

SENATE SUBSTITUTE TO HB659:

AS PASSED SENATE

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; to amend Title 20 of the Official
 12 Code of Georgia Annotated, relating to education, so as to revise provisions relating to
 13 standards for local school board members; to amend Article 1 of Chapter 1 of Title 20 of the
 14 Official Code of Georgia Annotated, relating to general provisions relative to education, so
 15 as to provide for written notice prior to applying for certain grants affecting education policy
 16 regarding pre-kindergarten through grade 12 education; to provide for a short title; to provide
 17 for a definition.

18 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

19 **SECTION 1.**

20 Title 20 of the Official Code of Georgia Annotated, relating to education, is amended by
 21 revising Code Section 20-2-49, relating to standards for local school board members, as
 22 follows:

23 "20-2-49.

24 The General Assembly finds that local boards of education play a critical role in setting the
 25 policies that lead to the operation and success of local school systems. School board
 26 members hold special roles as trustees of public funds, including local, state, and federal

27 funds, while they focus on the singular objective of ensuring each student in the local
 28 school system receives a quality ~~basic~~ education enabling the student to fulfill his or her
 29 God-given potential and equipping him or her for full citizenship in our constitutional
 30 republic. Board duties require ~~specialized~~ skills and training in the performance of vision
 31 setting, policy making, approving multimillion dollar budgets, and hiring a qualified
 32 superintendent. The motivation to serve as a member of a local board of education should
 33 be the improvement of schools, which should include maintaining accreditation, and the
 34 academic achievement of all students, and the effective representation of parents' and other
 35 constituents' interests in the operation of the local school system. Service on a local board
 36 of education is important citizen ~~service~~. ~~Given service and representation, given the~~
 37 ~~specialized nature and unique role of membership on a local board of education, this~~
 38 ~~elected office should be characterized and treated differently from other elected offices~~
 39 ~~where the primary duty is independently to represent constituent views. Local board of~~
 40 ~~education members should abide by~~

41 **SECTION 1A.**

42 Article 1 of Chapter 1 of Title 20 of the Official Code of Georgia Annotated, relating to
 43 general provisions relative to education, is amended by adding a new Code section to read
 44 as follows:

45 "20-1-11.

46 (a) This Code section shall be known and may be cited as the 'Transparency in Education
 47 Act.'

48 (b) As used in this Code section, the term 'grant' means any competitive grant over \$20
 49 million.

50 (c) Any department, agency, or official of the state applying for a grant pertaining to or
 51 affecting pre-kindergarten through grade 12 education which would result in the
 52 establishment or alteration of education policy for public education in this state shall, at
 53 least 30 days prior to submitting the grant application, provide a written analysis of the
 54 following to all members of the Senate Education and Youth Committee and the House
 55 Committee on Education:

56 (1) Long-term projections of unfunded costs resulting from the implementation of the
 57 grant for both the state and local boards of education, with projections covering at least
 58 three years after the expiration of the grant period;

59 (2) The impact on state and local education policy, including any resulting line of
 60 accountability or transfer of governing control of any aspect of education from state or
 61 local officials to any entity inside or outside this state, whether the federal government,
 62 a private corporation or association, or any other entity;

- 63 (3) The purpose and effect of the grant program, including its effect on and
 64 interrelationship with any existing education program or policy currently operating within
 65 this state;
 66 (4) All compliance mandates and policy directives associated with satisfying the terms
 67 of the grant; and
 68 (5) Any laws that must be passed or rescinded to comply with the terms of the grant,
 69 including budgetary considerations."

70 **SECTION 2.**

71 Title 20 of the Official Code of Georgia Annotated, relating to education, is amended in Part
 72 4 of Article 6 of Chapter 2, relating to financing under the "Quality Basic Education Act,"
 73 by adding a new Code section to read as follows:

74 "20-2-172.

75 (a) For the 2016-2017 school year only, the Department of Education shall be authorized
 76 to conduct a pilot program in which local school systems participating in the pilot program
 77 consolidate federal, state, and local funds to support a school-wide program, as allowed by
 78 20 U.S.C. Section 6314(a)(1).

79 (b) The purpose of the pilot program shall be to:

80 (1) Determine whether state fiscal and accounting barriers can be modified or eliminated
 81 so that schools can easily consolidate federal, state, and local funds to improve
 82 educational opportunities and reduce fiscal and accounting requirements, as provided in
 83 Section 1005 of the federal Every Student Succeeds Act;

84 (2) Demonstrate that consolidation of funds creates flexibility to more effectively
 85 upgrade the entire educational program of a Title I school, with a focus on academically
 86 struggling students;

87 (3) Simplify the consolidated application and accelerate the approval of the application
 88 and disbursement of federal program funds;

89 (4) Demonstrate the benefit of not having to identify individual services as
 90 supplementary or track individual expenditures by the federal program;

91 (5) Simplify time and effort relative to documentation;

92 (6) Determine how state financial reporting requirements can be changed to
 93 accommodate local school systems that may want to consolidate funds in future years;

94 (7) Study various methodologies that might be used by local school systems to
 95 demonstrate, in accordance with Section 1012 of the federal Every Student Succeeds Act,
 96 within two years of the enactment of such federal act, that the methodology used to
 97 allocate state and local funds to each school ensures that each such school receives all of

98 the state and local funds it would otherwise receive if it were not receiving assistance
99 under Title I;

100 (8) Assist the department in identifying important issues that will help the department
101 optimize the new Title I plan that it will submit to the United States Department of
102 Education as required by the federal Every Student Succeeds Act; and

103 (9) Identify any other objectives by the department and the local school systems
104 participating in the pilot program that arise during the pilot program.

105 (c) To allow the department flexibility in operating the pilot program for the 2016-2017
106 school year, notwithstanding any other provision of law to the contrary, the State Board of
107 Education shall be authorized to waive or provide variances to provisions of this title and
108 state board rules, to the extent reasonably necessary, regarding financial reporting
109 requirements, including but not limited to Code Sections 20-2-320, 20-2-321, 20-14-33,
110 and 20-14-34 and any rule promulgated by the State Board of Education regarding financial
111 reporting requirements, to implement the pilot program in accordance with the purposes
112 established pursuant to subsection (b) of this Code section, allowing, in particular, the pilot
113 school systems to submit financial reports based on consolidated funds rather than
114 segregating state and local funds from the consolidated pool.

115 (d) The department shall be authorized to add one or more data elements to the
116 certified/classified personnel information data collection procedure for the purpose of
117 allowing the pilot school systems to report personnel paid from a consolidated pool of
118 funds in a manner that will allow the school system to receive the correct amount of state
119 dollars for training and experience and insurance premiums for the state health benefit plan.
120 The department shall be further authorized to modify other financial reporting requirements
121 as may be necessary to achieve the purposes of the pilot program.

122 (e) The department and the pilot school systems shall continue to comply with all federal
123 laws, regulations, and reporting requirements.

124 (f) During the pilot program, the department and the pilot school systems shall jointly
125 report each month to the State Board of Education concerning the progress of the pilot
126 program, including an assessment of risks and benefits. The State Board of Education shall
127 be authorized to approve additional waivers of state requirements that may be reasonably
128 necessary to meet the goals of the pilot program.

129 (g) On or before February 15, 2017, the department and the pilot school systems shall
130 jointly report to the Senate Education and Youth Committee and the House Committee on
131 Education the progress of the pilot program and any recommendations for legislative
132 changes.

133 (h) This Code section shall stand repealed in its entirety on December 31, 2017."

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SECTION 3.

Said title is further amended in Article 2 of Chapter 14, relating to education accountability assessment programs, by adding a new part to read as follows:

"Part 3A

20-14-45.

The intent of this part is to provide transparency and accuracy of financial information at the school system and school levels, to the greatest extent practicable. It is the intent of the General Assembly that local school systems and schools provide ready access to all financial information not specifically made confidential by law to the public.

20-14-46.

As used in this part, the term 'office' means the Office of Student Achievement.

20-14-47.

(a) Each local board of education and each state charter school shall make readily accessible to the public the following school site budget and expenditure information for each school not specifically made confidential by law:

(1) The cost of all materials, equipment, and other nonstaff support;

(2) Salary and benefit expenditures for all staff;

(3) The cost of all professional development, including training, materials, and tuition provided for instructional staff on an annual basis;

(4) The total cost of facility maintenance and small capital projects; and

(5) The cost of new construction or major renovation reported on a cost-per-square-foot basis, based on the school system facility plan.

(b) Each local board of education shall make readily accessible to the public the following school system level information:

(1) The annual budget of the local board of education;

(2) Annual audits conducted on the finances of the local board of education;

(3) Ratios of expenditures to revenues;

(4) The total dollar amount of local property tax revenue the school system is authorized to collect in addition to the total program mill levy; and

(5) The total dollar amount of all other tax revenue that is collected by the school system.

(c) Each local school system and each state charter school which maintains a website shall post in a prominent location on its website the following preexisting information or a link to where such information can be found:

- 167 (1) The annual budget submitted to the State Board of Education pursuant to
168 subsection (c) of Code Section 20-2-167;
- 169 (2) The annual personnel report prepared by the state auditor pursuant to Code Section
170 50-6-27;
- 171 (3) The most recent audit conducted by the Department of Audits and Accounts pursuant
172 to subsection (a) of Code Section 50-6-6 and any additional independent audit conducted
173 pursuant to subsection (b) of Code Section 50-6-6;
- 174 (4) Any findings of irregularities or budget deficits reported by the Department of Audits
175 and Accounts pursuant to Code Section 20-2-67; and
- 176 (5) For a local board of education which imposes a sales tax for educational purposes
177 pursuant to Part 2 of Article 3 of Chapter 8 of Title 48, the information required pursuant
178 to Code Section 48-8-141 as provided to the Department of Audits and Accounts for
179 posting on such department's searchable website pursuant to subsection (g) of Code
180 Section 50-6-32.
- 181 (d) Each public school which maintains a website shall post in a prominent location on its
182 website links to the following information:
- 183 (1) The financial efficiency ratings for the school published by the office pursuant to
184 Code Section 20-14-34; and
- 185 (2) The webpage where the local school system posted the information listed in
186 paragraphs (1) through (5) of subsection (c) of this Code section.
- 187 20-14-48.
- 188 (a) No later than January 1, 2017, the State Board of Education shall develop rules and
189 regulations requiring that each local board of education and each state charter school
190 provide information for their respective schools as specified by the state board and which
191 is not specifically made confidential by law, including school site budget and expenditure
192 information. Such rules and regulations shall include a template and definitions of budget
193 and expenditure categories and line items.
- 194 (b) As soon as is practicable but no later than October 31, 2017, each local board of
195 education and each state charter school shall publish in a prominent location on their
196 respective websites the school site budget and expenditure information for their respective
197 schools specified by the state board pursuant to subsection (a) of this Code section utilizing
198 the template and definitions of budget and expenditure categories and line items established
199 by the state board for the most recent fiscal year.

- 200 20-14-49.
- 201 (a) The office shall report the percentage of students with each state funded characteristic
- 202 included in Code Section 20-2-161 at the school and school system level.
- 203 (b) If funding is available, as determined by the Office of Planning and Budget, the office
- 204 shall create and publish an online sortable list for each school and school system on per
- 205 student expenditures used to determine the financial efficiency rating calculated by the
- 206 office pursuant to Code Section 20-14-33.
- 207 (c) The office shall report the relative financial performance of schools and school
- 208 systems.
- 209 (d) The Department of Education shall publish annually on its website all underlying fiscal
- 210 data that informs the financial efficiency rating calculated by the office pursuant to Code
- 211 Section 20-14-33 and an explanation of the fiscal data that informs the financial efficiency
- 212 rating on a disaggregated basis.
- 213 (e) All state and local government entities, including the Department of Education,
- 214 Department of Audits and Accounts, Office of Planning and Budget, the office, and local
- 215 school systems shall cooperate with and assist each other in complying with this part."

216 **SECTION 4.**

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