CONCURRENCE IN SENATE AMENDMENTS
AB 2316 (Hoover)
As Amended August 13, 2026
Majority vote

SUMMARY

Authorizes the State Allocation Board (SAB) to reduce a charter school's required 50% local share under the Charter School Facilities Program (CSFP) when the California School Finance Authority (CSFA) determines the obligation would impose an undue financial burden, and to correspondingly increase the state grant amount. Requires the adoption of regulations establishing criteria for making that determination.

Senate Amendments

1) Specify that the bill's provisions apply prospectively and make other clarifying changes.

COMMENTS

Charter schools and challenges with facility access. Charter schools are public schools operated independently of school districts under the oversight of a charter authorizer. A charter authorizer is typically a school district, but in specified circumstances may be a county office of education (COE). Charter schools are governed by nonprofit boards and receive funding through the Local Control Funding Formula (LCFF), similar to traditional public schools. However, charter schools do not have access to the same financing tools available to school districts, such as local general obligation (GO) bonds, and often face significant barriers when securing and paying for facilities. Unlike school districts, charter schools typically must lease or purchase facilities on the private market, and startup schools often face facility costs before receiving their first LCFF apportionment.

Charter School Facilities Program. AB 14 (Alpert), Chapter 935, Statutes of 2002, created the CSFP. Through the passage of Propositions 47 (2002), 55 (2004), 1D (2006), 51 (2016), and 2 (2024) $2 billion has been made available for the new construction of charter school facilities and the rehabilitation of existing school district facilities for charter school use. This program allows charter schools that provide site-based instruction to access state facility funding directly or through the school district where the project will be physically located. Current law requires facilities funded for the CSFP to have a 50% local share matching obligation that may be paid by the applicant through lease payments in lieu of the matching share.

The CSFP permits a charter school, or school district filing on behalf of a charter school, to apply for a preliminary apportionment (reservation of bond authority) for new construction projects and rehabilitation of district owned existing facilities that are at least 15 years old. If the application is successful, the charter school that applies independently would receive the funding. If a school district applies on behalf of a charter school, the district would receive the funding. To qualify for funding, a charter school must be deemed financially sound by the CSFA. The preliminary apportionment for a CSFP project must be converted within a four-year period to an adjusted grant apportionment meeting all the School Facility Program (SFP) criteria, unless a one-year extension is granted.

The CSFA is currently oversubscribed. In coordination with the CSFA, and the California Department of Education (CDE), the Office of Public School Construction (OPSC) held a CSFP filing round to accept applications for preliminary apportionments between July 3, 2025 and October 30, 2025, using $600 million for the CSFP authorized by Proposition 2. OPSC received 116 applications from 91 charter schools requesting approximately $2.78 billion in state funding during this filing round. Applications are prioritized using preference points, and OPSC anticipates presenting successful applications from this filing round to the SAB by mid-2026.

This bill would create a financial hardship authorization within the CSFP for charter schools unable to meet the 50% local match requirement, therefore authorizing a reduced local match requirement and a greater state grant amount. The impact of this change could both allow some charter schools to access the CSFP grant funds who may be currently unable to meet the local match requirement and potentially reduce the total number of grant awards if more funds are provided to specific projects that require financial assistance.

According to the Author
"AB 2316 creates necessary parity between traditional public schools and charter public schools to ensure charter public schools have access to the same financial hardship relief. Our charter public schools provide flexibility, innovation, and most importantly, serve the same communities our traditional public schools serve. When charter public schools are left without this support, our students suffer the results of that financial burden. Those students deserve our same support."

Arguments in Support
The California Charter School Association writes, "Charter public schools applying for the state bond program must raise 50% of project costs, like school districts. However, school districts have more tools to obtain this financing, such as the ability to generate funds through voter-approved local bonds or through developer fees, neither of which must be repaid by a school district. School districts in financial distress can also apply for a 'financial hardship' designation to reduce this 50% matching requirement. In contrast, charter schools cannot issue local bonds, are often excluded from school district local bond funding, cannot levy developer fees, but are still not allowed to apply for financial hardship. Charter public schools, in most cases, must borrow the 50% match share required to participate in the state bond program, and repay this financing with interest. Due to the high costs of school facilities construction in California, charter public schools often must borrow $20 million or more to participate in state bond program for school facilities projects. The debt service on financing of $20 million or more is too burdensome for many charter public schools.

As a result, charter public schools face more difficult financial challenges than school districts in raising matching bond funding. This results in many charter schools, who desperately need facilities, being completely unable to access the state's school facilities bond program. AB 2316 would create parity between school districts and charter public schools by allowing charters to access hardship relief, like school districts."

Arguments in Opposition
The Los Angeles Democratic Party writes, "While this bill purports to be about equity, it is not. AB 2316 would decrease charter schools' financial obligations at the expense of other school construction projects, which is itself an equity. We question the purpose of granting this advantage to charter schools when it necessarily results in fewer funds being available for traditional public schools' facilities projects, given that charter schools already enjoy less stringent reporting requirements and have funding sources not available to traditional public schools. Equity should mean prioritizing students and school communities with the greatest

facility needs, rather than reducing the financial responsibilities of one sector while traditional public-school districts continue to compete for limited construction and modernization dollars."

FISCAL COMMENTS

According to the Senate Appropriations Committee:

1) The Office of Public School Construction (OPSC) estimates one-time costs of approximately $293,000 in existing bond funds to comply with the bill's requirements, including $218,000 to conduct interest holder meetings and update regulations and $75,000 in programming updates for its online application system. The OPSC also anticipates additional workload to review grant increase requests. Depending on the number and frequency of these requests, the costs could be in the high hundreds of thousands of dollars in bond funds each year.

2) The OPSC indicates that by reducing the local share for charter school applicants and thereby increasing the amount of state funding that these applicants can qualify for, this bill could create increased pressures on CSFP funds in the hundreds of thousands to millions of dollars, thereby reducing the total number of projects that could be funded in the future. OPSC received 116 applications from 91 charter schools requesting $2.78 billion in state funding during the most recent CSFP application filing round for $600 million authorized by the passage of Proposition 2 in 2024.

3) The CSFA estimates ongoing special fund costs ranging from $1.3 million to $2.3 million each year to administer a new hardship determination framework while coordinating with the SAB, California Department of Education (CDE), and the Fiscal Crisis Management and Assistance Team (FCMAT). The exact costs will depend on the number of additional staff that are necessary to implement the bill's provisions.

VOTES:

ASM EDUCATION: 9-0-0
YES: Patel, Hoover, Alvarez, Bonta, Alanis, Garcia, Lowenthal, Pellerin, Zbur

ASM APPROPRIATIONS: 15-0-0
YES: Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

ASSEMBLY FLOOR: 76-0-4
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Johnson, Kalra, Krell, Lackey, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
ABS, ABST OR NV: Jackson, Lee, Quirk-Silva, Celeste Rodriguez

UPDATED

VERSION: August 13, 2026

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