

ATTACHMENT A7

OFFICE OF PUBLIC SCHOOL CONSTRUCTION STAKEHOLDER MEETING February 13, 2025

PROPOSED REGULATORY AMENDMENTS FOR A FIVE-YEAR SCHOOL FACILITIES MASTER PLAN

PURPOSE

To discuss and receive stakeholder feedback regarding proposed regulatory amendments resulting from Assembly Bill (AB) 247, the Kindergarten through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024 (Proposition 2), which was approved by a majority of California's voters on November 5, 2024, related to the submittal of a Five-Year School Facilities Master Plan (Master Plan).

AUTHORITY

See Attachment A7a.

BACKGROUND

Proposition 2 adds Education Code (EC) Section 17070.54, which requires that school districts submit 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 as a condition of participating in the School Facility Program (SFP) on or after October 31, 2024.

In summary, Proposition 2 requires the following:

- School districts to include specified minimum elements as part of the required five-year school facilities Master Plan, including an inventory of existing facilities, sites, and property.
- The Office of Public School Construction (OPSC) to develop guidelines, in consultation with the California Department of Education (CDE), that school districts may use to guide the development of the school facilities Master Plan.
- OPSC to develop guidelines or standards, in consultation with CDE, that school districts must use to develop and submit the inventory of existing facilities, sites, and property, which must include specified elements.
- The State Controller's Office (SCO) to include instructions in the K-12 audit guide to verify that all required components are reflected in participating school districts' school facilities 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.

Before and after the passage of Proposition 2, OPSC continued to accept SFP applications on a flow basis. To acknowledge the statutory requirements for the

BACKGROUND (cont.)

Master Plan and to allow continued acceptance of applications, the State Allocation Board (Board) adopted the timelines and policies listed below on December 3, 2024. This policy is intended to ensure that program applicants are aware of their future obligation to comply with the new statute. Therefore, pending the effective date of the program regulations for the Master Plan, applications submitted to OPSC on or after October 31, 2024 must conform to the following:

- All districts must submit a governing board resolution acknowledging the submittal timeline requirements for the type of application submitted, and acknowledging that the project may be rescinded for failure to submit with the required components.
- Facility Hardship and Seismic Mitigation Program projects must submit the Master Plan with the substantial progress certification for construction of the project or the 100 percent complete *Expenditure Report* (Form SAB 50-06), whichever occurs first following the approval of the regulations.
- New Construction and Modernization applications received October 31, 2024 through 12 months following the Office of Administrative Law (OAL) approval of regulations must submit the Master Plan at time of application processing.
- New Construction and Modernization applications received more than 12 months following OAL approval of regulations must submit the Master Plan with the application.

A sample resolution is available on the OPSC website under Resources/School Facility Master Plans and is linked here: [School Facility Master Plans](#).

STAFF ANALYSIS/DISCUSSION

This report provides an overview of the new and amended statutory requirements regarding the SFP Master Plan submittal requirements codified in EC Section 17070.54. The report is divided into Parts I and II. Part I summarizes the new SFP Master Plan requirements. Part II provides OPSC staff's initial interpretation of each subdivision and contextualizes the new requirements with current program requirements. Future stakeholder meetings will be held to discuss the guidelines for school districts to use in the development of the Master Plan.

Part I. Summary of EC Section 17070.54 (a) through (f)

Subdivision (a) states that as a condition of participation in the SFP, a school district must submit a Master Plan, or updated Master Plan, that has been approved by the governing board of the school district before submittal to OPSC.

Subdivision (b) states that the Master Plan "shall include information on the school district's eligibility for state bond funding" under the SFP.

STAFF ANALYSIS/DISCUSSION (cont.)

Subdivision (c) lists the information that must be included in the Master Plan, as follows:

- (1) An inventory of facilities, sites and property described in subdivision (d).
- (2) Existing classroom capacity pursuant to Sections 17071.10¹ and 17071.25².
- (3) Projected enrollment growth over the next five years, accounting for growth pursuant to Sections 17071.75³ and 17071.76⁴.
- (4) A capital planning budget outlining the district's projects.
- (5) Fund sources that will be used to support the acquisition of the applicable school site, New Construction project, Modernization project, and lead testing and remediation projects.
- (6) Verification of the district's current assessed value from the appropriate local government entity that collects and maintains this information,
- (7) The district's certified deferred maintenance plan pursuant to Section 17070.75⁵.
- (8) A narrative describing how the school facilities Master Plan is consistent with the goals, actions, and services identified in the district's local control and accountability plan for the first state priority, as described in paragraph (1) of subdivision (d) of Section 52060⁶, as it relates to school facilities.

Subdivision (d) directs OPSC to work with CDE to develop the Master Plan guidelines, including guidelines or standards for school site inventories that include the following:

- For each building on the site currently used for instructional purposes, the year it was constructed, the building square footage and the year it was last modernized.
- The pupil capacity of the school.
- The age and number of portable buildings.
- Whether the school has a cafeteria or multipurpose room, a library, and/or a gymnasium.

Subdivision (e) states that the State "Controller shall include the instructions necessary to verify that all of the required components of this section are reflected in a participating school district's school facilities Master Plan in the audit guide

¹ EC Section 17071.10 requires districts to report Existing School Building Capacity for purposes of the New Construction program and was amended by Proposition 2. (*Existing School Building Capacity* (Form SAB 50-02))

² EC Section 17071.25 requires districts to report the grade level of the school buildings reported in 17071.10 and establishes classroom loading standards for the SFP. (Form SAB 50-02)

³ EC Section 17071.75 provides the methodology for the New Construction Eligibility Determination (i.e. the Cohort Method) and was amended by Proposition 2. (*Enrollment Certification Projection* (Form SAB 50-01))

⁴ EC Section 17071.76 provides the computation for high school attendance areas.

⁵ EC Section 17070.75 requires districts to maintain school facilities funded by the SFP by establishing a routine restricted maintenance account.

⁶ See Authority – Attachment A6a.

STAFF ANALYSIS/DISCUSSION (cont.)

required by Section 14502.1⁷, as part of the audit procedures required pursuant to Section 41024⁸.”

Subdivision (f) requires the district to update the Master Plan to reflect changes in enrollment, capacity, or other areas as appropriate.

Part II. OPSC Interpretation and Comments

OPSC is seeking stakeholder input for consideration to develop program regulations for the implementation and administration of these new requirements for the five-year Master Plan requirement. OPSC acknowledges that many districts may already have developed their own Master Plan documents that may conform to some elements listed in Proposition 2. Where appropriate, districts may be able to use elements common to both.

Subdivision (a) of EC Section 17070.54

To participate in the SFP on or after October 31, 2024, a district must submit a Master Plan, *or updated plan*, that conforms to the EC, which has been approved by the district’s governing board. The Master Plan must be valid for five years. However, the parameters of the five-year period must be established. For example, at time of submittal, a district would theoretically have spent a number of months gathering the necessary information and developing the plan for presentation to its local governing board. The earliest/latest point in time that the information was gathered influences the relevance of the data. Staff is seeking stakeholder feedback on the timing of the five-year period. As noted in the Background section above, the Board took action on December 3, 2024 regarding timelines for submittal of the Master Plan to allow districts to continue submitting applications to OPSC while the implementation process proceeds. Stakeholders can also provide feedback on the adopted timelines for submittal of the Master Plan.

Considerations

1. What duration of the five-year plan should remain to be acceptable?
2. Is remaining duration based on application received date, OPSC processing date, or Board funding date?
3. When must updated plans be submitted?
4. For school districts with Master Plans with a duration longer than five years, such as a 10-year Master Plan that is five years old already, should a recently dated school board resolution accompany the plan to indicate it has been recently reviewed and still accurate?
5. Is acceptance of an addendum to a school district’s existing Master Plan acceptable to add required Proposition 2 components?

OPSC invites stakeholder comment on these considerations.

⁷ See Authority – Attachment A6a.

⁸ See Authority – Attachment A6a.

STAFF ANALYSIS/DISCUSSION (cont.)

Subdivision (b) of EC Section 17070.54

This requirement is broad and thus merits further definition. OPSC currently maintains districts' "eligibility for state bond funding" under the SFP by capturing submitted and Board-approved New Construction and Modernization program eligibility applications and adjustments in the OPSC Online database.

OPSC interprets this subdivision to mean that school districts' Master Plans should consider existing SFP eligibility, as well as well as potential SFP program eligibility. The statute does not appear to require school districts to submit, nor OPSC to process, eligibility applications for New Construction and eligibility applications for all school sites for Modernization.

Subdivisions (c)(1) through (8) of EC Section 17070.54 state the school facilities Master Plan shall include, but is not limited to, all of the following information:

Subdivision (c)(1) of EC Section 17070.54 -- Inventory of Existing Facilities, Sites, and Property as Described in (d)

Because subdivision (c)(1) requires an inventory of facilities described in (d), this section will address both subdivisions together. According to subdivision (d), OPSC, in consultation with CDE, shall develop guidelines or standards for school site inventories that include the following:

- For each building on the site currently used for instructional purposes, the year it was constructed, the building square footage and the year it was last modernized.
- The pupil capacity of the school.
- The age and number of portable buildings.
- Whether the school has a cafeteria or multipurpose room, a library, and/or a gymnasium.

The inventory components listed above are substantially similar to the information that is submitted along with the *Eligibility Determination* (Form SAB 50-03) when a district establishes Modernization eligibility for a site and the *Existing School Building Capacity* (Form SAB 50-02) for New Construction.

The Form SAB 50-03 requires a site map that indicates all permanent and portable classrooms and/or facilities on the site, as well as their age, square footages, and usage. This information is then summarized on the OPSC Site Inventory worksheet. The Form SAB 50-02 captures the number, type (permanent or portable) and grade level of all classrooms on a district-wide or High School Attendance Area (HSAA) filing basis. Individual site data is captured on Site Analysis Worksheets and summed on the Form SAB 50-02.

Thus, existing forms could be used to meet a number of the Master Plan requirements.

STAFF ANALYSIS/DISCUSSION (cont.)

Although subdivision (c)(1) requires districts to submit inventory information for all sites with each Master Plan submittal, OPSC is not required to process an establishment or update existing eligibility on file for every Master Plan submittal. If that is desired by a district, OPSC would need completed eligibility forms.

Therefore, OPSC is seeking stakeholder feedback on how to approach leveraging existing requirements with the new requirements of Proposition 2 for capturing inventory information at this time, with the goal of minimizing duplicative requirements. A future meeting will delve deeper into guidelines for the overall Master Plan and inventory development.

Subdivision (c)(2) of EC Section 17070.54 -- Existing classroom capacity - EC Sections 17071.10 and 17071.25.

The second component of the SFP Master Plan is the existing classroom capacity. As noted above, when establishing New Construction eligibility the first time, districts submit this information using the Form SAB 50-02. Historically, this one-time report was only resubmitted when a district reorganizes.

EC Section 17071.10 was amended by Proposition 2 to add subdivision (b)(2), which requires that this one-time report of existing school building capacity be updated and included in the SFP Master Plan submittal. In addition, subdivision (d) was added to EC 17071.10 and requires a district that participates in the New Construction program or Modernization program after November 5, 2024, to “submit an updated report of the school district’s existing school building capacity to the board,” notwithstanding the previous provisions regarding submittal of the “one-time report.”

Based on the new requirement in EC Section 17071.10(d), school districts submitting New Construction or Modernization applications after November 5, 2024 will need to submit an updated report of their existing school building capacity, using the Form SAB 50-02, to comply with statute.

OPSC notes that Section 14 of the existing *Application for Funding* (Form SAB 50-04) requires school districts to report all classrooms constructed or replaced with local funds outside of an SFP-funded project. This information is currently used by OPSC to adjust the district’s New Construction baseline eligibility pursuant to SFP Regulation Section 1859.51. OPSC proposes the continued use of Section 14 of the Form SAB 50-04 as the mechanism to report all classrooms constructed or replaced with local funds outside of the SFP. Any eligibility adjustments that are necessary will be noted by the school district via Section 14 of the Form SAB 50-04 and will be submitted to the Board as eligibility adjustments, as has been done in the past. These two steps together will address the requirements outlined in 17071.10(d).

Staff is requesting stakeholder feedback on this interpretation.

STAFF ANALYSIS/DISCUSSION (cont.)

Subdivision (c)(3) of EC Section 17070.54 -- Projected enrollment growth for the applicable school district over the next five years, accounting for growth pursuant to EC Sections 17071.75 and 17071.76.

OPSC interprets this subdivision to mean that school districts' Master Plans should address projected enrollment growth. The statute does not appear to require school districts to submit, nor OPSC to process, applications for the establishment and/or update of New Construction eligibility unless otherwise requested by school districts.

EC Section 17071.75 is the SFP New Construction eligibility determination and remains mostly unchanged from the language of this Section prior to adoption of Proposition 2. EC Section 17071.76 continues to allow districts to base their New Construction eligibility on a high school attendance area. Districts establishing New Construction eligibility and applying for New Construction funding are already required to update their projected enrollment growth in this manner using the *Enrollment Certification Projection* (Form SAB 50-01).

Proposition 2 amended subdivision (g) of EC Section 17071.75, the former three-year eligibility lock for small school districts, to increase the time period to five years. The proposed regulation change resulting from the amendment to EC Section 17071.75 (g) will be addressed in a separate item.

Staff interprets the remainder of EC Section 17070.54 (c)(3) to require districts to provide a narrative on how it will address projected enrollment growth in the district over the next five years. It is acknowledged that some districts may not be experiencing growth, and this scenario would be addressed as well. Additionally, a school district should address all potential funding sources in the Master Plan, which may include potential SFP funding. However, no SFP funding is guaranteed until the Board approves it. Therefore, a district could cite estimated eligibility anticipated to be available for their project without submitting an eligibility establishment or update officially to OPSC. Many school districts already do this in their planning.

Subdivision (c)(4) of EC Section 17070.54 -- A capital planning budget outlining the applicable school district's projects.

OPSC is seeking stakeholder feedback on how a district would comply with this requirement.

Subdivision (c)(5) of EC Section 17070.54 -- The financing and other funding sources that would be used to support the acquisition of the applicable school site, New Construction project, Modernization project, and lead testing and remediation projects.

This subdivision appears to be applicable to the specific project(s) that the Master Plan accompanies. Some districts already submit this information to OPSC when

STAFF ANALYSIS/DISCUSSION (cont.)

applying for Financial Hardship status using the Financial Hardship Fund Worksheet. One option is to use this form to fulfill the requirement.

The project list is inconclusive. It could refer only to the New Construction, Modernization and the new Lead Remediation Programs. Or it could be more broadly interpreted to include the Career Technical Education and Charter School Facilities Programs, which also fund construction of new and Modernization (aka rehabilitation) of existing facilities. These programs do not have a Financial Hardship component. They offer loans to cover the applicant's matching share.

Staff requests stakeholder feedback on this interpretation.

Subdivision (c)(6) of EC Section 17070.54 -- Verification of the applicable school district's current assessed value from the appropriate local government entity that collects and maintains this information.

Some districts already submit this information to OPSC when applying for Financial Hardship assistance for purposes of verifying a district's bonding capacity. Statute now requires this information to be updated and included in the Master Plan. As part of the potential adjustment to a district's matching share, this information could potentially be included on an updated version of the Form SAB 50-04. Therefore, a district could submit this information in that manner.

Subdivision (c)(7) of EC Section 17070.54 -- The school district's deferred maintenance plan certified pursuant to Section 17070.75.

The requirements of EC Section 17070.75 remain unchanged by Proposition 2. As a condition of funding, this section requires districts to create and contribute funds to a routine restricted maintenance account (also known as RRMA). Additionally, districts are required to have publicly approved an ongoing and major maintenance plan that outlines the use of the funds deposited, or to be deposited, as well as other requirements.

For purposes of the Master Plan, OPSC proposes that a district could submit a URL link to the locally approved maintenance plan or to the local board agenda where it was approved to demonstrate compliance.

Subdivision (c)(8) of EC Section 17070.54 -- A narrative describing how the school facilities Master Plan is consistent with the goals, actions, and services identified in the school district's local control and accountability plan for the first state priority, as described in paragraph (1) of subdivision (d) of Section 52060, as it relates to school facilities.

EC Section 52060(d)(1) states that the first state priority for the local control and accountability plan as it relates to school facilities is that the "...school facilities are maintained in good repair, as defined in subdivision (d) of Section 17002." Section 17002(d) provides a definition for "good repair."

STAFF ANALYSIS/DISCUSSION (cont.)

OPSC suggests that the district would include a narrative in the Master Plan as required by the statute. OPSC invites stakeholder feedback as to the content, its length, and breadth and/or if districts have a current document that would meet this requirement.

Subdivision (d) of EC Section 17070.54 – Discussion above with (c)(1).

Subdivision (e) of EC Section 17070.54

The Controller shall include the instructions necessary to verify that all the required components of this section are reflected in a participating school district's school facilities Master Plan in the audit guide required by Section 14502.1, as part of the audit procedures required pursuant to Section 41024.

OPSC is not seeking feedback on this section at this time. Any amendments to the audit guide will be addressed during the Controller's annual audit guide update process. At that time, OPSC will present proposed changes to the audit guide and seek stakeholder feedback in that forum.

Subdivision (f) of EC Section 17070.54

Requires the school district update its school facilities Master Plan to reflect any changes in enrollment, capacity, or other areas, as appropriate for purposes of participating in the school facilities program.

This subdivision is discussed above as part of subdivision (a).

Future Stakeholder Meetings

OPSC will meet with CDE to discuss the creation of guidelines for the Master Plan requirements and welcomes comments in advance of the next stakeholder meeting for OPSC's consideration on the following:

1. Guidelines for school districts to use in the development of the Master Plan.
2. Other information that should be required to include in the Master Plan.
3. Guidelines or standards for school districts to use in development and submittal of the facilities inventory required as a component of the Master Plan.

AUTHORITY**Education Code (EC) Section 17070.54 – General Provisions**

- (a) As a condition of participating in the school facilities program, a school district shall submit to the department a five-year school facilities master plan, or updated five-year school facilities master plan, approved by the governing board of the school district.
- (b) The school facilities master plan submitted pursuant to subdivision (a) shall include information on the school district's eligibility for state bond funding pursuant to this chapter.
- (c) The school facilities master plan shall include, but is not limited to, all of the following information:
- (1) An inventory of existing facilities, sites, and property pursuant to subdivision (d).
 - (2) Existing classroom capacity, as determined pursuant to Sections 17071.10 and 17071.25.
 - (3) Projected enrollment growth for the applicable school district over the next five years, accounting for growth pursuant to Sections 17071.75 and 17071.76.
 - (4) A capital planning budget outlining the applicable school district's projects.
 - (5) The financing and other funding sources that would be used to support the acquisition of the applicable schoolsite, new construction project, modernization project, and lead testing and remediation projects.
 - (6) Verification of the applicable school district's current assessed value from the appropriate local government entity that collects and maintains this information.
 - (7) The school district's deferred maintenance plan certified pursuant to Section 17070.75.
 - (8) A narrative describing how the school facilities master plan is consistent with the goals, actions, and services identified in the school district's local control and accountability plan for the first state priority, as described in paragraph (1) of subdivision (d) of Section 52060, as it relates to school facilities.
- (d) The department, in consultation with the State Department of Education, shall develop guidelines that school districts may use to guide the development of the school facilities master plan required as a condition of participating in the school facilities program. The department, in consultation with the State Department of Education, shall develop guidelines or standards that school districts shall use to develop and submit the inventory required pursuant to paragraph (1) of subdivision (c) for every school in the school district, including, but not limited to, all of the following:
- (1) The year each building at the school that is currently used for instructional purposes was constructed.
 - (2) The square footage of each building that is currently used for instructional purposes.
 - (3) The year, if any, each building that is currently used for instructional purposes was last modernized.
 - (4) The pupil capacity of the school.
 - (5) The age and number of portable buildings at the school.
 - (6) Whether the school has any of the following:
 - (A) A cafeteria or multipurpose room or hybrid facility.

AUTHORITY

(B) A library.

(C) A gymnasium.

(e) The Controller shall include the instructions necessary to verify that all of the required components of this section are reflected in a participating school district's school facilities master plan in the audit guide required by Section 14502.1, as part of the audit procedures required pursuant to Section 41024.

(f) The school district shall update its school facilities master plan to reflect any changes in enrollment, capacity, or other areas, as appropriate for purposes of participating in the school facilities program.

(Added by Stats. 2024, Ch. 81, Sec. 5. (AB 247) Effective July 3, 2024. Operative November 6, 2024, pursuant to Sec. 30 of Ch. 81.)

EC Citations Referenced in Section 17070.54

Note: Hyperlinks to the EC citations are provided below. The sections that were amended by Chapter 81, Statutes of 2024 (AB 247) are notated by *italics*.

EC Section 14502.1 – Financial and Compliance Audits

[EC Section 14502.1.](#)

EC Section 17070.75 – Routine Restricted Maintenance Requirements

[EC Section 17070.75.](#)

EC Section 17071.10 - Existing School Building Capacity

(a) The calculation determined by this article shall be made on a one-time basis, and will be used as the baseline for eligibility determinations pursuant to this chapter.

(b) (1) Each school district that elects to participate in the new construction program pursuant to this chapter shall submit to the board a one-time report of existing school building capacity.

(2) The information reflected in the report described in paragraph (1) shall be included in a school facilities master plan submitted pursuant to Section 17070.54.

(c) Notwithstanding subdivisions (a) and (b), a school district newly formed, reorganized, or affected by reorganization, pursuant to an election that occurred on or after November 4, 1998, shall calculate or recalculate its existing school building capacity pursuant to regulations adopted by the board.

(d) Notwithstanding subdivisions (a), (b), and (c), a school district that elects to participate in the new construction program or modernization program pursuant to this chapter after November 5, 2024, shall submit an updated report of the school district's existing school building capacity to the board.

EC Section 17071.25 - Existing School Building Capacity

[EC Section 17071.25.](#)

AUTHORITY

EC Section 17071.75 New Construction Eligibility Determination

[EC Section 17071.75.](#)

(a)...

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(g) For a school district with an enrollment of 2,500 or fewer, an adjustment in enrollment projections shall not result in a loss of ongoing eligibility to that school district for a period of ~~three~~ five years from the date of the approval of eligibility by the board.

EC Section 17071.76 – High School Attendance Area

[EC Section 17071.76.](#)

EC Section 41024 – Accounting Regulations, Budget Controls and Audits

[EC Section 41024.](#)

EC Section 52060 – Local Control and Accountability Plans

[EC Section 52060.](#)

School Facility Program Regulations References

Laws and Regulations can be accessed here: [Laws, Regulations for School Construction Projects](#)

School Facility Program Forms can be accessed here: [Forms](#)