## The Senate Committee on Education and Youth offered the following substitute to HB 659:

## 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 authorize a pilot program for the 2016-2017 school year to provide for consolidated federal, 3 state, and local funds; to provide for the purposes of the pilot program; to provide for 4 temporary waivers of certain financial reporting requirements for pilot school systems; to 5 provide for reports on the pilot program; to provide for automatic repeal; to provide 6 transparency of financial information of local school systems and schools, to the greatest 7 extent practicable; to provide for legislative intent; to provide for definitions; to provide for 8 accessibility to certain financial data of a local board of education; to provide for school level 9 budget and expenditure data; to require local school systems and schools to provide certain 10 information on their websites; to provide for certain data and reports; to provide for related 11 matters; to repeal conflicting laws; and for other purposes.

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## BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13	SECTION 1.
14	Title 20 of the Official Code of Georgia Annotated, relating to education, is amended in Part
15	4 of Article 6 of Chapter 2, relating to financing under the "Quality Basic Education Act,"
16	by adding a new Code section to read as follows:
17	″ <u>20-2-172.</u>
18	(a) For the 2016-2017 school year only, the Department of Education shall be authorized
19	to conduct a pilot program in which local school systems participating in the pilot program
20	consolidate federal, state, and local funds to support a school-wide program, as allowed by
21	20 U.S.C. Section 6314(a)(1).
22	(b) The purpose of the pilot program shall be to:
23	(1) Determine whether state fiscal and accounting barriers can be modified or eliminated
24	so that schools can easily consolidate federal, state, and local funds to improve
25	educational opportunities and reduce fiscal and accounting requirements, as provided in
26	Section 1005 of the federal Every Student Succeeds Act;

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27	(2) Demonstrate that consolidation of funds creates flexibility to more effectively
28	upgrade the entire educational program of a Title I school, with a focus on academically
29	struggling students;
30	(3) Simplify the consolidated application and accelerate the approval of the application
31	and disbursement of federal program funds;
32	(4) Demonstrate the benefit of not having to identify individual services as
33	supplementary or track individual expenditures by the federal program;
34	(5) Simplify time and effort relative to documentation;
35	(6) Determine how state financial reporting requirements can be changed to
36	accommodate local school systems that may want to consolidate funds in future years;
37	(7) Study various methodologies that might be used by local school systems to
38	demonstrate, in accordance with Section 1012 of the federal Every Student Succeeds Act,
39	within two years of the enactment of such federal act, that the methodology used to
40	allocate state and local funds to each school ensures that each such school receives all of
41	the state and local funds it would otherwise receive if it were not receiving assistance
42	<u>under Title I;</u>
43	(8) Assist the department in identifying important issues that will help the department
44	optimize the new Title I plan that it will submit to the United States Department of
45	Education as required by the federal Every Student Succeeds Act; and
46	(9) Identify any other objectives by the department and the local school systems
47	participating in the pilot program that arise during the pilot program.
48	(c) To allow the department flexibility in operating the pilot program for the 2016-2017
49	school year, notwithstanding any other provision of law to the contrary, the State Board of
50	Education shall be authorized to waive or provide variances to provisions of this title and
51	state board rules, to the extent reasonably necessary, regarding financial reporting
52	requirements, including but not limited to Code Sections 20-2-320, 20-2-321, 20-14-33,
53	and 20-14-34 and any rule promulgated by the State Board of Education regarding financial
54	reporting requirements, to implement the pilot program in accordance with the purposes
55	established pursuant to subsection (b) of this Code section, allowing, in particular, the pilot
56	school systems to submit financial reports based on consolidated funds rather than
57	segregating state and local funds from the consolidated pool.
58	(d) The department shall be authorized to add one or more data elements to the
59	certified/classified personnel information data collection procedure for the purpose of
60	allowing the pilot school systems to report personnel paid from a consolidated pool of
61	funds in a manner that will allow the school system to receive the correct amount of state
62	dollars for training and experience and insurance premiums for the state health benefit plan.

63	(e) The department and the pilot school systems shall continue to comply with all federal
64	laws, regulations, and reporting requirements.
65	(f) During the pilot program, the department and the pilot school systems shall jointly
66	report each month to the State Board of Education concerning the progress of the pilot
67	program, including an assessment of risks and benefits. The State Board of Education shall
68	be authorized to approve additional waivers of state requirements that may be reasonably
69	necessary to meet the goals of the pilot program.
70	(g) On or before February 15, 2017, the department and the pilot school systems shall
71	jointly report to the Senate Education and Youth Committee and the House Committee on
72	Education the progress of the pilot program and any recommendations for legislative
73	changes.
74	(h) This Code section shall stand repealed in its entirety on December 31, 2017."
75	SECTION 2.
76	Said title is further amended in Article 2 of Chapter 14, relating to education accountability
77	assessment programs, by adding a new part to read as follows:
78	" <u>Part 3A</u>
79	20-14-45.
80	<u>The intent of this part is to provide transparency and accuracy of financial information at</u>
80 81	the school system and school levels, to the greatest extent practicable. It is the intent of the
82	General Assembly that local school systems and schools provide ready access to all
83	financial information not specifically made confidential by law to the public.
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84	<u>20-14-46.</u>
85	As used in this part, the term 'office' means the Office of Student Achievement.
86	20-14-47.
87	(a) Each local board of education and each state charter school shall make readily
88	accessible to the public the following school site budget and expenditure information for
89	each school not specifically made confidential by law:
90	(1) The cost of all materials, equipment, and other nonstaff support;
91	(2) Salary and benefit expenditures for all staff;
92	(3) The cost of all professional development, including training, materials, and tuition
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	provided for instructional staff on an annual basis;

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95	(5) The cost of new construction or major renovation reported on a cost-per-square-foot
96	basis, based on the school system facility plan.
97	(b) Each local board of education shall make readily accessible to the public the following
98	school system level information:
99	(1) The annual budget of the local board of education;
100	(2) Annual audits conducted on the finances of the local board of education;
101	(3) Ratios of expenditures to revenues;
102	(4) The total dollar amount of local property tax revenue the school system is authorized
103	to collect in addition to the total program mill levy; and
104	(5) The total dollar amount of all other tax revenue that is collected by the school system.
105	(c) Each local school system and each state charter school which maintains a website shall
106	post in a prominent location on its website the following preexisting information or a link
107	to where such information can be found:
108	(1) The annual budget submitted to the State Board of Education pursuant to
109	subsection (c) of Code Section 20-2-167;
110	(2) The annual personnel report prepared by the state auditor pursuant to Code Section
111	<u>50-6-27;</u>
112	(3) The most recent audit conducted by the Department of Audits and Accounts pursuant
113	to subsection (a) of Code Section 50-6-6 and any additional independent audit conducted
114	pursuant to subsection (b) of Code Section 50-6-6;
115	(4) Any findings of irregularities or budget deficits reported by the Department of Audits
116	and Accounts pursuant to Code Section 20-2-67; and
117	(5) For a local board of education which imposes a sales tax for educational purposes
118	pursuant to Part 2 of Article 3 of Chapter 8 of Title 48, the information required pursuant
119	to Code Section 48-8-141 as provided to the Department of Audits and Accounts for
120	posting on such department's searchable website pursuant to subsection (g) of Code
121	Section 50-6-32.
122	(d) Each public school which maintains a website shall post in a prominent location on its
123	website links to the following information:
124	(1) The financial efficiency ratings for the school published by the office pursuant to
125	Code Section 20-14-34; and
126	(2) The webpage where the local school system posted the information listed in
127	paragraphs (1) through (5) of subsection (c) of this Code section.
128	20-14-48.
129	(a) No later than January 1, 2017, the State Board of Education shall develop rules and
130	regulations requiring that each local board of education and each state charter school

- 131provide information for their respective schools as specified by the state board and which132is not specifically made confidential by law, including school site budget and expenditure133information. Such rules and regulations shall include a template and definitions of budget
- 134 <u>and expenditure categories and line items.</u>
  135 (b) As soon as is practicable but no later than October 31, 2017, each local board of
  - education and each state charter school shall publish in a prominent location on their
  - 137 respective websites the school site budget and expenditure information for their respective
  - 138 schools specified by the state board pursuant to subsection (a) of this Code section utilizing
  - 139 <u>the template and definitions of budget and expenditure categories and line items established</u>
  - 140 by the state board for the most recent fiscal year.
  - 141 <u>20-14-49.</u>
  - (a) The office shall report the percentage of students with each state funded characteristic
     included in Code Section 20-2-161 at the school and school system level.
  - 144 (b) If funding is available, as determined by the Office of Planning and Budget, the office
  - shall create and publish an online sortable list for each school and school system on per
     student expenditures used to determine the financial efficiency rating calculated by the
     office pursuant to Code Section 20-14-33.
  - 148 (c) The office shall report the relative financial performance of schools and school
     149 systems.
  - 150 (d) The Department of Education shall publish annually on its website all underlying fiscal
  - 151 <u>data that informs the financial efficiency rating calculated by the office pursuant to Code</u>
  - 152 Section 20-14-33 and an explanation of the fiscal data that informs the financial efficiency
  - 153 <u>rating on a disaggregated basis.</u>

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- 154 (e) All state and local government entities, including the Department of Education,
- 155 Department of Audits and Accounts, Office of Planning and Budget, the office, and local
- 156 school systems shall cooperate with and assist each other in complying with this part."

## SECTION 3.

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