

House Bill 659 (AS PASSED HOUSE AND SENATE)

By: Representatives Belton of the 112<sup>th</sup>, Dudgeon of the 25<sup>th</sup>, Caldwell of the 20<sup>th</sup>, Nix of the 69<sup>th</sup>, Glanton of the 75<sup>th</sup>, and others

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 a code of conduct and conflict of interest policy  
 41 modeled for their unique roles and responsibilities. ~~And although~~ Although there are many  
 42 measures of the success of a local board of education, one is clearly essential: maintaining  
 43 accreditation and the opportunities it allows the school system's students."

44

#### SECTION 1A.

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

48 "20-1-11.

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

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

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

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

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

66 (3) The purpose and effect of the grant program, including its effect on and  
 67 interrelationship with any existing education program or policy currently operating within  
 68 this state;

69 (4) All compliance mandates and policy directives associated with satisfying the terms  
 70 of the grant; and

71 (5) Any laws that must be passed or rescinded to comply with the terms of the grant,  
 72 including budgetary considerations."

73 **SECTION 2.**

74 Title 20 of the Official Code of Georgia Annotated, relating to education, is amended in Part  
 75 4 of Article 6 of Chapter 2, relating to financing under the "Quality Basic Education Act,"  
 76 by adding a new Code section to read as follows:

77 "20-2-172.

78 (a) For the 2016-2017 school year only, the Department of Education shall be authorized  
 79 to conduct a pilot program in which local school systems participating in the pilot program  
 80 consolidate federal, state, and local funds to support a school-wide program, as allowed by  
 81 20 U.S.C. Section 6314(a)(1).

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

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

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

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

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

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

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

97 (7) Study various methodologies that might be used by local school systems to  
98 demonstrate, in accordance with Section 1012 of the federal Every Student Succeeds Act,  
99 within two years of the enactment of such federal act, that the methodology used to  
100 allocate state and local funds to each school ensures that each such school receives all of  
101 the state and local funds it would otherwise receive if it were not receiving assistance  
102 under Title I;

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

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

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

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

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

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

132 (g) On or before February 15, 2017, the department and the pilot school systems shall  
133 jointly report to the Senate Education and Youth Committee and the House Committee on

134 Education the progress of the pilot program and any recommendations for legislative  
 135 changes.

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

137 **SECTION 3.**

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

140 "Part 3A

141 20-14-45.

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

146 20-14-46.

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

148 20-14-47.

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

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

153 (2) Salary and benefit expenditures for all staff;

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

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

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

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

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

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

163 (3) Ratios of expenditures to revenues;

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

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

201 the template and definitions of budget and expenditure categories and line items established  
202 by the state board for the most recent fiscal year.

203 20-14-49.

204 (a) The office shall report the percentage of students with each state funded characteristic  
205 included in Code Section 20-2-161 at the school and school system level.

206 (b) If funding is available, as determined by the Office of Planning and Budget, the office  
207 shall create and publish an online sortable list for each school and school system on per  
208 student expenditures used to determine the financial efficiency rating calculated by the  
209 office pursuant to Code Section 20-14-33.

210 (c) The office shall report the relative financial performance of schools and school  
211 systems.

212 (d) The Department of Education shall publish annually on its website all underlying fiscal  
213 data that informs the financial efficiency rating calculated by the office pursuant to Code  
214 Section 20-14-33 and an explanation of the fiscal data that informs the financial efficiency  
215 rating on a disaggregated basis.

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

219 **SECTION 4.**

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