

February 6, 2026

TITLE 2. STATE ALLOCATION BOARD

NOTICE OF PROPOSED REGULATORY ACTION

THE STATE ALLOCATION BOARD PROPOSES TO AMEND VARIOUS REGULATION SECTIONS, ALONG WITH AN ASSOCIATED FORM; ADOPT NEW REGULATION SECTIONS, ALONG WITH A NEW FORM AND TWO NEW GRANT AGREEMENTS, TITLE 2, CALIFORNIA CODE OF REGULATIONS, RELATING TO THE LEROY F. GREENE SCHOOL FACILITIES ACT OF 1998

PROPOSED AMENDMENTS TO THE FOLLOWING REGULATION SECTIONS:

- 1859.2, 1859.31, 1859.51, 1859.80, 1859.81.1, 1859.90, 1859.93, 1859.93.1, 1859.104, AND 1859.106

PROPOSED AMENDMENTS TO THE FOLLOWING FORM:

- Form SAB 50-05, *Fund Release Authorization*, (Rev. ~~06/17~~ 08/25), which is incorporated by reference and referenced in Regulation Section 1859.2

PROPOSED ADOPTION OF THE FOLLOWING REGULATION SECTIONS:

- 1859.84, 1859.84.1, AND 1859.84.2

PROPOSED ADOPTION OF THE FOLLOWING FORMS:

- Form SAB 195, *Application for Natural Disaster Assistance*, (New 08/25), which is incorporated by reference and referenced in Regulation Section 1859.2
- *Grant Agreement [Interim Housing Assistance Following A Natural Disaster]*, (New 08/25), which is incorporated by reference and referenced in Regulation Section 1859.2
- *Grant Agreement [Other Assistance Following A Natural Disaster]*, (New 08/25), which is incorporated by reference and referenced in Regulation Section 1859.2

NOTICE IS HEREBY GIVEN that the State Allocation Board (SAB) proposes to amend the above-referenced regulation sections, including an associated form, as well as adopt new regulation sections, a new form, and two new Grant Agreements, contained in Title 2, California Code of Regulations (CCR). A public hearing is not scheduled. A public hearing will be held if any interested person, or his or her duly authorized representative, submits a written request for a public hearing to the Office of Public School Construction (OPSC) no later than 15 days prior to the close of the written comment period. Following the public hearing, if one is requested, or following the written comment period if no public hearing is requested, OPSC, at its own motion or at the instance of any interested person, may adopt the proposals substantially as set forth above without further notice.

## AUTHORITY AND REFERENCE CITATIONS

The SAB is proposing to amend the above-referenced regulation sections under the authority provided by Sections 17070.35, 17070.59, 17072.13, 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; 17075.15, 17075.20, 17078.64 and 17079.30 of the Education Code. The proposal interprets and make specific reference Sections 8974, 17009.5, 17017.6, 17017.7, 17021, 17047, 17050, 17051, 17052, 17070.15, 17070.50, 17070.51, 17070.51(a), 17070.59, 17070.71, 17070.77, 17070.99, 17071.10, 17071.25, 17071.30, 17071.33, 17071.35, 17071.40, 17071.75, 17071.76, 17072.10, 17072.12, 17072.13, 17072.18, 17072.20, 17072.25, 17072.30, 17072.33, 17072.35, 17073.16, 17073.25, 17074.10, 17074.15, 17074.16, 17074.25, 17074.30, 17075.10, 17075.15, 17075.20, 17076.10, 17077.40, 17077.42, 17077.45, 17078.52, 17078.56, 17078.72, 17078.72(k), 17079, 17079.10, 17079.20, 17079.30, 17251, 17280, 17375, 42268, 42270, 56026, 101012(a)(8), Education Code; Section 53311, Government Code; and Sections 1771.3 in effect on January 1, 2012 through June 19, 2014 and 1771.5, Labor Code.

## INFORMATIVE DIGEST/POLICY OVERVIEW STATEMENT

The Leroy F. Greene School Facilities Act of 1998 established, through Senate Bill 50, Chapter 407, Statutes of 1998, the School Facility Program (SFP). The SFP provides a per-pupil grant amount to qualifying school districts for purposes of constructing school facilities and modernizing existing school facilities. The SAB adopted regulations to implement the Leroy F. Greene School Facilities Act of 1998, which were approved by the Office of Administrative Law and filed with the Secretary of State on October 8, 1999.

At its meeting on August 19, 2025, the SAB adopted proposed regulatory amendments, on an emergency basis, that implement provisions of AB 247 (Muratsuchi, Chapter 81, Statutes of 2024) into the SFP regulations. In part, this bill incorporates Education Code Section 17075.20 into the Education Code and specifies that the SAB has the authority to provide assistance for purposes of procuring interim housing, including, but not limited to, the leasing or acquisition of portable classrooms and any work associated with placing them on a site, for school districts and county offices of education impacted by a natural disaster for which the Governor has declared a state of emergency. Education Code Section 17075.20(e) also provides other assistance to school districts and county offices of education impacted by a natural disaster for which the Governor has declared a state of emergency. In the proposed regulatory amendments adopted by the SAB on August 19, 2025, OPSC refers to these provisions as Natural Disaster Assistance/Interim Housing and Other Assistance for purposes of the SFP.

OPSC submitted the emergency regulations to the Office of Administrative Law (OAL) and the OAL approved the emergency regulations and filed them with the Secretary of State with an effective date of October 20, 2025. Attached to this Notice are the proposed regulations, along with two associated forms and two new Grant Agreements. The proposed regulations can also be reviewed on OPSC's website at: [Laws, Regulations for School Construction Projects](#). Copies of the proposed regulations, along with the two associated forms and the two new Grant Agreements will be mailed to any person requesting this information by using OPSC's contact information set forth below in this Notice. The proposed regulations amend the SFP Regulations under the California Code of Regulations, Title 2, Chapter 3, Subchapter 4, Group 1, State Allocation Board, Subgroup 5.5, Regulations relating to the Leroy F. Greene School Facilities Act of 1998.

After the emergency regulations were approved by the OAL, OPSC identified the need to address a clarity issue relating to the “case-by-case” language in SFP Regulation Section 1859.51(v). At its meeting on December 3, 2025, the SAB adopted clarifying language changes to SFP Regulation Section 1859.51(v) that specify relevant factors the SAB may consider in cases where a school district elected not to replace classrooms that were destroyed or rendered unsafe to occupy due to a natural disaster that occurred prior to July 3, 2024.

### *Background and Problem Being Resolved*

Within the last decade, the State of California has encountered devastating wildfires in numerous communities statewide from Alpine County to Ventura County, destroying buildings, school facilities, and communities. Since the November 2018 Camp Fire in Paradise, at least five California school districts in three counties have had one or more entire public schools destroyed in wildfires.

Historically, the Facility Hardship Program, which was statutorily created by Education Code Section 17075.10 as it read on January 1, 2024, was the primary SFP mechanism for school districts to seek state funding for the replacement or repair of school facilities lost or destroyed as a result of a disaster. The Facility Hardship Program includes the Seismic Mitigation Program, which provides grants for the most vulnerable school facilities at risk for collapse in a seismic event. Funding assistance may be provided in cases of extraordinary circumstances that have caused an imminent health and safety threat to students and staff. One of the qualifying criteria for both programs is to have governmental concurrence of the existence of a health and safety threat. The prior statutory authority for these programs did not authorize grants for interim housing but did allow expenditures for interim housing.

Proposition 2 makes numerous changes to the SFP, including authorizing the SAB to provide interim housing assistance and other assistance to school districts and county offices of education impacted by a natural disaster for which the Governor declared a state of emergency.

The problem being resolved by the proposed regulations is a lack of specificity, consistency, and accountability mechanisms to implement the new natural disaster assistance provisions in Proposition 2. The proposed regulations implement Education Code Section 17075.20, which specifies that the SAB has the authority to provide assistance for purposes of procuring interim housing, including, but not limited to, the leasing or acquisition of portable classrooms and any work associated with placing them on a site, for school districts and county offices of education impacted by a natural disaster for which the Governor has declared a state of emergency. Education Code Section 17075.20(e) also provides other assistance to school districts and county offices of education impacted by a natural disaster for which the Governor has declared a state of emergency. In the proposed regulatory amendments adopted by the SAB on August 19, 2025, OPSC refers to these provisions as Natural Disaster Assistance/Interim Housing and Other Assistance for purposes of the SFP. The proposed regulations implement the new statutory authority for the SAB to better assist school districts and county offices of education that are impacted by natural disasters, by establishing a consistent form and process for school districts to request this assistance, factors for the SAB’s consideration of requests for other assistance following a natural disaster, and accountability mechanisms including Grant Agreements, fund release requirements, and reporting requirements to facilitate compliance with statutory provisions requiring SFP natural disaster assistance funds to supplement funds from insurance proceeds and other government disaster assistance.

OPSC performed a search on whether the proposed regulatory amendments were consistent and compatible with existing State laws and regulations and did not identify any inconsistent or incompatible existing State laws or regulations. The proposed regulatory amendments are consistent with and implement several provisions of statutory changes enacted with the passage of Proposition 2. Proceeding with the implementation of the proposed regulations will provide a positive impact on the state's economy, as well as the creation of an unknown number of jobs in the school construction industry. Once school districts request the release of state funds, manufacturing and construction-related industries such as architecture, engineering, trades and municipalities may expand based on the demand on these industries. School districts will also have the ability to take advantage of the new Proposition 2 provisions. The proposed regulations will maintain equity, consistency, and the integrity of the SFP.

### *Anticipated Benefits of the Proposed Regulations*

The primary benefit associated with the proposed regulations is that they implement and add specificity and clarity to significant and timely provisions of Proposition 2 that authorize the SAB to better assist school districts and county offices of education impacted by natural disasters. By implementing Education Code Section 17075.20, the proposed regulations establish a specific, consistent process for school districts to apply for state funding for critical needs following a natural disaster, which may include procurement of portable classrooms necessary to resume in-person instruction of students displaced by a natural disaster.

In addition, the proposed regulations may have a positive impact on the state's economy, as well as the creation of an unknown number of jobs in the school construction industry, by facilitating funding for school construction. Once school districts request the release of state funds, manufacturing and construction-related industries such as architecture, engineering, trades and municipalities may expand based on the demand on these industries.

### *Summary of the Proposed Regulations*

A summary of the proposed regulations is as follows:

Existing Regulation Section 1859.2 represents a set of defined words and terms used exclusively for these regulations. The proposed amendments: 1) update the revision date of the *Fund Release Authorization*, Form SAB 50-05; 2) define a new form; 3) define two new Grant Agreements; and 4) expand the definition of an existing term, "Interim Housing," essential to these regulations for purposes of implementing Proposition 2 Natural Disaster Assistance provisions in the SFP Regulations.

Existing Regulation Section 1859.31 delineates the types of classrooms that must be identified in a school district's gross classroom inventory. The proposed amendments make non-substantive changes that capitalize defined words and terms, such as School District, Classroom, and Interim Housing throughout this section. In addition, the proposed amendment removes "for a modernization project" in subsection (i) to align with the proposed amendments in the definition of Interim Housing reflected in Section 1859.2 above.

Existing Regulation 1859.51 outlines the criteria for adjusting a district's new construction baseline eligibility. The proposed amendments: 1) make non-substantive changes that capitalize defined words and terms, such as School District, Classroom, and Portable Classroom throughout this section; 2) subsection (i)(5) clarifies that the exemption from the New Construction baseline eligibility adjustment 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). In addition, “in a modernization or new construction project” was struck out to align with the proposed amendments in the definition of Interim Housing reflected in Section 1859.2 above; 3) add subsection (i)(13) to specify that classrooms constructed with a grant provided pursuant to Education Code Section 17075.20 are exempt from the New Construction baseline eligibility adjustment, unless the classroom is a Portable Classroom purchased pursuant to Education Code Section 17075.20(a); and 4) add subsections (u)(1), (u)(2), and (v). Subsection (u)(1) functions as a placeholder adjustment specifically for Portable Classrooms purchased for purposes of Interim Housing following a natural disaster; subsection (u)(2) provides a reversal of the placeholder adjustment once the school district permanently removes the purchased Portable Classrooms within eight years of occupancy as Interim Housing; and subsection (v) allows 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 would also permit the SAB to consider adjustments based on relevant factors 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.

Existing Regulation Section 1859.80 sets forth the types of hardship assistance for which a school district may apply and specifies the general requirements a school district must meet to qualify for the funding. The proposed amendments provide an additional type of hardship assistance and specify that school districts shall qualify for hardship assistance provided they qualify for natural disaster assistance pursuant to new Sections 1859.84.1 or 1859.84.2. Additionally, there are several minor edits that are considered non-substantive changes.

Existing Regulation Section 1859.81.1 specifies the limits for separate site acquisition and design grant amounts for those school districts meeting the financial hardship requirements. This section also provides for an offset in certain circumstances and establishes the procedure for a school district seeking a separate site and/or design apportionment. The proposed amendments add subsection (f) that allows the SAB to apportion an advance site and design 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, for which the applicant is eligible for financial hardship assistance. The amount shall be offset from the full grant amount the school district would be eligible for pursuant to new Section 1859.84.2 when the school district submits an additional *Application for Natural Disaster Assistance*, (Form SAB 195) to request additional funding. The separate design apportionment of 25 percent of costs supported by documentation is sufficient given that there are no base grants to provide compared to the New Construction and Modernization programs.

Proposed adoption of Regulation Section 1859.84 introduces the circumstances under which a school district may apply for interim housing and any other assistance pursuant to Education Code Section 17075.20. This section stipulates 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 applicable to New Construction or Modernization projects in accordance with Regulation Sections 1859.77.1 or 1859.79, respectively.

Proposed adoption of Regulation Section 1859.84.1 introduces the eligibility criteria and process for a school district to request interim housing assistance following a natural disaster. In part, this proposed 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. This section also 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 school district submits the new Form SAB 195. School districts must provide documentation to demonstrate 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 school 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 school 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. Any apportionment provided under 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 and/or government disaster assistance for interim housing, or a commensurate amount adjusted for the school district matching share. Further, a Grant Agreement is required as a condition of receiving interim housing funding, the school district is subject to the program reporting and audit requirements of Sections 1859.104 and 1859.105, and the school district is subject to fund release and priority funding requirements in Sections 1859.90 and 1859.90.2. Additionally, school districts receiving funding pursuant to this section must report the receipt of any insurance proceeds and/or government disaster assistance collected in the form of an annual narrative, from the date the school district submitted the application to OPSC until all claims for insurance proceeds and requests for government disaster assistance are closed. This ensures that apportionments provided for this purpose supplement funding from insurance proceeds and other government disaster assistance.

Proposed adoption of Regulation Section 1859.84.2 introduces the eligibility criteria and process for a school district to request other assistance following a natural disaster. This section specifies that the funding provided is subject to the availability of New Construction or Modernization bond authority as it applies to the scope of work in the request, and shall supplement insurance, local, state, and federal disaster funding. The eligibility for this funding is at the SAB's discretion if the school 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 school district submitted the new Form SAB 195. In determining whether to provide other assistance following a natural disaster, the SAB may consider 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 new Form SAB 195. School districts are required to provide documentation demonstrating that the costs associated with the scope of work on the new Form SAB 195 have not been covered by insurance proceeds or any other local, state or federal government disaster assistance if the school 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 on the Form SAB 195, the school 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. Any apportionment provided under 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 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 or a commensurate amount adjusted for the Modernization district matching share pursuant to Section 1859.79. Further, a Grant Agreement is required as a condition of receiving funding, the school district is subject to the program reporting and audit requirements of Sections 1859.104 and 1859.105, and the school district is subject to fund release and priority funding requirements in Sections 1859.90 and 1859.90.2. Additionally, school districts receiving funding pursuant to this section must report the receipt of any insurance proceeds and/or government disaster assistance collected in the form of an annual narrative, from the date the school district submitted the application to OPSC until all claims for insurance proceeds and requests for government disaster assistance are closed. This ensures that apportionments provided for this purpose supplement funding from insurance proceeds and other government disaster assistance.

Existing Regulation Section 1859.90 aligns the Apportionment process with the timelines of the existing Priority Funding process in order for school districts to submit a valid Form SAB 50-05 and Grant Agreement within 180 days of apportionment to request the release of funds for non-financial hardship school districts and 365 days for those school districts approved with financial hardship status. This section also allows flexibility for the SAB to determine whether to authorize an 18-month fund release deadline for a school district that has a school facility located on a military installation that is the recipient of a federal grant that requires a local matching share. The proposed amendments in subsections (a) and (d) reference timelines and requirements for fund release of advance design apportionments made for applications for other assistance following a natural disaster. In addition, there are also minor edits that are considered non-substantive changes.

Existing Regulation Section 1859.93 sets forth the project funding order for Modernization applications. The proposed amendments incorporate reference to the funding order of applications requesting Modernization funding for other assistance following a natural disaster. Because of the new reference to include this additional type of application, a subsequent subsection was renumbered, which is considered a non-substantive change.

Existing Regulation Section 1859.93.1 sets forth the project funding order for New Construction applications. The proposed amendments incorporate reference to the funding order of applications requesting New Construction funding following a natural disaster. Specifically, the proposed amendments make applications requesting interim housing assistance following a natural disaster the first priority, then applications requesting funding for Facility Hardship or Seismic Mitigation as second, then applications requesting funding for other assistance following a natural disaster as third. Because of the new references to include these additional types of applications, subsequent subsections were renumbered, which is considered a non-substantive change.

Existing Regulation Section 1859.104 requires an annual submittal of the *Expenditure Report* (Form SAB 50-06) following the release of funds. This section also specifies the format to be used to report all relevant expenditure information as well as the time frame to provide project progress reports. Further, this section defines when projects shall be deemed complete for purposes of program reporting requirements and specifies when the final expenditure report must be made. The proposed amendments add subsection (a)(1)(C) which specifies that a project shall be deemed complete eight years from the date of the final fund release for projects

receiving funding for interim housing assistance following a natural disaster or other assistance following a natural disaster. Existing SFP regulations require the annual submittal of expenditure reports using the Form SAB 50-06 following the release of funds. The addition of new subsections (h), (h)(1), and (h)(2) relate to interim housing assistance following a natural disaster and specify that school districts must provide certifications: 1) that upon project completion or no later than five years (60 months) from the date the lease was signed for purposes of interim housing, the leased portable classrooms have either been removed or will remain in use within the school district; 2) that for leased portables that receive a time extension from the SAB, the district shall provide an additional certification no later than the approval date of the extension; and 3) that upon project completion or no later than eight years (96 months) from the date of the apportionment, portables purchased for interim housing have either been removed or will remain in use within the school district. Additionally, there are minor edits that are considered non-substantive changes.

Existing Regulation Section 1859.106 requires that expenditures for SFP program projects be made in accordance with certain Education Code sections and that an adjustment be made in the SFP grant for specific factors, including, but not limited to the difference in the value of the site, relocation costs, Department of Toxic Substances Control fees, and hazardous waste/materials removal costs that were used to determine the New Construction Adjusted Grant and the actual amount paid by the school district or insurance proceeds collected by a school district for displaced facilities, to name a few. The proposed amendments add a new subsection (c) that will adjust the SFP grant for insurance proceeds or other government disaster assistance collected by the school district for any project that received funding for interim housing assistance following a natural disaster or other assistance following a natural disaster. The proposed amendments also add references to regulatory sections pertaining to natural disaster assistance (Sections 1859.84, 1859.84.1, and 1859.84.2), 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 SAB that the apportionment be adjusted based on the audit findings. At the end of this section, a paragraph was added that specifies school districts 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 for any project that received funding for interim housing assistance following a natural disaster or other assistance following a natural disaster. Additionally, there are minor edits that are considered non-substantive changes.

Existing Form SAB 50-05, *Fund Release Authorization* (Rev. ~~06/17~~ 08/25), (incorporated by reference), is used by school districts and charter schools to request the release of State funds that have been apportioned by the SAB, upon the school district's and charter school's certification of compliance with specific legal and SFP requirements. The proposed amendments add a new Part X recognizing natural disaster assistance projects and the applicable components under the SFP. Because of the new Part X, there are minor renumbering edits that are considered non-substantive changes. This form is not required to be submitted for advance design applications; only a signed Grant Agreement is necessary for submittal. This is in alignment with the process for SFP New Construction and Modernization program site and/or design applications.

Proposed adoption of the Form SAB 195, *Application for Natural Disaster Assistance*, (New 08/25), (incorporated by reference) is introduced and is required to be submitted by school districts to apply for funding for either interim housing assistance following a natural disaster or other assistance following a natural disaster, pursuant to Education Code Section 17075.20. This form incorporates all of the proposed regulatory requirements and provides sections



wherein a school district may provide a narrative for each respective interim housing or other assistance request.

Proposed adoption of the *Grant Agreement [Interim Housing Assistance Following A Natural Disaster]* (New 08/25), (incorporated by reference) is required for projects approved by the SAB requesting this type of funding. This document is streamlined compared to the existing *Grant Agreement [Proposition 2]* as it is in alignment with the description of the scope of work and other requested information on the new Form SAB 195.

Proposed adoption of the *Grant Agreement [Other Assistance Following A Natural Disaster]* (New 08/25), (incorporated by reference) is required for projects approved by the SAB requesting this type of funding. This document is streamlined compared to the existing *Grant Agreement [Proposition 2]* as it is in alignment with the description of the scope of work and other requested information on the new Form SAB 195.

#### *Statutory Authority and Implementation*

Education Code Section 17070.35. (a) In addition to all other powers and duties as are granted to the board by this chapter, other statutes, or the California Constitution, the board shall do all of the following: (1) Adopt rules and regulations, pursuant to the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, for the administration of this chapter.

Government Code Section 15503. Whenever the board is required to make allocations or apportionments under this part, it shall prescribe rules and regulations for the administration of, and not inconsistent with, the act making the appropriation of funds to be allocated or apportioned. The board shall require the procedure, forms, and the submission of any information it may deem necessary or appropriate. Unless otherwise provided in the appropriation act, the board may require that applications for allocations or apportionments be submitted to it for approval.

#### *Determination of Inconsistency or Incompatibility with Existing State Regulations*

Proposition 2 makes numerous changes to the SFP, including authorizing the SAB to provide interim housing assistance and other assistance to school districts and county offices of education impacted by a natural disaster for which the Governor declared a state of emergency. The proposed regulations implement Education Code Section 17075.20, which specifies that the SAB has the authority to provide assistance for purposes of procuring interim housing, including, but not limited to, the leasing or acquisition of portable classrooms and any work associated with placing them on a site, for school districts and county offices of education impacted by a natural disaster for which the Governor has declared a state of emergency. Education Code Section 17075.20(e) also provides other assistance to school districts and county offices of education impacted by a natural disaster for which the Governor has declared a state of emergency. The proposed regulations establish a consistent form and process for school districts to request this assistance, factors for the SAB's consideration of requests for other assistance following a natural disaster, and accountability mechanisms including Grant Agreements, fund release requirements, and reporting requirements to facilitate compliance with statutory provisions requiring SFP natural disaster assistance funds to supplement funds from insurance proceeds and other government disaster assistance.

After conducting a review, the SAB has concluded that these are the only regulations on this subject area, and therefore, the proposed regulations are neither inconsistent nor incompatible with existing State laws and regulations. The proposed regulations are within the SAB's authority to enact regulations for the SFP under Education Code Section 17070.35 and Government Code Section 15503.

#### Documents Incorporated by Reference

- *Form SAB 50-05*, (Rev. ~~06/17~~ 08/25), referenced in Regulation Section 1859.2 and is incorporated by reference.
- *Form SAB 195*, (New 08/25), referenced in Regulation Section 1859.2 and is incorporated by reference.
- *Grant Agreement [Interim Housing Assistance Following A Natural Disaster]*, (New 08/25), referenced in Regulation Section 1859.2 and is incorporated by reference.
- *Grant Agreement [Other Assistance Following A Natural Disaster]*, (New 08/25), referenced in Regulation Section 1859.2 and is incorporated by reference.

#### IMPACT ON LOCAL AGENCIES OR SCHOOL DISTRICTS

The Executive Officer of the SAB has determined that the proposed regulations do not impose a mandate or a mandate requiring reimbursement by the State pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. It will not require local agencies or school districts to incur additional costs in order to comply with the proposed regulations.

#### DISCLOSURES REGARDING THE PROPOSED REGULATORY ACTION

The Executive Officer of the SAB has made the following initial determinations relative to the required statutory categories:

- The SAB has made an initial determination that there will be no significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.
- The SAB is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.
- There will be no non-discretionary costs or savings to local agencies.
- The proposed regulations create no costs to any local agency or school district requiring reimbursement pursuant to Section 17500 et seq., or beyond those required by law, except for the required district contribution toward each project as stipulated in statute.
- There will be no costs or savings in federal funding to the State.
- The proposed regulations create no costs or savings to any State agency beyond those required by law.
- The SAB has made an initial determination that there will be no impact on housing costs.

## RESULTS OF THE ECONOMIC IMPACT ANALYSIS

### *Impact to Businesses and Jobs in California*

The proposed regulations promote transparency because school districts and the school district community have been collaborating on the proposed regulations through a series of stakeholder meetings. The SAB has the authority to provide interim housing assistance and other assistance to school districts and county offices of education impacted by a natural disaster for which the Governor declared a state of emergency. The proposed regulations implement Education Code Section 17075.20, which specifies that the SAB has the authority to provide assistance for purposes of procuring interim housing, including, but not limited to, the leasing or acquisition of portable classrooms and any work associated with placing them on a site, for school districts and county offices of education impacted by a natural disaster for which the Governor has declared a state of emergency. Education Code Section 17075.20(e) also provides other assistance to school districts and county offices of education impacted by a natural disaster for which the Governor has declared a state of emergency.

In addition, the proposed regulations will not negatively impact the creation of jobs, the creation of new businesses, and the expansion of businesses in California. It is not anticipated that the proposed regulations will result in the elimination of existing businesses or jobs within California. Additionally, the proposed regulations expand the SFP while aligning with the statute, maintaining program integrity, and equity amongst school district projects.

### *Benefits to Public Health and Welfare, Worker's Safety, and the State's Environment*

- The proposed regulations promote transparency because school districts and the school district community have been collaborating on the proposed regulations through a series of stakeholder meetings. The SAB has the authority to provide interim housing assistance and other assistance to school districts and county offices of education impacted by a natural disaster for which the Governor declared a state of emergency.
- There are continued benefits to the health and welfare of California residents and worker safety. School districts, charter schools, and local educational agencies utilize construction and trades employees to work on school construction projects and although this proposed regulation does not directly impact worker's safety, existing law provides for the availability of a skilled labor force and encourages improved health and safety of construction and trades employees through proper apprenticeship and training. Further, public health and safety is enhanced because a properly paid and trained workforce will build school construction projects that are higher quality, structurally code-compliant and safer for use by pupils, staff, and other occupants on the site.
- There is no impact to the State's environment from the proposed regulations.

The SAB finds the proposed regulations fully consistent with the stated purposes and benefits.

## EFFECT ON SMALL BUSINESSES

It has been determined that the proposed regulations will not have a negative impact on small businesses in the ways identified in subsections (a)(1)–(4) of Section 4, Title 1, CCR. The proposed regulations only apply to school districts and local education agencies for purposes of funding school facility projects. Manufacturing and construction-related industries such as architecture, engineering, trades and municipalities may expand based on the demand on these industries. This may include new [small] businesses, or the expansion of [small] businesses,

which have a positive impact on the state's economy and may also create an unknown number of jobs.

#### SUBMISSION OF COMMENTS, DOCUMENTS AND ADDITIONAL INFORMATION

Any interested person may present statements, arguments or contentions, in writing, submitted via U.S. mail, email or fax, relevant to the proposed regulatory action. Written comments submitted via U.S. mail, email or fax must be received at OPSC no later than March 23, 2026 end of day. The express terms of the proposed regulations as well as the Initial Statement of Reasons are available to the public.

Written comments, submitted via U.S. mail, email or fax, regarding the proposed regulatory action, requests for a copy of the proposed regulatory action or the Initial Statement of Reasons, and questions concerning the substance of the proposed regulatory action should be addressed to:

Lisa Jones, Regulations Coordinator

Mailing Address: Office of Public School Construction  
707 Third Street, 3<sup>rd</sup> Floor  
West Sacramento, CA 95605

E-mail Address: [lisa.jones@dgs.ca.gov](mailto:lisa.jones@dgs.ca.gov)

Fax No.: (916) 375-6721

#### AGENCY CONTACT PERSONS

General or substantive questions regarding this Notice of Proposed Regulatory Action may be directed to Ms. Lisa Jones at (279) 946-8459. If Ms. Jones is unavailable, these questions may be directed to the backup contact person, Mr. Michael Watanabe, Deputy Executive Officer, at (279) 946-8463.

#### ADOPTION OF REGULATIONS

Please note that, following the public comment period, the SAB may adopt the regulation substantially as proposed in this notice or with modifications, which are sufficiently related to the originally proposed text and notice of proposed regulatory activity. If modifications are made, the modified text with the changes clearly indicated will be made available to the public for at least 15 days prior to the date on which the SAB adopts the regulations.

The modified regulation(s) will be made available and provided to: all persons who testified at and who submitted written comments at the public hearing, all persons who submitted written comments during the public comment period, and all persons who requested notification from the agency of the availability of such changes. Requests for copies of any modified regulations should be addressed to the agency's regulation coordinator identified above. The SAB will accept written comments on the modified regulations during the 15-day period.

## SUBSTANTIAL CHANGES WILL REQUIRE A NEW NOTICE

If, after receiving comments, the SAB intends to adopt the regulation with modifications not sufficiently related to the original text, the modified text will not be adopted without complying anew with the notice requirements of the Administrative Procedure Act.

## RULEMAKING FILE

Pursuant to Government Code Section 11347.3, the SAB is maintaining a rulemaking file for the proposed regulatory action. The file currently contains:

1. A copy of the text of the regulations for which the adoption is proposed in ~~strikeout~~/underline.
2. A copy of this Notice.
3. A copy of the Initial Statement of Reasons for the proposed adoption.
4. The factual information upon which the SAB is relying in proposing the adoption.

As data and other factual information, studies, reports or written comments are received they will be added to the rulemaking file. The file is available for public inspection at OPSC during normal working hours. Items 1 through 3 are also available on OPSC's Internet Web site at: [Laws, Regulations for School Construction Projects](#) then scroll down to School Facility Program, Pending Regulatory Changes, August 19/December 3, 2025 Emergency Regulations, and click on the links entitled 45-day Public Notice, Initial Statement of Reasons, Proposed Regulation Text, Form SAB 50-05, Form SAB 195, and the two Grant Agreements.

## ALTERNATIVES

In accordance with Government Code Section 11346.5(a)(13), the SAB must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. The alternative to these proposed regulations would be the SAB take no action and be in violation of the statute (AB 247). The SAB is charged with ensuring that the provisions of Proposition 2 are implemented in the SFP in a timely manner.

## AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, the Final Statement of Reasons will be available, and copies may be requested from the agency's regulation coordinator named in this notice or may be accessed on the website listed above.