

INITIAL STATEMENT OF REASONS

Section 1859.2. Definitions.

Specific Purpose of the Regulation

To define the new term “OPSC Online”, to change the revision dates to eight forms based on conforming regulatory amendments, and to specify which form will be required to be submitted via OPSC Online.

Need for the Regulation

It was necessary to correct the revision dates of the Forms SAB 50-01, SAB 50-02, SAB 50-03, SAB 50-04, SAB 50-05, SAB 50-06, SAB 50-09 and SAB 50-10 to align with the proposed regulations.

Section 1859.19. SFP Forms and Supporting Documentation Submittal.

Specific Purpose of the Regulation

To require school districts to submit documentation through OPSC Online.

Need for the Regulation

It was necessary to provide guidance for which application documents and formal correspondence are subject to this requirement, as well as the process if OPSC Online is inaccessible.

Section 1859.20. SFP Application for Determination of Eligibility.

Specific Purpose of the Regulation

To establish and identify the forms to be used by a school district to file a modernization or new construction application for an SAB determination of a school district’s eligibility and require submittal of the form through OPSC Online.

Need for the Regulation

It was necessary to instruct school districts to file the necessary forms electronically through OPSC Online.

Section 1859.21. SFP Application for Funding.

Specific Purpose of the Regulation

To establish a set of requirements that school districts must meet when seeking funding for a new construction or modernization project and require submittal of the form through OPSC Online.

Need for the Regulation

It was necessary to instruct school districts to file the Form SAB 50-04, *Application For Funding*, electronically through OPSC Online.

Section 1859.90.2. Priority Funding Process.

Specific Purpose of the Regulation

To require school districts to submit priority funding requests through OPSC Online.

Need for the Regulation

It was necessary to eliminate existing references to request being “physically received” by OPSC and references to forms requiring an “original signature.” In addition, priority funding requests must be submitted to OPSC through OPSC Online by the 30th calendar day of each filing period to be considered valid. Although the SAB adopted additional amendments in this Section, the proposed amendments are no longer a part of this rulemaking as the Office of Administrative Law (OAL) approved the amendments through an intervening regulation that became effective on June 15, 2026 [OAL File #2026-0605-01E].

SCHOOL FACILITY PROGRAM FORMS

Enrollment Certification/Projection, Form SAB 50-01 (Rev. 05/0912/25).

Specific Purpose of the Form

To align this form with the conforming regulatory amendments.

Need for the Form

It was necessary to update this Form to require school districts to submit documentation through OPSC Online.

Existing School Building Capacity, Form SAB 50-02 (Rev. 12/1012/25).

Specific Purpose of the Form

To determine school district’s existing school building capacity.

Need for the Form

It was necessary to update this Form to require school districts to submit documentation through OPSC Online.

Eligibility Determination, Form SAB 50-03 (Rev. 03/2512/25).

Specific Purpose of the Form

To calculate the district’s eligibility for new construction and modernization funding.

Need for the Form

It was necessary to update this Form to require school districts to submit documentation through OPSC Online.

Application For Funding, Form SAB 50-04 (Rev. 02/2611/26).

Specific Purpose of the Form

To apply for State funding for new construction and modernization projects.

Need for the Form

It was necessary to update this Form to require school districts to submit documentation through OPSC Online along with project plans and specifications if requested, and to update references to the Project Tracking Number Generator using OPSC Online.

Fund Release Authorization, Form SAB 50-05 (Rev. 02/2611/26).

Specific Purpose of the Form

To request the release of funds after a project has received an apportionment by the State Allocation Board.

Need for the Form

It was necessary to update this Form to require school districts to submit documentation through OPSC Online.

Expenditure Report, Form SAB 50-06 (Rev. 10/2212/25).

Specific Purpose of the Form

To record the total amount of funding spent on the project, including State and district shares.

Need for the Form

It was necessary to update this Form to require school districts to submit documentation through OPSC Online and remove outdated references to physical correspondence.

Application for Charter School Preliminary Apportionment, Form SAB 50-09 (Rev. 01/2611/26).

Specific Purpose of the Form

To apply for preliminary apportionments for qualifying projects for charter school entities.

Need for the Regulation

It was necessary to update this Form to require school districts to submit documentation through OPSC Online along with project plans and specifications, and to update references to the Project Tracking Number Generator using OPSC Online.

Application for Career Technical Education Facilities Funding, Form SAB 50-10 (Rev. 01/2611/26).

Specific Purpose of the Form

To request State funding for the Career Technical Education Facilities Funding Program.

Need for the Regulation

It was necessary to update this Form to require school districts to submit documentation through OPSC Online along with project plans and specifications, and to update references to the Project Tracking Number Generator using OPSC Online.

Anticipated Benefits and Economic Impact of the Proposed Regulations

The benefits associated with the proposed regulations include less paper usage, which reduces environmental impact, faster turnaround times, allowing for more efficient processing; and a lower chance of human error, leading to greater accuracy.

The proposed regulations promote transparency, fairness and social equity because school districts participating in SAB-administered programs will have the same access to OPSC Online at any time to submit applications and associated documentation in order to support their projects. The information in OPSC Online is in real-time so school districts can follow their project(s) in real-time as the project(s) progress through the review/approval processes. The requirement will also significantly reduce OPSC's administrative staff time spent keying in submitted paper application as well as emailed applications.

In addition, the proposed regulations will not 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.

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.

Technical Documents Relied Upon

The SAB's Action Item, dated December 3, 2025, entitled "REPORT OF THE EXECUTIVE OFFICER, Proposed Regulatory Amendments for the School Facility Program; the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program; and the School Sites: Nonuse Payments Program."

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. No alternatives were considered. School districts participating in SAB-administered programs will have the same access to OPSC Online at any time to submit applications and associated documentation and monitor their projects in real-time.

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 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.

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 school 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 Regulatory Amendments for the School Facility Program; the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program; and the School Sites: Nonuse Payments Program”

Proposed State Allocation Board Regulations

Between July and October 2025, OPSC held two stakeholder meetings to inform the development of proposed regulations implementing the mandatory use of OPSC Online. At its meeting on December 3, 2025, the SAB adopted proposed regulatory amendments that implement additional provisions.

Background and Problem Being Resolved

OPSC created the OPSC Online web-based application portal over eight years ago. OPSC Online allows school districts and applicants to electronically submit requests for funding, and associated project documentation, for all SFP projects. The online platform allows applicants to draft, review, and submit required forms at any time, resulting in a completely paperless process. OPSC Online includes the New Construction, Modernization, Facility Hardship/Seismic Mitigation Programs, Charter School Facilities Programs, Career Technical Education Facilities Program, and the Small School District Program. OPSC has tested and programmed numerous expansions and improvements, particularly when legislation impacts the SFP and program modifications must be implemented.

The problem being resolved is reducing the carbon footprint of OPSC and participating school districts by transitioning to a paperless, web-based application portal. This change aims to promote environmental sustainability and minimize the environmental impact of administrative operations. By implementing digital processes and reducing paper usage, the online application not only lowers emissions associated with traditional paperwork but also encourages energy-efficient practices for all SAB-administered programs. The requirement will also significantly reduce OPSC’s administrative staff time spent keying in submitted paper application as well as emailed applications.

OPSC conducted 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. Proceeding with the implementation of the proposed regulations will provide a sustainable and positive impact on the environment as well as reduce the carbon footprint on OPSC. The proposed regulations will continue to ensure the integrity of the SFP through a web-based means.

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.

Between July and October 2025, OPSC held two stakeholder meetings to inform the development of proposed regulations implementing the mandatory use of OPSC Online. At its

meeting on December 3, 2025, the SAB adopted proposed regulatory amendments that implement additional provisions.

Anticipated Benefits of the Proposed Regulations

The benefits associated with the proposed regulations include less paper usage, which reduces environmental impact, faster turnaround times, allowing for more efficient processing; and a lower chance of human error, leading to greater accuracy. The requirement will significantly reduce OPSC's administrative staff time spent keying in submitted paper application as well as emailed applications.

The proposed regulations promote transparency, fairness and social equity because school districts participating in SAB-administered programs will have the same access to OPSC Online at any time to submit applications and associated documentation in order to support their projects. The information in OPSC Online is in real-time so school districts can follow their project(s) in real-time as the project(s) progress through the review/approval processes.

The proposed regulations will not have an impact to various business, manufacturing and construction-related industries such as architecture, engineering, trades and municipalities. In addition, the proposed regulations will not impact the creation of jobs, the creation of new businesses, and the expansion of business in California. It is not anticipated that the proposed regulations will result in the elimination of existing businesses or jobs within California.

Summary of the Proposed Regulations

A summary of the proposed regulations, including the eight associated forms, are as follows:

Existing Regulation Section 1859.2 represents a set of defined words and terms used exclusively for these regulations. The proposed amendments define the new term "OPSC Online". The proposed amendments also make clear that the eight associated forms (SAB 50-01, SAB 50-02, SAB 50-03, SAB 50-04, SAB 50-05, SAB 50-06, SAB 50-09, SAB 50-10) must be submitted via OPSC Online. The revision dates are notated on pages 1 and 5 of this document.

Proposed adoption of Regulation Section 1859.19 requires the submittal of SFP forms and supporting documentation through OPSC Online beginning January 1, 2027. This section provides guidance for which application documents and formal correspondence are subject to this requirement, as well as the process for technical challenges if OPSC Online is inaccessible.

Existing Regulation Section 1859.20 establishes and identifies the forms to be used by a school district to file either a modernization or new construction application for an SAB determination of a school district's eligibility. The proposed amendments instruct school districts to file the necessary forms electronically through the OPSC Online application.

Existing Regulation Section 1859.21 sets forth a general requirement that school districts must meet when seeking funding for a new construction or modernization project. The proposed amendments incorporate the new term OPSC Online and instruct school districts to file the Form SAB 50-04, *Application For Funding*, electronically through the Online application.

Existing Regulation Section 1859.90.2 authorizes the SAB to establish 30-calendar day application filing periods for school districts and charter schools to apply for apportionments of available State school bond funds. The proposed amendments eliminate existing references to

requests being “physically received” by OPSC and add that priority funding requests must be submitted to OPSC through OPSC Online. Although the SAB adopted additional amendments in this Section, the proposed amendments are no longer a part of this rulemaking as the Office of Administrative Law (OAL) approved the amendments through an intervening regulation that became effective on June 15, 2026 [OAL File #2026-0605-01E].

Existing Form SAB 50-01, *Enrollment Certification/Projection*, (Rev. ~~05/09~~ 12/25), (incorporated by reference) is submitted by school districts to determine a district’s initial eligibility for new construction funding under the SFP. On page 1, under “General Information,” 1st paragraph: the proposed amendments align with the requirements in new Regulation Section 1859.19, where the school district must submit all SAB-required forms and supporting documentation to be a valid and complete application using OPSC Online.

Existing Form SAB 50-02, *Existing School Building Capacity*, (Rev. ~~42/40~~ 12/25), (incorporated by reference) is used for a determination of a school district’s existing school building capacity. On page 1, under “General Information,” 1st paragraph: the proposed amendments align with the requirements in new Regulation Section 1859.19, where the school district must submit all SAB-required forms and supporting documentation to be a valid and complete application using OPSC Online.

Existing Form SAB 50-03, *Eligibility Determination*, (Rev. ~~03/25~~ 12/25), (incorporated by reference) is used to calculate a school district’s eligibility for new construction and modernization funding under the SFP. On page 1, under “General Information,” 1st paragraph: the proposed amendments align with the requirements in new Regulation Section 1859.19, where the school district must submit all SAB-required forms and supporting documentation to be a valid and complete application using OPSC Online. Additionally, under “General Information,” 2nd paragraph: OPSC is replacing outdated references for correspondence.

Existing Form SAB 50-04, *Application for Funding*, (Rev. ~~02/26~~ 11/26), (incorporated by reference) is submitted by school districts to apply for State funding for new construction and modernization projects. On page 1, under “General Information,” 1st paragraph: the proposed amendments align with the requirements in new Regulation Section 1859.19, where the school district must submit all SAB-required forms and supporting documentation to be a valid and complete application using OPSC Online. Additionally, OPSC is updating instructions for submitting project plans and specifications. Under the “Specific Instructions,” 1st paragraph: the reference to the Project Tracking Number Generator needed to be updated because access is now through OPSC Online.

Existing Form SAB 50-05, *Fund Release Authorization*, (Rev. ~~02/26~~ 11/26), (incorporated by reference) is used to request the release of funds after a project has received an apportionment by the SAB. On page 1, under “General Information,” 1st paragraph: the proposed amendments align with the requirements in new Regulation Section 1859.19, where the school district must submit all SAB-required forms and supporting documentation using OPSC Online.

Existing Form SAB 50-06, *Expenditure Report*, (Rev. ~~40/22~~ 12/25), (incorporated by reference) is used to record the total amount of funding spent on the project, including State and district shares. On page 1, under “Instructions,” 1st paragraph: the proposed amendments align with the requirements in new Regulation Section 1859.19, where the school district must submit all SAB-required forms and supporting documentation using OPSC Online. Additionally, on page 1, 2nd column: OPSC is removing outdated references to where physical correspondence was sent.

Existing Form SAB 50-09, *Application for Charter School Preliminary Apportionment*, (Rev. ~~04/26~~ 11/26), (incorporated by reference) is the form for charter school entities to apply for preliminary apportionments for qualifying projects. On page 1, under “General Instructions,” 1st paragraph: the proposed amendments align with the requirements in new Regulation Section 1859.19, where a school district must submit all SAB-required forms and supporting documentation to be a valid and complete application using OPSC Online. Additionally in the 3^d paragraph, OPSC directs school districts to obtain the Project Tracking Number through OPSC Online and is removing references where obtaining the Project Tracking Number Generator was once the practice.

Existing Form SAB 50-10, *Application for Career Technical Education Facilities Funding*, (Rev. ~~04/26~~ 11/26), (incorporated by reference) is used to request State funding for the Career Technical Education Facilities Program. On page 1, under “General Information,” 1st paragraph: the proposed amendments align with the requirements in new Regulation Section 1859.19, where a school district must submit all SAB-required forms and supporting documentation to be a valid and complete application using OPSC Online. Additionally, OPSC is updating instructions for submitting project plans and specifications. Under “Specific Instructions,” 2nd column, 1st paragraph: the reference to the Project Tracking Number Generator needed to be updated because access to it is now through OPSC Online.

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

OPSC created the OPSC Online web-based application portal over eight years ago. OPSC Online allows school districts and applicants to electronically submit requests for funding, and associated project documentation, for all SFP projects. The online platform allows applicants to draft, review, and submit required forms at any time, resulting in a completely paperless process. OPSC Online includes the New Construction, Modernization, Facility Hardship/Seismic Mitigation Programs, Charter School Facilities Programs, Career Technical Education Facilities Program, and the Small School District Program. OPSC has tested and programmed numerous expansions and improvements, particularly when legislation impacts the SFP and program modifications must be implemented.

Recognizing that technical challenges may occasionally happen, the proposed regulations provide an extension to deadlines if the submittal of information in OPSC Online is precluded due to circumstances beyond the control of a school district. Specifically, the proposed

regulations allow school districts to submit outstanding items by the next business day following restoration of access to OPSC Online.

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, fairness and social equity because school districts participating in SAB-administered programs will have the same access to OPSC Online at any time to submit applications and associated documentation in order to support their projects. The information in OPSC Online is in real-time so school districts can follow their project(s) in real-time as the project(s) progress through the review/approval processes.

In addition, the proposed regulations will not have an impact to various business, manufacturing and construction-related industries such as architecture, engineering, trades and municipalities. In addition, the proposed regulations will not impact the creation of jobs, the creation of new businesses, and the expansion of business in California. It is not anticipated that the proposed regulations will result in the elimination of existing businesses or jobs within California.

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

- The proposed regulations promote transparency because OPSC and the school district community collaborated on the proposed regulations through a series of stakeholder meetings.
- The proposed regulations promote fairness and social equity because school districts participating in SAB-administered programs will have the same access to OPSC Online at any time to submit applications and associated documentation in order to support their projects. The information in OPSC Online is in real-time so school districts can follow their project(s) in real-time as the project(s) progress through the review/approval processes.
- The State of California benefits from the proposed amendments by reducing the carbon footprint of OPSC and school districts participating in SAB-administered programs by transitioning to a paperless, web-based application portal.
- There is a positive impact to the State's environment from the proposed regulations by promoting environmental sustainability and minimizing the environmental impact of administrative operations. With the implementation of digital processes and reducing paper usage, the Online application not only lowers emissions associated with traditional paperwork but also encourages energy-efficient practices for all SAB-administered programs.

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