

House Bill 962 (COMMITTEE SUBSTITUTE) (AM)

By: Representatives Freeman of the 140th, Keown of the 173rd, Sims of the 119th, Hembree of the 67th, Williams of the 89th, 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 or
3 financial irregularities within three business days; to require notification of the
4 superintendent of budget deficits identified at the local level; to provide for related matters;
5 to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

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

11 "20-2-67.

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

17 (b) The State Board of Education shall inform the superintendent of the local school
18 system of the financial irregularities or budget deficits regarding a local school system's
19 or a school's fund accounting information. Within three business days of notice to the
20 superintendent of the financial irregularities or budget deficits, the superintendent and the
21 chairperson of the local board shall cause to be published in the official county organ or a
22 newspaper having the largest general circulation in the county or municipality in which the
23 local school system is located once a week for two consecutive weeks a notice of such
24 financial irregularities or budget deficits; provided, however, such notice shall not be
25 placed in that section of the newspaper where legal notices appear. The superintendent
26 shall submit to the Department of Education a response to the findings and a corrective

1 action plan as defined by rules and regulations adopted by the State Board of Education
 2 designed to correct the financial irregularities or budget deficits for the school or school
 3 system. From the time such financial irregularity or budget deficit is discovered until the
 4 time it is eliminated, the local school superintendent shall present to each member of the
 5 local board of education for his or her review and written acknowledgment a monthly
 6 report containing all anticipated expenditures by budget function for such school or school
 7 system during the current month. The report shall be presented to local board members on
 8 or before the tenth business day of each month. Each monthly report shall be signed by
 9 each member of that local board and recorded and retained in the minutes of the meeting
 10 of the local board of education.

11 (c) Not later than September 30 of the year, each local board of education shall cause to
 12 be published in ~~the official county organ wherein~~ the official county organ or a newspaper
 13 having the largest general circulation in the county or municipality in which the local
 14 school system is located once a week for two weeks a statement of actual financial
 15 operations for such schools or school system identified by the Department of Audits and
 16 Accounts as having financial irregularities; provided, however, such notice shall not be
 17 placed in that section of the newspaper where legal notices appear. Such statement of
 18 actual financial operations shall be in a form to be specified and prescribed by the state
 19 auditor for the purpose of indicating the current financial status of the schools or school
 20 system. Prior to publication, such form shall be executed by the local board of education
 21 and signed by each member of said board and the local school superintendent.

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

29 SECTION 2.

30 Said article is further amended by adding a new Code section to read as follows:

31 "20-2-67.1.

32 In the event any local school system employee becomes aware of a budget deficit regarding
 33 a local school system's or a school's fund accounting information at the local level, said
 34 employee shall inform the superintendent of that local school system within three business
 35 days. Within three business days of notice to the superintendent of the budget deficit, the
 36 superintendent and the chairperson of the local board shall cause to be published in the

1 official county organ or a newspaper having the largest general circulation in the county
2 or municipality in which the local school system is located once a week for two
3 consecutive weeks a notice of such budget deficit; provided, however, such notice shall not
4 be placed in that section of the newspaper where legal notices appear."

5 **SECTION 3.**

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