

House Bill 534

By: Representatives Freeman of the 140th, Keown of the 173rd, Casas of the 103rd, Benton of the 31st, Sims of the 119th, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Article 3 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated,
2 relating to local boards of education, so as to require public notice of a budget deficit within
3 three business days; to provide for related matters; to repeal conflicting laws; and for other
4 purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Article 3 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to local
8 boards of education, is amended by revising Code Section 20-2-67, relating to local school
9 system or school subject to corrective action plan for budget deficit, as follows:

10 "20-2-67.

11 (a) When an audit by the Department of Audits and Accounts finds and reports
12 irregularities or budget deficits in the fund accounting information regarding a local school
13 system or a school within the local school system, the Department of Audits and Accounts
14 shall report the findings of irregularities or budget deficits to the State Board of Education
15 and the local board of education.

16 (b) The State Board of Education shall inform the superintendent of the local school
17 system of the irregularities or budget deficits regarding a local school system's or a
18 school's fund accounting information. The superintendent shall submit to the Department
19 of Education a response to the findings and a corrective action plan as defined by rules and
20 regulations adopted by the State Board of Education designed to correct the financial
21 irregularities or budget deficits for the school or school system. From the time such
22 irregularity or budget deficit is discovered until the time it is eliminated, the local school
23 superintendent shall present to each member of the local board of education for his or her
24 review and written acknowledgment a monthly report containing all anticipated
25 expenditures by budget function for such school or school system during the current month.
26 The report shall be presented to local board members on or before the tenth business day

1 of each month. Each monthly report shall be signed by each member of that local board and
 2 recorded and retained in the minutes of the meeting of the local board of education.

3 (b.1) Within three business days of notice to the superintendent of a local school system
 4 that the school system is in a budget deficit, with respect to either the school system's
 5 general fund or its debt sinking fund, the superintendent and the chairperson of the local
 6 board shall cause to be published in the official county organ wherein the local school
 7 system is located once a week for two weeks a disclosure of such budget deficit. The
 8 superintendent and local board chairperson shall be guilty of a misdemeanor for failure to
 9 comply with this subsection.

10 (c) Not later than September 30 of the year, each local board of education shall cause to
 11 be published in the official county organ wherein the local school system is located once
 12 a week for two weeks a statement of actual financial operations for such schools or school
 13 system identified by the Department of Audits and Accounts as having financial
 14 irregularities. Such statement of actual financial operations shall be in a form to be
 15 specified and prescribed by the state auditor for the purpose of indicating the current
 16 financial status of the schools or school system. Prior to publication, such form shall be
 17 executed by the local board of education and signed by each member of said board and the
 18 local school superintendent.

19 (d) A copy of the actual financial operations form required to be published by subsection
 20 (c) of this Code section shall be mailed by each local board of education to the Department
 21 of Education and the local county board of commissioners or local municipal governing
 22 authority. A current copy of said form shall be maintained on file in the central
 23 administrative office of the local school system for public inspection for a period of at least
 24 two years from the date of its publication. Copies of the statement shall be made available
 25 on request."

26 SECTION 2.

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