



Office of
Public School Construction

Office of Public School Construction

Proposition 2

Funding Opportunities for School Energy Efficiency and School Facility Program Updates

2026 Green California Schools & Higher Education Summit

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September 16, 2026



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About Us

- Office of Public School Construction:
 - The office was established in 1947 as part of the Dept. of Finance, known as the Local Allocation Bureau.
 - In 1965, the office transitioned to the Dept. of General Services and was renamed the Office of Local Assistance.
 - In 1995, the office was renamed the Office of Public School Construction.
 - OPSC processes approximately \$1.5 billion in applications per year.
 - Staff: 86
 - OPSC Mgmt. – Combined, over 204 years at OPSC!



Mission



To enrich the lives of California's school children as stewards of the taxpayers' commitment to education.

State Allocation Board Members



Joe Stephenshaw, Chair
Director, Department of Finance
Designee: Michele Perrault,
Chief Deputy Director of Policy



Ana Lasso
Director, Department of General
Services



Senator Sasha Perez



Senator Roger Niello



Senator Christopher Cabaldon



Tony Thurmond
State Superintendent of Public Instruction,
Department of Education
Designee: Juan Mireles, Director
School Facilities & Transportation Services Division



Jeremy Smith
Governor's Appointee



Assembly Member Dr. Darshana Patel



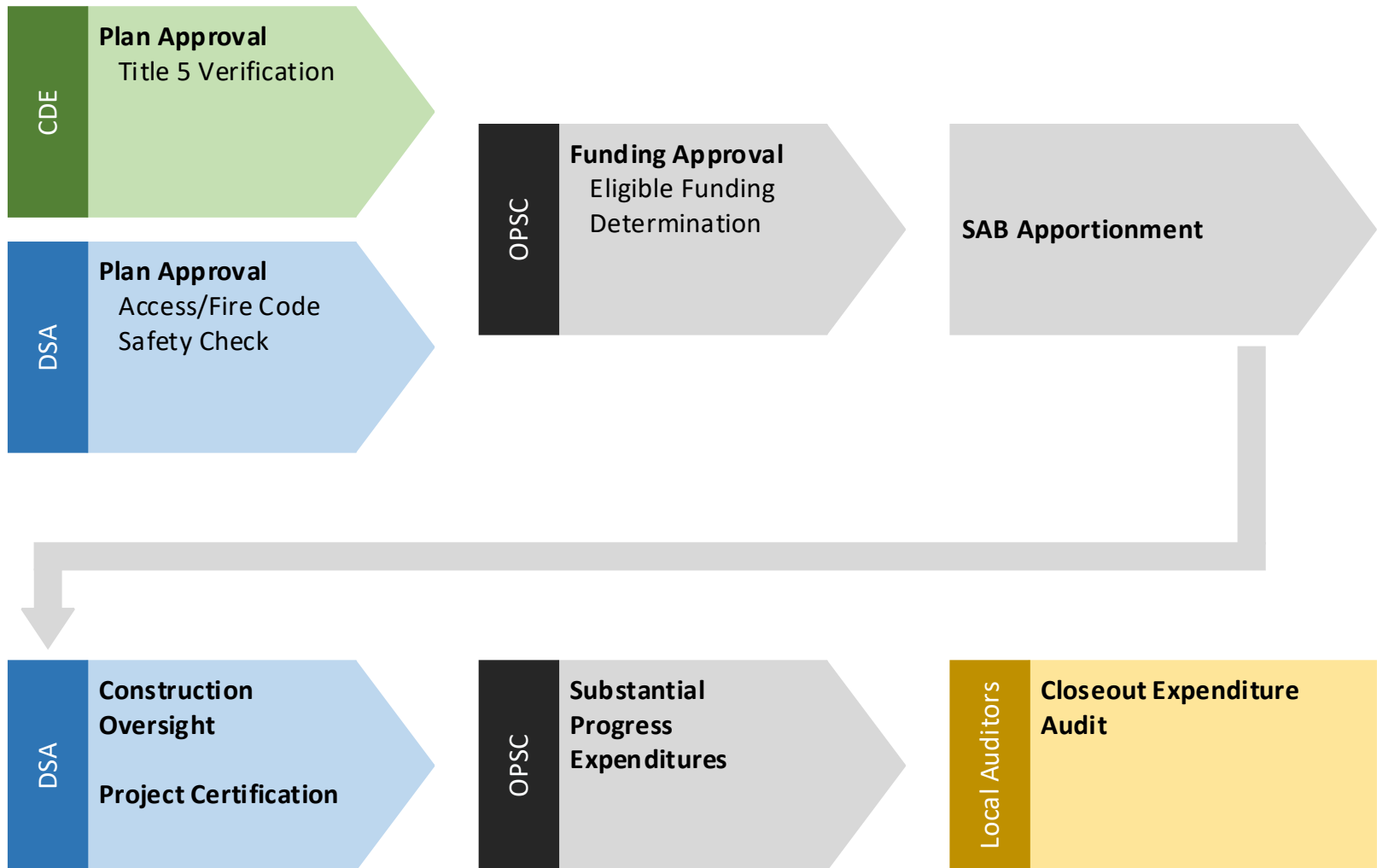
Assembly Member Laurie Davies



Assembly Member Sharon Quirk-Silva



Role of OPSC



School Facility Program Overview

- OPSC and the SAB offer a variety of programs, from standard new construction and modernization to more specific programs that address health and safety, career technical education, or funding specifically for charter schools.
- The most common programs that school districts can continuously apply to are new construction, modernization, and health and safety mitigation.
- While the primary focus may be on constructing new buildings, extending the useful life of existing buildings, or mitigation of imminent health and safety issues, often it's feasible to include sustainable building features into the designs.



Proposition 2 Highlights

- In November 2024, California voters approved Proposition 2, the “Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024.”
- Proposition 2 includes the following allocations for TK-12 public school facilities:
 - \$3.3 billion for new construction (10%, or \$330 million, is reserved for small school districts)
 - \$4.0 billion for modernization (10%, or \$400 million, is reserved for small school districts and \$115 million is reserved for a new Lead in Water Testing and Remediation program)
 - \$600 million for the Charter School Facilities Program
 - \$600 million for the Career Technical Education Facilities Program



Proposition 2 Highlights

- Among other things, Proposition 2 made changes to the School Facility Program (SFP), including:
 - Reduced matching share contributions of up to 5% for qualifying school districts, with a sliding scale based on district bonding capacity per pupil, unduplicated pupil percentage, school districts with a total enrollment of 200 or fewer, and school districts using project labor agreements.
 - New interim housing assistance following natural disasters.
 - Changes to Financial Hardship criteria to automatically qualify districts with total bonding capacity of \$15 million or less. Prior to Proposition 2, that number was \$5 million. The new \$15 million threshold is adjusted annually.
 - A five-year facilities master plan and facilities inventory is required as a condition of SFP participation.
 - New supplemental grants (TK, CTE, MEF, and Energy Efficiency).



New Construction

Purpose

- Provide funding to add classroom capacity to meet future student housing needs
- Fund costs for new school construction, or classroom additions to existing schools

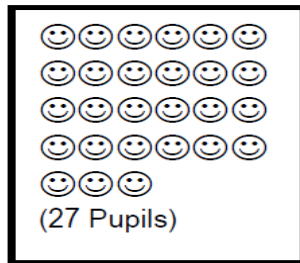


New Construction

Eligibility is based on projected need to house pupils:

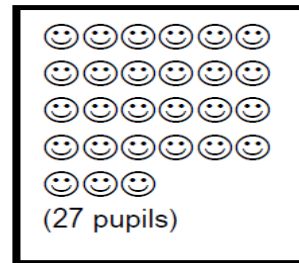
- Compares projected enrollment with current classroom capacity.

Existing Classroom Capacity



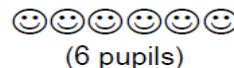
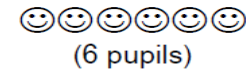
Vs.

Enrollment in 5 Years



=

Eligibility



- Eligibility is typically updated on a yearly basis, but districts with fewer than 2,501 pupils may “lock in” eligibility for up to 3 enrollment years.
- **NEW with Prop. 2** – Small school districts can “lock in” eligibility for up to 5 years

New Construction



Historically, funding was provided on a 50/50 State and Local Share basis. **NEW with Prop. 2:** sliding scale for State and Local Share

- 2026 Per-Pupil Grant Amounts:

Grade Level Category	Grant Amount
K-6	\$16,411
7-8	\$17,358
9-12	\$22,086
Non-Severe	\$30,842
Severe	\$46,116

- Base grant provides funding for design, construction, testing, inspection, furniture, equipment, and other costs for school construction.
- Application must be submitted prior to student occupancy.
- Supplemental grants are in addition to base grant.
- Additional grants are available for site acquisition.
- **NEW with Prop 2:** Set-aside of \$330 million for Small School Districts.

New Construction

Funding Applications and Eligibility Updates

- Per the SAB decision on June 5, 2017, districts with new construction funding applications must submit updated eligibility information for the year in which the application is processed.
 - Small School District Locks – Processed as Received. Lock is now good for five years, if beneficial.
- OPSC notifies districts 90 days in advance of processing an application so districts can gather this info and be prepared to respond to any additional requests related to the application.
- If the updated eligibility results in fewer available pupil grants than the prior eligibility, districts may reduce their request accordingly.



Modernization

Purpose

- Extend the useful life of existing facilities or enhance the physical environment of a school
- Can be used for a current project or to reimburse a completed project
- Funding can also be used to demolish and replace facilities of like kind



Modernization

Eligibility is site specific

- Permanent buildings must be at least 25 years old.
- Portable buildings must be at least 20 years old.
- Based on classroom count or square footage.
- Once established, eligibility is not *required* to be updated.
- Permanent buildings 50 years old or older may receive additional funding.

Modernization

NEW with Prop. 2:

- Permanent buildings 75 years old or older may receive additional funding.
- Supplemental Grants for modernization projects that support Career Technical Education (CTE) programs by reconfiguring existing facilities, or for the purchase of CTE-related equipment.
- Supplemental Grants to provide new TK classrooms.
- Supplemental Grants to provide new minimum essential facilities (specifically gymnasiums, multipurpose rooms, libraries, and school kitchens).



Modernization

Historically, funding was provided on a 60/40 State and Local Share basis. **NEW with Prop. 2:** sliding scale for State and Local Share. **Also new:** \$400 million set-aside for Small School Districts.

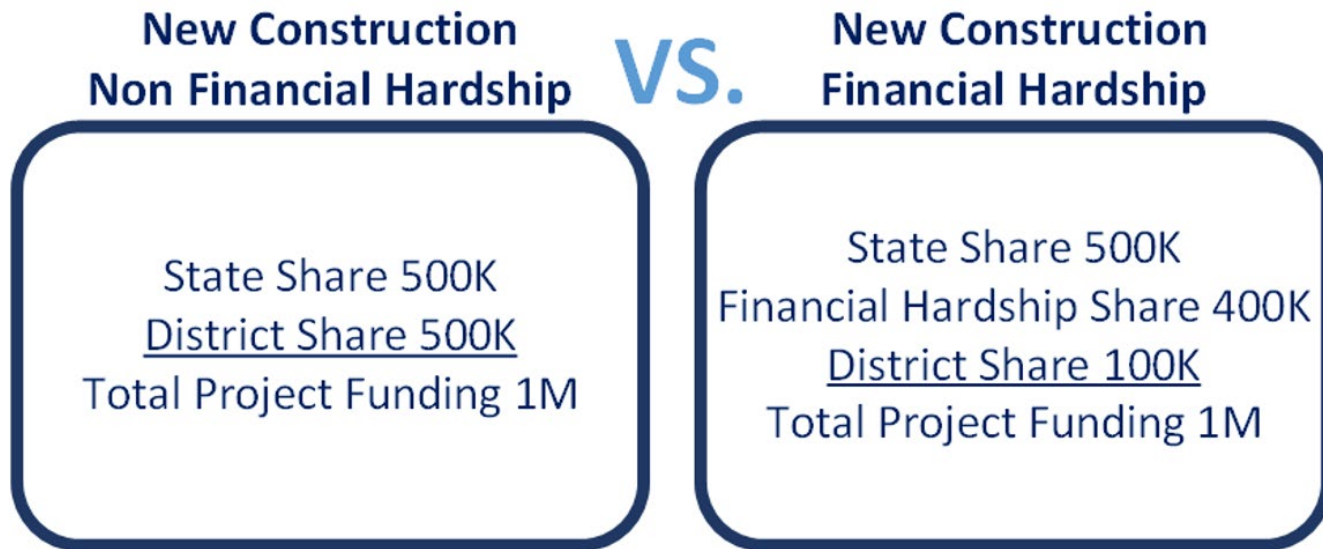
- 2026 Per-Pupil Grant Amounts:

Grade Level Category	Grant Amount
K-6	\$6,249
7-8	\$6,608
9-12	\$8,653
Non-Severe	\$13,325
Severe	\$19,917

Financial Hardship

Purpose

- Assist districts and COEs that cannot provide their matching share



Financial Hardship

Eligibility Determination – Phase I

District must be levying maximum developer fee justified under law

AND

Meet one of following criteria:

- Long-term debt of 60% or more of debt capacity
- Successful voter bond election within past 2 years
- Be a County Office of Education
- Maximum total bonding capacity:
 - Application received on or before 10-30-2024: \$5 million
 - **NEW with Prop. 2:** Application received 10-31-2024 through 6-30-2026: \$15 million
 - **NEW with Prop. 2:** Application received 7-01-2026 through present: \$15,430,500
- Other evidence of reasonable effort approved by the State Allocation Board



Financial Hardship

Eligibility Determination – Phase II

OPSC reviews district facility funds to determine amount of funds available for district match.

- Facility funds are funds 21 through 50
- Review revenues and expenditures for up to past 3 years
- Review transfers in to or out of facility funds
- May examine Special Reserve Funds for availability
- Available funds are reduced by encumbrances

Financial Hardship

Funding and Bridge Financing

- If available funds are less than the district match, the State will fund the difference between the district match and the district's available funds.
- Qualifying COEs/Districts may request site and/or design funding prior to requesting full funding.
- Financial Hardship approval is valid for 6 months.
- Bridge Financing Policy and Regulations

Proposition 2 – Energy Efficiency Grants

- Proposition 2 provides a supplemental Energy Efficiency grant for eligible new construction or modernization applications, for an increase of up to five percent of the per-pupil grant funding.
- The grant is for projects that exceed the nonresidential building energy-efficiency standards specified in Part 6 (commencing with Section 100) of Title 24 regulations.
- Applications submitted on or after October 31, 2024, are eligible for the new Energy Efficiency grants.
- OPSC conducted a total of three stakeholder meetings on this topic in February, April, and June of 2025.
- Regulations were approved by the State Allocation Board on December 3, 2025, and became effective upon approval by the Office of Administrative Law on February 17, 2026.



Proposition 2 – Energy Efficiency Grants

- Proposition 2 does not have a cap for how much of the overall funding for new construction or modernization can be allocated for Energy Efficiency.
- Proposition 2 states that the new Energy Efficiency funding can be used for:
 - Plan design and other project components that promote school facility energy efficiency approaching the ultimate goal of energy self-sufficiency and pollution reduction.
 - Energy efficiency components that enable school facilities to advance state energy goals and adapt to higher average temperatures that pose a threat to the health and safety of pupils and staff.
 - Electric HVAC, school kitchen equipment, and water heating. Use of ground source temperatures for heating and cooling, energy and water conservation, load reduction, peak-load shifting, and building energy efficiency measures. Solar water heating tech, and onsite renewable energy and storage (PVs, battery storage, microgrid controllers, and service panel upgrades), shade structures and conversion of ground and rooftop surfaces to materials with low absorption and reflection of heat, including natural surfaces.



How to Access Energy Efficiency Grants

- SFP New Construction:
 - Not currently oversubscribed, but OPSC had approximately \$1.65 billion in New Construction requests as of June 30, 2026.
- SFP Modernization:
 - Funding is currently oversubscribed except for the Small School District set-aside of \$400 million.
 - As of June 30, 2026, OPSC had approximately \$1.89 billion in Modernization funding requests on its Workload List and approximately \$2.08 billion in Modernization funding requests on the Applications Received Beyond Bond Authority List.



How to Access Energy Efficiency Grants

- *Application for Funding*, Form SAB 50-04:
 - Additional Grant Request (Instructions):

If the School District is requesting an Additional Grant for Energy Efficiency pursuant to Section 1859.71.3(a), enter the percentage of energy efficiency that exceeds Title 24 requirements as prescribed in Section 1859.71.3(a)(3). If the School District is requesting an Additional Grant for Energy Efficiency pursuant to Section 1859.71.3(c), enter the Energy Code compliance approach used (Performance Only, Prescriptive Only, Performance/Prescriptive) and the total score that is on the OPSC CA-CHPS Scorecard. A copy of the OPSC CA-CHPS Scorecard must be submitted to OPSC as part of the complete funding request.



How to Access Energy Efficiency Grants

- *Application for Funding*, Form SAB 50-04:
 - SFP Additional Grant Request (Form Fields):

g. ☐ Percent Above Energy Efficiency for each building:

Energy Code Compliance Approach Used (select one):

☐ Prescriptive Only

☐ Prescriptive/Performance

☐ Performance Only (with the exception of mandatory prescriptive measures)

OPSC CA-CHPS Score (Indicate Points):



How to Access Energy Efficiency Grants

- *Application for Funding*, Form SAB 50-04:
 - SFP Certification:
 - If the School District is requesting an Additional Grant for Energy Efficiency pursuant to Sections 1859.71.3 or 1859.78.5, the plans and specifications exceed the nonresidential building energy-efficiency standards specified in Part 6 of Title 24 of the California Code of Regulations and the increased costs for the energy efficiency components in the project exceeds the amount of funding otherwise available to the School District; and,

How to Access Energy Efficiency Grants

- Charter School Facilities Program:
 - Preliminary apportionments were awarded by the State Allocation Board on August 5, 2026.
 - Of these 44 applications that received preliminary apportionments, 36 have funding earmarked for the new Energy Efficiency supplemental grant, representing a cumulative state grant amount of \$9.5 million.

How to Access Energy Efficiency Grants

- Applicants to the new Small School District Program can also apply for energy efficiency grants.
 - Small School District Program Modernization:
 - A total of \$400 million is available for Small School District Program Modernization projects.
 - OPSC will begin accepting Modernization applications on November 2, 2026.
 - Small School District Program New Construction:
 - A total of \$330 million is available for Small School District Program New Construction projects.
 - OPSC will begin accepting New Construction applications on January 15, 2027.



How to Access Energy Efficiency Grants

- Small School District Program
 - Up-front: Eligibility applications and applications for Preliminary Small School District Apportionments (reservation of bond authority for up to four years)
 - Conversion of a preliminary apportionment: Project plans and required plan approvals, required Five-Year School Facility Master Plan, and other required documentation.
 - Additional information and resources:

<https://www.dgs.ca.gov/OPSC/Services/Page-Content/Office-of-Public-School-Construction-Services-List-Folder/Access-Small-School-District-Program-Funding>



How to Access Energy Efficiency Grants

- Supplemental grant criteria:
 - The Division of the State Architect (DSA) determines the level to which each application exceeds Title 24 energy efficiency standards, reviewing for both prescriptive and performance compliance.
 - This review takes place as part of DSA's plan approval review of the project.
 - The grants are awarded in a tiered approach with even the lowest scores still eligible for funding if the project exceeds standards.



Calculating Energy Efficiency Grants

- For Approved Applications received on or after October 31, 2024, up to a five percent increase to the Modernization or New Construction base grant can be provided as follows:
 - If the project uses the performance only approach to Energy Code compliance, the grant shall be:
 - One percent if no OPSC CA-CHPS score card is submitted,
 - Three percent if the score is 10 to 50 points, or
 - Five percent if the score is 51 to 130 points.
 - If the project uses either an all-prescriptive approach to Energy Code compliance, or a combination of prescriptive and performance approaches, the grant shall be:
 - Zero percent if no OPSC CA-CHPS score card is submitted,
 - Two percent if the score is 10 to 50 points, or
 - Four percent if the score is 51 to 130 points.



Five-Year School Facilities Master Plans

- Required for all applications submitted on or after October 31, 2024 as a condition of participating in the School Facility Program
- Timelines for the required submittal of the following documents depend on the specific application type:
 - Local governing board resolution acknowledging requirements and timelines
 - Copy of a complete and valid Master Plan, governing board approval/minutes, and Form SAB 50-MP checklist
- On and after May 5, 2027 – Required concurrently with submittal of the Form SAB 50-04 for New Construction and Modernization applications!



Five-Year School Facilities Master Plans

More information and resources:

<https://www.dgs.ca.gov/OPSC/Resources/Page-Content/Office-of-Public-School-Construction-Resources-List-Folder/School-Facility-Master-Plans>



Sustainable Facilities

- Most construction-related expenditures to support Sustainable Facilities are eligible uses of School Facility Program funding.
- Costs for “commissioning” and obtaining certifications (such as LEED, for example) are considered administrative costs and are ineligible; however, most building components are eligible.
- You do not have to qualify for **NEW** Energy Efficiency grants to incorporate sustainable building features into your projects.
- Many school districts have been able to build state-of-the-art schools within budget while also incorporating sustainable building practices and facilities.



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 - Stakeholder Meeting Notifications and Agendas
 - SAB Agendas
 - Priorities in Funding Announcements, and
 - Other SAB/OPSC Information



Questions?

Please let us know if you have any questions

Please send comments and suggestions for
OPSC to: OPSCcommunications@dgs.ca.gov

