

Frequently Asked Questions

Small School District Program

Proposition 2 Funding

SFP Regulation Sections 1859.156 through 1859.158, Form SAB 50-12, and other Miscellaneous Sections

Q. What is the Small School District Program?

Established in 2024 by Proposition 2, the Small School District Program was created to provide dedicated funding for eligible small school districts or county offices of education (District) with an enrollment of 2,500 pupils or fewer, and includes \$400 million for Modernization projects and \$330 million for New Construction projects.

Districts request a reservation of bond authority through a Preliminary Apportionment and have up to four years (with a potential one-time, one-year extension subject to State Allocation Board [Board] approval) to convert its Preliminary to a Final Apportionment in order to provide sufficient time to Districts to design a project and obtain necessary plan approvals.

Q. Who can apply to the Small School District Program?

All Districts with enrollment of 2,500 pupils or fewer pursuant to the School Facility Program (SFP) Regulation Section 1859.2 definition of a "Small School District" at the time of submittal of a valid Application for Preliminary Small School District Program Apportionment (Form SAB 50-12).

Q. When can a District submit a Small School District Program application?

OPSC has established two application opening dates for the Small School District Program. For Modernization funding, Districts may submit an application beginning November 2, 2026. For New Construction funding, Districts may submit an application beginning January 15, 2027.

Q. What documents does a District need to submit a complete application package to OPSC to apply for a preliminary apportionment?

The primary application document is the Application for Preliminary Small School District Program Apportionment (Form SAB 50-12).

Applicants must also establish and/or update their Modernization or New Construction eligibility prior to or concurrently with the submittal of the Form SAB 50-12.

Additional Application Submittal Requirements may be found on the following webpage:

[Access Small School District Program Funding](#)

Q. What types of projects qualify for funding through this Program?

Projects that would normally qualify for the School Facility Program (SFP) New Construction and Modernization funding programs also qualify for the Small School District Program.

New Construction funding is intended to add classroom capacity to meet future student housing needs. This includes costs for new school construction, building new classrooms on existing sites, as well as libraries, multipurpose rooms, gymnasiums, administration and other school facilities.

Modernization funding can be used for an improvement to extend the useful life of or to enhance the physical environment of a school site. An application can be for a current project or reimbursement for a completed project. Common Modernization projects include, but are not limited to, the following:

- Structural upgrades of existing buildings,
- Access compliance upgrades,
- HVAC, air conditioning, plumbing, lighting, Fire alarms, and electrical systems,
- Roof replacement,
- New furniture and equipment, technology upgrades,
- Demolition and replacement of existing facilities,
- Shade structures, and
- Upgrading utility services for 50 years or older permanent buildings.

A new allowance under Proposition 2 provides funding for new Transitional Kindergarten classrooms and Minimum Essential Facilities, such as a gym, multipurpose room, or kitchen in a Modernization project.

Q. What is the State/District matching share percentage for the Program?

Small School District Program projects have the same matching share requirements as SFP New Construction and Modernization projects. As such, New Construction applications are funded on a 50 percent state and 50 percent local match basis, while Modernization applications are funded on a 60 percent state and 40 percent local match basis. These standard percentages may be adjusted. The new Proposition 2 provision for a Local Funding Adjustment Grant, which may reduce the district matching share by up to five percent, is also applicable for applications within this Program.

If the District is unable to provide its matching share, it may apply for Financial Hardship status. Qualifying applicants could receive up to 100 percent state funding. Districts may contact the Financial Hardship Team to determine whether a project meets the requirements to qualify for [Financial Hardship assistance](#).

Q. If a District previously received State Allocation Board (Board) approval and a design apportionment for a Modernization or New Construction application outside of the Small School District Program, can it participate in the Small School District Program to convert its design application to a full adjusted grant?

Yes, the District may elect to convert the design application to a full adjusted grant under the Small School District Program. However, to be considered for funding, the District must submit an application for a preliminary apportionment by submitting a complete and valid Form SAB 50-12. The prior SFP application number will be entered on the Form SAB 50-12 for reference to ensure continuity in processing. However, the District will not receive an additional “advance release of design funds” if it is awarded a Preliminary Apportionment for the project. Any funds received previously authorized under the prior SFP application shall be offset from the reservation of funds.

Q. If a qualifying Small School District has an application on the Applications Received Beyond Bond Authority (ARBBA) List, and wants to transfer the project to the Small School District Program, what are the required steps?

First, the District must submit an application for a Preliminary Apportionment by submitting a complete and valid Form SAB 50-12. Provided the District has all of the necessary elements to convert the Preliminary Apportionment to a Final Apportionment, such as but not limited to, a valid Five-Year Facilities Master Plan, CDE Plan Approval(s), DSA Plan Approval(s), etc., the District may submit a new valid and complete Form SAB 50-04 requesting the Final Apportionment subsequent to the Form SAB 50-12. The District must submit the most current version of the Form SAB 50-04 at the time of submittal. The Form SAB 50-04 should also include the new application number of the Small School District Program application.

Q. Does a district need to have a Five-Year Facilities Master Plan at the time they submit a Form SAB 50-12 to OPSC?

No, the District only needs to submit a local governing board resolution acknowledging the requirement to submit the Five-Year Master Plan with their Form SAB 50-12. At the time the District submits a Form SAB 50-04 requesting to convert their Preliminary Apportionment to a Final Apportionment, they must either submit a new Five-Year Master Plan or have a valid master plan on file with OPSC. More information regarding this requirement as well as samples of school board resolutions for District use may be found on the following webpage:
[School Facility Master Plans](#)

Q. If a District submits a Modernization application on November 2, 2026 under the Small School District Program, but is already on the Workload or ARBBA Lists, will their project move from the general list to the new program list?

Applicants who have an application on the Workload List or ARBBA List must submit a separate Form SAB 50-12 in order to participate in the Small School District Program. Existing applications will not be transferred over. If a Form SAB 50-12 is successful and will be presented to the Board for consideration, any applications previously submitted to OPSC that share the same project scope must be withdrawn by the District prior to the Board approving the Preliminary Apportionment in order to ensure there is no duplication of State funding.

Q. Can Districts request reimbursement for consultant fees associated with planning an application?

As an eligible expenditure, Districts may use SFP funding on consultants. However, if the District specifically requests the Project and Construction Management Grant, the consultant must be on the approved consultant list as permitted under Education Code Section 17078.47, and funds received under the Project and Construction Management Grant may only be used for those consultants on the certified list. This grant is for

purposes of obtaining services to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project, and amounts of five percent of the total State share of the project. Eligible expenditures related to consultant fees are limited to the state and district matching share of the Project and Construction Management Grant. Applicants may also refer to the SFP Grant Agreement for a complete list of Common Eligible Project Expenditures and Common Ineligible Expenditures. More information about SFP Grant Agreements may be found on the following webpage:
[Grant Agreements for School Construction](#)

Q. Will the bond authority reserved in a Preliminary Apportionment account for any changes to the Construction Cost Index that the Board considers annually?

Yes, for both New Construction and Modernization applications, an inflator factor is built into the total amount reserved for each application at the time the Preliminary Apportionment is approved by the Board. The inflator factor is an amount equal to the sum of the base grant and all supplemental grants, multiplied by the January Class B Construction Cost Index (CCI) in effect at the time of the Preliminary Apportionment by the January Class B CCI in effect four years prior to the Preliminary Program Apportionment, rounded to two decimal places, subtracted by one.

This does not mean that the District receives the full amount that was reserved at the Preliminary Apportionment at the point with which it converts to a Final Program Apportionment. Rather, up to the amount determined in the inflator calculation is reserved at the time of the Preliminary Program Apportionment from the available bond authority to ensure there is adequate funding reserved for a project that may take up to four years to convert.

Q. For Preliminary Apportionments, does a District have to request the minimum pupil grant request amounts, as listed in SFP Regulation Section 1859.79.3?

Yes, Districts must meet the minimum pupil grant request amounts, as listed in SFP Regulation Section 1859.79.3. Namely:

"...

- (1) At least 52 Non-Severe grants, or
- (2) At least 36 Severe grants, or
- (3) At least 101 grants, or
- (4) The remaining modernization eligibility at the school site if less than the grants in (1),(2), or (3).

..."

Q. Can a District increase their pupil grant request after its Preliminary Small School District Program Apportionment was approved by the Board when they convert to a Final Small School District Program Apportionment?

No, a District may not increase their pupil grant request when they convert their Preliminary Apportionment to a Final Apportionment, pursuant to SFP Regulation Section 1859.157.4(a).

Q. In the event OPSC receives more applications than can be funded with available bond authority, how will OPSC determine which Small School District Program applications will be funded?

In the event that OPSC receives more applications on the same date than can be funded with available bond authority, OPSC will use a lottery system to determine funding order. Applicants have the ongoing ability to submit applications to both the general SFP Modernization and New Construction application lists, should the SSDP application not be funded.

FOR ADDITIONAL ASSISTANCE with your Small School District Program request, please refer to the following contacts:

CONTACTS

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