

INITIAL STATEMENT OF REASONS

Section 1859.2. Definitions.

Specific Purpose of the Regulation

To change the revision dates to five forms and define an additional term and form based on conforming regulatory amendments.

Need for the Regulation

Existing Regulation Section 1859.2 represents a set of defined words and terms used exclusively for these regulations. It was necessary to correct the revision dates of the Forms SAB 50-04, SAB 50-09, SAB 50-10, and SAB 195 as these forms have been amended that incorporate the Proposition 2 provision relating to the five-year school facilities master plan (Education Code Section 17070.54). It was also necessary to define the Form SAB 50-MP and what the term “master plan” means so school districts are informed of what is required of them to submit in order to participate in the School Facility Program (SFP).

Section 1859.18. Five-Year School Facilities Master Plan.

Specific Purpose of the Regulation

To set forth the requirements for a complete and valid master plan.

Need for the Regulation

It was necessary to stipulate that Approved Applications submitted to the Office of Public School Construction (OPSC) on or after October 31, 2024, would require the submittal of a complete and valid master plan as a condition of participating in the SFP to align with Education Code Section 17070.54. This section also provides guidance to school districts on the length of time a master plan is valid and the conditions when a valid master plan must be updated, such as changes in enrollment, capacity, or other areas that have materially affected components of the master plan. Once the five years have expired, school districts shall submit an updated, complete and valid master plan reflecting a new five-year period as supported by a copy of the local governing board approval or board minutes. Subsection (d) sets forth what is to be included in, the format of the master plan components, and specifically delineates by program (i.e., New Construction Program, Modernization Program, Facility Hardship/Seismic Mitigation Programs, Charter School Facilities Program, Career Technical Education Facilities Program, and any other program under the SFP) the estimated dollar value of potential funding, potential future projects, and estimated total project costs, to name a few. All of this information for the master plan is in alignment with Education Code Section 17070.54.

Section 1859.18.1. Master Plan Submittal Time Frames.

Specific Purpose of the Regulation

To establish required time frames for school districts to submit a complete master plan.

Need for the Regulation

It was necessary to recognize the initial framework of submittal dates for completed master plans, along with the process for submittal of governing board resolutions acknowledging the master plan requirement, that the State Allocation Board (SAB) adopted at its December 3, 2024 meeting while these regulations were being developed. The SAB's proactive action has applied to applications submitted to OPSC on or after October 31, 2024, and prior to the effective date of these regulations. This assisted in OPSC's ability to continuously accept and process applications concurrent with regulatory development to implement this provision of Proposition 2. This section establishes the programs and application types, when a local governing board resolution is required, and when a master plan is required. If a master plan is not submitted accordingly, the Apportionment may be rescinded for failure to submit this required document.

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 a provision of statutory changes enacted with the passage of Proposition 2. Proceeding with the implementation of the proposed regulations ensures that school districts will provide the school facilities master plan if they want to participate in the SFP and have the state be a partner in their projects. This provides 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. The proposed regulations will maintain equity, consistency, and the integrity of the SFP.

SCHOOL FACILITY PROGRAM FORMS

Application For Funding, Form SAB 50-04 (Rev. 01/2602/26).

Specific Purpose of the Form

To incorporate a new certification that aligns with Education Code Section 17070.54.

Need for the Form

Page 12: It was necessary to add a new certification to this form so school districts can check a box as to whether the master plan has not been materially altered, has been materially altered, or the application is subject to an alternative master plan submittal timeline as required in Regulation Section 1859.18.1.

Application for Charter School Preliminary Apportionment, Form SAB 50-09 (Rev. 12/2501/26).

Specific Purpose of the Form

To incorporate a new certification that aligns with Education Code Section 17070.54.

Need for the Regulation

Page 6: It was necessary to add a new certification to this form so school districts can check a box as to whether the master plan has not been materially altered, has been materially altered, or the application is subject to an alternative master plan submittal timeline as required in Regulation Section 1859.18.1.

Application for Career Technical Education Facilities Funding, Form SAB 50-10 (Rev. 10/1401/26).

Specific Purpose of the Form

To incorporate a new certification that aligns with Education Code Section 17070.54.

Need for the Regulation

Page 4: It was necessary to add a new certification to this form so school districts can check a box as to whether the master plan has not been materially altered, has been materially altered, or the application is subject to an alternative master plan submittal timeline as required in Regulation Section 1859.18.1.

Application for Natural Disaster Assistance, Form SAB 195 (New 08/25 Rev. 01/26).

Specific Purpose of the Form

To incorporate a new certification that aligns with Education Code Section 17070.54.

Need for the Regulation

Page 9: It was necessary to add a new certification to this form so school districts can check a box as to whether the master plan has not been materially altered, has been materially altered, or the application is subject to an alternative master plan submittal timeline as required in Regulation Section 1859.18.1.

Five-Year Master Plan Checklist, Form SAB 50-MP (New 01/26).

Specific Purpose of the Form

To introduce the form and provide guidance to school districts as master plans are prepared.

Need for the Regulation

It was necessary to create this form to help school districts and OPSC in verifying that all required components are included in the submitted master plan. Master plans can be created in various formats as long as the master plans have the required components. This form is a checklist that school district can use to ensure a complete and valid master plan. School districts are able to submit their master plans as a PDF document, or as an external website link with Uniform Resource Locators (URL). There are fields to enter page numbers if the school district submits the master plan in PDF format, or URL information if the master plan is web-based. It is proposed that school districts be required to complete and submit this form along with the completed master plan.

Anticipated Benefits and Economic Impact of the Proposed Regulations

There are benefits associated with the proposed regulations. The State of California will benefit as the master plans are a comprehensive overview of each school district's facilities, including but not limited to, current and future student housing needs and existing facilities, to name a few. The master plans promote transparency and tie into the State's infrastructure investment. A series of stakeholder meetings were held on February 13, April 10, August 28, and November 6, 2025. Once stakeholders had the opportunity to provide input and feedback on the five-year school facilities master plan topic, OPSC presented proposed regulatory changes to the SAB for consideration as formal regulations and then the regulations were submitted to OAL and subsequently approved as emergency regulations [OAL File #2026-0424-01E].

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 maintaining program integrity and equity amongst school district projects.

The proposed regulations are therefore determined to be consistent and compatible with existing State laws and regulations. Proceeding with the implementation of the proposed regulations ensures that school districts will provide the five-year school facilities master plan if they want to participate in the SFP and have the state be a partner in their projects. The proposed regulations maintain equity amongst school district projects, as well as the integrity of the SFP funding process.

Technical Documents Relied Upon

- The SAB's Action Item, dated December 3, 2025, REPORT OF THE EXECUTIVE OFFICER, entitled "Proposed Emergency Regulatory Amendments for the School Facility Program."
- The SAB's Action Item, dated January 28, 2026, REPORT OF THE EXECUTIVE OFFICER, entitled "Proposed Emergency Regulatory Amendments for the Five-Year School Facilities Master Plan."

Alternatives to the Proposed Regulatory Action that would be as Effective and Less Burdensome to Private Persons

The SAB finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulations or would be as effective and less burdensome to affected private persons than the proposed regulations or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law. The alternative to these proposed regulatory amendments would be the SAB take no action, thereby violating the provisions contained in AB 247 (Muratsuchi, Chapter 81, Statutes of 2024). The SAB is charged with ensuring that the provisions of Proposition 2 are implemented in the SFP in a timely manner.

Alternatives to the Proposed Regulatory Action that would Lessen any Adverse Economic Impact on Small Business

The SAB has determined that the proposed regulations will not have a negative impact on small businesses.

Finding of Significant Adverse Economic Impact on Businesses

The SAB has determined that the adoption of the proposed regulations will not have a negative economic impact on businesses/small businesses because they are not required to directly comply with or enforce the regulations, nor will they be disadvantaged by the regulations. Proceeding with the implementation of 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. Further, the proposed regulations maintain equity amongst school districts projects and the integrity of the SFP funding process.

Impact on Local Agencies or School Districts

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, school districts, or charter schools to incur additional costs in order to comply with the proposed regulations.

Office of Administrative Law Regulations, Title 1, Section 20(c)(1)

Because the State Allocation Board's SFP Forms are cumbersome documents, it would be unduly expensive and otherwise impractical to publish the Forms in the California Code of Regulations. Therefore, it is not necessary to publish the Forms in the California Code of Regulations.

Office of Administrative Law Regulations, Title 1, Section 20(c)(2)

The State Allocation Board's SFP Forms are made available upon request and through our website and continue to be made available upon request and through our website.

ECONOMIC IMPACT ASSESSMENT OF REGULATIONS

“Proposed Emergency Regulatory Amendments for the Five-Year School Facilities Master Plan”

Proposed State Allocation Board Regulations

On November 5, 2024, a majority of California’s voters approved the Kindergarten through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024 (Proposition 2). In addition to providing \$8.5 billion in bond authority for public Transitional Kindergarten through grade 12 school facilities, there are many provisions contained in Proposition 2 that require interpretation and inclusion in the existing School Facility Program (SFP) Regulations. Voter approval of Proposition 2 made provisions of Assembly Bill (AB) 247 (Muratsuchi, Chapter 81, Statutes of 2024) operative.

This bill added Education Code Section 17070.54 and 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. School district also means a county office of education based on Education Code Section 17070.15(q). In part, Proposition 2 requires:

- School districts include specified minimum elements as part of the five-year school facilities master plan, including an inventory of existing facilities, sites, and property.
- OPSC, in consultation with the California Department of Education (CDE), to develop guidelines that school districts may utilize to guide the development of the master plan.
- The State Controller’s Office to include instructions in the K-12 audit guide to verify that all required components are included in participating school districts’ master plans.
- School districts to update their school facilities master plans to reflect any changes in enrollment, capacity, or other areas, as appropriate for purposes of participating in the SFP.

At its meeting on January 28, 2026, the SAB adopted proposed regulatory amendments, on an emergency basis, that implement the five-year school facilities master plan provision of AB 247 and Proposition 2 in the SFP. The January 2026 item sets forth the timing of when to submit the school facilities master plan to OPSC based on the submittal date and project type, such as new requests for New Construction and Modernization applications for design and/or site funding; Facility Hardship Program and Seismic Mitigation Program applications (health and safety projects); Career Technical Education Facilities Program applications; Charter School Facilities Program applications; and Natural Disaster Assistance applications (health and safety projects).

It is important to note that applications for all SAB-administered programs are subject to the five-year school facilities master plan requirement. It is also necessary to point out that school districts already prepare school facilities master plans; comprehensive overviews of a school district’s facilities, including but not limited to, current and future student housing needs, and existing facilities, to name a few.

Education Code Section 17070.54 sets forth specific criteria that must be included in the master plans for submittal to OPSC. However, Proposition 2 and AB 247 are silent as to when the five-year school facilities master plans must be submitted, which is why OPSC developed different submittal timelines by program and application type based on when the proposed regulations would be approved by the Office of Administrative Law (OAL) and become effective. Facility Hardship and Seismic Mitigation Program projects, along with three Natural Disaster Assistance projects have already been processed to the State Allocation Board, received unfunded

approvals, and received Apportionments in April 2026. These regulations were approved by OAL on an emergency basis with an effective date of May 4, 2026 [OAL File #2026-0424-01E].

Background and Problem Being Resolved

At its December 3, 2024 meeting, the SAB adopted policies for SFP applications received on or after October 31, 2024. The December 2024 policy item outlined the timing of when to submit the school facilities master plan to OPSC based on the submittal date and project type, such as Facility Hardship and Seismic Mitigation Program applications, and New Construction and Modernization funding applications (including projects already SAB-approved for separate design/site). Early guidance from the SAB was necessary to inform school districts who submitted applications on or after October 31, 2024, and/or who are currently planning to submit applications for funding. Stakeholder input and feedback have been critical to inform regulation development and implementation.

The problem being resolved is not just implementing the statutory authority for school districts to submit five-year school facilities master plans but implementing when master plans must be submitted with funding applications for the different programs. Each program and project type has unique circumstances surrounding when applications can be submitted to OPSC versus when they may be processed by OPSC to the SAB for approval. Accordingly, the regulations account for these unique circumstances by adjusting the timing of when the master plan should be submitted by to allow school districts to plan and prepare for submittal. The proposed regulations address applications received by OPSC on and after October 31, 2024, and set forth requirements and conditions of the five-year school facilities master plan, as well as specificity concerning the information that must be included in the master plan. This is in alignment with Education Code Section 17070.54.

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 a provision of statutory changes enacted with the passage of Proposition 2. Proceeding with the implementation of the proposed regulations ensures that school districts will provide the school facilities master plan if they want to participate in the SFP and have the state be a partner in their projects. This provides 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. The proposed regulations maintain equity, consistency, and the integrity of the SFP.

Description of Regulations to Implement Law

The Leroy F. Greene School Facilities Act of 1998 established, through Senate Bill 50, Chapter 407, Statutes of 1998, the 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.

A series of stakeholder meetings were held on February 13, April 10, August 28, and November 6, 2025. Once stakeholders had the opportunity to provide input and feedback on the five-year school facilities master plan topic, OPSC presented proposed regulatory changes to the SAB for

consideration as formal regulations and then the regulations were submitted to OAL and subsequently approved [OAL File #2026-0424-01E].

Anticipated Benefits of the Proposed Regulations

There are benefits associated with the proposed regulations. The State of California will benefit as the master plans are a comprehensive overview of each school district's facilities, including but not limited to, current and future student housing needs and existing facilities, to name a few. The master plans promote transparency and tie into the State's infrastructure investment. The regulations also help ensure school districts are making conscientious decisions when pursuing state funding.

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 update the revision dates for the Forms SAB 50-04, SAB 50-09, SAB 50-10, and SAB 195. It also defines the new Form SAB 50-MP and the term "Master Plan," that align with Education Code Section 17070.54.

Proposed adoption of Regulation Section 1859.18 sets forth how long a master plan is considered valid based on when the local governing board of a school district approved the master plan, relative to the required time frame for submittal of the master plan for the associated funding application. A school district may submit additional funding applications without resubmitting the valid master plan. However, there are conditions of when a master plan must be updated by a school district within five years from the original master plan's approval by the school board when changes in enrollment, capacity, or other areas have materially affected components, which is in alignment with Education Code Section 17070.54(f). This section also sets forth the required components of a complete master plan and provides clarifying details to ensure consistent compliance with the statutory components.

Proposed adoption of Regulation Section 1859.18.1 establishes the required time frames by which school districts submit a complete master plan. The master plan requirement applies to applications submitted to OPSC on and after October 31, 2024. However, time was needed to develop these proposed regulations that the SAB approved a framework of submittal dates for completed master plans on December 3, 2024, along with a process for submittal of governing board resolutions acknowledging the master plan requirement. The school board resolution must also acknowledge the Apportionment may be rescinded for failure to submit the completed and valid master plan timely. This section implements the SAB's previously approved framework and expands it to other SFP programs. There is a non-substantive change in subsection (e)(2); correcting (f)(1) to (e)(2) since there is no subsection (f) in this section.

Existing Form SAB 50-04, *Application for Funding*, (Rev. ~~01/26~~ 02/26), (incorporated by reference) is submitted by school districts to apply for State funding for new construction and modernization projects. The proposed amendments add a certification on page 12 that

incorporates the requirements of the five-year school facilities master plan, such as the date the governing board approved the master plan and the date it was submitted to OPSC. School districts will need to check a box as to whether the master plan has not been materially altered, has been materially altered, or the application is subject to an alternative master plan submittal timeline required in Regulation Section 1859.18.1. In addition, the revision date for this Form has been changed from 01/26 to 02/26 and includes the newly OAL-approved changes. This is due to an intervening regulation becoming effective on June 15, 2026 [OAL File #2026-0605-01E].

Existing Form SAB 50-09, *Application for Charter School Preliminary Apportionment*, (Rev. ~~12/25~~ 01/26), (incorporated by reference) is the form for charter school entities to apply for preliminary apportionments for qualifying projects. The proposed amendments add a certification on page 6 that incorporates the requirements of the five-year school facilities master plan, such as the date the governing board approved the master plan and the date it was submitted to OPSC. School districts will need to check a box as to whether the master plan has not been materially altered, has been materially altered, or the application is subject to an alternative master plan submittal timeline required in Regulation Section 1859.18.1.

Existing Form SAB 50-10, *Application for Career Technical Education Facilities Funding*, (Rev. ~~10/14~~ 01/26), (incorporated by reference) is submitted by school districts/Local Educational Agencies to apply for funding under the Career Technical Education Facilities Program. The proposed amendments add a certification on page 4 that incorporates the requirements of the five-year school facilities master plan, such as the date the governing board approved the master plan and the date it was submitted to OPSC. School districts will need to check a box as to whether the master plan has not been materially altered, has been materially altered, or the application is subject to an alternative master plan submittal timeline required in Regulation Section 1859.18.1.

Existing Form SAB 195, *Application for Natural Disaster Assistance*, (~~New 08/25~~ Rev. 01/26), (incorporated by reference), is 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 provides sections wherein a school district may provide a narrative for each respective interim housing or other assistance request. The proposed amendments add a certification on page 9 that incorporates the requirements of the five-year school facilities master plan, such as the date the governing board approved the master plan and the date it was submitted to OPSC. School districts will need to check a box as to whether the master plan has not been materially altered, has been materially altered, or the application is subject to an alternative master plan submittal timeline required in Regulation Section 1859.18.1.

Proposed adoption of Form SAB 50-MP, *Five-Year Master Plan Checklist*, (New 01/26), (incorporated by reference), was created to assist school districts and OPSC in verifying that all required components are included in the submitted master plan. OPSC acknowledges that school districts have created their master plans in various formats. School districts are able to submit their master plans as a PDF document, or as an external website link with Uniform Resource Locators (URL). There are fields to enter page numbers if the school district submits the master plan in PDF format, or URL information if the master plan is web-based. OPSC proposes that school districts be required to complete and submit this form along with the completed master plan.

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

At its December 3, 2024 meeting, the SAB adopted policies for SFP applications received on or after October 31, 2024. The December 2024 policy item outlined the timing of when to submit the school facilities master plan to OPSC based on the submittal date and project type, such as Facility Hardship and Seismic Mitigation Program applications, and New Construction and Modernization funding applications (including projects already SAB-approved for separate design/site). Early guidance from the SAB was necessary to inform school districts who submitted applications on or after October 31, 2024, and/or who are currently planning to submit applications for funding. Although the submittal of the five-year school facilities master plan is required to participate in the SFP, Proposition 2 does not specify when the required master plan must be submitted to OPSC.

Each program and project type has unique circumstances surrounding when applications can be submitted to OPSC versus when they may be processed by OPSC to the SAB for approval. Accordingly, the regulations account for these unique circumstances by adjusting the timing of when the master plan should be submitted by to allow school districts to plan and prepare for submittal. The proposed regulations address applications received by OPSC on and after October 31, 2024, and set forth requirements and conditions of the five-year school facilities master plan, as well as specificity concerning the information that must be included in the master plan. This is in alignment with Education Code Section 17070.54.

After conducting a review, the SAB has concluded that these are the only regulations on this subject, 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.

Impact to California Businesses and Jobs

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 held on February 13, April 10, August 28, and November 6, 2025. Once stakeholders had the opportunity to provide input and feedback on the five-year school facilities master plan topic, OPSC presented proposed regulatory changes to the SAB for consideration as formal regulations and then the regulations were submitted to OAL and subsequently approved.

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 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.
- 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.