requirement for a SFP grant.
- (b) Qualification for facility hardship as provided in Sections 1859.82.1 or 1859.82.2.
- (c) An Excessive Cost Hardship Grant as a result of added construction costs due to unusual circumstances as provided in Section 1859.83.
- (d) Qualification for natural disaster assistance pursuant to Sections 1859.84.1 or 1859.84.2 as a result of a natural disaster for which the Governor has declared a state of emergency.

Note: Authority cited: Sections 17075.10 in effect as of January 1, 2024 and as amended by Assembly Bill 247, Chapter 81, Statutes of 2024, and with the successful passage of Proposition 2 on November 5, 2024; 17075.20 and 17070.35, Education Code.

Section 1859.81.1. Separate Apportionment for Site Acquisition and Design Costs.

A district that meets the Financial Hardship criteria in Section 1859.81 is eligible for the following:

(a) For a new construction project, a separate apportionment for site acquisition, with the exception of site acquisition funding authorized by Section 1859.81.2 or for projects receiving funding pursuant to the Overcrowding Relief Grant, Section 1859.180, when all the following requirements are met:

- (1) The School District has eligibility for grants that equal at least 50 percent of the CDE master plan capacity of the site.
- (2) The School District has received a contingent site approval letter from the CDE indicating that the proposed site is the best available.
- (3) The School District has obtained a preliminary appraisal of the property by a qualified appraiser utilizing criteria outlined in Section 1859.74.1. This report may be made without access to the site.

(b) If the conditions in (a) are met on a site that does not require a RA, the Board will apportion all of the following less any district funds available for the project pursuant to Section 1859.81(a):

- (1) An amount not to exceed 100 percent of the lesser of the preliminary appraised value of the site as determined by Section 1859.74.1 or the amount the district reasonably expects to pay for the site including any hazardous material clean-up.
- (2) The estimated relocation expenses that will conform to Title 25, California Code of Regulations, Section 6000, et seq. The reasonable and necessary relocation costs for

purchasing fixtures and equipment, personal property, new machinery/equipment, and the installation of any improvements at the replacement residence or business location may be included as relocation assistance.

(3) Four percent of the lesser of the preliminary appraised value of the site or the amount the School District reasonably expects to pay for the site acquisition including any hazardous material clean-up but not less than \$50,000.

(4) The estimated DTSC costs for review, approval, and oversight of the POESA and the PEA.

(c) If the conditions in (a) are met on a site that will require a RA, the district is eligible for a separate site apportionment not to exceed 50 percent of one and one half times the value of an appraisal that conforms to Section 1859.74.1 for the costs included in (c)(1) and (c)(4) plus the additional costs included in (c)(2) and (c)(3). The costs included in (c)(2) and (c)(3) are in addition to 50 percent of one and one half times the appraisal value cap.

(1) The cost of the site as determined in Section 1859.74.1 and the amount the School District reasonably expects to pay for any hazardous materials/waste removal and/or remediation costs for the site.

(2) Fifty percent of the estimated relocation expenses that will conform to Title 25, California Code of Regulations, Section 6000, et seq. The reasonable and necessary relocation costs for purchasing fixtures and equipment, personal property, new machinery/equipment, and the installation of any improvements at the replacement residence or business location may be included as relocation assistance.

(3) Fifty percent of four percent of the lesser of the appraised value of the site or the amount the School District reasonably expects to pay for the site acquisition including any hazardous materials/waste removal and/or remediation costs for the site, but not less than 50 percent of \$50,000.

(4) The estimated DTSC costs for review, approval and oversight of the POESA and the PEA.

(d) The limitation of 50 percent of one and one half times the value of an appraisal for costs in subsections (c), (c)(1) and (c)(4) may be exceeded when the Board finds that unforeseen circumstances exist, and when both of the following exist:

(1) CDE determines that the site is the best available site for meeting the educational and safety needs of the School District.

(2) Substantiation that the costs are limited to the minimum required to complete the evaluation and RA approved by the DTSC.

(e) For new construction projects, the Board will apportion an amount not to exceed 40 percent of the new construction grant less any School District funds available for the project pursuant to Section 1859.81(a), plus \$150,000 for new school projects and \$250,000 for new construction addition projects that will be pursuing high performance incentive grants as indicated on the School District governing board resolution that shall be submitted to the OPSC as part of a funding request pursuant to this Section. For modernization projects, the Board will apportion an amount not to exceed the following:

(1) If the Approved Application is received on or before April 29, 2002, 20 percent of the modernization grant less any district funds available for the project pursuant to Section 1859.81(a).

(2) If the Approved Application is received after April 29, 2002, 25 percent of the modernization grant less any School District funds available for the project pursuant to Section 1859.81(a), plus \$250,000 for projects that will be pursuing high performance incentive grants as indicated on the School District governing board resolution that shall be submitted to the OPSC as part of a funding request pursuant to this Section.

(f) For applications for other assistance following a natural disaster pursuant to Section 1859.84.2, the Board will apportion an amount not to exceed 25 percent of the state share of the grant less any School District funds available for the project pursuant to Section 1859.81(a). The amount provided as a separate Apportionment shall be offset from the full grant amount the School District would otherwise be eligible for pursuant to Section 1859.84.2 when the School District submits an additional Form SAB 195 to request additional funding.

The amount apportioned is an estimate of the funds needed for design, engineering, and other pre-construction project costs.

Qualifying School Districts may request a separate Apportionment for the design and for site acquisition for the same new construction project. Those projects requesting an Overcrowding Relief Grant, pursuant to Section 1859.180, do not qualify for these separate Apportionments.

The amount provided as a separate Apportionment shall be offset from the New Construction Adjusted Grant or the Modernization Adjusted Grant amount the district would otherwise be eligible for pursuant to Sections 1859.70, 1859.71.6, 1859.77.4 and 1859.81 when the district submits the Form SAB 50-04. A district seeking a separate Apportionment for site acquisition or design costs shall submit the Form SAB 50-04. If a new construction project received a previous design Apportionment, the district may request an additional design Apportionment for that project up to the 40 percent maximum design Apportionment allowed pursuant to this Section.

The Form SAB 50-04 that is subsequently submitted for the New Construction Adjusted Grant must be for at least 50 percent of the New Construction Grant the district requested as a separate design Apportionment.

The Form SAB 50-04 that is subsequently submitted for the Modernization Adjusted Grant must be for at least 80 percent of the Modernization Grant the district requested as a separate design Apportionment that was received on or before April 29, 2002.

The Form SAB 50-04 that is subsequently submitted for the Modernization Adjusted Grant must be for at least 60 percent of the Modernization Grant the district requested as a separate design Apportionment that was received after April 29, 2002.

When the Board is accepting applications pursuant to Section 1859.95, the funding of the new construction or modernization grant may be made from funds set aside by the Board for financial hardship. The amount provided as a separate Apportionment shall

be adjusted at a future date to assure that hardship funding for the project does not exceed the amount the district was otherwise eligible to receive.

Note: Authority cited: Sections 17070.35, 17072.13, ~~and~~ 17075.15, and 17075.20, Education Code.
Reference: Sections 17072.12, 17072.20, 17072.33, 17074.15, 17074.16, 17075.20, and 17079.20, Education Code.

Section 1859.84. Natural Disaster Assistance Program

A School District may apply for Interim Housing and any other assistance as a result of a natural disaster for which the Governor has declared a state of emergency pursuant to Education Code Section 17075.20, subject to verification with the Governor's Office of Emergency Services to confirm the state of emergency is still open at the time of application submittal.

For purposes of this Section, a natural disaster may include, but is not limited to, events such as earthquakes, wildfires, floods, landslides, storms, hurricanes, tsunamis, and other natural catastrophes.

Applications received on or after October 31, 2024 are subject to matching share requirements in accordance with Sections 1859.77.1 or 1859.79, as applicable.

Note: Authority cited: Section 17070.35, Education Code.
Reference: Section 17075.20, Education Code.

Section 1859.84.1. Interim Housing Assistance Following a Natural Disaster

Any funding provided by this Section is subject to the availability of New Construction bond authority and shall supplement insurance, local, state, and federal disaster funding.

An impacted School District is eligible for funding to procure Interim Housing if the School District has had facilities lost or damaged by a natural disaster for which the Governor has declared a state of emergency. The declared state of emergency must be "open" on the date OPSC receives a completed, valid Form SAB 195.

(a) To request funding to lease or purchase facilities, the School District must submit a completed, valid Form SAB 195 signed by an Authorized District Representative.
(b) The School District must submit one of the following to demonstrate that any funding provided by this Section will supplement funding from insurance or any other government disaster assistance:

(1) If the School District will not receive insurance proceeds or other government disaster assistance for Interim Housing, documentation in the form of a letter of denial or a certification, demonstrating that costs associated with Interim Housing have not been covered by insurance proceeds or any other local, state, or federal government disaster assistance.

(2) If the School District reasonably expects to receive future insurance proceeds or any other government disaster assistance attributable to costs of Interim Housing, the School District must provide all of the following:

(A) An estimate of the insurance proceeds or any other government disaster assistance the School District may receive for Interim Housing expenses;

(B) A narrative statement indicating the necessity for Interim Housing assistance prior to receipt of insurance proceeds or any other government disaster assistance for this purpose; and

(C) Acknowledgement of the reporting requirement and potential future adjustment to any Apportionment, pursuant to subsection (c).

(c) Any Apportionment provided in accordance with this Section shall be adjusted for funding received from insurance proceeds or government disaster assistance for Interim Housing. The Apportionment will be reduced by 50 percent of the funding received from insurance proceeds and/or government disaster assistance for Interim Housing, or a commensurate amount adjusted for the district matching share pursuant to Section 1859.77.1. Any insurance proceeds and/or government disaster assistance collected shall be reported to OPSC in the form of an annual narrative from the date the application was submitted to OPSC until all claims for insurance proceeds and requests for government disaster assistance are closed.

(d) The Board shall provide an Apportionment subject to the requirements of Section 1859.90 or Section 1859.90.2.

(e) A Grant Agreement pursuant to Section 1859.90.4. is required as a condition of receiving funding pursuant to this Section.

(f) The School District is subject to the requirements in Sections 1859.104 and 1859.105.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Section 17075.20, Education Code.

Section 1859.84.2. Other Assistance Following a Natural Disaster

Any funding provided by this Section is subject to the availability of New Construction or Modernization bond authority, as applicable to the scope of work in the request, and shall supplement insurance, local, state, and federal disaster funding.

A School District may qualify for funding at the Board's discretion if it is determined by the Board to be impacted by a natural disaster for which the Governor has declared a state of emergency. The declared state of emergency must be "open" on the date OPSC receives a completed, valid Form SAB 195.

(a) In making a determination to provide any other assistance following a natural disaster, the Board may consider factors including, but not limited to, the following:

(1) Any previous SFP Approved Applications that received an Apportionment for the impacted site as it relates to the natural disaster.

(2) All information required on the Form SAB 195.

(b) To request funding pursuant to this Section, the School District must submit a completed, valid Form SAB 195 signed by an Authorized District Representative.

(c) The School District must submit one of the following to demonstrate that any funding provided by this Section will supplement funding from insurance or any other government disaster assistance:

(1) If the School District will not receive insurance proceeds or other government disaster assistance for the scope of work in the Form SAB 195, documentation in the form of a letter of denial or a certification, demonstrating that costs associated with the scope of work in the Form SAB 195 have not been covered by insurance proceeds or any other local, state, or federal government disaster assistance.

(2) If the School District reasonably expects to receive future insurance proceeds or any other government disaster assistance attributable to the scope of work in the Form SAB 195, the School District must provide all of the following:

(A) An estimate of the insurance proceeds or any other government disaster assistance the School District may receive for the scope of work in the Form SAB 195;

(B) A narrative statement indicating the necessity for assistance under this Section prior to receipt of insurance proceeds or any other government disaster assistance for this purpose; and

(C) Acknowledgement of the reporting requirement and potential future adjustment to any Apportionment, pursuant to subsection (fd).

(d) The School District's New Construction eligibility will be adjusted for any net increase in Classroom capacity in the project, pursuant to Section 1859.51.

(e) The baseline eligibility for Modernization as provided in Section 1859.60 will be adjusted for any funding received. The age of the Classroom/s and Square Footage in the project shall be reset to the date of the Apportionment for the project.

(fd) Any Apportionment provided in accordance with this Section shall be adjusted for funding received from insurance proceeds or government disaster assistance for the same purpose or scope of work funded by the Apportionment, as follows:

(1) Reduced by 50 percent of the funding received from insurance proceeds and/or government disaster assistance, or a commensurate amount adjusted for the district matching share pursuant to Section 1859.77.1, or

(2) Reduced by 60 percent of the funding received from insurance proceeds and/or government disaster assistance, or a commensurate amount adjusted for the district matching share pursuant to Section 1859.79.

(ge) Any insurance proceeds and/or government disaster assistance collected shall be reported to OPSC in the form of an annual narrative from the date the application was submitted to OPSC until all claims for insurance proceeds and requests for government disaster assistance are closed.

(hf) The Board shall provide an Apportionment subject to the requirements of Section 1859.90 or Section 1859.90.2.

(ig) A Grant Agreement pursuant to Section 1859.90.4. is required as a condition of receiving funding pursuant to this Section.

(jh) The School District is subject to the requirements in Sections 1859.104 and 1859.105.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Section 17075.20, Education Code.

Section 1859.90. Fund Release Process.

(a) With the exception of an Apportionment made pursuant to Sections 1859.81.1(e), 1859.81.1(f), or 1859.81.2, Apportionments provided through the Priority Funding Process and subject to 1859.90.2, the OPSC will release State funds that the Board has apportioned to the district after submittal, by the School dDistrict, of the Form SAB 50-05 and a Grant Agreement, pursuant to Section 1859.90.4.

(b) With the exception of Apportionments described in paragraphs (1) and (2) of subsection (c), a district must submit the Form SAB 50-05 and Grant Agreement, within 180 calendar days of the Apportionment of the SFP grant for the project or within 365 calendar days for Apportionments that include ~~F~~financial ~~H~~hardship assistance. If the School dDistrict does not submit the Form SAB 50-05 and Grant Agreement within the above specified time, the entire New Construction Adjusted Grant, or Modernization Adjusted Grant or Type I or II, part of a qualifying SFP Modernization project, or Joint-Use Project Apportionment shall be rescinded without further Board action, and the pupils housed in the project, if applicable, will be added back to the School dDistrict's baseline eligibility. The School dDistrict may refile a new Application for the project subject to district eligibility and available State funds at the time of resubmittal.

(c)(1) Notwithstanding subsection (b), if an Apportionment is made for an Application pertaining to a school facility located on a military installation that is the recipient of a federal grant that requires a local matching share, the Board may require the School dDistrict to submit the Form SAB 50-05 and Grant Agreement within a determined time period, not to exceed 18 months of the Apportionment of the SFP grant for the project. If the district does not submit the Form SAB 50-05 and Grant Agreement within the above specified time, the entire Apportionment shall be rescinded without further Board action, and the pupils housed in the project, if applicable, will be added back to the district's baseline eligibility. The district may refile a new Application for the project subject to district eligibility and available State funds at the time of resubmittal.

(2) Notwithstanding subsection (b), if the Apportionment was made for a Type II Joint-Use Project, not part of a qualifying SFP Modernization project, pursuant to Article 12 of these Regulations, the School dDistrict must submit the Form SAB 50-05 and a Grant Agreement within 18 months of the date the plans and specifications for the Joint-Use Project that have been approved by the DSA and the CDE are submitted to the OPSC or the Apportionment shall be rescinded without further Board action.

(d) OPSC will release State funds that have been apportioned by the Board pursuant to Sections 1859.81.1(e) or 1859.81.1(f) to the School dDistrict within 30 calendar days of the following, whichever occurs last: an Apportionment or upon submittal by the School dDistrict of a Grant Agreement pursuant to Section 1859.90.4. Submittal of the Grant Agreement must occur within 365 days of the Apportionment. If the School dDistrict received an Apportionment pursuant to 1859.90.2, the Grant Agreement must be submitted within the specified time period in 1859.90.2.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17072.12, 17072.30, 17074.15, 17076.10, 17077.40, 17077.42 and 17077.45, Education Code.

Section 1859.93. Modernization Project Funding Order.

Applications shall be funded as follows:

(a) First, to applications for Facility Hardship rehabilitation projects pursuant to Sections 1859.82.1(c) and 1859.82.2(c) in order of receipt of an Approved Application for funding; then

(b) Second, to applications for Modernization projects pursuant to Section 1859.84.2 in order of receipt of a Form SAB 195; then

~~(bc)~~ If there are no applications pursuant to subsection (a) or (b), to applications for modernization funds in order of receipt of an Approved Application for funding.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Section 17074.15 ~~and~~ 17075.15, and 17075.20, Education Code.

Section 1859.93.1. New Construction Project Funding Order.

Applications, except those identified in ~~(ee)~~ through ~~(eg)~~ below, shall be funded as follows:

~~(a) First, to applications for Facility Hardship pursuant to Section 1859.82 in order of receipt of an Approved Application for funding; then, to applications pursuant to Section 1859.84.1 in order of receipt of a Form SAB 195; then~~

(b) Second, to applications for Facility Hardship pursuant to Sections 1859.82.1(b) and 1859.82.2(b) in order of receipt of an Approved Application for funding; then,

(c) Third, to applications pursuant to Section 1859.84.2 in order of receipt of a Form SAB 195; then

~~(bd)~~ If there are no applications pursuant to subsection (a), (b) or (c), to applications for New Construction Grant(s) in order of receipt of an Approved Application for Funding.

~~(ee)~~ Approved Applications for New Construction Grant(s) funded with the proceeds of state bonds approved by the voters prior to January 1, 2002.

~~(df)~~ Approved Applications for New Construction Grant(s) authorized by Education Code Sections 17078.10 through 17078.30.

~~(eg)~~ Approved Applications that utilize pupil eligibility derived from the Alternative Enrollment Projection method. These applications shall be funded in order of receipt once the OPSC and the DRU have approved the Alternative Enrollment Projection method or the Alternative Enrollment Projection annual update.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17072.25, 17070.35, ~~and~~ 17075.15, and 17075.20, Education Code.

Section 1859.104. Program Reporting Requirements.

A School dDistrict receiving funds in accordance with the Act shall submit the following:

(a) An expenditure report from the School dDistrict on the Form SAB 50-06. The program reporting requirements are as follows:

(1) The first expenditure report shall be due one year from the date that any funds were released to the School dDistrict for the project pursuant to Section 1859.90 or 1859.90.2, or upon completion of the project, whichever occurs first. A project shall be deemed complete when either of the following occur:

(A) When the notice of completion for the project has been filed, all outstanding invoices, claims, change orders have been satisfied and the facility is currently in use by the School dDistrict.

(B) Three years from the date of the final fund release for an elementary school project or four years from the date of the final fund release for a middle or high school project.

(C) Notwithstanding (B), eight years from the date of the final fund release for projects receiving funding pursuant to Section 1859.84.1 or Section 1859.84.2.

(2) The second and subsequent expenditure reports, if necessary, shall be due annually beginning one year from the first report, or upon completion of the project, whichever occurs first. The final expenditure report must be made no later than three years from the date of the final fund release for an elementary school project or four years from the date of the final fund release for a middle or high school project.

(b) With the exception of projects that qualify for an aApportionment pursuant to Section 1859.75.1, a progress report, in the form of a narrative from the School dDistrict, shall be due 18 months from the date any funds were released to the School dDistrict for the project pursuant to Section 1859.90 or 1859.90.2. The progress report shall include information regarding the progress the district has made towards substantial completion of the project. If the notice of completion has been filed within 18 months of the release of funds pursuant to Section 1859.90 or 1859.90.2, or the expenditure reports required in (a)(1) or (2) indicate that substantial progress (as defined in Section 1859.105) on the project has occurred, no progress report is required.

(c) A progress report, in the form of a narrative from the district, shall be due 12 months from the date the site acquisition funds were apportioned to the School dDistrict for the project pursuant to Section 1859.75.1. The progress report shall include information regarding the progress the School dDistrict has made towards acquiring the site as outlined in Section 1859.105.1 and may contain other evidence of reasonable effort to substantiate progress towards acquiring the site for purposes of an extension of the site aApportionment as authorized by Education Code Section 17072.13(c)(2).

(d) If an aApportionment was made for a district-owned site pursuant to Section 1859.74.5, a certification that the non-school function currently taking place on the district-owned site has been discontinued or relocated. The certification must be submitted to the OPSC no later than the following dates:

(1) If the project is for an elementary school, 66 months from the date of the site aApportionment.

(2) For all other projects, 78 months from the date of the site aApportionment.

(e) If an Apportionment was made under the Overcrowding Relief Grant pursuant to Section 1859.180, the School District must provide a certification that the replaced Portable Classrooms portables were removed from the eligible site and from service pursuant to Education Code Section 17079.30.

(f) A School District receiving an Apportionment for high performance incentive grants pursuant to Section 1859.71.6 or 1859.77.4 shall submit a completed Project Information Worksheet to the OPSC for all expenditures related to the additional design and construction costs of the high performance building components. In addition, the School District shall provide information related to resulting energy savings and efficiency, as well as other resulting benefits. The Project Information Worksheet shall

be submitted with the Form SAB 50-05 and the School District's first and final Forms SAB 50-06 pursuant to (a)(1) and (2) above.

(g) A School District receiving funds shall submit a summary report of expenditures of state funds and of School District matching funds annually until all state funds and School District matching funds are expended, pursuant to Education Code Section 17076.10(a).

(h) If an Apportionment was made under the Natural Disaster Assistance Program pursuant to Section 1859.84.1, the School District must provide a certification for the following:

(1) Upon either project completion or no later than 60 months from the date the lease was signed for purposes of Interim Housing, that leased Portable Classrooms have either been removed or remain in use within the School District. For leased Portable Classrooms that have a qualifying project and receive an extension by the Board pursuant to Section 1859.51(i)(5), the School District shall provide an additional certification no later than the approval date of the extension as approved by the Board.

(2) Upon either project completion, or no later than 96 months from the date of the Apportionment, that the Portable Classrooms purchased for Interim Housing have either been removed or remain in use within the School District.

Note: Authority cited: Sections 17070.35, 17072.13, 17075.20, and 17079.30, Education Code.

Reference: Sections 17070.35, 17070.99, 17072.12, 17072.13, 17076.10 and 17079.30, Education Code.

Section 1859.106. Program Accountability Expenditure Audit.

The projects will be audited to assure that the expenditures incurred by the School district were made in accordance with the provisions of Education Code Section 17072.35 for new construction projects, Section 1859.120 for Joint-Use Projects, Section 1859.140 for Critically Overcrowded School projects, Section 1859.160 for Charter School projects, and Education Code Section 17074.25 and Section 1859.79.2 for modernization projects. The audit will also assure that the School district complied with all site acquisition guidelines as provided in Education Code Sections 17072.13 and 17072.14 and Sections 1859.74, 1859.74.1, 1859.74.2, 1859.74.3, 1859.74.4, 1859.75 and 1859.75.1.

An adjustment in the SFP grant will be made for the following:

(a) The difference in the value of the site, relocation costs, DTSC fees, and hazardous waste/materials removal costs that were used to determine the New Construction Additional Grant and the actual amount paid by the School district for the site, relocation costs, DTSC fees, and hazardous waste/materials removal costs. For applications received on or after January 1, 2004, the adjustment may be made regardless of whether the hazardous waste/materials removal costs were requested on the application for funding.

(b) For any insurance proceeds collectable by the School district for displaced facilities and net proceeds available from the disposition of displaced facilities pursuant to Sections 1859.82.1(d) and 1859.82.2(d).

(c) For any insurance proceeds or other government disaster assistance collected by the School District for any project that received funding pursuant to 1859.84.1(c), or 1859.84.2(f).

(ed) For any project that received funding pursuant to 1859.71.4(c) or 1859.78.1(b), 50 percent of one-fourth of one percent of the difference between the original Total Projected Bond Apportionment and the newly calculated amount.

(de) Any adjustments made pursuant to this Section will be made only if sufficient bond authority is available for the adjustment. If an Unfunded List has been created by the Board, then any adjustments made pursuant to this Section will be placed on the Unfunded List.

When the OPSC receives the final expenditure report from the School dDistrict on Form SAB 50-06, an audit of the expenditures by the OPSC shall commence within two years of the report. If the School dDistrict is not notified by the OPSC within the two-year period that an audit will be made, there will be no audit of the project by the OPSC and the expenditures reported by the district shall be deemed appropriate. If the School dDistrict has been notified that an audit of the expenditures will be made by the OPSC, the OPSC shall complete the audit within six months of the notification, unless additional information requested from the district has not been received.

School Districts shall be required to maintain all appropriate records that support all district certifications and expenditures for all costs associated with SFP, Charter School, and Joint-Use projects for a period of not less than four years from the date the notice of completion is filed for the project in order to allow other agencies, including, without limitation, the Bureau of State Audits and the State Controller to perform their audit responsibilities.

The School District is responsible to substantiate expenditures from the Joint-Use Partner(s) financial contribution pursuant to Section 1859.127 and from other local sources.

Should the OPSC conduct an audit of the School dDistrict certifications or the expenditures for the project and make a finding that some or all of the expenditures were not made in accordance with the provisions of Education Code Section 17072.35 for new construction projects, Sections 1859.84, 1859.84.1 or 1859.84.2 for projects following a natural disaster, Section 1859.120 for Joint-Use Projects, Section 1859.140 for Critically Overcrowded School projects, Section 1859.160 for Charter School projects, Education Code Section 17074.25 and Section 1859.79.2 for modernization projects, and Education Code Sections 17072.13 and 17072.14 for projects with additional costs imposed by the DTSC, the OPSC shall recommend to the Board that the apportionment be adjusted based on the audit findings.

Should the CDE make a finding that a project did not meet the standards that were adopted by the CDE pursuant to Education Code Section 17251 (b) and (c) when the district had self-certified that the project met those standards pursuant to Education Code Section 17070.50 (b), the Board may request that the CDE make a recommendation that the apportionment for the project be adjusted based on the CDE finding. Any adjustment in the apportionment shall be based on the percentage of space in the project that the CDE determined did not meet those standards.

If title to special education program facilities is transferred between a School District and a county office of education pursuant to Education Code Sections 17071.75(b)(2) and (f), the receiving School District shall remit payment to the State within 60 days or up to five years, pursuant to an approved repayment schedule, as requested by the School District. If a repayment schedule is requested, it shall be in equal annual installments and shall include interest at the same rate as that earned on the State's Pooled Money Investment Account on the date a repayment schedule is approved by the Board. The repayment amount shall be determined by prorating the Financial Hardship assistance received on the initial Apportionment for the transferred facilities, including site acquisition costs apportioned for any land transferred, by the percentage of building area being transferred divided by the total amount of building area approved on the initial Application containing the transfer of facilities, if all of the following conditions are met:

- (a) The transferred facilities were constructed with State funds under Chapter 12.5.
- (b) Transfer of the facilities took place within ten years of initial occupancy.
- (c) The School District that initially acquired or constructed the transferred facilities had approved Financial Hardship status at the time of Apportionment of the project.
- (d) The School District receiving the facility did not have approved Financial Hardship status at either the time of the title transfer or the time that the adjustment request is submitted to the OPSC.

For any project that received funding pursuant to Sections 1859.84.1 or 1859.84.2, the School District must report the receipt of any insurance proceeds or other government disaster assistance received after the completion of the expenditure audit to OPSC within 60 days.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17070.35, 17070.50, 17071.75, 17072.13, 17072.14, 17072.18, 17072.35, 17074.25, 17075.20, 17076.10, 17077.40, 17078.52 and 17251, Education Code, and Section 1771.3, Labor Code.

**APPLICATION FOR NATURAL
DISASTER ASSISTANCE CHECKLIST****ATTACHMENT D**

(New 08/25)

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SCHOOL DISTRICT		APPLICATION NUMBER
SCHOOL NAME		PROJECT TRACKING NUMBER
COUNTY	DISTRICT REPRESENTATIVE'S E-MAIL ADDRESS	HIGH SCHOOL ATTENDANCE AREA (HSAA) OR SUPERHSAA (IF APPLICABLE)

* Enter the Application Number that has been assigned to this project by OPSC. Leave blank if this is the first request related to this project.

GENERAL INSTRUCTIONS

The following checklist is designed to guide districts through the process of requesting interim housing and/or other assistance following a natural disaster on the *Application for Natural Disaster Assistance* (Form SAB 195), and provide direction on what is typically required in a complete submittal. School districts are encouraged to use this checklist to request approval by the State Allocation Board (SAB) for applications requesting interim housing and/or other assistance following a natural disaster.

Include all supporting documentation with your submittal to OPSC. Requests for SAB consideration are a top priority and are processed to the SAB upon receipt by OPSC of all required documentation and upon completion of a thorough analysis by OPSC.

Interim Housing Assistance Following a Natural Disaster Requests

- ☐ Section 1 –
 - ☐ Check that the applicable box to indicate whether the application is a “New” application or an “Amended” application (Section a)
 - ☐ Check the applicable box to indicate the application is a request for “Interim Housing” (Section b)
 - ☐ Check the applicable boxes and indicate the number and grade level of portable classrooms for lease and/or purchase, and the type of ancillary facilities for lease and/or purchase (Section c)
 - ☐ Indicate whether the requested portable classrooms and/or ancillary facilities exist on the site at the time of application submittal. If so, enter the applicable date(s) the facilities were leased/purchased, placed on site, and/or removed (Section d).
 - ☐ If the district is requesting interim housing assistance, the district must indicate the grade level of classrooms on the impacted site that are identified as destroyed or rendered unsafe to occupy in addition to any ancillary facilities identified as destroyed or unsafe to occupy (Section e).
- ☐ Section 2 – Check the applicable boxes and provide application numbers for any applications related to the impacted site that are currently on the OPSC Workload or Applications Received Beyond Bond Authority lists.
- ☐ Section 3 – Enter any prior School Facility Program (SFP) application numbers specific to the impacted site for which the district received SAB approval since the time of the natural disaster.
- ☐ Section 4 – Enter information related to the state of emergency the Governor declared for the natural disaster for which the district is requesting assistance.
- ☐ Section 5 – Check the applicable box to indicate if the district is requesting financial hardship assistance.
- ☐ Section 6 – Enter this information so that OPSC can determine the local funding adjustment grant and calculate the district’s matching share requirement.
- ☐ Section 7 – Enter applicable information for Division of the State Architect (DSA) Approval(s) related to the project. See additional information below.
- ☐ Section 8 – See the “Supporting Documentation” component of this checklist for detailed requirements.

Other Assistance Following a Natural Disaster Requests

- ☐ Section 1 –
 - ☐ Check that the applicable box to indicate whether the application is a “New” application requesting either a separate design apportionment or a full grant, or an “Amended” application if requesting a full adjusted grant for an application that previously received a separate design apportionment (Section a)
 - ☐ Check the applicable box to indicate the application is a request for “Other assistance following a natural disaster pursuant to Section 1859.84.2” and specify the type of assistance requested. Check the applicable box if the district is requesting a separate design apportionment (Section b)

**APPLICATION FOR NATURAL
DISASTER ASSISTANCE CHECKLIST****ATTACHMENT D**

(New 08/25)

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- ☐ Section 2 – Check the applicable boxes and provide application numbers for any applications related to the impacted site that are currently on the OPSC Workload or Applications Received Beyond Bond Authority lists.
- ☐ Section 3 – Enter any prior SFP applications specific to the impacted site for which the district received SAB approval since the time of the natural disaster.
- ☐ Section 4 – Enter information related to the state of emergency the Governor declared for the natural disaster for which the district is requesting other assistance.
- ☐ Section 5 – Check the applicable box to indicate if the district is requesting financial hardship assistance.
- ☐ Section 6 – Enter this information so that OPSC can determine the local funding adjustment grant and calculate the district's matching share requirement.
- ☐ Section 7 – Enter applicable information for DSA Approval(s) related to the project. If the District is requesting a separate design apportionment under Section 1b of the Form SAB 195 and has selected "New" under Section 1a, the District shall leave this section blank. See additional information below.
- ☐ Section 9 – See the "Supporting Documentation" component of this checklist for detailed requirements.

Section 7

Indicate whether there are any DSA plan approvals associated with the district's plans and specifications for the project. If so, enter the DSA Approval date and submit a copy of the relevant DSA approvals. If DSA plan approval(s) are pending review, or if the district has an exemption, please indicate so within the applicable narrative. If the application shares plans and specifications with at least one additional SFP application, check the applicable box and provide the additional documentation outlined on the Form SAB 195.

Section 8 (Interim Housing) and Section 9 (Other Assistance) Narratives

Include a chronological narrative of circumstances and any other information relevant to the district's request.

SUPPORTING DOCUMENTATION**Interim Housing Assistance Following a Natural Disaster Narrative**

Although unique circumstances may affect what documentation is sufficient to support an interim housing request, typically required information and documentation is listed below for your reference. For any unavailable documentation, please add a brief explanation as to why the documentation does not apply. Other substantiating documentation may be attached as necessary to support the district's request.

Have affected facilities been vacated? ☐ Yes ☐ No

If Yes, describe how students are currently being housed:

Estimated project cost (100%): \$ _____

☐ **Insurance Proceeds**

Is the district eligible for insurance compensation for interim housing related to the conditions at the site? ☐ Yes ☐ No

If Yes, indicate estimated amount the district may receive, or has received from insurance coverage related to interim housing: _____

☐ **Other Government Disaster Assistance**

Has the district applied for any other government disaster assistance for interim housing related to the conditions at the site? ☐ Yes ☐ No

If Yes, indicate estimated amount the district may receive, or has received from other government disaster assistance related to interim housing: _____

**APPLICATION FOR NATURAL
DISASTER ASSISTANCE CHECKLIST****ATTACHMENT D**

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When possible, include a copy of the insurance policy. If the district has not received insurance proceeds or other government disaster assistance attributable to costs of interim housing, the district must provide an estimate of insurance proceeds and/or any other government disaster assistance the school district reasonably expects to receive for interim housing expenses, a narrative indicating the necessity for interim housing assistance prior to the receipt of insurance proceeds or any other government disaster assistance for this purpose, and acknowledgement of the reporting requirement and potential future adjustment to any Apportionment pursuant to SFP Regulation Section 1859.84.1(c).

The district should include the background and circumstances that prompted the district's request for funding, inclusive of the following:

- Information relevant to the request, such as the amount requested, the anticipated duration of any interim facilities lease, and whether the request includes the design, placement, site development, and/or equipment costs associated with the leased or purchased facilities.
- A statement explaining why the SAB should grant the district's request based on law, regulation, or another basis.

☐ **Actual Costs or Detailed Cost Estimate to Lease/Purchase Portables**

This documentation should include the actual costs of the portable classroom(s) and/or ancillary facilities, including but not limited to invoices, lease agreements, or purchase agreements. If actual costs are not available, districts may provide bid proposals, quotes, or other documentation that supports the amount of the funding request. This documentation, if possible, should include, but is not limited to any work associated with placing the portable classroom(s) and/or ancillary facilities on site.

Other Assistance Following a Natural Disaster Narrative

The narrative is intended to explain the natural disaster for which the Governor declared a state of emergency, as well as provide substantive documentation and information to justify the district's request. Although unique circumstances may affect what documentation is sufficient to support these requests, typically required information and documentation is listed below for your reference. For any unavailable documentation, please add a brief explanation as to why the documentation does not apply. Other substantiating documentation may be attached as necessary to support the district's request.

Have affected facilities been vacated? ☐ Yes ☐ No

If Yes, describe how students are currently being housed:

Estimated project cost (100%): \$ _____

☐ **Insurance Proceeds**

Is the district eligible for insurance compensation for the same purpose or scope of work in the request, related to the conditions at the site? ☐ Yes ☐ No

If Yes, indicate the actual amount or estimated amount the district may receive, or has received from insurance coverage related to the same purpose or scope of work in the request: _____

☐ **Other Government Disaster Assistance**

Has the district applied for any other government disaster assistance for the same purpose or scope of work in the request, related to the conditions at the site? ☐ Yes ☐ No

If Yes, indicate estimated amount the district may receive, or has received from other government disaster assistance related to the same purpose or scope of work in the request: _____

**APPLICATION FOR NATURAL
DISASTER ASSISTANCE CHECKLIST****ATTACHMENT D**

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When possible, include a copy of the insurance policy. If the district has not received insurance proceeds or other government disaster assistance for the same purpose or scope of work in the request, the district must provide an estimate of insurance proceeds and/or any other government disaster assistance the school district reasonably expects to receive for the same purpose or scope of work in the request. Additionally, the district must provide a narrative indicating the necessity for the requested assistance prior to the receipt of insurance proceeds or any other government disaster assistance for this purpose, and acknowledgement of the reporting requirement and potential future adjustment to any Apportionment pursuant to SFP Regulation Section 1859.84.2(f).

The district should include the background and circumstances that prompted the district's request for funding, inclusive of the following:

- Information relevant to the request, such as the amount requested and information that demonstrates funding from insurance proceeds and other government disaster assistance is insufficient to rehabilitate or reconstruct school facilities that existed at the time of the natural disaster.
- A statement explaining why the SAB should grant the district's request based on law, regulation, or another basis.
- Justification if the application requests funding in lieu of an application pursuant to Sections 1859.82.1 or 1859.70.

☐ **Previous Applications (Submitted/Approved)**

If the district indicated any applications under Sections 2 or 3, the district must elaborate in the narrative how the current request is related to the previous applications and the reason the current request is necessary.

☐ **Actual Costs**

This documentation should include the actual costs of the associated project, including but not limited to invoices. If actual costs are not available, districts may provide bid proposals, quotes, or other documentation that supports the amount of the funding request.

Stakeholder Feedback and Staff Responses – July 24, 2025 Meeting

Natural Disaster Assistance

Stakeholder Comment	Staff Response
<p>1. The stakeholder requests OPSC provide an example of how a proposed apportionment that had insurance proceeds and/or other adjustments would be calculated under proposed SFP Regulation Section 1859.84.2(d).</p>	<p>1. If insurance proceeds or other government disaster assistance are received after an apportionment, the total project cost would be reduced by the amount received in insurance proceeds or government disaster assistance that is attributable to the same purpose or scope of work in the request for the apportionment. The state and local match would be reduced by the insurance proceeds proportionately to the original prorated state and local matching share.</p> <p>OPSC notes that the provisions previously proposed in subsections (d) and (e) of Section 1859.84.2, which referred to eligibility adjustments to a district's New Construction or Modernization baseline eligibility due to receipt of other assistance following a natural disaster, have been removed.</p> <p>As proposed in Section 1859.84.2(d), to the extent that an apportionment for other assistance following a natural disaster results in a net increase in classroom capacity, the district's New Construction eligibility will be adjusted accordingly pursuant to Section 1859.51. Because any adjustment to the apportionment resulting from the receipt of insurance proceeds and/or government disaster assistance effectively reduces the total project cost but does not change the scope of the project that resulted in a net increase in classroom capacity, receipt of insurance proceeds and/or other government disaster assistance would not impact any New Construction eligibility adjustment made due to a net increase in classroom capacity.</p>

Stakeholder Comment	Staff Response
	<p>1. (cont.)</p> <p>As an example, if a school district submits a request for other assistance following a natural disaster with a scope of work to reconstruct a classroom building containing two additional classrooms beyond the classroom count in the school district's existing school building capacity (a net increase in classroom capacity), at the time the Board approves the application for an</p> <p>Unfunded Approval, the school district's New Construction eligibility baseline would be adjusted to account for the additional capacity of two classrooms. If the district later received insurance proceeds attributable to reconstruction of the classroom building, the apportionment would be adjusted to ensure the SFP funding supplements and does not duplicate the insurance proceeds, and the previous adjustment to the district's baseline New Construction eligibility would remain unchanged to account for the additional capacity from the project scope, capturing an accurate existing school building capacity.</p>
<p>2. OPSC states Interim Housing assistance may not be requested in place of (1) An Approved Application pursuant to Section 1859.70 or (2) an Approved Application pursuant to Section 1859.82.1. These sections refer to New Construction and Modernization and Facility Hardship, respectively. The stakeholder requests clarification on the intended purpose of this proposed regulation.</p>	<p>2. The original intention of this language was to indicate that Interim Housing assistance is not intended to supplant applications pursuant to Sections 1859.70 or 1859.82.1. However, OPSC subsequently found this language to be unnecessary and has since removed these previously proposed provisions from SFP Regulation Section 1859.84.1.</p>

Stakeholder Comment	Staff Response
<p>3. The stakeholder requests clarification on the reasoning used for determining the order in which Interim Housing and Natural Disaster assistance would be funded. Specifically, under proposed SFP Regulation Section 1859.93, the stakeholder requests OPSC's reasoning for funding Form SAB 195 pursuant to 1859.84.1 over Facility Hardship applications.</p>	<p>3. OPSC notes that the proposed Modernization project funding order in the proposed amendments to SFP Regulation Section 1859.93 prioritizes Facility Hardship rehabilitation projects over applications for Modernization projects pursuant to Section 1859.84.2 (requests for other assistance following a natural disaster).</p> <p>OPSC assumes the stakeholder intended to request clarification on OPSC's rationale for proposing to fund applications for interim housing following a natural disaster pursuant to proposed SFP Regulation Section 1859.84.1 over applications for Facility Hardship from New Construction bond authority, as indicated by the amendments proposed to SFP Regulation Section 1859.93.1 on New Construction Project Funding Order. The reason for this proposed funding order is that the need for interim housing following a natural disaster is anticipated to be a more immediate need to house students, and these specific Natural Disaster Assistance applications are anticipated to be processed as soon as possible in an effort to mitigate disruption to the school and to house students as expeditiously as possible.</p> <p>As both types of applications are already prioritized by the Board, the order specified in the proposed amendments to Sections 1859.93 and 1859.93.1 only becomes relevant when bond authority is nearly exhausted</p>

Stakeholder Comment	Staff Response
<p>4. The stakeholder recommends that the instructions or form field for Section 3 of the proposed Form SAB 195 be revised, as the application instructions inform applicants to check the appropriate boxes, where there are none.</p>	<p>4. OPSC thanks the stakeholder for bringing attention to this issue. OPSC has amended the Section 3 instructions to specify that the applicant should provide the applicable application numbers and has removed reference to checkboxes.</p>
<p>5. a) The stakeholder notes that Section 8 of the Form SAB 195 suggests that a district would be eligible for Interim Housing assistance under SFP Regulation Section 1859.84.1, if <u>none</u> of the costs were covered by insurance or any other government disaster assistance. The stakeholder requests clarification on the outcome of a scenario where insurance and/or government assistance funding is available but insufficiently covers costs.</p> <p>b) Additionally, the stakeholder suggests that this section include language about what information the narrative should include if the status of receipt of any insurance and/or other government assistance is unknown at the time of requesting assistance. This language could be similar to what is stated in the Insurance Proceeds section of the proposed checklist, allowing a school district to provide an estimate of the insurance proceeds or any other government disaster assistance.</p>	<p>5. a) OPSC thanks the stakeholder for bringing attention to this issue, as this section of the proposed form was not intended to suggest that districts are only eligible for Interim Housing assistance if none of its costs were covered by insurance or other government disaster assistance. OPSC has made clarifying edits to this section of the proposed form to conform to the proposed regulations and Education Code (EC) Section 17075.20, indicating that any funding provided for Interim Housing will supplement funding from insurance proceeds or other government disaster assistance.</p> <p>b) For the stakeholder's reference, proposed SFP Regulation Section 1859.84.1(b)(2) and 1859.84.2(c)(2) outline the necessary information to provide if the status of receipt of any insurance proceeds and/or government assistance is unknown at the time of requesting assistance. OPSC has included reference to these regulations within the instructions for both Section 8 and Section 9 of the proposed Form SAB 195. OPSC has left the narrative section intentionally broad to provide flexibility to the school district in providing information to the Board.</p>

Stakeholder Comment	Staff Response
<p>6. The stakeholder noted that under the Certification section of the Form SAB 195, bullet point 10 requires in part, certification of the receipt of the necessary approvals from the Division of the State Architect (DSA).</p> <p>The stakeholder suggests this point be revised to allow flexibility for circumstances in which DSA approval is pending.</p>	<p>6. OPSC appreciates the stakeholder's feedback, and has amended the certification to state:</p> <p>"The School District has received, or will obtain, the necessary approval of the plans and specifications..."</p>
<p>7. For the proposed Checklist, the stakeholder recommends integrating the checklist into the Form SAB 195 instructions so that the guidance and instructions are officially part of an approved form.</p>	<p>7. OPSC appreciates the stakeholder's suggestion, but maintains that the Checklist is not intended to not be a required document for submittal of a Form SAB 195, but rather a helpful tool to use alongside the submission of an application. As such, OPSC intends to maintain the Checklist as a separate document from the Form SAB 195.</p>
<p>8. Within the proposed Grant Agreements, the section "Grant funds are to be used in accordance..." states that changes to the scope of work must be approved by <u>OPSC</u>. This contradicts the language of current grant agreements and the preceding section ("The Grantee shall not make any change to the Project...") that states a change in the scope must be approved by the State Allocation Board. The stakeholder requests clarification on this proposed change.</p>	<p>8. Staff appreciates this feedback and agrees that this section on both grant agreements should be "approved by the <i>State Allocation Board</i>." This reference has been updated in both proposed grant agreements.</p>