

The Senate Education and Youth Committee offered the following substitute to HB 559:

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 6 of Article 17 of Chapter 2 of Title 20 of the Official Code of Georgia
2 Annotated, relating to health insurance plans for teachers and other school personnel in
3 elementary and secondary education, so as to provide for teachers and employees of charter
4 schools to be considered employees for purposes of participating in the health insurance
5 plans for teachers and other school personnel; to amend Article 31 of Chapter 2 of Title 20
6 of the Official Code of Georgia Annotated, relating to charter schools, so as to enact the
7 "Charter Systems Act"; to provide for legislative findings; to provide for the establishment
8 of charter systems; to revise and add definitions; to provide for the establishment of the
9 Charter Advisory Committee; to provide for requirements for petitions for charter systems;
10 to revise certain provisions relating to the approval or denial of a charter petition; to revise
11 certain provisions relating to the review of charters; to provide for terms and renewals of
12 charter systems; to provide for waivers and operating requirements, control, and management
13 for charter systems; to provide for termination of charter systems; to revise certain provisions
14 relative to funding of charter schools; to change certain provisions relative to the Office of
15 Charter School Compliance; to revise provisions for purposes of conformity; to provide for
16 related matters; to repeal conflicting laws; and for other purposes.

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

PART I

SECTION 1-1.

18 Part 6 of Article 17 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated,
19 relating to health insurance plans for teachers and other school personnel in elementary and
20 secondary education, is amended in Code Section 20-2-880, relating to definitions relative
21 to a health plan for public school teachers, by revising paragraphs (3) and (4) as follows:
22

23 "(3) 'Local employer' means the county or independent board of education, a charter
24 school, regional and county libraries, and the governing authority of Georgia Military
25 College.
26

1 (4) 'Public school teacher,' 'teacher,' and 'employee' mean any person employed not less
 2 than half time in a professionally certificated capacity or position in the public school
 3 systems of this state. 'Public school teacher,' 'teacher,' and 'employee' also mean librarians
 4 and other personnel employed by regional and county libraries or the high school
 5 program of Georgia Military College. 'Public school teacher,' 'teacher,' and 'employee'
 6 also mean any professionally certificated person who has acquired ten years or more of
 7 creditable service and who is being paid retirement benefits by the Teachers Retirement
 8 System of Georgia, Chapter 3 of Title 47, or by any other public school teacher
 9 retirement system in this state. 'Public school teacher,' 'teacher,' and 'employee' also
 10 mean any person employed not less than half time and compensated in a professionally
 11 certificated capacity or position in a charter school in this state established pursuant to
 12 Article 31 of Chapter 2 of Title 20, if the charter school elects to participate in the health
 13 insurance plan established pursuant to this subpart. 'Public school teacher,' 'teacher,' and
 14 'employee' shall not be deemed to include any emergency or temporary employee.
 15 Notwithstanding this definition or any other provision of this subpart, the board may, by
 16 regulation, make available to employees who work 17 1/2 hours or more per week such
 17 benefits as are required to be made available to such employees by regulations of the
 18 United States Internal Revenue Service or any other federal authority."

19 SECTION 1-2.

20 Said part is further amended in Code Section 20-2-910, relating to definitions relative to a
 21 health plan for public school employees, by revising paragraph (3) as follows:

22 "(3) 'Public school employee' means an 'employee' as defined in paragraph (20) of
 23 Code Section 47-4-2. 'Public school employee' also means classroom aides,
 24 paraprofessionals, and noncertified administrative and clerical personnel. It is
 25 specifically provided, however, that the term 'public school employee' shall not include
 26 any emergency or temporary employee or any other employee who works in a position
 27 otherwise covered by such term less than 60 percent of the time required to carry out
 28 the duties of such position. 'Public school employee' also means any person, other than
 29 an employee in a professionally certificated capacity or position, employed not less than
 30 half time and compensated in a charter school in this state established pursuant to
 31 Article 31 of Chapter 2 of Title 20, if the charter school elects to participate in the
 32 health insurance plan established pursuant to this subpart. Notwithstanding this
 33 definition or any other provision of this subpart, the board may, by regulation, make
 34 available to employees who work 17 1/2 hours or more per week such benefits as are
 35 required to be made available to such employees by regulations of the United States
 36 Internal Revenue Service or any other federal authority."

PART II

SECTION 2-1.

This Part shall be known and may be cited as the "Charter Systems Act."

SECTION 2-2.

The General Assembly finds that schools and school systems should be given high flexibility to tailor their educational programs to meet the unique needs of their communities. In furtherance of this, schools and school systems should be encouraged to use innovative educational programs including local management of schools and should be provided resources to help design and implement innovative programs. The General Assembly further finds that schools and school systems shall be held accountable for student achievement.

SECTION 2-3.

Article 31 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to the "Charter Schools Act of 1998," is amended in Code Section 20-2-2062, relating to definitions, by revising paragraphs (1), (2), (8), and (11), by renumbering paragraph (5.1), and by inserting new paragraphs (3.1), (5.1), (12.1), and (17), as follows:

"(1) 'Charter' means a performance based contract between a local board and a charter petitioner, the terms of which are approved by the local board and by the state board in the case of a local charter school, ~~or~~ between the state board and a charter petitioner, the terms of which are approved by the state board in the case of a state chartered special school, or between a local board and the state board, the terms of which are approved by the state board in the case of a charter system. By entering into a charter, a charter petitioner and local board shall be deemed to have agreed to be bound to all the provisions of this article as if such terms were set forth in the charter."

"(2) 'Charter petitioner' means a local school, local board of education, private individual, private organization, or state or local public entity that submits a petition for a charter. The term 'charter petitioner' does not include home study programs or schools, sectarian schools, religious schools, private for profit schools, private educational institutions not established, operated, or governed by the State of Georgia, or existing private schools."

"(3.1) 'Charter system' means a local school system that is operating under the terms of a charter pursuant to Code Section 20-2-2063.1."

"(5.1) 'Governing council' means a school level council of parents, teachers, administrators, and others who are involved in school level governance within a charter system."

1 ~~(5.1)~~(5.2) 'High school cluster' means a high school and all of the middle and elementary
 2 schools which contain students who matriculate to such high school. The schools in a
 3 high school cluster may include charter schools, local schools, or a combination of both."

4 "(8) 'Local revenue' means local taxes budgeted for school purposes in excess of the local
 5 five mill share, combined with any applicable equalization grant and budgeted revenues
 6 from any of the following: investment earnings, unrestricted donations, and the sale of
 7 surplus property; but exclusive of revenue from bonds issued for capital projects, revenue
 8 to pay debt service on such bonds; and local option sales tax for capital projects, ~~and~~
 9 ~~budgeted school food service program costs~~. Nothing in this paragraph shall be construed
 10 to prevent a local board from including a local charter school in projects specified in the
 11 ballot language of a local option sales tax or bond referendum."

12 "(11) 'Petition' means a proposal to establish a charter school or a charter system."

13 "(12.1) 'School level governance' means decision-making authority in personnel
 14 decisions, financial decisions, curriculum and instruction, resource allocation,
 15 establishing and monitoring the achievement of school improvement goals, and school
 16 operations."

17 "(17) 'System charter school' means a school within a charter system."

18 **SECTION 2-4.**

19 Said article is further amended in Code Section 20-2-2063, relating to minimum
 20 requirements for charter petitions, by adding a new subsection to the end of such Code
 21 section as follows:

22 "(d) The State Board of Education shall establish rules, regulations, policies, and
 23 procedures to provide for a charter petition from a local school system to establish a charter
 24 system. Such rules, regulations, policies, and procedures shall require that a charter
 25 petition and the charter contain an explanation of the structure, rights, and responsibilities
 26 of the principal, governing council, and local board of education of the system charter
 27 school, with an objective of maximizing school level governance and the involvement of
 28 parents, teachers, and community members in such governance."

29 **SECTION 2-5.**

30 Said article is further amended by adding new Code sections as follows:

31 "20-2-2063.1.

32 (a) The state board shall establish a Charter Advisory Committee to review charter
 33 petitions for compliance with established standards of the state board, to make
 34 recommendations to the state board on charter policy, and to provide recommendations to

1 the state board regarding charter petitions. The committee shall be composed of nine
2 members as follows:

- 3 (1) Three members appointed by the chairperson of the state board;
- 4 (2) Three members appointed by the Lieutenant Governor; and
- 5 (3) Three members appointed by the Speaker of the House of Representatives.

6 All members shall serve at the pleasure of their respective appointing officials. The
7 committee shall elect a chairperson from among its membership.

8 (b) The committee shall conduct itself in accordance with any rules and guidelines
9 established by the state board with regard to timeframes, procedures, and protocol.

10 (c) The committee shall be authorized to request clarifying information from a charter
11 petitioner and to receive input from interested parties on a charter petition.

12 (d) The committee shall:

- 13 (1) Make recommendations to the state board of approval or denial on each charter
14 petition and shall specify the reasons for such recommendations; and
- 15 (2) Periodically make recommendations to the state board regarding charter policy;
- 16 (3) Make recommendations to the state board on the disbursement of planning grants for
17 charter systems, if funds are made available.

18 (e) The committee shall be authorized to enter into contracts, subject to available funding,
19 with one or more consultants to assist the committee in its duties and if directed to do so
20 by the committee, to do the following:

- 21 (1) Assist charter petitioners in the drafting of their petitions;
- 22 (2) Assist charter petitioners in the design and implementation of innovative education
23 programs and school level governance based on research, model programs, or other
24 credible information;
- 25 (3) Monitor and assist charter schools and charter systems; and
- 26 (4) Perform any other functions related to the support of the committee.

27 (f) The committee shall work in cooperation with the Office of Charter School
28 Compliance, as established pursuant to Code Section 20-2-2069.

29 (g) The members of the committee shall receive no compensation for their services but
30 shall be reimbursed for actual and necessary expenses incurred by them in carrying out
31 their duties.

32 (h) The committee shall be assigned to the Department of Education for administrative
33 purposes only, as prescribed in Code Section 50-4-3.

1 20-2-2063.2.

2 (a) The state board shall be authorized to enter into a charter with a local board to establish
3 a local school system as a charter system.

4 (b) A local board seeking to create a charter system must submit a petition to the state
5 board. Prior to submitting such petition, the local board shall:

6 (1) Adopt a resolution approving the proposed charter system petition;

7 (2) Conduct at least two public hearings and provide notice of the hearings in the same
8 manner as other legal notices of the local board; and

9 (3) Send a notice to each principal within the local school system of the hearings with
10 instructions that each school shall distribute the notice to faculty and instructional staff
11 members and to the parent or guardian of each student enrolled in the school.

12 The local board may revise its proposed charter system petition, upon resolution, as a result
13 of testimony at the public hearings or for other purposes.

14 (c) Prior to approval or denial of a charter petition for a charter system, the state board
15 shall receive and give all due consideration to the recommendation and input from the
16 Charter Advisory Committee established in Code Section 20-2-2063.1. The state board
17 shall approve the charter if the state board finds, after receiving input from the Charter
18 Advisory Committee, that the petition complies with the rules, regulations, policies, and
19 procedures promulgated pursuant to Code Section 20-2-2063 and the provisions of this
20 title, is in the public interest, and promotes school level governance.

21 (d) All schools within an approved charter system shall be system charter schools except
22 as otherwise provided in subsections (f) and (g) of this Code section.

23 (e)(1) Subject to appropriations by the General Assembly or other available funding, the
24 state board, after receiving input and recommendations from the Charter Advisory
25 Committee, shall disburse planning grants to local school systems which desire to
26 become charter systems. Such grants will be disbursed in accordance with any applicable
27 guidelines, policies, and requirements established by the state board.

28 (2) Subject to specific appropriations by the General Assembly for this purpose, the state
29 board shall disburse implementation grants in the amount of \$125,000.00 or such other
30 amount as determined by the state board to each charter system. The state board shall be
31 authorized to approve up to five petitions for charter systems during fiscal year 2008, and
32 may approve up to a maximum number of petitions in following years as may be
33 established pursuant to board rules and as subject to availability of funding for
34 implementation grants.

35 (f) A system charter school shall not be precluded from petitioning to become a conversion
36 charter school, in accordance with Code Section 20-2-2064, not subject to the terms of the
37 system charter. In the event a system charter school becomes a conversion charter school,

1 the system charter shall be amended to reflect that such school is no longer bound by the
2 system charter.

3 (g) An existing conversion or start-up charter school within a local school system which
4 is petitioning to become a charter system shall have the option of continuing under its own
5 existing charter, not subject to the terms of the system charter, or of terminating its existing
6 charter, upon agreement by the local board and state board, and becoming subject to the
7 system charter as a charter system school."

8 SECTION 2-6.

9 Said article is further amended by revising Code Section 20-2-2064, relating to approval or
10 denial of petition, as follows:

11 "20-2-2064.

12 (a) A charter petitioner seeking to create a conversion charter school must submit a
13 petition to the local board of the local school system in which the proposed charter school
14 will be located. The local board must by a majority vote approve or deny a petition no later
15 than 60 days after its submission unless the petitioner requests an extension; provided,
16 however, that a denial of a petition by a local board shall not preclude the submission to
17 the local board of a revised petition that addresses deficiencies cited in the denial; and
18 provided, further, that the local board shall not act upon a petition for a conversion charter
19 school until such petition:

20 (1) Has been freely agreed to, by secret ballot, by a majority of the faculty and
21 instructional staff members of the petitioning local school at a public meeting called with
22 two weeks' advance notice for the purpose of deciding whether to submit the petition to
23 the local board for its approval; and

24 (2) Has been freely agreed to, by secret ballot, by a majority of parents or guardians of
25 students enrolled in the petitioning local school present at a public meeting called with
26 two weeks' advance notice for the purpose of deciding whether to submit the petition to
27 the local board for its approval.

28 This subsection shall not apply to a system charter school petitioning to be a conversion
29 charter school.

30 (b) A charter petitioner seeking to create a start-up charter school must submit a petition
31 to the local board of the local school system in which the proposed charter school will be
32 located. The local board must by a majority vote approve or deny a petition no later than
33 60 days after its submission unless the petitioner requests an extension. A denial of a
34 petition by a local board shall not preclude the submission to the local board of a revised
35 petition that addresses deficiencies cited in the denial.

1 (c) A system charter school's school council or governing council, as applicable, may
 2 petition to become a conversion charter school. The petition shall be submitted to the local
 3 board of the charter system in which the school is located. The local board must by a
 4 majority vote approve or deny a petition no later than 60 days after its submission unless
 5 the petitioner requests an extension; provided, however, that a denial of a petition by a local
 6 board shall not preclude the submission to the local board of a revised petition that
 7 addresses deficiencies cited in the denial.

8 ~~(c)~~(d) A local board shall approve a petition that complies with the rules, regulations,
 9 policies, and procedures promulgated in accordance with Code Section 20-2-2063 and the
 10 provisions of this title and is in the public interest. If a local board denies a petition, it must
 11 within 60 days specifically state the reasons for the denial, list all deficiencies with respect
 12 to Code Section 20-2-2063, and provide a written statement of the denial to the charter
 13 petitioner and the state board.

14 ~~(d)~~(e) The state board or the Charter Advisory Committee, if directed by the state board
 15 to do so, may mediate between the local board and a charter petitioner whose petition was
 16 denied to assist in resolving issues which led to denial of the petition by the local board."

17 **SECTION 2-7.**

18 Said article is further amended by revising Code Section 20-2-2064.1, relating to review of
 19 charter by state board, as follows:

20 "20-2-2064.1.

21 (a) Prior to approval or denial of a charter petition under this Code section, the state board
 22 shall receive and give all due consideration to the recommendation and input from the
 23 Charter Advisory Committee established in Code Section 20-2-2063.1.

24 (b) The state board shall approve the charter of a charter petitioner if the petition has been
 25 approved by the local board of the local school system in which the proposed charter
 26 school will be located and the state board finds, after receiving input from the Charter
 27 Advisory Committee, that the petition complies with the rules, regulations, policies, and
 28 procedures promulgated in accordance with Code Section 20-2-2063 and the provisions of
 29 this title and is in the public interest. If the state board denies a petition, it must within 60
 30 days specifically state the reasons for the denial, list all deficiencies with regard to Code
 31 Section 20-2-2063, and provide a written statement of the denial to the charter petitioner
 32 and to the local board.

33 ~~(b)~~(c) No application for a state chartered special school may be made to the state board
 34 by a petitioner for a conversion charter school that has been denied by a local board. Upon
 35 denial of a petition for a start-up charter school by a local board and upon application to
 36 the state board by the petitioner, the state board shall approve the charter of a start-up

1 charter petitioner for a state chartered special school if the state board finds, after receiving
 2 input from the Charter Advisory Committee, that such petition meets the requirements set
 3 forth in Code Section 20-2-2063 and the provisions of this title, and is in the public
 4 interest."

5 SECTION 2-8.

6 Said article is further amended by revising Code Section 20-2-2065, relating to operating
 7 requirements, control, and management, as follows:

8 "20-2-2065.

9 (a) Except as provided in this article or in a charter, a charter school, or for charter
 10 systems, each school within the system, shall not be subject to the provisions of this title
 11 or any state or local rule, regulation, policy, or procedure relating to schools within an
 12 applicable school system regardless of whether such rule, regulation, policy, or procedure
 13 is established by the local board, the state board, or the Department of Education; provided,
 14 however, that the state board may establish rules, regulations, policies, or procedures
 15 consistent with this article relating to charter schools. A waiver granted pursuant to this
 16 Code section for a charter system shall apply to each system charter school within the
 17 system. In exchange for such a waiver, the charter school agrees to meet or exceed the
 18 performance based goals included in the charter and approved by the local board or, for the
 19 charter system, the system agrees to meet or exceed the system-wide performance based
 20 goals included in the charter and approved by the state board, including but not limited to
 21 raising student achievement. For a charter system, the charter shall delineate the
 22 performance based goals that the system and each school will be expected to meet as well
 23 as the criteria by which a system charter may be revoked in addition to those contained in
 24 Code Section 20-2-2068.

25 (b) In determining whether to approve a charter petition or renew an existing charter, the
 26 local board and state board shall ensure that a charter school, or for charter systems, each
 27 school within the system, shall be:

28 (1) A public, nonsectarian, nonreligious, nonprofit school that is not home based,
 29 provided that a charter school's nonprofit status shall not prevent the school from
 30 contracting for the services of a for profit entity and that nothing in this Code section
 31 shall preclude the use of computer and Internet based instruction for students in a virtual
 32 or remote setting;

33 (2) Subject to the control and management of the local board of the local school system
 34 in which the charter school is located, as provided in the charter and in a manner
 35 consistent with the Constitution, if a local charter school;

- 1 (3) Subject to the supervision of the state board, as provided in the charter and in a
 2 manner consistent with the Constitution, if a state chartered special school;
- 3 (4) Organized and operated as a nonprofit corporation under the laws of this state;
 4 provided, however, that this paragraph shall not apply to any charter petitioner that is a
 5 local school, local school system, or state or local public entity;
- 6 (5) Subject to all federal, state, and local rules, regulations, court orders, and statutes
 7 relating to civil rights; insurance; the protection of the physical health and safety of
 8 school students, employees, and visitors; conflicting interest transactions; and the
 9 prevention of unlawful conduct;
- 10 (6) Subject to all laws relating to unlawful conduct in or near a public school;
- 11 (7) Subject to an annual financial audit conducted by the state auditor or, if specified in
 12 the charter, by an independent certified public accountant licensed in this state;
- 13 (8) Subject to the provisions of Part 3 of Article 2 of Chapter 14 of this title, and such
 14 provisions shall apply with respect to charter schools whose charters are granted or
 15 renewed on or after July 1, 2000;
- 16 (9) Subject to all reporting requirements of Code Section 20-2-160, subsection (e) of
 17 Code Section 20-2-161, Code Section 20-2-320, and Code Section 20-2-740;
- 18 (10) Subject to the requirement that it shall not charge tuition or fees to its students
 19 except as may be authorized for local boards by Code Section 20-2-133; and
- 20 (11) Subject to the provisions of Code Section 20-2-1050 requiring a brief period of
 21 quiet reflection."

22 **SECTION 2-9.**

23 Said article is further amended in Code Section 20-2-2066, relating to admission, enrollment,
 24 and withdrawal of students, by adding a new subsection as follows:

25 "(b.1) A charter system shall enroll students in its system charter schools per the terms of
 26 the charter and in accordance with state board rules."

27 **SECTION 2-10.**

28 Said article is further amended by revising Code Section 20-2-2067.1, relating to amendment
 29 of terms of charter for charter school, initial term of charter, and annual report, as follows:

30 "20-2-2067.1.

31 (a) The terms of a charter for a local charter school may be amended during the term of
 32 the charter upon the approval of the local board, the state board, and the charter school.
 33 The terms of a charter for a state chartered special school may be amended during the term
 34 of the charter upon the approval of the state board and the charter school. The terms of a
 35 charter for a charter system may be amended during the term of the charter upon approval
 36 of the state board and the local board.

(b) The initial term of a charter, except for a charter system, shall be for a minimum of five years, unless the petitioner shall request a shorter period of time, and shall not exceed ten years. The local board and the state board, in accordance with Code Section 20-2-2064.1, may renew a local charter, upon the request of the charter school, for the period of time specified in the request, not to exceed ten years. The state board may renew a state chartered special school, upon the request of the school, for the period of time specified in the request, not to exceed ten years. The initial term of a charter for a charter system shall not exceed five years. The state board may renew the charter of a charter system, upon the request of the local board, for the period of time specified in the request, not to exceed ten years.

(c) ~~A~~ Each start-up and conversion charter school and each charter system shall submit an annual report outlining the previous year's progress to the authorizing local board or state board, as appropriate; to parents and guardians of students enrolled in the school, or, for a charter system, to parents and guardians of students enrolled in school within the local school system; and to the Department of Education no later than October 1 of each year. The report submitted by a charter system shall include, but not limited to, data on all of its system charter schools. The report shall contain, but is not limited to:

- (1) An indication of progress toward the goals as included in the charter;
- (2) Academic data for the previous year, including state academic accountability data, such as standardized test scores and adequate yearly progress data;
- (3) Unaudited financial statements for the fiscal year ending on June 30, provided that audited statements will be forwarded to the local board and state board upon completion;
- (4) Updated contact information for the school and the administrator, and for charter systems, each system charter school and its respective administrator;
- (5) Proof of current nonprofit status, if applicable; ~~and~~
- (6) Any other supplemental information that the charter school or charter system chooses to include or that the state board requests that demonstrates its that school or system's success; and
- (7) For charter systems, an on-site external evaluation of the system at least once every five years, as determined by the state board."

SECTION 2-11.

Said chapter is further amended by revising Code Section 20-2-2068, relating to charter amendments and terminations, as follows:

"20-2-2068.

(a) The state board may terminate a charter under the following circumstances:

1 (1)(A) If a majority of the parents or guardians of students enrolled at the charter
 2 school vote by a majority vote to request the termination of its charter at a public
 3 meeting called with two weeks' advance notice and for the purpose of deciding whether
 4 to request the state board to declare the charter null and void; or

5 (B) If a majority of the faculty and instructional staff employed at the charter school
 6 vote by a majority vote to request the termination of its charter at a public meeting
 7 called with two weeks' advance notice and for the purpose of deciding whether to
 8 request the state board to declare the charter null and void;

9 This paragraph shall not apply to system charter schools.

10 (2) If, after providing reasonable notice to the charter school or charter system, as
 11 applicable, and an opportunity for a hearing, the state board finds:

12 (A) A failure to comply with any recommendation or direction of the state board with
 13 respect to Code Section 20-14-41;

14 (B) A failure to adhere to any material term of the charter, including but not limited to
 15 the performance goals set forth in the charter;

16 (C) A failure to meet generally accepted standards of fiscal management;

17 (D) A violation of applicable federal, state, or local laws or court orders;

18 (E) The existence of competent substantial evidence that the continued operation of the
 19 charter school or charter system would be contrary to the best interests of the students
 20 or the community; or

21 (F) A failure to comply with any provision of Code Section 20-2-2065; or

22 (3) Upon the written request of a local board for termination of a charter for a local
 23 charter school located within its school system if, prior to making such request, the local
 24 board provided reasonable notice to the charter school and an opportunity for a hearing,
 25 and determined the existence of any of the grounds described in paragraph (2) of this
 26 Code section.

27 (b) For a system charter school, if the school council or governing council, as applicable,
 28 at such school within the charter system requests that:

29 (1) The system charter be terminated; or

30 (2) The system charter be amended with respect to such system charter school;

31 the state board, after providing reasonable notice to the charter system and the system
 32 charter school, shall conduct a hearing. Based on the findings of the hearing, the state
 33 board may enter into negotiations with the charter system to amend the charter to address
 34 the concerns of the requesting system charter school. If negotiations fail and the state
 35 board finds good cause, the state board shall be authorized to terminate the system charter
 36 or to amend the system charter with respect to the requesting system charter school;
 37 provided, however, that the local board shall be authorized to terminate the system charter

1 if it is unwilling to accept the amendments to such charter by the state board. 'Good cause'
 2 includes but is not limited to a local board's failure to comply with its obligations and
 3 duties under the system charter, state board rules, or other applicable law, or other good
 4 cause as determined in the sole discretion of the state board."

5 SECTION 2-12.

6 Said chapter is further amended in Code Section 20-2-2068.1, relating to application of the
 7 Quality Basic Education Formula, grants, local tax revenue, and funds from local bonds, by
 8 revising subsections (a) and (c) as follows:

9 "(a) A local charter school shall be included in the allotment of QBE formula earnings,
 10 applicable QBE grants, applicable non-QBE state grants, and applicable federal grants to
 11 the local school system in which the local charter school is located under Article 6 of this
 12 chapter. The local board and the state board shall treat a conversion charter school no less
 13 favorably than other local schools located within the applicable local school system unless
 14 otherwise provided by law. The local board and the state board shall treat a start-up charter
 15 school no less favorably than other local schools within the applicable local system with
 16 respect to the provision of funds for instruction, and school administration, and, where
 17 feasible, transportation, food services, and, where feasible, building programs."

18 "(c) In addition to the earnings set out in subsection (b) of this Code section, local revenue
 19 shall be allocated to a local charter school on the same basis as for any local school in the
 20 local school system. In the case of a start-up charter school, local revenue earnings shall
 21 be calculated as follows:

22 (1) Determine the total amount of state and local five mill share funds earned by students
 23 enrolled in the local start-up charter school as calculated by the Quality Basic Education
 24 Formula pursuant to Part 4 of Article 6 of this chapter including any funds for
 25 psychologists and school social workers but excluding five percent of any system-wide
 26 funds for central administration and ~~pupil transportation~~ and excluding any categorical
 27 grants not applicable to the charter school;

28 (2) Determine the total amount of state and local five mill share funds earned by all
 29 students in the public schools of the local school system, including any charter schools
 30 that receive local revenue, as calculated by the Quality Basic Education Formula but
 31 excluding categorical grants and other non-QBE formula grants;

32 (3) Divide the amount obtained in paragraph (1) of this subsection by the amount
 33 obtained in paragraph (2) of this subsection; and

34 (4) Multiply the quotient obtained in paragraph (3) of this subsection by the school
 35 system's local revenue.

1 The product obtained in paragraph (4) of this subsection shall be the amount of local funds
 2 to be distributed to the local start-up charter school by the local board; provided, however,
 3 that nothing in this subsection shall preclude a charter petitioner and a local board of
 4 education from specifying in the charter a greater amount of local funds to be provided by
 5 the local board to the local start-up charter school if agreed upon by all parties to the
 6 charter. Local funds so earned shall be distributed to the local start-up charter school by
 7 the local board. Where feasible and where services are provided, funds for ~~transportation,~~
 8 ~~food service programs,~~ and construction projects shall also be distributed to the local
 9 start-up charter school as earned. In all other fiscal matters, including applicable federal
 10 allotments, the local board shall treat the local start-up charter school no less favorably than
 11 other local schools located within the applicable school system and shall calculate and
 12 distribute the funding for the start-up charter school on the basis of its actual or projected
 13 enrollment in the current school year according to an enrollment counting procedure or
 14 projection method stipulated in the terms of the charter."

15 SECTION 2-13.

16 Said chapter is further amended in Code Section 20-2-2068.1, relating to application of the
 17 Quality Basic Education Formula, grants, local tax revenue, and funds from local bonds, by
 18 adding a new subsection to read as follows:

19 "(h) For system charter schools, funds including federal, state, and local revenue shall be
 20 distributed to each such school by the charter system in a manner and in such amounts as
 21 are provided in the terms of the charter with an objective of maximizing spending at the
 22 school level."

23 SECTION 2-14.

24 Said chapter is further amended by revising Code Section 20-2-2069, relating to the Office
 25 of Charter School Compliance, as follows:

26 "20-2-2069.

27 There is established within the Department of Education an Office of Charter School
 28 Compliance, the responsibilities of which shall be to:

- 29 (1) Prepare charter school and charter system guidelines to be approved by the state
 30 board;
- 31 (2) Distribute charter school and charter system petition information to inquiring parties;
- 32 (3) Process all charter school and charter system petitions and coordinate with the
 33 Charter Advisory Committee established pursuant to Code Section 20-2-2063.1 to
 34 facilitate its review and recommendations to the state board ~~for consideration by the state~~
 35 board;

- 1 (4) Administer any state or federal charter school implementation grant program;
- 2 (5) Contract with an independent party to evaluate the performance of charter schools
- 3 and charter systems, as such performance relates to fulfilling the terms of their charters;
- 4 and
- 5 (6) Compile information necessary to produce the annual report required by Code
- 6 Section 20-2-2070."

7 PART III

8 SECTION 3-1.

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