

The House Committee on Education offers the following substitute to HB 797:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 20 of the Official Code of Georgia Annotated, relating to education, so as to
2 repeal an article relating to the Georgia Charter Schools Commission; to provide for
3 legislative findings and intent; to provide for definitions; to provide for the establishment of
4 the State Charter Schools Commission; to provide for its membership, duties, and powers;
5 to provide for requirements for state charter schools; to provide for information to parents;
6 to provide for an annual report; to provide for financial responsibility; to provide for funding
7 for state charter schools; to provide for rules and regulations; to provide for related matters;
8 to provide for contingent effectiveness; to provide for automatic repeal under certain
9 conditions; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Title 20 of the Official Code of Georgia Annotated, relating to education, is amended by
13 repealing Article 31A of Chapter 2, relating to the Georgia Charter Schools Commission, and
14 enacting a new article to read as follows:

15 "ARTICLE 31A

16 20-2-2080.

17 (a) The General Assembly finds that:

18 (1) State charter schools can serve as a complement to the educational opportunities
19 provided by local boards of education in the state's system of public education; and

20 (2) State charter schools do not supplant public schools operated by local boards of
21 education but provide options to enhance public educational opportunities.

22 (b) It is the intent of the General Assembly that there be established a state-level
23 commission under the authority of the State Board of Education whose primary focus is the
24 development and support of state charter schools in order to better meet the growing and

25 diverse needs of students in this state and to further ensure that state charter schools of the
 26 highest academic quality are approved and supported throughout the state in an efficient
 27 manner.

28 20-2-2081.

29 As used in this article, the term:

30 (1) 'Attendance zone' means all or a portion of a local school system, one or more local
 31 school systems or portions thereof, or all local school systems in this state.

32 (2) 'Commission' means the State Charter Schools Commission established pursuant to
 33 Code Section 20-2-2082.

34 (3) 'Department' means the state Department of Education.

35 (4) 'Governing board' means the governing board of the nonprofit organization which is
 36 the charter petitioner for a state charter school and which is the same as the governing
 37 board of the state charter school which is involved in school-level governance of the state
 38 charter school.

39 (5) 'State charter school' means a school authorized by the commission pursuant to this
 40 article whose creation is authorized as a special school pursuant to Article VIII, Section
 41 V, Paragraph VII of the Constitution. A state charter school shall be a public school.

42 The definitions set forth in Code Section 20-2-2062 shall be applicable to this article.

43 20-2-2082.

44 (a) The State Charter Schools Commission is established as a state-level authorizing entity
 45 working in collaboration with the Department of Education under the supervision of the
 46 State Board of Education. Start-up funds necessary to establish and operate the
 47 commission may be received by the State Board of Education in addition to such other
 48 funds as may be appropriated by the General Assembly. The department shall assist in
 49 securing federal and other institutional grant funds to establish the commission.

50 (b) The commission shall be appointed by the State Board of Education and shall be
 51 composed of a total of seven members and made up of three appointees recommended by
 52 the Governor, two appointees recommended by the President of the Senate, and two
 53 appointees recommended by the Speaker of the House of Representatives. The Governor,
 54 the President of the Senate, and the Speaker of the House of Representatives shall each
 55 recommend a list of no fewer than two nominees for each appointment to the commission.
 56 The appointments shall be made as soon as feasible but no later than the first regular
 57 meeting of the State Board of Education in February, 2013. Each member shall serve a
 58 term of two years; provided, however, that, for the purpose of providing staggered terms,
 59 of the initial appointments, three members shall be appointed to one-year terms and four

60 members shall be appointed to two-year terms as determined by the State Board of
 61 Education. Thereafter, each appointee shall serve a two-year term unless the State Board
 62 of Education, after review and upon recommendation by the initial recommending
 63 authority, extends the appointment. If a vacancy occurs on the commission, it shall be
 64 filled by the State Board of Education from a recommendation by the appropriate authority
 65 according to the procedure set forth in this subsection. The members of the commission
 66 shall annually vote to appoint a chairperson and a vice chairperson from among its
 67 membership. Each member of the commission shall hold a bachelor's degree or higher, and
 68 the commission should include a group of diverse individuals representative of Georgia's
 69 school population, to the extent possible, with respect to race, gender, and geography who
 70 have experience in finance, administration, law, and education.

71 (c) The commission is encouraged to convene its first meeting no later than March 1,
 72 2013, and thereafter shall meet at least bimonthly at the call of the chairperson or upon the
 73 request of four members of the commission. Four members of the commission shall
 74 constitute a quorum.

75 (d) The commission shall determine the manner in which it reviews state charter school
 76 petitions and may, in its discretion, use existing department personnel to conduct such
 77 review.

78 (e) The members of the commission shall not be compensated for their services on the
 79 commission but may be reimbursed for per diem and travel expenses in the same manner
 80 as provided for in Code Section 45-7-21.

81 (f) No commission member shall solicit or accept any gift, favor, loan, contribution,
 82 service, promise of future employment, or other thing of value based upon an
 83 understanding that the gift, favor, loan, contribution, service, promise, or other thing of
 84 value was given or offered for the purpose of influencing that commission member in the
 85 discharge of his or her duties as a commission member.

86 20-2-2083.

87 (a) The commission shall have the power to:

88 (1) Approve or deny petitions for state charter schools and renew, nonrenew, or
 89 terminate state charter school petitions in accordance with State Board of Education rules
 90 and regulations established pursuant to this article. At its discretion, the commission may
 91 preliminarily approve a petition for a state charter school before the petitioner has secured
 92 space, equipment, or personnel, if the petitioner indicates such preliminary approval is
 93 necessary for it to raise working capital. The State Board of Education shall review and
 94 may overrule the approval or renewal of a state charter school by the commission within

95 60 days of such decision by the commission upon a majority vote of the members of the
96 state board; and

97 (2) Conduct facility and curriculum reviews of state charter schools.

98 (b) The commission shall have the following duties:

99 (1) Review petitions for state charter schools and assist in the establishment of state
100 charter schools throughout this state. The commission shall ensure that all charters for
101 state charter schools are consistent with state education goals;

102 (2) Develop, promote, and disseminate best practices for state charter schools in order
103 to ensure that high-quality schools are developed and encouraged. At a minimum, the
104 best practices shall encourage the development and replication of academically and
105 financially proven state charter school programs;

106 (3) Develop, promote, and require high standards of accountability for state charter
107 schools. The commission shall ensure that each state charter school participates in the
108 state's education accountability system. If a state charter school falls short of
109 performance measures included in the approved charter, the commission shall report such
110 shortcomings to the Department of Education;

111 (4) Monitor and annually review and evaluate the academic and financial performance,
112 including revenues and expenditures, of state charter schools and hold the schools
113 accountable for their performance pursuant to the charter and to the provisions of this
114 article. The commission's duties to monitor the state charter school shall not constitute
115 the basis for a private cause of action;

116 (5) Direct state charter schools and persons seeking to establish state charter schools to
117 sources of private funding and support;

118 (6) Actively seek, with the assistance of the department, supplemental revenue from
119 federal grant funds, institutional grant funds, and philanthropic organizations. The
120 commission may, through the State Board of Education, receive and expend gifts, grants,
121 and donations of any kind from any public or private entity to carry out the purposes of
122 this article;

123 (7) Review and recommend to the General Assembly any necessary revisions to statutory
124 requirements regarding standards and accountability for state charter schools;

125 (8) Act as liaison for state charter schools in cooperating with local boards of education
126 that may choose to allow state charter schools to utilize excess space within school
127 facilities;

128 (9) Encourage collaboration with municipalities, counties, consolidated governments,
129 universities or colleges of the board of regents, technical institutions of the Technical
130 College System of Georgia, and regional educational service agencies;

131 (10) Meet the needs of state charter schools and local school systems by uniformly
 132 administering high-quality state charter schools, thereby removing administrative burdens
 133 from the local school systems;

134 (11) Assist state charter schools in negotiating and contracting with local boards of
 135 education that choose to provide certain administrative or transportation services to the
 136 state charter schools on a contractual basis; and

137 (12) Provide for annual training, as determined by the commission, for members of state
 138 charter school governing boards. The training shall include, but not be limited to, best
 139 practices on school governance, the constitutional and statutory requirements relating to
 140 public records and meetings, and the requirements of applicable statutes and State Board
 141 of Education rules.

142 (c)(1) The commission shall establish rules and regulations requiring each state charter
 143 school to provide adequate notice of its enrollment procedures, including any provision
 144 for the use of a random selection process where all applicants have an equal chance of
 145 being admitted in the event that the number of applications to enroll in the school exceeds
 146 the capacity of the program, grade, or school.

147 (2) The commission shall provide adequate notice to local boards of education and to the
 148 public regarding meetings to be held by the commission. Such notice shall include the
 149 charter petitions to be discussed and acted upon. Such notice shall be provided in
 150 accordance with Chapter 14 of Title 50, relating to open and public meetings.

151 20-2-2084.

152 (a) Petitions submitted to the commission shall be subject to State Board of Education
 153 rules and regulations established pursuant to this article.

154 (b) The commission shall be authorized to approve a petition for a state charter school that
 155 meets the following requirements:

156 (1) Has a state-wide attendance zone; or

157 (2)(A) Has a defined attendance zone; and

158 (B) Demonstrates that it has special characteristics, such as a special population, a
 159 special curriculum, or some other feature or features which enhance educational
 160 opportunities, which may include the demonstration of a need to enroll students across
 161 multiple communities or an alternative delivery system; provided, however, that the
 162 petitioner shall demonstrate a reasonable justification for any proposed special
 163 curriculum that has a narrow or limited focus.

164 (c)(1) For petitions for state charter schools with a state-wide attendance zone, the
 165 petitioner shall concurrently submit such petition to the commission and to the local
 166 board of education in which the school is proposed to be located. The commission shall

167 not act on such petition until at least 60 days after submittal or a decision by the local
 168 board of education is made, whichever comes first.

169 (2) For petitions for state charter schools with a defined attendance zone, the petitioner
 170 shall concurrently submit such petition to the commission, to the local board of education
 171 in which the school is proposed to be located, and to each local school system from which
 172 the proposed school plans to enroll students. The commission shall not act on such
 173 petition until at least 60 days after submittal or until a decision by the local board of
 174 education in which the school is proposed to be located is made, whichever comes first.
 175 The commission shall not act on a petition unless the local board of education in which
 176 the school is proposed to be located denies the petition.

177 (3) The commission shall take into consideration any support or opposition by the local
 178 board of education or local boards of education on the start-up charter school petition
 179 when it votes to approve or deny a corresponding state charter school petition.

180 (d) A state charter school shall:

181 (1) Seek highly qualified, properly trained teachers and other qualified personnel for
 182 such schools; provided, however, that prior to hiring each non-U.S. citizen, the school
 183 shall receive approval by the commission and demonstrate that qualified teachers and
 184 other personnel were sought but not available in such area which warrants hiring a
 185 non-U.S. citizen unless a teacher is a foreign exchange teacher; and

186 (2) Give preference in contracting and purchasing of services and materials to businesses
 187 incorporated under the laws of this state or qualified to do business within this state and
 188 having a regularly maintained and established place of business within this state, so long
 189 as such businesses are otherwise similarly situated and qualified as compared to a
 190 business from out of state.

191 (e)(1) The members of the governing board for the state charter school shall meet the
 192 following qualifications:

193 (A) Must be a United States citizen;

194 (B) Must be a resident of Georgia; and

195 (C) Must not be an employee of the state charter school.

196 (2) No member of the governing board of the state charter school shall:

197 (A) Act in his or her official capacity in any matter where he or she, his or her
 198 immediate family member, or a business organization in which he or she has an interest
 199 has a material financial interest that would reasonably be expected to impair his or her
 200 objectivity or independence of judgment;

201 (B) Solicit or accept or knowingly allow his or her immediate family member or a
 202 business organization in which he or she has an interest to solicit or accept any gift,
 203 favor, loan, political contribution, service, promise of future employment, or other thing

204 of value based upon an understanding that the gift, favor, loan, contribution, service,
 205 promise, or other thing of value was given or offered for the purpose of influencing that
 206 board member in the discharge of his or her duties as a board member;

207 (C) Use, or knowingly allow to be used, his or her position or any information not
 208 generally available to the members of the public which he or she receives or acquires
 209 in the course of and by reason of his or her position for the purpose of securing
 210 financial gain for himself or herself, his or her immediate family member, or any
 211 business organization with which he or she is associated; or

212 (D) Be an officer of any organization that sells goods or services to that state charter
 213 school, excluding nonprofit membership organizations.

214 As used in this paragraph, the term 'immediate family member' means a spouse, child,
 215 sibling, or parent or the spouse of a child, sibling, or parent.

216 (f) The members of the governing board of each state charter school shall participate in
 217 annual training conducted by the commission pursuant to paragraph (13) of subsection (b)
 218 of Code Section 20-2-2083.

219 20-2-2085.

220 A petition may be submitted pursuant to this Code section by an existing charter school
 221 approved by a local board of education or the State Board of Education provided that the
 222 obligations of its charter with the local board of education or State Board of Education will
 223 expire prior to entering into a new charter with the commission. Upon the existing charter
 224 school's request, a local board of education or the State Board of Education in the case of
 225 a state chartered special school may agree to rescind or waive the obligations of a current
 226 charter to allow a petition to be submitted by an existing charter school pursuant to this
 227 Code section. An existing charter school that is established as a state charter school
 228 pursuant to this Code section shall be allowed to continue the use of all facilities,
 229 equipment, and other assets it used prior to the expiration or rescission of its charter with
 230 a local board of education.

231 20-2-2086.

232 The commission shall provide maximum access to information regarding state charter
 233 schools to all parents in this state. It shall maintain information systems, including, but not
 234 limited to, a user-friendly Internet website, that will provide information and data necessary
 235 for parents to make informed decisions. At a minimum, the commission shall provide
 236 parents with information on its accountability standards, links to state charter schools
 237 throughout this state, and public education programs concerning state charter schools.

238 20-2-2087.

239 Each year, the chairperson of the commission shall appear before the State Board of
 240 Education and submit a report regarding the academic performance and fiscal responsibility
 241 of all state charter schools approved under this article.

242 20-2-2088.

243 If a charter for a state charter school is not renewed or is terminated, the state charter
 244 school shall be responsible for all debts of such school. The local school system may not
 245 assume the debt from any contract for services made between the governing body of the
 246 state charter school and a third party, except for a debt for which the local school system
 247 has agreed upon in writing to assume responsibility.

248 20-2-2089.

249 (a)(1) Except as otherwise provided in paragraph (2) of this subsection, the department
 250 shall pay to each state charter school through appropriation of state funds an amount
 251 equal to the sum of:

252 (A)(i) QBE formula earnings and QBE grants earned by the state charter school
 253 based on the school's enrollment, school profile, and student characteristics. For
 254 purposes of this subparagraph, the term 'QBE formula earnings' means funds earned
 255 for the Quality Basic Education Formula pursuant to Code Section 20-2-161,
 256 including the portion of such funds that are calculated in accordance with Code
 257 Section 20-2-164. QBE formula earnings shall include the salary portion of direct
 258 instructional costs, the adjustment for training and experience, the nonsalary portion
 259 of direct instructional costs, and earnings for psychologists and school social workers,
 260 school administration, facility maintenance and operation, media centers, additional
 261 days of instruction in accordance with Code Section 20-2-184.1, and staff
 262 development, as determined by the department.

263 (ii) A proportional share of state categorical grants, non-QBE state grants,
 264 transportation grants, school nutrition grants, and all other state grants, except state
 265 equalization grants, as determined by the department;

266 (B) The average amount of the total revenues less federal revenues less state revenues
 267 other than equalization grants per full-time equivalent for the lowest 3 percent of school
 268 systems ranked by assessed valuation per weighted full-time equivalent count, as
 269 determined by the department; and

270 (C) The state-wide average total capital revenue per full-time equivalent, as determined
 271 by the department.

272 (2) In the event that a state charter school offers virtual instruction:

273 (A) The amount of funds received pursuant to subparagraph (B) of paragraph (1) of
 274 this subsection shall be equal to one-half of such calculated amount; provided, however,
 275 that this one-half amount may be increased by any amount up to the originally
 276 calculated amount in the discretion of the commission if relevant factors warrant such
 277 increase; and

278 (B) The commission may reduce the amount of funds received pursuant to
 279 subparagraph (C) of paragraph (1) of this subsection in proportion to the amount of
 280 virtual instruction provided and based on factors that affect the cost of providing
 281 instruction.

282 (3) For purposes of this subsection, the terms:

283 (A) 'Assessed valuation' is defined as 40 percent of the equalized adjusted property tax
 284 digest reduced by the amount calculated pursuant to subsection (g) of Code Section
 285 20-2-164.

286 (B) 'Assessed valuation per weighted full-time equivalent count' is defined as the
 287 assessed valuation for the most recent year available divided by the weighted full-time
 288 equivalent count for the year of the digest.

289 (b) The department may withhold up to 3 percent of the amount determined pursuant to
 290 subsection (a) of this Code section for each state charter school for use in administering the
 291 duties required pursuant to Code Section 20-2-2083; provided, however, that any amount
 292 withheld pursuant to this subsection shall be spent solely on expenses incurred by the
 293 commission in performing the duties required by this article.

294 (c) No deduction shall be made to any state funding which a local school system is
 295 otherwise authorized to receive pursuant to this chapter as a direct result or consequence
 296 of the enrollment in a state charter school of a specific student or students who reside in the
 297 geographical area of the local school system.

298 (d) For purposes of funding students enrolled in a state charter school in the first year of
 299 such school's operation or for the first year that an existing state charter school offers a new
 300 grade level and prior to the initial student count, the commission shall calculate and the
 301 department shall distribute the funding for the state charter school on the basis of its
 302 projected enrollment according to an enrollment counting procedure or projection method
 303 stipulated in the terms of the charter. No later than July 1 of each year, the commission
 304 shall notify the department and the Office of Planning and Budget of the funding estimates
 305 calculated pursuant to this subsection for any new state charter schools and for any new
 306 grade levels offered by existing state charter schools. After the initial student count during
 307 the first year of such state charter school's operation or newly offered grade level and in all
 308 years of operation thereafter, each state charter school's student enrollment shall be based
 309 on the actual enrollment in the current school year according to the most recent student

310 count. Nothing in this Code section shall be construed to require the department to conduct
 311 more than two student counts per year.

312 (e) Funding for state charter schools pursuant to this Code section shall be subject to
 313 appropriations by the General Assembly and such schools shall be treated consistently with
 314 all other public schools in this state, pursuant to the respective statutory funding formulas
 315 and grants.

316 20-2-2090.

317 The commission shall work in collaboration with the department on all matters related to
 318 authorizing state charter schools and shall be assigned to the department for administrative
 319 purposes only, as prescribed in Code Section 50-4-3. For administrative purposes,
 320 including data reporting, student enrollment counting procedures, student achievement
 321 reporting, funding allocations, and related purposes as defined by the State Board of
 322 Education, each state charter school shall, consistent with department rules and regulations,
 323 be treated as a single local education agency.

324 20-2-2091.

325 The commission and the State Board of Education, as appropriate, shall adopt rules and
 326 regulations necessary to facilitate the implementation of this article. Except as otherwise
 327 provided in this article, any rules and regulations adopted by the State Board of Education
 328 pursuant to this article, to the extent practicable, shall be established in the same manner
 329 and subject to the same requirements as for state chartered special schools under Article
 330 31 of this chapter."

331 **SECTION 2.**

332 (a) This Act shall become effective on January 1, 2013, only if a Constitutional amendment
 333 expressly authorizing the General Assembly to create state charter schools as special schools
 334 is ratified at the November, 2012, general election.

335 (b) If such an amendment to the Constitution is not so ratified, then this Act shall not
 336 become effective and shall stand repealed by operation of law on January 1, 2013.

337 **SECTION 3.**

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