

Senate Bill 390

By: Senators Chance of the 16th, Moody of the 56th, Carter of the 13th, Unterman of the 45th, Staton of the 18th and others

AS PASSED SENATE

A BILL TO BE ENTITLED

AN ACT

1 To amend Part 4 of Article 6 of Chapter 2 of Title 20 of the Official Code of Georgia
 2 Annotated, relating to financing for quality basic education, so as to require local school
 3 systems to spend a minimum amount of operating funds on direct classroom expenditures;
 4 to provide a short title; to provide for definitions; to provide for incremental compliance; to
 5 provide for a one-year waiver to compliance; to provide for sanctions for noncompliance; to
 6 provide for the submission of budget and expenditure information; to provide for rules and
 7 regulations; to change certain provisions relating to expenditure controls for fiscal years
 8 2007 and 2008; to provide for related matters; to provide for an effective date; to repeal
 9 conflicting laws; and for other purposes.

10 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

11 **SECTION 1.**

12 This Act shall be known and may be cited as the "Classrooms First for Georgia Act."

13 **SECTION 2.**

14 Part 4 of Article 6 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated,
 15 relating to financing for quality basic education, is amended by inserting at the end of such
 16 part new Code sections to read as follows:

17 "20-2-171.

18 (a) For purposes of this Code section, the term:

19 (1) 'Direct classroom expenditures' means all expenditures by a local school system
 20 during a fiscal year for activities directly associated with the interaction between teachers
 21 and students, including, but not limited to, salaries and benefits for teachers and
 22 paraprofessionals; costs for instructional materials and supplies; costs associated with
 23 classroom related activities, such as field trips, athletics, music, and arts; and tuition paid
 24 to out-of-state school districts and private institutions for special needs students. This

1 term shall not include costs for administration, plant operations and maintenance, food
2 services, transportation, instructional support including media centers, teacher training,
3 and student support such as nurses and guidance counselors.

4 (2) 'Total operating expenditures' means all operating expenditures by a local school
5 system during a fiscal year, including expenditures from federal, state, and local funds
6 and from any other funds received by a local school system, such as student activity fees.
7 This term shall not include capital outlay expenditures, debt or bond payments, interest
8 on debt or bonds, facility leases, or rental payments.

9 (b) Beginning with fiscal year 2008:

10 (1) Each local school system shall spend a minimum of 65 percent of its total operating
11 expenditures on direct classroom expenditures, except as otherwise provided in this
12 subsection;

13 (2) For any fiscal year in which a local school system has direct classroom expenditures
14 that are less than 65 percent of its total operating expenditures, the local school system
15 shall be required to increase its direct classroom expenditures by a minimum of 2 percent
16 per fiscal year as a percentage of total operating expenditures, beginning in the
17 subsequent fiscal year and each fiscal year thereafter, until it reaches 65 percent. For
18 fiscal year 2008, the baseline year from which the required increase will be determined
19 shall be based on expenditure data from fiscal year 2007; and

20 (3) A local school system that has direct classroom expenditures that are less than 65
21 percent of its total operating expenditures and that is unable to meet the expenditure
22 requirements in paragraph (2) of this subsection may apply to the State Board of
23 Education for a one-year renewable achievement waiver. The waiver request must
24 include evidence that the local school system is exceeding the state averages in academic
25 categories designated by the board, which may include, but not be limited to,
26 criterion-referenced competency tests, the Georgia High School Graduation Test, and the
27 SAT, a plan for obtaining compliance with this Code section, and any other information
28 required at the discretion of the board.

29 (c) The State Board of Education shall have the authority to impose sanctions against a
30 local school system that fails to comply with the provisions of this Code section or any
31 rules and regulations promulgated pursuant to subsection (e) of this Code section. Such
32 sanctions shall be at the discretion of the board and may include, but not be limited to,
33 requiring the local school system to devise and implement a plan to meet the expenditure
34 requirements of this Code section in the subsequent fiscal year or withholding all or any
35 portion of state funds in accordance with Code Section 20-2-243.

1 (d) The State Board of Education shall be authorized to require the submission of budget
2 information and expenditure data from local school systems for the purposes of verifying
3 compliance with this Code section.

4 (e) The State Board of Education shall be authorized to promulgate rules and regulations
5 to implement the provisions of this Code section.

6 20-2-172.

7 (a) For the purposes of fiscal years 2007 and 2008 only, the following change to Code
8 Section 20-2-167 shall apply: For each program identified in Code Section 20-2-161, each
9 local school system shall spend 100 percent of funds designated for direct instructional
10 costs on the direct instructional costs of such program on one or more of the programs
11 identified in Code Section 20-2-161 at the system level, with no requirement that the school
12 system spend any specific portion of such funds at the site where such funds were earned.

13 (b) This Code section shall be automatically repealed on July 1, 2008."

14 **SECTION 3.**

15 This Act shall become effective July 1, 2006.

16 **SECTION 4.**

17 All laws and parts of laws in conflict with this Act are repealed.