

House Bill 760

By: Representatives Coleman of the 97<sup>th</sup>, England of the 108<sup>th</sup>, Dickson of the 6<sup>th</sup>, Kaiser of the 59<sup>th</sup>, Abrams of the 84<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Part 10 of Article 6 of Chapter 2 of Title 20 of the Official Code of Georgia  
2 Annotated, relating to capital outlay funds for elementary and secondary education, so as to  
3 replace the exceptional growth program with an expansion of the maximum entitlement level  
4 for regular capital outlay earnings; to increase requirements relating to the advance funding  
5 program; to eliminate requirements for a nonbinding referendum for a school closure; to  
6 delete language relating to debt service credit, prototypical designs, and weighted full-time  
7 equivalent student counts; to delete obsolete provisions; to provide for redirect requests in  
8 the event of damage or destruction due to fire or natural disaster; to broaden eligibility for  
9 low-wealth capital outlay grants; to provide for related matters; to provide for an effective  
10 date and applicability; to repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 style="text-align:center">**SECTION 1.**

13 Part 10 of Article 6 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated,  
14 relating to capital outlay funds for elementary and secondary education, is amended in Code  
15 Section 20-2-260, relating to capital outlay funds generally, by revising paragraphs (2), (7.1),  
16 (11), and (17) of subsection (b) as follows:

17 ~~"(2) 'Annual debt service' is defined as expenditures for the annual retirement of debt for~~  
18 ~~capital outlay construction projects for educational facilities and shall include the interest~~  
19 ~~on the principal as well as the principal of the debt. Reserved."~~

20 ~~"(7.1) 'Exceptional growth' means that growth experienced by an exceptional growth~~  
21 ~~system under the calculations specified in subparagraph (j)(2)(A) of this Code section."~~

22 "(11) 'Local wealth factor' is defined as the average of the property tax wealth factor and  
23 the sales tax wealth factor. The property tax wealth factor is determined by dividing the  
24 local school system's net equalized adjusted property tax digest per ~~weighted~~ full-time  
25 equivalent student by the state-wide net equalized adjusted property tax digest per

26 ~~weighted~~ full-time equivalent student. The sales tax wealth factor is determined by  
 27 dividing the local school system's 1 percent local sales tax wealth per ~~weighted~~ full-time  
 28 equivalent student by the state-wide 1 percent sales tax wealth per ~~weighted~~ full-time  
 29 equivalent student."

30 ~~"(17) 'Weighted full-time equivalent student count' is defined as the most recent weighted~~  
 31 ~~full-time equivalent count as defined in paragraph (8) of subsection (a) of Code Section~~  
 32 ~~20-2-165."~~

### 33 SECTION 2.

34 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
 35 generally, by revising paragraphs (1), (6), and (7) of subsection (c) as follows:

36 "(1) To adopt policies, guidelines, and standards for the annual physical facility and real  
 37 property inventory required of each local school system. This inventory shall include,  
 38 but not be limited to: parcels of land; number of educational facilities; year of  
 39 construction and design; size, number, and type of construction space; amount of  
 40 instructional space in permanent and temporary buildings; designations for each  
 41 instructional space in permanent and temporary buildings occupied by designated state  
 42 approved instructional programs, federal programs, or local programs not required by the  
 43 state; local property assessment for bond purposes; outstanding school bonds ~~and annual~~  
 44 ~~debt service~~; and buildings and facilities not in use or rented or leased to individuals or  
 45 other agencies of government, or used for other than instructional programs required by  
 46 this article, each identified by its current use. Department of Education staff shall  
 47 annually review, certify the accuracy of, and approve each local school system's  
 48 inventory;"

49 "(6) To adopt policies, standards, and guidelines to ensure that the provisions of  
 50 subsections (e), (f), (g), (h), (i), ~~(j)~~, and (k.1) of this Code section relating to uses of state  
 51 capital outlay funds, state and local share of costs, entitlements, allocation of capital  
 52 outlay funds, advance funding for certain construction projects, ~~exceptional growth~~  
 53 ~~construction projects~~, and consolidation of schools across system lines are carried out;

54 "(7) To review and approve proposed sites and all architectural and engineering drawings  
 55 and specifications on construction projects for educational facilities to ensure compliance  
 56 with state standards and requirements, and inspect and approve completed construction  
 57 projects financed in whole or in part with state funds, ~~except construction projects under~~  
 58 ~~supervision of the Georgia State Financing and Investment Commission~~. The state board  
 59 may designate selected local units of administration which have staff qualified for such  
 60 purposes to act on behalf of the Department of Education in such inspections, ~~when the~~

61 ~~project is not under the direction of the Georgia State Financing and Investment~~  
 62 ~~Commission;~~"

63 **SECTION 3.**

64 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
 65 generally, by revising paragraphs (1), (7), (8), and (9) of subsection (e) as follows:

66 "(1) To provide construction projects needed because of increased student enrollment ~~or~~  
 67 ~~exceptional growth~~ or to replace educational facilities which have been abandoned or  
 68 destroyed by fire or natural disaster and which shall consist of new buildings and  
 69 facilities on new sites or new additions to existing buildings and facilities, or relocation  
 70 of existing educational facilities or portions thereof to different sites;"

71 "(7) To provide construction projects to renovate or modernize facilities which are  
 72 historic landmarks and are registered as historic landmarks with the National Register of  
 73 Historic Places or the Georgia Register of Historic Places or are certified by the state  
 74 historic preservation officer as eligible for such registration in order to correct  
 75 deficiencies which produce educationally obsolete, unsafe, inaccessible, energy  
 76 inefficient, or unsanitary physical environments; provided, however, that local school  
 77 boards shall be required to use the facility which is or is eligible to be a historic landmark  
 78 as a public school. Notwithstanding any other provisions of this Code section and  
 79 without regard to location or obsolescence, the state board shall allocate funds to renovate  
 80 and modernize historic landmark facilities which meet the requirements of this paragraph  
 81 in an amount which is the lesser of the cost of new construction to replace the historic  
 82 landmark or the actual cost of such renovation and modernization; provided, however,  
 83 that the renovated facility has an extended life comparable to that of a new facility; and  
 84 provided, further, that the local school system shall provide the remaining necessary  
 85 capital outlay funds to renovate the facility in accordance with all other requirements of  
 86 this Code section. No lottery proceeds shall be appropriated from the Lottery for  
 87 Education Account to fund any project or purpose authorized by this paragraph; and

88 (8) To provide construction projects that serve cooperative efforts between local school  
 89 systems and postsecondary institutions; ~~and~~

90 ~~(9) To provide construction projects that use prototypical designs approved by the~~  
 91 ~~Georgia State Financing and Investment Commission, including designs which~~  
 92 ~~incorporate elements that create a quality learning and teaching environment."~~

93 **SECTION 4.**

94 Said part is further amended in code section 20-2-260, relating to capital outlay funds  
 95 generally, by revising subsection (f) as follows:

96 "(f) The state and each local school system shall provide capital outlay funds for  
 97 educational facilities in accordance with this subsection as follows:

98 (1) The required local participation shall be no more than 20 percent nor less than 8  
 99 percent of the eligible project cost as determined by the local ability ratio. The local  
 100 ability ratio is determined by multiplying the local wealth factor by 20 percent. ~~At the~~  
 101 ~~time a local school system applies to use entitlement earnings, a system may earn an~~  
 102 ~~additional 2 percent reduction in the required local participation for each new~~  
 103 ~~construction project that uses a Georgia State Financing and Investment Commission~~  
 104 ~~prototypical design with the project managed under the direction of the Georgia State~~  
 105 ~~Financing and Investment Commission. Regardless of the above, no local school~~  
 106 ~~system's required local participation shall be less than 6 percent nor greater than 20~~  
 107 ~~percent of the cost of an eligible construction project except as provided in paragraph (2)~~  
 108 ~~of this subsection; and~~

109 (2) The state shall participate in no more than 25 percent of the cost of construction  
 110 projects related to damage to educational facilities caused by fire or natural disaster."

111 **SECTION 5.**

112 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
 113 generally, by revising subsection (g) as follows:

114 "(g)(1) In order to determine a reasonable total funding level for the purposes stated in  
 115 subsection (e) of this Code section, ~~excluding funds provided for exceptional growth~~  
 116 ~~pursuant to subsection (j) of this Code section,~~ and to establish a fair and equitable  
 117 distribution of funds to local school systems, the State Board of Education shall annually  
 118 determine a level of authorization. Starting with fiscal year ~~2003~~ 2014 applications for  
 119 funds and for each fiscal year thereafter, the new authorization level may equal zero but  
 120 shall not exceed ~~\$200~~ \$300 million, adjusted annually to reflect the changes in the current  
 121 annual construction cost data maintained by the Department of Education pursuant to  
 122 paragraph (4) of subsection (c) of this Code section. For purposes of deliberations with  
 123 the Governor and the General Assembly regarding the amount of state funds to be  
 124 appropriated, calculations shall be made for at least three levels below the ~~\$200~~ \$300  
 125 million maximum authorization, adjusted as specified in this paragraph.

126 (2) In setting the annual authorization level under this subsection, the state board shall  
 127 consider any previously authorized but unfunded amounts together with the total estimate

128 of funds needed for school facilities in the state. Such total state facilities needs pursuant  
 129 to this subsection shall be ~~computed by summing the following:~~

130 ~~(A) The equal to the total facility improvement needs included in the most recent~~  
 131 ~~five-year educational facilities plan, excluding exceptional growth construction projects~~  
 132 ~~which shall be requested under subsection (j) of this Code section, which has been~~  
 133 ~~reviewed by a survey team and approved by the state board. Such needs shall annually~~  
 134 ~~be adjusted downward for projects financed by either state or local funds and shall~~  
 135 ~~annually be adjusted upward or downward to reflect changes in the full-time equivalent~~  
 136 ~~student counts but shall not be otherwise adjusted upward except upon approval of a~~  
 137 ~~new or revised five-year plan pursuant to subsections (c) and (d) of this Code section;~~  
 138 ~~and~~

139 ~~(B) The sum of the annual debt service payments for the five-year period of the latest~~  
 140 ~~survey (that used in subparagraph (A) of this paragraph), excluding payments for~~  
 141 ~~postsecondary facilities, athletic facilities, administrative facilities, or other projects not~~  
 142 ~~included in the approved five-year plan pursuant to subsections (c) and (d) of this Code~~  
 143 ~~section. Such payments shall annually be adjusted upward or downward for the~~  
 144 ~~remaining portion of the five-year period for changes in the annual debt service~~  
 145 ~~payments resulting from local financing of projects covered by the state board approved~~  
 146 ~~plan.~~

147 (3) Each local school system shall be entitled to a portion of the total authorization set  
 148 by the state board annually under this subsection based on the ratio of that local school  
 149 system's needs as ~~computed in~~ determined pursuant to paragraph (2) of this subsection  
 150 to the total of all local school systems' needs. In addition to the annual entitlement, the  
 151 local school system is eligible to receive any entitlement accrued from previous years for  
 152 which state funds have not yet been received. Any change in the method of determining  
 153 entitlements in subsequent years shall in no way affect the amount of previously accrued  
 154 entitlements.

155 (4) In order to determine the amount of state funds to be requested for a given fiscal year  
 156 under this subsection, total new and accrued entitlements must be compared to the state  
 157 portion of the current cost estimates of the projects approved in the educational facilities  
 158 plan in priority order. Such comparison shall be made for each of the incremental  
 159 entitlement levels required in paragraph (1) of this subsection. In the event that projects  
 160 requested for funding exceed the total state entitlements and required local participation,  
 161 local school systems may elect to contribute additional local funding. ~~Local funds~~  
 162 ~~contributed in excess of required local participation on state eligible project costs may be~~  
 163 ~~credited toward earning entitlement for state eligible project costs pursuant to~~

164 ~~subparagraph (B) of paragraph (2) of this subsection to the extent of the state eligible~~  
 165 ~~needs identified in the local facilities plan. The State Board of Education shall adopt~~  
 166 ~~rules that define the conditions and the extent of the crediting of local funds contributed~~  
 167 ~~toward such entitlement.~~

168 (5) The final level of entitlements actually authorized by the state board for a fiscal year  
 169 shall be that level which is consistent with the Appropriations Act for that year.

170 (6) The entitlements earned by a local school system as of June 30, 2012, pursuant to  
 171 former subsection (j) of this Code section as it existed on such date shall be combined  
 172 with any entitlements of such local school system earned pursuant to this subsection."

173 **SECTION 6.**

174 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
 175 generally, by revising subsection (h) as follows:

176 "(h) A local school system may receive state capital outlay funds for one construction  
 177 project under the advance funding category to meet educational facilities needs due to the  
 178 following:

179 (1) Extraordinary growth of student population in excess of the capacity of existing  
 180 facilities;

181 (2) Destruction of or damage to educational facilities by fire or natural disaster, limited  
 182 by the provisions of paragraph (2) of subsection (f) of this Code section;

183 (3) Replacement of educational facilities which have been certified as hazards to health  
 184 or safety;

185 (4) Projects, in priority order, which would otherwise require more than ~~three~~ five years  
 186 of the combined annual entitlement and required local participation amounts, estimated  
 187 in accordance with the total entitlement intended for authorization by the State Board of  
 188 Education; and

189 (5) Projects for consolidation of schools across local school system lines which have  
 190 costs that exceed the combined annual entitlements of the participating local school  
 191 systems. Such projects shall meet, with the exception of paragraph (2) of this subsection,  
 192 the following conditions to qualify for ~~advanced~~ advance funding:

193 (A) The local school systems have specifically requested funding under this subsection  
 194 prior to submission of the annual budget request for the state board to the General  
 195 Assembly;

196 (B) Annual entitlements accrued under subsection (g) of this Code section have offset  
 197 any ~~advanced~~ advance funding previously granted, except that no more than ~~three~~ five  
 198 years of combined entitlements of the participating local school systems shall be

199 required to offset advance funding for consolidation projects pursuant to paragraph (5)  
200 of subsection (e) of this Code section;

201 (C) The projects to be funded are not in addition to projects funded for local school  
202 systems under the provisions of subsection (g) of this Code section in a given year; and

203 (D) The required local participation and all other procedural requirements of this Code  
204 section are met.

205 ~~This subsection shall be automatically repealed on June 30, 2015."~~

206 **SECTION 7.**

207 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
208 generally, by revising paragraph (5) of subsection (i) as follows:

209 "(5) The combined project total would otherwise require more than ~~three~~ five years of the  
210 combined annual entitlement and required local participation, with said combined annual  
211 entitlement and required local participation amount estimated in accordance with the total  
212 entitlement intended for authorization by the state board;"

213 **SECTION 8.**

214 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
215 generally, by revising subsection (j) as follows:

216 ~~"(j)(1) In order to determine a reasonable funding level under this subsection and to  
217 establish a fair and equitable distribution of funds to local school systems for construction  
218 projects needed because of exceptional growth, the State Board of Education shall annually  
219 determine a level of authorization. For a given fiscal year, the new authorization may equal  
220 zero but shall not exceed \$100 million. For purposes of deliberations with the Governor  
221 and the General Assembly regarding the amount of state funds to be appropriated,  
222 calculations shall be made for at least three levels below the \$100 million maximum  
223 authorization.~~

224 ~~(2) In setting the annual authorization level for exceptional growth funding, the state  
225 board shall consider any previously authorized but unfunded amounts under this  
226 subsection together with the total estimate of funds needed for school facilities as a result  
227 of exceptional growth as computed under subparagraph (A) of this paragraph. The  
228 annual entitlement for each school system experiencing exceptional growth shall be  
229 computed as follows:~~

230 ~~(A) The average of each school system's average full-time equivalent count for the  
231 three most recently completed school years ('most recent average') will be compared  
232 to the average of that system's average full-time equivalent count for the three most~~

233 ~~recently completed school years prior to the most recently completed school year~~  
234 ~~(‘earlier average’). If there is an increase in a school system's most recent average of~~  
235 ~~at least 1.5 percent and at least 65 average full-time equivalent counts over that system's~~  
236 ~~earlier average, that system will be an exceptional growth system. For each such~~  
237 ~~exceptional growth system with an increased average count of at least 65 average~~  
238 ~~full-time equivalent counts after the above calculation, the amount of such increase will~~  
239 ~~be divided by the total such increase for all exceptional growth systems under this~~  
240 ~~subsection to provide the ratio of each system's growth to the total growth of all systems~~  
241 ~~with exceptional growth; and~~

242 ~~(B) Each of the school systems identified as being an exceptional growth system under~~  
243 ~~subparagraph (A) of this paragraph shall be entitled to a portion of the total entitlement~~  
244 ~~authorization set by the General Assembly annually for exceptional growth based on~~  
245 ~~each system's relative exceptional growth to the sum of exceptional growth for all~~  
246 ~~systems as determined in subparagraph (A) of this paragraph. The entitlement for each~~  
247 ~~school system shall be determined annually by multiplying each system's ratio of need~~  
248 ~~to the total need for exceptional growth by each of the program authorization levels~~  
249 ~~required in paragraph (1) of this subsection. In addition to the annual entitlement, the~~  
250 ~~local school system is eligible to receive any entitlement accrued under this subsection~~  
251 ~~from previous fiscal years for which state funds have not been received. Any method~~  
252 ~~of determining entitlements in subsequent years shall in no way affect the amount of~~  
253 ~~previously accrued entitlements.~~

254 ~~(3) The level of entitlement approved by the General Assembly and authorized by the~~  
255 ~~state board shall not be greater than a total level of entitlement which, when divided by~~  
256 ~~the sum of exceptional growth for all school systems with exceptional growth, provides~~  
257 ~~a cost per average exceptional growth full-time equivalent student that is not greater than~~  
258 ~~the average of construction costs per full-time equivalent student for elementary school,~~  
259 ~~middle school, and high school construction as provided in paragraph (5) of subsection~~  
260 ~~(c) of this Code section, the average of which three costs shall be reduced by the local~~  
261 ~~participation required by subsection (f) of this Code section.~~

262 ~~(4) In order to determine the amount of state funds to be requested for a given fiscal year~~  
263 ~~under this subsection, total new and accrued entitlements under this subsection must be~~  
264 ~~compared to the state portion of the current cost estimates for all projects approved for~~  
265 ~~exceptional growth. Such comparisons shall be made for each of the incremental~~  
266 ~~entitlement levels required in paragraph (1) of this subsection. In the event that funding~~  
267 ~~requested for new construction for exceptional growth exceeds the total state entitlements~~  
268 ~~earned for exceptional growth and the required local participation, local school systems~~

269 ~~may elect to contribute additional local funding. Local funds contributed in excess of~~  
 270 ~~required local participation on state eligible project costs may be credited toward earning~~  
 271 ~~entitlement for state eligible project costs pursuant to subparagraph (g)(2)(B) of this Code~~  
 272 ~~section to the extent of the state eligible needs identified in the local facilities plan. The~~  
 273 ~~State Board of Education shall adopt rules that define the conditions and the extent of the~~  
 274 ~~crediting of local funds contributed toward such entitlement.~~

275 ~~(5) The final level of entitlements actually authorized by the state board for a fiscal year~~  
 276 ~~shall be that level which is consistent with the Appropriations Act for that year.~~

277 ~~(6) Local school systems may receive state capital outlay funds for exceptional growth~~  
 278 ~~projects if that system experienced exceptional growth and the following conditions are~~  
 279 ~~met:~~

280 ~~(A) The local school system has specifically requested funding under this subsection~~  
 281 ~~prior to submission of the annual budget request for the state board to the General~~  
 282 ~~Assembly;~~

283 ~~(B) Any construction project submitted to utilize growth entitlement shall include~~  
 284 ~~construction of at least three new instructional units. If sufficient growth entitlement~~  
 285 ~~is not currently available for all of the new instructional units needed under this~~  
 286 ~~subsection, additional local funds or entitlements available to meet construction needs~~  
 287 ~~identified in the school system's facilities plan pursuant to subsection (g) of this Code~~  
 288 ~~section may be combined with any entitlement available for exceptional growth~~  
 289 ~~pursuant to this subsection for the purpose of completing all construction needs~~  
 290 ~~identified at a school. Entitlements earned under this subsection shall not be withheld,~~  
 291 ~~recalculated, or otherwise reduced for any construction project approved under~~  
 292 ~~subsection (g) of this Code section. Exceptional growth entitlement shall be utilized~~  
 293 ~~for construction of new instructional units at an existing school or for new schools only~~  
 294 ~~for those schools which, following the completion of such construction, meet the~~  
 295 ~~minimum size specified in subsection (q) of this Code section. Other funding sources~~  
 296 ~~must be utilized for any renovation or modification activities which may be needed; and~~  
 297 ~~(C) The local participation required under subsection (f) of this Code section and all~~  
 298 ~~other procedural requirements of this Code section are met.~~

299 ~~(7) This subsection shall be automatically repealed on June 30, 2015. Reserved."~~

### 300 **SECTION 9.**

301 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
 302 generally, by revising subsection (k) as follows:

303 "(k) The State Board of Education shall request separate appropriations for each of the  
304 following categories:

- 305 (1) Regular entitlements pursuant to subsection (g) of this Code section;
- 306 (2) Regular advance funding projects pursuant to paragraphs (1) through (4) of  
307 subsection (h) of this Code section;
- 308 (3) Construction projects resulting from the consolidation of schools across local school  
309 system lines pursuant to paragraph (5) of subsection (h) of this Code section;
- 310 (4) Construction projects resulting from merger of local school systems pursuant to  
311 subsection (a) of Code Section 20-2-291; and
- 312 (5) Advance funding projects for consolidation or reorganization of schools pursuant to  
313 subsection (i) of this Code section; ~~and~~
- 314 ~~(6) Exceptional growth construction projects pursuant to subsection (j) of this Code~~  
315 ~~section."~~

316 **SECTION 10.**

317 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
318 generally, by revising subsection (k.1) as follows:

319 ~~"(k.1) Prior to a local board of education's submitting a funding request to the State~~  
320 ~~Department of Education for State Board of Education approval for a construction project~~  
321 ~~which involves the closing of any existing school or schools and the construction of new~~  
322 ~~classrooms or schools resulting in the transporting of students to another new or existing~~  
323 ~~school to which will be assigned the students in the school or schools to be closed and prior~~  
324 ~~to a local board of education's utilizing any local school tax funds, including but not limited~~  
325 ~~to proceeds of general obligation bonds, for any such construction project, and prior to~~  
326 Prior to a local board of education's decision becoming effective to close any existing  
327 school where such closing results in the transporting of students from the school to be  
328 closed to any new or existing school or schools even though no additional capital funding  
329 is required as a result of the assignment thereto of those students from any school to be so  
330 closed, the local board of education shall conduct the following:

- 331 (1) The board of education must schedule and hold two public hearings and provide an  
332 opportunity for full discussion of the local board of education's proposal to close such  
333 school or schools;
- 334 (2) The public hearings shall be advertised in a local newspaper of general circulation  
335 which shall be the same newspaper in which other legal announcements of the board of  
336 education are advertised and shall include, but not be limited to:

- 337 (A) Identification of each school to be closed and location of each new or existing  
 338 school to which the students in the school or schools to be closed will be reassigned;
- 339 (B) Proposed size of each new school in terms of number of students and grade  
 340 configuration;
- 341 (C) Proposed expansion of existing schools designed to accommodate students being  
 342 reassigned from the school or schools to be closed;
- 343 (D) Total cost, including breakdown for state and local shares, for school construction  
 344 projects required to house students being reassigned from the school or schools to be  
 345 closed. Local costs shall include identifying proposed sources of funds, whether from  
 346 bond referendum proceeds or other sources; and
- 347 (E) Plans for use or disposal of closed school property; and
- 348 (3) The board of education shall request formal, written comments or suggestions  
 349 regarding the system's organizational pattern or school sizes and shall allow appropriate  
 350 discussion during the public hearings;
- 351 ~~(4) Any person who is qualified and registered to vote for a member of a local board of  
 352 education and who resides within the school district under the management of that board  
 353 may file with that board a notice of intent to file a petition pursuant to this paragraph and  
 354 may sign any such petition. That petition shall be for the purpose of expressing  
 355 opposition to the decision of such board to close any school listed for closure in the  
 356 advertisement published pursuant to paragraph (2) of this subsection. That notice of  
 357 intent shall be filed within 30 days after the second hearing under paragraph (1) of this  
 358 subsection to discuss any such school closing. That petition must be filed with such  
 359 board of education within 60 days after notice of intent to file such petition has been  
 360 received by such board. Within ten days after such petition has been so received, that  
 361 board shall transmit the petition to the election superintendent of the political subdivision  
 362 which levies ad valorem taxes for educational purposes for that local board of education.  
 363 Such election superintendent shall validate the signatures on the petition against the  
 364 official list of voters who are qualified to sign such petition. If the petition so validated  
 365 contains the signatures of at least 25 percent of the number of electors who were  
 366 registered and qualified to vote at the last preceding general or special election for  
 367 members of that local board of education, that board shall be so notified in writing by that  
 368 election superintendent;~~
- 369 ~~(5) Within 15 days after receiving notification that a petition containing the required  
 370 number of signatures has been validated under paragraph (4) of this subsection, the local  
 371 board of education shall so notify in writing any person who filed with the board a notice  
 372 of intent to file that petition and notify each such person of the rights of the petitioners~~

373 to select a delegation thereof under this paragraph. Within 20 days after receiving such  
 374 notice, the petitioners must select from their number a delegation of no more than ten  
 375 members, of whom six shall be parents of students in the schools to be closed, and notify  
 376 the board of the names and addresses of those delegation members. The chairperson of  
 377 the local board shall notify the selected delegation of petitioners of the date, time, and  
 378 place for meeting to address their differences regarding the school closings. The local  
 379 board of education and the delegation of petitioners shall resolve whether any or all of  
 380 the schools proposed to be closed should be closed and report the final decision agreed  
 381 upon by the board and a majority of the delegation of petitioners within 60 days from the  
 382 date the board received notification that the petition was validated. The report shall be  
 383 transmitted to the election superintendent who validated such petition and to the State  
 384 Board of Education;

385 ~~(6) If no such decision is agreed upon or reported as provided in paragraph (5) of this~~  
 386 ~~subsection, the election superintendent who validated the petition shall be required to call~~  
 387 ~~and conduct a special election for the purpose of submitting for approval or rejection the~~  
 388 ~~proposed school closing actions of the board of education to the electors of the school~~  
 389 ~~district under the management of such board. That special election shall be called and~~  
 390 ~~conducted as provided under Title 21 for the county or municipality which levies ad~~  
 391 ~~valorem taxes for educational purposes for that board. The election superintendent shall~~  
 392 ~~cause the date and purpose of the election to be published once a week for two weeks~~  
 393 ~~immediately preceding the date thereof in the official organ of the county in which lies~~  
 394 ~~the legal situs of such board. The ballot shall have written or printed thereon the~~  
 395 ~~following:~~

396 ~~"( ) YES Shall the action of the board of education of (name of county or independent~~  
 397 ~~board) \_\_\_\_\_ be approved which provides for the closing of the~~  
 398 ~~( ) NO following schools: (List each school to be closed as specified in the~~  
 399 ~~advertisement referred to in the validated petition)?"~~

400 ~~All persons desiring to vote for approval of the closings shall vote 'Yes,' and those~~  
 401 ~~persons desiring to vote for rejection of such closings shall vote 'No.'~~ The expense of  
 402 ~~such election shall be borne by the county or municipality which levies ad valorem taxes~~  
 403 ~~for educational purposes for the school district under the management of such board of~~  
 404 ~~education. It shall be the duty of the election superintendent to certify the result of such~~  
 405 ~~election to such board of education, the Department of Education, and the Secretary of~~  
 406 ~~State; and~~

407 ~~(7) If more than one-half of the votes cast on such question pursuant to paragraph (6) of~~  
 408 ~~this subsection are for approval of the school closings or if the local board and delegation~~

409 of petitioners reached and reported a final decision agreeing upon the schools to be closed  
 410 as provided in paragraph (6) of this subsection, state capital outlay funds may be awarded  
 411 to that board for construction projects undertaken for the purpose of housing students to  
 412 be reassigned from any such school to be closed, local funds may be used for such  
 413 purposes, and the school closings approved may become effective even though no  
 414 additional capital funding is required as a result of the assignment of students from a  
 415 school so closed to a new or existing school; otherwise, such funds may not be awarded  
 416 or used for such purposes and such school closings may not become effective for a period  
 417 of four years from the date of the validation of the petition under paragraph (4) of this  
 418 subsection, after which time the board of education shall be required to comply with  
 419 paragraphs (1) through (6) of this subsection and this paragraph in order to obtain or use  
 420 any funds for such purposes or close such schools."

421 **SECTION 11.**

422 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
 423 generally, by revising paragraph (1) of subsection (l) as follows:

424 "(l) Facility projects requested pursuant to subsection (g) and (j) of this Code section;"

425 **SECTION 12.**

426 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
 427 generally, by revising subsection (n) as follows:

428 "(n) The State Board of Education shall request funds for capital outlay purposes as  
 429 defined in subsections (a) through ~~(j)~~(i) of this Code section for each school system and  
 430 project, giving priority to elementary school construction projects where practicable. For  
 431 each project, the state board shall present to the Appropriations Committees of the House  
 432 of Representatives and the Senate, the House Education Committee, and the Senate  
 433 Education and Youth Committee by object of expenditure all costs contributing to the  
 434 construction project. This itemization shall include, but not be limited to, architectural  
 435 fees, new construction, modification, and renovation costs for the project. Itemization for  
 436 additions, modifications, and renovations shall include type of classrooms by purpose,  
 437 estimated square footages, and costs for hallways, restrooms, administrative offices,  
 438 lunchrooms, and media centers. Costs for new facilities shall be budgeted by the current  
 439 construction cost times the total square footage required."

440 **SECTION 13.**

441 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
 442 generally, by revising subsection (o) as follows:

443 ~~"(o) Any other provisions of this Code section to the contrary notwithstanding, when the~~  
 444 ~~board of education of a local school system has called and held a bond election to incur~~  
 445 ~~bonded indebtedness to construct a school or schools for the purpose of high school~~  
 446 ~~consolidation within the school system and a majority of the voters voting in said bond~~  
 447 ~~election voted against incurring such debt, then for a period of four school years~~  
 448 ~~immediately following the school year during which the bond election was held, the local~~  
 449 ~~school system shall not receive any funds for such purpose pursuant to the provisions of~~  
 450 ~~subsection (i) of this Code section. The provisions of this subsection apply to bond~~  
 451 ~~elections held at any time after January 1, 1989. Reserved."~~

452 **SECTION 14.**

453 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
 454 generally, by revising subsection (p) as follows:

455 ~~"(p) Any system which has not submitted a plan for consolidation or reorganization of~~  
 456 ~~schools to the State Board of Education by July 1, 1992, shall not be allowed to request~~  
 457 ~~state funds under subsection (i) of this Code section. Any such plan submitted prior to July~~  
 458 ~~1, 1992, which has been changed since its submission and approved by the State Board of~~  
 459 ~~Education pursuant to paragraph (9) of subsection (c) of this Code section shall not~~  
 460 ~~disqualify the local board from requesting and receiving funds to implement the changed~~  
 461 ~~plan under subsection (i) of this Code section unless, as a result of the change, any school~~  
 462 ~~in the plan will be less than the minimum size specified therefor in subsection (q) of this~~  
 463 ~~Code section. A change resulting in any school in the plan being less than such minimum~~  
 464 ~~size shall not result in the recalculation of entitlements or withholding of funds for any~~  
 465 ~~construction project in the plan unless:~~

- 466 (1) ~~That project involves a school which is less than such minimum size; and~~  
 467 (2) ~~Construction upon that project has neither been begun nor completed. Reserved."~~

468 **SECTION 15.**

469 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
 470 generally, by revising subsection (q) as follows:

471 "(q) Construction projects which are identified by the local board pursuant to subsections  
 472 (c) and (d) of this Code section and which contain a projected full-time equivalent student  
 473 count of more than 200 students in an elementary school, 400 students in a middle school,

474 and 500 students in a high school, as defined in subsection (c) of Code Section 20-2-291,  
 475 or which contain all the students within the local school system for such respective school  
 476 level shall be eligible to receive full capital outlay funding under the conditions specified  
 477 in subsections (g), (h), ~~and (i), and (j)~~ of this Code section; provided, however, that nothing  
 478 contained in this subsection shall be construed so as to require an existing school to change  
 479 its current grade configuration."

480 **SECTION 16.**

481 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
 482 generally, by revising subsection (r) as follows:

483 ~~"(r) Notwithstanding any other provisions of this Code section, when the board of~~  
 484 ~~education of a local school system has called and held a bond election to incur bonded~~  
 485 ~~indebtedness to construct a school or schools for the purpose of high school consolidation~~  
 486 ~~or closing any school within the school system and a majority of the voters voting in said~~  
 487 ~~bond election voted against incurring such debt or a local board is under litigation to~~  
 488 ~~prevent a consolidation project under subsection (h) or (i) of this Code section or closing~~  
 489 ~~any school, whether funds have been allocated or not, the procedures established in~~  
 490 ~~subsection (k.1) of this Code section shall be followed. Reserved."~~

491 **SECTION 17.**

492 Said part is further amended in Code Section 20-2-260, relating to capital outlay funds  
 493 generally, by adding a new subsection to read as follows:

494 "(t) In the event of destruction or damage to an educational facility caused by fire or  
 495 natural disaster, if a local school system has insufficient funds to meet its required local  
 496 participation, the school system may submit a request to the Department of Education for  
 497 State Board of Education approval to redirect bond proceeds from a project which has not  
 498 been started or in which a school system has not yet requested the full reimbursement.  
 499 Such request to redirect shall be submitted by the board to the Georgia State Financing and  
 500 Investment Commission and the Office of Planning and Budget for approval. If such  
 501 request is approved, the local school system shall apply for an equivalent amount of funds  
 502 in the following year to replace the funds advanced to it pursuant to this subsection."

503 **SECTION 18.**

504 Said part is further amended by revising Code Section 20-2-262, relating to low-wealth  
 505 capital outlay grants to local school systems, as follows:

506 "20-2-262.

507 (a) The General Assembly finds that many local school systems in Georgia have relatively  
 508 weak local tax bases and are unable to raise revenues sufficient to meet their facility needs.  
 509 The General Assembly further finds that even with current levels of state capital outlay  
 510 support, these systems must wait for years before they can accumulate funds to initiate  
 511 construction projects that are needed immediately. For some systems, the availability of  
 512 the local option sales tax does not resolve their problem, because their commercial tax base  
 513 is as meager as their property wealth. ~~The difficulty is compounded if the per capita~~  
 514 ~~income in the school system is low, because residents have less ability to take advantage~~  
 515 ~~of property tax and sales tax options to meet their facility needs.~~ It is the intent of the  
 516 General Assembly to provide for state capital outlay grants specifically targeted to  
 517 low-wealth school systems, on a short-term basis, in order to help such systems initiate  
 518 what they have been unable to accomplish with existing revenue sources.

519 (b) As used in this Code section, the ~~terms 'full-time term:~~

520 (1) 'Equivalent millage' means, for a local school system that is eligible to receive local  
 521 option sales tax proceeds for maintenance and operation purposes, the combination of  
 522 property tax revenues and sales tax revenues representing the amount that would be  
 523 generated by a designated rate of mills.

524 (2) 'Full-time equivalent student count' and 'weighted full-time equivalent student count'  
 525 shall have the same meaning as provided in Code Section 20-2-260.

526 (c) The State Board of Education shall provide eligible local school systems with  
 527 low-wealth capital outlay grants as provided for in this Code section, subject to  
 528 appropriation by the General Assembly. Such grants shall provide sufficient funds to cover  
 529 92 percent of the state eligible cost of the local school system's first priority project in the  
 530 five-year facilities plan, as contained in the system's most recently approved local facilities  
 531 plan. ~~A local school system may qualify for a grant not to exceed 95 percent of the state~~  
 532 ~~eligible cost of the local school system's first priority project in the five-year facilities plan~~  
 533 ~~if the system uses a Georgia State Financing and Investment Commission prototypical~~  
 534 ~~design with the project managed under the direction of the Georgia State Financing and~~  
 535 ~~Investment Commission.~~ In addition, for each mill over 12 mills levied by the local school  
 536 system or over an equivalent millage of 12 mills, the state board will authorize an  
 537 additional 1 percent of the state eligible cost of the local school system's first priority  
 538 project in the five-year facilities plan, as contained in the system's most recently approved  
 539 local facilities plan, up to a maximum of 8 additional mills.

540 (d) Local school systems which meet the following criteria shall be eligible for a  
 541 low-wealth capital outlay grant:

542 (1)(A)(i) The amount of sales tax revenues per unit in the full-time equivalent student  
543 count of the local school system is ~~less than 75 percent of the state-wide average~~  
544 ranked in the bottom 25 percent of local school systems for sales tax revenues per unit  
545 in the full-time equivalent student count; and

546 ~~(2)(ii)~~ The value of property per unit in the ~~weighted~~ full-time equivalent student  
547 count of the local school system is ~~less than 75 percent of the state-wide average~~  
548 ~~value~~ ranked in the bottom 25 percent of local school systems for value of property  
549 per unit in the weighted full-time equivalent student count; or

550 (B) For local school systems in which the amount of special purpose local option sales  
551 tax revenues is ranked in the bottom 25 percent of local school systems receiving such  
552 sales tax revenues, such systems may submit a request to the department for  
553 consideration; provided, however, that the local school system shall be required to  
554 commit the equivalent of five years of such revenues for the project. The department  
555 shall consider factors such as the high cost of a project, the local school system's ability  
556 to manage the project on its own, and the needs of the local school system, in  
557 determining whether to approve a project pursuant to this subparagraph;

558 (3) ~~The per capita income of residents of the local school district is less than 75 percent~~  
559 ~~of the state-wide average per capita income level;~~

560 ~~(4)(2)~~ The local school system's millage rate for maintenance and operation is at least 60  
561 percent of the system's constitutional authority to recommend; or if the school system is  
562 not a recommending authority, the appropriations to the system represent a minimum of  
563 60 percent of the amount that would be generated by a rate of 20 mills; or if the school  
564 system is eligible to receive local option sales tax proceeds for maintenance and operation  
565 purposes, the combination of property tax revenue and sales tax revenue represents a  
566 minimum of 60 percent of the amount that would be generated by a rate of 20 mills 12  
567 mills or an equivalent millage thereof;

568 ~~(5)(3)~~ A special purpose local option sales tax is in effect in the local school district or  
569 the local school system has in place a millage rate for debt service on bonds, or both; and

570 (4) The local school system uses prototypical specifications as defined by the State  
571 Board of Education for the project.

572 (6) ~~The local school system is currently participating in advance funding from the state~~  
573 ~~for capital outlay projects and will continue in that status for a minimum of one additional~~  
574 ~~fiscal year beyond the fiscal year for which the grant is made.~~

575 (e) ~~This Code section shall be automatically repealed on June 30, 2015. No local school~~  
576 ~~system qualifying for a low-wealth project pursuant to this Code section shall have a~~  
577 ~~required local contribution, as determined pursuant to subsection (c) of this Code section,~~

578 that is greater than the revenue generated by the applicable special purpose local option  
579 sales tax revenue over its five-year period. In the event that the sum of such required local  
580 contribution and the low-wealth capital outlay grant determined pursuant to subsection (c)  
581 of this Code section is less than the state eligible cost of the project, the state shall provide  
582 funds to make up the difference; provided, however, that the local school system shall  
583 repay the state such difference through future earned regular entitlements."

584 **SECTION 19.**

585 This Act shall become effective on July 1, 2012; provided, however, that the Act shall apply  
586 beginning with Fiscal Year 2014 applications for funds and for each fiscal year thereafter.

587 **SECTION 20.**

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