

House Bill 797 (AS PASSED HOUSE AND SENATE)

By: Representatives Jones of the 46<sup>th</sup>, Coleman of the 97<sup>th</sup>, and Lindsey of the 54<sup>th</sup>

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 revise provisions relating to  
8 funding for state chartered special schools; to provide for related matters; to provide for  
9 contingent effectiveness; to provide for automatic repeal under certain conditions; to repeal  
10 conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

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

16 style="text-align:center">"ARTICLE 31A

17 20-2-2080.

18 (a) The General Assembly finds that:

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

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

23 (b) It is the intent of the General Assembly that there be established a state-level  
24 commission under the authority of the State Board of Education whose primary focus is the

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

29 20-2-2081.

30 As used in this article, the term:

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

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

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

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

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

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

44 20-2-2082.

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

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

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

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

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

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

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

87 20-2-2083.

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

89 (1) Approve or deny petitions for state charter schools and renew, nonrenew, or  
90 terminate state charter school petitions in accordance with rules and regulations  
91 established pursuant to this article. At its discretion, the commission may preliminarily  
92 approve a petition for a state charter school before the petitioner has secured space,  
93 equipment, or personnel, if the petitioner indicates such preliminary approval is necessary  
94 for it to raise working capital. The State Board of Education shall review and may  
95 overrule the approval or renewal of a state charter school by the commission within 60

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

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

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

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

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

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

112 (4) Monitor and annually review and evaluate the academic and financial performance,  
113 including revenues and expenditures, of state charter schools and hold the schools  
114 accountable for their performance pursuant to the charter and to the provisions of this  
115 article. The commission shall also review the citizenship and immigration status of each  
116 individual that works at a state charter school and aggregate the information by school  
117 on an annual basis. The commission's duties to monitor the state charter school shall not  
118 constitute the basis for a private cause of action;

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

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

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

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

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

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

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

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

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

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

153 20-2-2084.

154 (a) Petitions submitted to the commission shall be subject to rules and regulations  
 155 established pursuant to this article.

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

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

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

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

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

169 purposes; provided, however, that this shall not apply to a proposed state charter school  
170 which will solely provide virtual instruction.

171 (2) For petitions for state charter schools with a defined attendance zone, the petitioner  
172 shall concurrently submit such petition to the commission, to the local board of education  
173 in which the school is proposed to be located, and to each local school system from which  
174 the proposed school plans to enroll students. The commission shall not act on a petition  
175 unless the local board of education in which the school is proposed to be located denies  
176 the petition; provided, however, that such local board shall approve or deny the petition  
177 no later than 60 days after its submission, as required pursuant to subsection (b) of Code  
178 Section 20-2-2064, unless the petitioner requested an extension. Failure to approve or  
179 deny such petition by such local board, in violation of Code Section 20-2-2064, shall be  
180 deemed a denial for purposes of this paragraph. A local board that has denied a petition  
181 for a state charter school shall be permitted to present to the commission in writing or in  
182 person the reasons for denial and the deficiencies in such petition resulting in such denial.

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

186 (d) A state charter school shall:

187 (1) Seek highly qualified, properly trained teachers and other qualified personnel for  
188 such schools; provided, however, that such schools shall give preference to hiring an  
189 individual who is a citizen or national of the United States over another individual who  
190 is not a citizen or national of the United States if the two individuals are equally qualified,  
191 unless a teacher is a foreign exchange teacher; provided, however, that prior to hiring an  
192 individual other than a citizen or national of the United States or a protected individual  
193 as defined in 8 U.S.C. Section 1324b, the school shall receive approval by the  
194 commission and demonstrate that qualified teachers and other personnel were sought but  
195 not available in such area which warrants hiring an individual other than a citizen or  
196 national of the United States or a protected individual as defined in 8 U.S.C. Section  
197 1324b, unless a teacher is a foreign exchange teacher; provided, further, that the  
198 commission and the state charter school shall not construe this paragraph in a manner in  
199 violation of 8 U.S.C. Section 1324b or other provisions of law; and

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

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

207 (A) Must be a United States citizen;

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

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

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

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

215 (B) Solicit or accept or knowingly allow his or her immediate family member or a  
 216 business organization in which he or she has an interest to solicit or accept any gift,  
 217 favor, loan, political contribution, service, promise of future employment, or other thing  
 218 of value based upon an understanding that the gift, favor, loan, contribution, service,  
 219 promise, or other thing of value was given or offered for the purpose of influencing that  
 220 board member in the discharge of his or her duties as a board member;

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

226 (D) Be an officer or serve on the board of directors of any organization that sells goods  
 227 or services to that state charter school.

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

230 (f) The members of the governing board of each state charter school shall participate in  
 231 annual training conducted by the commission pursuant to paragraph (12) of subsection (b)  
 232 of Code Section 20-2-2083.

233 (g) An individual that works at a state charter school or an individual that has  
 234 administrative oversight at a state charter school shall not serve on the board of directors  
 235 of an organization that sells goods or services to such state charter school.

236 20-2-2085.

237 A petition may be submitted pursuant to this Code section by an existing charter school  
 238 approved by a local board of education or the State Board of Education provided that the  
 239 obligations of its charter with the local board of education or State Board of Education will  
 240 expire prior to entering into a new charter with the commission. Upon the existing charter

241 school's request, a local board of education or the State Board of Education in the case of  
 242 a state chartered special school may agree to rescind or waive the obligations of a current  
 243 charter to allow a petition to be submitted by an existing charter school pursuant to this  
 244 Code section. An existing charter school that is established as a state charter school  
 245 pursuant to this Code section shall be allowed to continue the use of all facilities,  
 246 equipment, and other assets it used prior to the expiration or rescission of its charter with  
 247 a local board of education; provided, however, that the local board shall be authorized to  
 248 charge or continue to charge a reasonable fee for use of the facilities.

249 20-2-2086.

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

256 20-2-2087.

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

260 20-2-2088.

261 If a charter for a state charter school is not renewed or is terminated, the state charter  
 262 school shall be responsible for all debts of such school. Neither the state, the State Board  
 263 of Education, or the commission shall be liable for any debts of the school in the event the  
 264 charter is not renewed or is terminated. The local school system may not assume the debt  
 265 from any contract for services made between the governing body of the state charter school  
 266 and a third party, except for a debt for which the local school system has agreed upon in  
 267 writing to assume responsibility.

268 20-2-2089.

269 (a)(1) The earnings for a student in a state charter school shall be equal to the earnings  
 270 for any other student with similar student characteristics in a state charter school,  
 271 regardless of the local school system in which the student resides or the school system  
 272 in which the state charter school is located, and, except as otherwise provided in



273 paragraph (2) of this subsection, the department shall pay to each state charter school  
 274 through appropriation of state funds an amount equal to the sum of:

275 (A)(i) QBE formula earnings and QBE grants earned by the state charter school  
 276 based on the school's enrollment, school profile, and student characteristics. For  
 277 purposes of this subparagraph, the term 'QBE formula earnings' means funds earned  
 278 for the Quality Basic Education Formula pursuant to Code Section 20-2-161,  
 279 including the portion of such funds that are calculated in accordance with Code  
 280 Section 20-2-164. QBE formula earnings shall include the salary portion of direct  
 281 instructional costs, the adjustment for training and experience, the nonsalary portion  
 282 of direct instructional costs, and earnings for psychologists and school social workers,  
 283 school administration, facility maintenance and operation, media centers, additional  
 284 days of instruction in accordance with Code Section 20-2-184.1, and staff  
 285 development, as determined by the department.

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

289 (B) The average amount of the total revenues less federal revenues less state revenues  
 290 other than equalization grants per full-time equivalent for the lowest five school  
 291 systems ranked by assessed valuation per weighted full-time equivalent count, as  
 292 determined by the department; and

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

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

296 (A) The amount of funds received pursuant to subparagraph (B) of paragraph (1) of  
 297 this subsection shall be equal to two-thirds of such calculated amount; provided,  
 298 however, that this two-thirds amount may be increased by any amount up to the  
 299 originally calculated amount in the discretion of the commission if relevant factors  
 300 warrant such increase; and

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

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

306 (A) 'Assessed valuation' is defined as 40 percent of the equalized adjusted property tax  
 307 digest reduced by the amount calculated pursuant to subsection (g) of Code Section  
 308 20-2-164.

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

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

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

321 (d) For purposes of funding students enrolled in a state charter school in the first year of  
322 such school's operation or for the first year that an existing state charter school offers a new  
323 grade level and prior to the initial student count, the commission shall calculate and the  
324 department shall distribute the funding for the state charter school on the basis of its  
325 projected enrollment according to an enrollment counting procedure or projection method  
326 stipulated in the terms of the charter. No later than July 1 of each year, the commission  
327 shall notify the department and the Office of Planning and Budget of the funding estimates  
328 calculated pursuant to this subsection for any new state charter schools and for any new  
329 grade levels offered by existing state charter schools. After the initial student count during  
330 the first year of such state charter school's operation or newly offered grade level and in all  
331 years of operation thereafter, each state charter school's student enrollment shall be based  
332 on the actual enrollment in the current school year according to the most recent student  
333 count. Nothing in this Code section shall be construed to require the department to conduct  
334 more than two student counts per year.

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

339 20-2-2090.

340 The commission shall work in collaboration with the department on all matters related to  
341 authorizing state charter schools and shall be assigned to the department for administrative  
342 purposes only, as prescribed in Code Section 50-4-3. For administrative purposes,  
343 including data reporting, student enrollment counting procedures, student achievement  
344 reporting, funding allocations, and related purposes as defined by the State Board of

345 Education, each state charter school shall, consistent with department rules and regulations,  
 346 be treated as a single local education agency.

347 20-2-2091.

348 The commission and the State Board of Education, as appropriate, shall adopt rules and  
 349 regulations necessary to facilitate the implementation of this article. Except as otherwise  
 350 provided in this article, any rules and regulations adopted by the State Board of Education  
 351 pursuant to this article, to the extent practicable, shall be established in the same manner  
 352 and subject to the same requirements as for state chartered special schools under Article  
 353 31 of this chapter."

354 **SECTION 2A.**

355 Said title is further amended by revising subsection (d) of Code Section 20-2-2068.1, relating  
 356 to funding for charter schools, as follows:

357 ~~"(d)(1) QBE formula earnings, applicable QBE grants, applicable non-QBE state grants,~~  
 358 ~~and applicable federal grants that are earned by a state chartered special school shall be~~  
 359 ~~distributed to the local board of the local school system in which the state chartered~~  
 360 ~~special school is located which shall distribute the same amount to the state chartered~~  
 361 ~~special school; provided, however, that a state chartered special school shall not be~~  
 362 ~~included in the calculation and distribution of the local school system's equalization grant~~  
 363 ~~unless the voters of the local school system have approved the use of revenue from local~~  
 364 ~~tax levies and funds from local bonded indebtedness to support the state chartered special~~  
 365 ~~school in accordance with subsection (e) of this Code section. If such approval has been~~  
 366 ~~given, state equalization grant earnings shall be earned for the state chartered special~~  
 367 ~~school and shall be distributed as provided in subsection (f) of this Code section.~~  
 368 Effective July 1, 2012, except as otherwise provided in paragraph (2) of this subsection,  
 369 the department shall pay to each state chartered special school through appropriation of  
 370 state funds an amount equal to the sum of:

371 (A)(i) QBE formula earnings and QBE grants earned by the state chartered special  
 372 school based on the school's enrollment, school profile, and student characteristics.  
 373 For purposes of this subparagraph, the term 'QBE formula earnings' means funds  
 374 earned for the Quality Basic Education Formula pursuant to Code Section 20-2-161,  
 375 including the portion of such funds that are calculated in accordance with Code  
 376 Section 20-2-164. QBE formula earnings shall include the salary portion of direct  
 377 instructional costs, the adjustment for training and experience, the nonsalary portion  
 378 of direct instructional costs, and earnings for psychologists and school social workers,  
 379 school administration, facility maintenance and operation, media centers, additional

380 days of instruction in accordance with Code Section 20-2-184.1, and staff  
 381 development, as determined by the department.

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

385 (B) The average amount of the total revenues less federal revenues less state revenues  
 386 other than equalization grants per full-time equivalent for the lowest five school  
 387 systems ranked by assessed valuation per weighted full-time equivalent count, as  
 388 determined by the department; and

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

391 (2) In the event that a state chartered special school offers virtual instruction:

392 (A) The amount of funds received pursuant to subparagraph (B) of paragraph (1) of  
 393 this subsection shall be equal to two-thirds of such calculated amount; provided,  
 394 however, that this two-thirds amount may be increased by any amount up to the  
 395 originally calculated amount in the discretion of the department if relevant factors  
 396 warrant such increase; and

397 (B) The department may reduce the amount of funds received pursuant to subparagraph  
 398 (C) of paragraph (1) of this subsection in proportion to the amount of virtual instruction  
 399 provided and based on factors that affect the cost of providing instruction.

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

401 (A) 'Assessed valuation' is defined as 40 percent of the equalized adjusted property tax  
 402 digest reduced by the amount calculated pursuant to subsection (g) of Code Section  
 403 20-2-164.

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

407 (4) The department may withhold up to 3 percent of the amount determined pursuant to  
 408 paragraphs (1) and (2) of this subsection for each state chartered special school for use  
 409 in administering the duties required pursuant to this article with respect to state chartered  
 410 special schools; provided, however, that any amount withheld pursuant to this subsection  
 411 shall be spent solely on expenses incurred by the department in performing the duties  
 412 required by this article with respect to state chartered special schools.

413 (5) No deduction shall be made to any state funding which a local school system is  
 414 otherwise authorized to receive pursuant to this chapter as a direct result or consequence  
 415 of the enrollment in a state chartered special school of a specific student or students who  
 416 reside in the geographical area of the local school system.

417 (6) Funding for state chartered special schools pursuant to this subsection shall be subject  
418 to appropriations by the General Assembly and such schools shall be treated consistently  
419 with all other public schools in this state, pursuant to the respective statutory funding  
420 formulas and grants.

421 (7) The local board shall not be responsible for the fiscal management, accounting, or  
422 oversight of the state chartered special school. The state chartered special school shall  
423 report enrolled students in a manner consistent with Code Section 20-2-160. Any data  
424 required to be reported by the state chartered special school shall be submitted directly  
425 by the school to the appropriate state agency. Where feasible, the state board shall treat  
426 a state chartered special school no less favorably than other public schools within the  
427 state with respect to the provision of funds for transportation and building programs."

428 **SECTION 3.**

429 (a)(1) Section 1 of this Act shall become effective on January 1, 2013, only if a  
430 Constitutional amendment expressly authorizing the General Assembly to create state charter  
431 schools as special schools is ratified at the November, 2012, general election.

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

434 (b) All other sections of this Act shall become effective on July 1, 2012.

435 **SECTION 4.**

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