

House Bill 430

By: Representatives Brockway of the 102<sup>nd</sup>, Jones of the 47<sup>th</sup>, Glanton of the 75<sup>th</sup>, Stovall of the 74<sup>th</sup>, and Nix of the 69<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 implement recommendations from the Governor's Education Reform Commission with  
3 respect to charter schools; to provide for allotment sheets for charter schools; to provide for  
4 the establishment of a code of principles and standards of charter school authorizing; to  
5 provide for termination and nonrenewal of charters for charter schools that perform in the  
6 bottom quartile on state-wide student performance tests for three consecutive years; to  
7 provide for a facilities grant program for charter schools; to define "unused facilities" for  
8 purposes of charter schools; to revise provisions relating to funding for state charter schools;  
9 to provide for related matters; 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 adding a new subsection to Code Section 20-2-167, relating to funding for direct  
14 instructional, media center, and staff development costs, to read as follows:

15 "(a.1) The state board shall issue or post allotment sheets for each local school system and  
16 each school, including each charter school. The allotment sheets for charter schools shall  
17 be issued or posted contemporaneously with the allotment sheets for local school systems.  
18 All such allotment sheets shall include federal funds allotted to local school systems or  
19 charter schools. As used in this subsection, the term 'charter school' means start-up charter  
20 schools, state chartered special schools, and state charter schools."

21 **SECTION 2.**

22 Said title is further amended by adding a new Code section to Article 31 of Chapter 2,  
23 relating to charter schools, to read as follows:

24 "20-2-2063.3.

25 (a) The State Board of Education and the State Charter Schools Commission shall jointly  
26 establish a code of principles and standards of charter school authorizing to guide local  
27 boards of education, the state board, and the State Charter Schools Commission in meeting  
28 high-quality authorizing practices. The principles and standards established by the state  
29 board shall include:

30 (1) Maintaining high standards for approving charter petitions;

31 (2) Establishing challenging academic, financial, and operational performance standards  
32 for charter schools;

33 (3) Annually monitoring, evaluating, and reporting charter school progress in meeting  
34 academic, financial, and operational performance standards;

35 (4) Upholding charter school autonomy in school governance, instructional program  
36 implementation, personnel, and budgeting;

37 (5) Protecting students and holding charter schools accountable for their obligations to  
38 all students; and

39 (6) Protecting the public interest and holding charter schools accountable for their  
40 obligations of governance, management, and oversight of public funds.

41 (b)(1) The State Board of Education shall provide for the annual review of local boards  
42 of education by an independent party for adherence to the principles and standards of  
43 charter school authorizing practices adopted by the state board pursuant to subsection (a)  
44 of this Code section. The State Board of Education shall ensure that any independent  
45 party reviewing local boards of education pursuant to this paragraph has a demonstrated  
46 history of evaluating charter school authorizers for quality authorizing practices.

47 (2) A charter school authorized by a local board of education that fails to meet the  
48 principles and standards of charter school authorizing on its annual evaluation for two  
49 consecutive years may petition to transfer its charter authorization to the State Charter  
50 Schools Commission.

51 (3) In its discretion, the State Charter Schools Commission may approve a charter school  
52 petitioning for authorization pursuant to paragraph (2) of this subsection for an initial  
53 charter term of up to five years if, based on the charter school's prior performance, it is  
54 likely to meet the commission's comprehensive performance framework if approved. If  
55 the State Charter Schools Commission approves the transfer of a petitioning charter  
56 school to its jurisdiction, the local board shall terminate the existing charter pursuant to  
57 the terms of the charter and a new charter shall be established between the charter school  
58 and the State Charter Schools Commission. If the State Charter Schools Commission  
59 declines to authorize the charter school, the charter school shall continue to operate under  
60 the terms of its charter with the local board of education. The requirements of Code

61 Section 20-2-2085 shall not apply to local charter schools petitioning for authorization  
 62 to the State Charter Schools Commission pursuant to paragraph (2) of this subsection.  
 63 On and after July 1, 2017, the terms of any charter entered into or renewed between a  
 64 local board and a local charter school shall include a provision for termination if the local  
 65 board fails to meet the principles and standards of charter school authorizing on its annual  
 66 evaluation for two consecutive years.

67 (c) The State Charter Schools Commission shall ensure that its adherence to the principles  
 68 and standards of charter school authorizing practices is annually reviewed by an  
 69 independent body that has a demonstrated history of evaluating charter school authorizers  
 70 for quality authorizing practices.

71 (d) The State Board of Education shall provide for or approve training for its staff and  
 72 local board of education members on the principles and standards of charter school  
 73 authorizers. The State Board of Education may incorporate training on the principles and  
 74 standards into the training programs for staff and local board of education members  
 75 adopted pursuant to Code Section 20-2-230. The annual evaluation of local boards of  
 76 education for adherence to the principles and standards of charter school authorizing  
 77 conducted pursuant to this Code section shall detail the participation of the local board of  
 78 education in training on the principles and standards of charter school authorizers."

79 **SECTION 3.**

80 Said title is further amended by revising subsection (b) of Code Section 20-2-2067.1, relating  
 81 to amendment of terms of charter for charter schools, initial term of charter, and annual  
 82 report, as follows:

83 "(b) The initial term of a charter, except for a charter system or a local charter school that  
 84 has transferred its authorization to the State Charter Schools Commission pursuant to  
 85 subsection (b) of Code Section 20-2-2063.3, shall be for a minimum of five years, unless  
 86 the petitioner shall request a shorter period of time, and shall not exceed ten years. The  
 87 local board and the state board, in accordance with Code Section 20-2-2064.1 and subject  
 88 to the provisions of Code Section 20-2-2068.3, may renew a local charter, upon the request  
 89 of the charter school, for the period of time specified in the request, not to exceed ten years.  
 90 The state board may renew a state chartered special school, upon the request of the school,  
 91 for the period of time specified in the request, not to exceed ten years. The initial term of  
 92 a charter for a charter system shall not exceed five years. The state board may renew the  
 93 charter of a charter system, upon the request of the local board, for the period of time  
 94 specified in the request, not to exceed ten years."

**SECTION 4.**

95

96 Said title is further amended by revising Code Section 20-2-2068, relating to termination of  
97 a charter, as follows:

98 "20-2-2068.

99 (a) The state board may terminate a charter under the following circumstances:

100 (1)(A) If a majority of the parents or guardians of students enrolled at the charter  
101 school vote by a majority vote to request the termination of its charter at a public  
102 meeting called with two weeks' advance notice and for the purpose of deciding whether  
103 to request the state board to declare the charter null and void; or

104 (B) If a majority of the faculty and instructional staff employed at the charter school  
105 vote by a majority vote to request the termination of its charter at a public meeting  
106 called with two weeks' advance notice and for the purpose of deciding whether to  
107 request the state board to declare the charter null and void.

108 This paragraph shall not apply to system charter schools;

109 (2) If, after providing reasonable notice to the charter school or charter system, as  
110 applicable, and an opportunity for a hearing, the state board finds through its own audit  
111 or through other means:

112 (A) A failure to comply with any recommendation or direction of the state board with  
113 respect to Code Section 20-14-41;

114 (B) A failure to adhere to any material term of the charter, including but not limited to  
115 the performance goals set forth in the charter;

116 (C) For a charter system, a failure to promote school level governance as required by  
117 the charter;

118 (D) A failure to meet generally accepted standards of fiscal management;

119 (E) A violation of applicable federal, state, or local laws or court orders;

120 (F) The existence of competent substantial evidence that the continued operation of the  
121 charter school or charter system would be contrary to the best interests of the students  
122 or the community; or

123 (G) A failure to comply with any provision of Code Section 20-2-2065; or

124 (3) Upon the written request of a local board for termination of a charter for a local  
125 charter school located within its school system if, prior to making such request, the local  
126 board provided reasonable notice to the charter school and an opportunity for a hearing,  
127 and determined the existence of any of the grounds described in paragraph (2) of this  
128 Code section.

129 (b) For a system charter school, if the school council or governing council, as applicable,  
130 at such school within the charter system requests that:

131 (1) The system charter be terminated; or

132 (2) The system charter be amended with respect to such system charter school,  
 133 the state board, after providing reasonable notice to the charter system and the system  
 134 charter school, shall conduct a hearing. Based on the findings of the hearing, the state  
 135 board may enter into negotiations with the charter system to amend the charter to address  
 136 the concerns of the requesting system charter school. If negotiations fail and the state  
 137 board finds good cause, the state board shall be authorized to terminate the system charter  
 138 or to amend the system charter with respect to the requesting system charter school;  
 139 provided, however, that the local board shall be authorized to terminate the system charter  
 140 if it is unwilling to accept the amendments to such charter by the state board. ~~The~~ For  
 141 purposes of this subsection, the term 'good cause' includes but is not limited to a local  
 142 board's failure to comply with its obligations and duties under the system charter, state  
 143 board rules, or other applicable law, or other good cause as determined in the sole  
 144 discretion of the state board.

145 (c)(1) For a local charter school or state chartered special school that performs in the  
 146 bottom quartile of the state and of its local school system on state-wide student  
 147 performance tests, as identified by the state board, for three consecutive years, the state  
 148 board, after providing reasonable notice to the charter school, shall conduct a hearing.  
 149 Based on the findings of the hearing, the state board shall be authorized to terminate the  
 150 charter unless the charter school demonstrates and the state board finds good cause for  
 151 which it should not be terminated.

152 (2) Nothing in this subsection shall be construed to preclude a local board of education  
 153 or the State Board of Education from not renewing the charter of a local charter school  
 154 or state chartered special school for any other reason authorized by law, rule, or the  
 155 school's charter.

156 (3) For purposes of this subsection, the term 'good cause' includes but is not limited to  
 157 a student population in the school primarily composed of students who previously  
 158 dropped out of school or were at risk of dropping out of school, emergencies or disasters  
 159 that affected student performance, extended periods of disruption to instruction that  
 160 existed for reasons not under the school's control, the charter school performed higher on  
 161 state-wide student performance tests as identified by the state board than the majority of  
 162 schools serving the same grades, or other good cause as determined in the sole discretion  
 163 of the state board."

164 **SECTION 5.**

165 Said title is further amended by revising subsections (b) and (c) and by adding a new  
 166 subsection to Code Section 20-2-2068.1, relating to charter school funding, as follows:

167 "(b) QBE formula earnings, applicable QBE grants, applicable non-QBE state grants, and  
 168 applicable federal grants earned by a local charter school shall be distributed to the local  
 169 charter school by the local board; provided, however, that state equalization grant earnings  
 170 shall be distributed as provided in subsection (c) of this Code section. QBE formula  
 171 earnings shall include the salary portion of direct instructional costs, the adjustment for  
 172 training and experience, the nonsalary portion of direct instructional costs, and earnings for  
 173 psychologists and school social workers, school administration, facility maintenance and  
 174 operation, media centers, additional days of instruction in accordance with Code Section  
 175 20-2-184.1, and staff development. The local charter school shall report enrolled students  
 176 in a manner consistent with Code Section 20-2-160; provided, however, that a local charter  
 177 school shall approve all data, including enrollment data and certified personnel  
 178 information, prior to a local board of education submitting any such data to the state board  
 179 for purposes of funding.

180 (c) In addition to the earnings set out in subsection (b) of this Code section, local revenue  
 181 shall be allocated to a local charter school on the same basis as for any local school in the  
 182 local school system. In the case of a start-up charter school, local revenue earnings shall  
 183 be calculated as follows:

184 (1) Determine the total amount of state and local five mill share funds earned by students  
 185 enrolled in the local start-up charter school as calculated by the Quality Basic Education  
 186 Formula pursuant to Part 4 of Article 6 of this chapter including any funds for  
 187 psychologists and school social workers but excluding 5 percent of system-wide funds  
 188 for central administration and excluding any categorical grants not applicable to the  
 189 charter school;

190 (2) Determine the total amount of state and local five mill share funds earned by all  
 191 students in the public schools of the local school system, including any charter schools  
 192 that receive local revenue, as calculated by the Quality Basic Education Formula but  
 193 excluding categorical grants and other non-QBE formula grants;

194 (3) Divide the amount obtained in paragraph (1) of this subsection by the amount  
 195 obtained in paragraph (2) of this subsection; and

196 (4) Multiply the quotient obtained in paragraph (3) of this subsection by the school  
 197 system's local revenue.

198 The product obtained in paragraph (4) of this subsection shall be the amount of local funds  
 199 to be distributed to the local start-up charter school by the local board; provided, however,  
 200 that nothing in this subsection shall preclude a charter petitioner and a local board of  
 201 education from specifying in the charter a greater amount of local funds to be provided by  
 202 the local board to the local start-up charter school if agreed upon by all parties to the  
 203 charter. Local funds so earned shall be distributed to the local start-up charter school by

204 the local board. Where feasible and where services are provided, funds for construction  
 205 projects shall also be distributed to the local start-up charter school as earned. In all other  
 206 fiscal matters, including applicable federal allotments, the local board shall treat the local  
 207 start-up charter school no less favorably than other local schools located within the  
 208 applicable school system and shall calculate and distribute the funding for the start-up  
 209 charter school on the basis of its actual or projected enrollment in the current school year  
 210 according to an enrollment counting procedure or projection method stipulated in the terms  
 211 of the charter. A proportional share of federal funds, including but not limited to funds  
 212 earned pursuant to Title I of the federal Elementary and Secondary Education Act and  
 213 pursuant to the federal Individuals with Disabilities Education Act, shall be distributed by  
 214 the local board to a local start-up charter school; provided, however, that by agreement  
 215 between the local board and local start-up charter school, a proportional share may be  
 216 provided through the provision of in-kind services by the local board for the local start-up  
 217 charter school. Further, the state board shall ensure that local start-up charter schools  
 218 receive an equitable share of federal funds pursuant to Title II of the federal Elementary  
 219 and Secondary Education Act and have the same access to state training and state guidance  
 220 regarding availability and eligibility for federal funds that local school systems have."  
 221 "(c.3) Each local board of education that has one or more local charter schools shall  
 222 publish in a prominent location on its website the calculation of earnings to each local  
 223 charter school made pursuant to subsections (a), (b), and (c) of this Code section, including  
 224 but not limited to detailed accounting of federal funds earned and actually received by each  
 225 local charter school. Such calculations shall be published as soon as practicable prior to  
 226 the distribution of earnings to the local charter school by the local board. Such calculations  
 227 may be published in conjunction with the financial and transparency information required  
 228 to be published by local boards of education pursuant to Part 3A of Article 2 of Chapter 14  
 229 of Title 20."

230

### SECTION 6.

231 Said title is further amended by revising Code Section 20-2-2068.2, relating to facilities fund  
 232 for charter schools, purposes for which funds may be used, upkeep of charter school  
 233 property, and availability of unused facilities, as follows:

234 "20-2-2068.2.

235 (a) From moneys specifically appropriated for such purpose, the state board shall ~~create~~  
 236 ~~a~~ disburse facilities ~~fund~~ grants for local charter schools, state chartered special schools,  
 237 and state charter schools as defined in Code Section 20-2-2081 for the purpose of  
 238 ~~establishing a per pupil, need based facilities aid program providing facility funding more~~  
 239 comparable to traditional public schools in this state.

240 (b) A charter school or state charter school may receive ~~moneys from the~~ facilities fund  
 241 grants if the charter school or state charter school has received final approval from the State  
 242 Charter Schools Commission or from the state board for operation during that fiscal year.

243 (c) A charter school's or state charter school's governing body may use ~~moneys from the~~  
 244 facilities fund grants for the following purposes:

245 (1) Purchase of real property;

246 (2) Construction of school facilities, including initial and additional equipment and  
 247 furnishings;

248 (3) Purchase, lease-purchase, or lease of permanent or relocatable school facilities;

249 (4) Purchase of vehicles to transport students to and from the charter school or state  
 250 charter school; and

251 (5) Renovation, repair, and maintenance of school facilities that the school owns or is  
 252 purchasing through a lease-purchase or long-term lease of three years or longer.

253 (d) The Department of Education shall specify procedures for submitting and approving  
 254 grant requests for funding under this Code section and for documenting expenditures.

255 (e) Local boards are required to renovate, repair, and maintain the school facilities of  
 256 charter schools in the district local school system to the same extent as other public schools  
 257 in the district local school system if the local board owns the charter school facility, unless  
 258 otherwise agreed upon by the petitioner and the local board in the charter. Subject to  
 259 appropriations by the General Assembly, the state board shall disburse annual facilities  
 260 grants to eligible applicants in an amount of \$100,000.00 or such other amount as  
 261 determined by the state board. In the event that in any fiscal year, sufficient funds are not  
 262 appropriated or available to make the full amount of grants to all eligible applicants, the  
 263 grant award to each eligible applicant shall be reduced pro rata. Eligible applicants may  
 264 receive one or more annual grants.

265 (f)(1) Prior to ~~releasing moneys from the~~ disbursing facilities fund grants, the  
 266 Department of Education shall ensure that the governing board of the local charter school  
 267 and the local board shall enter into a written agreement that includes a provision for the  
 268 reversion of any unencumbered funds and all equipment and property purchased with  
 269 public education funds to the ownership of the local board in the event the local charter  
 270 school terminates operations.

271 (2) Prior to ~~releasing moneys from the~~ disbursing facilities fund grants, the Department  
 272 of Education shall ensure that the governing board of the state chartered special school  
 273 and the state board shall enter into a written agreement that includes a provision for the  
 274 reversion of any unencumbered funds and all equipment and property purchased with  
 275 public education funds to the ownership of the state board in the event the state chartered  
 276 special school terminates operations.



277 (3) Prior to ~~releasing moneys from the~~ disbursing facilities fund grants, the Department  
 278 of Education shall ensure that the governing board of the state charter school and the  
 279 State Charter Schools Commission shall enter into a written agreement that includes a  
 280 provision for the reversion of any unencumbered funds and all equipment and property  
 281 purchased with public education funds to the ownership of the State Charter Schools  
 282 Commission in the event the state charter school terminates operations.

283 (g) The reversion of property in accordance with subsection (f) of this Code section is  
 284 subject to the complete satisfaction of all lawful liens or encumbrances.

285 (h)(1) As used in this subsection, the term 'unused facilities' means educational facilities,  
 286 as defined in Code Section 20-2-260, for which the local board of education has not  
 287 housed students for the previous two consecutive school years.

288 (2) Each local board of education shall make its unused facilities available to local  
 289 charter schools. The terms of the use of such a facility by the charter school shall be  
 290 subject to negotiation between the board and the local charter school and shall be  
 291 memorialized as a separate agreement. A local charter school that is allowed to use such  
 292 a facility under such an agreement shall not sell or dispose of any interest in such  
 293 property without the written permission of the local board. A local charter school may  
 294 not be charged a rental or leasing fee for the existing facility or for property normally  
 295 used by the public school which became the local charter school. A local charter school  
 296 that receives property from a local board may not sell or dispose of such property without  
 297 the written permission of the local board.

298 (3) Prior to denying the use by a local charter school of an unused facility, the local  
 299 charter school shall have the right to a hearing before the local board of education in  
 300 accordance with Code Section 20-2-1160, including the right to appeal an adverse local  
 301 board decision.

302 (i) No municipality, county, or other local political subdivision of this state may require  
 303 the nonprofit corporation that holds the charter for a charter school that has passed the  
 304 Department of Education facility inspection and holds a valid certificate of occupancy to  
 305 obtain any other licensure to operate the school, including, but not limited to, a business  
 306 license, professional license, or occupational tax certificate; provided, however, that any  
 307 for profit vendor of the charter school shall be subject to any applicable local requirements  
 308 relating to doing business in this state. Charter schools shall only be subject to ~~all~~  
 309 ~~applicable~~ the zoning, planning, and building permitting requirements that apply to  
 310 traditional public schools when constructing or renovating a facility."

311 **SECTION 7.**

312 Said title is further amended by adding a new Code section to Article 31 of Chapter 2,  
 313 relating to charter schools, to read as follows:

314 "20-2-2068.3.

315 (a) The State Board of Education shall not renew the charter of a local charter school that  
 316 performs in the bottom quartile of the state and of its local school system on state-wide  
 317 student performance tests, as identified by the state board, for three consecutive years,  
 318 unless the state board finds good cause that the charter should be renewed. The state board  
 319 may conduct a hearing to allow the local charter school or state chartered special school  
 320 to demonstrate good cause.

321 (b) Nothing in this Code section shall be construed to preclude a local board of education  
 322 or the State Board of Education from terminating the charter of a local charter school or  
 323 state chartered special school for any other reason authorized by law, rule, or the school's  
 324 charter.

325 (c) For purposes of this Code section, the term 'good cause' includes but is not limited to  
 326 a student population in the charter school primarily composed of students who previously  
 327 dropped out of school or were at risk of dropping out of school, emergencies or disasters  
 328 that affected student performance, extended periods of disruption to instruction that existed  
 329 for reasons not under the charter school's control, the charter school performed higher on  
 330 state-wide student performance tests as identified by the state board than the majority of  
 331 schools serving the same grades, or other good cause as determined in the sole discretion  
 332 of the state board."

333 **SECTION 8.**

334 Said title is further amended by adding a new Code section to Article 31A of Chapter 2,  
 335 relating to state charter schools, to read as follows:

336 "20-2-2085.1.

337 (a) For a state charter school that performs in the bottom quartile of the state on state-wide  
 338 student performance tests, as identified by the state board, for three consecutive years, the  
 339 commission, after providing reasonable notice to the state charter school, shall conduct a  
 340 hearing. Based on the findings of the hearing, the commission shall be authorized to  
 341 terminate the charter unless the state charter school demonstrates and the commission finds  
 342 good cause for which it should not be terminated.

343 (b) The commission shall not renew the charter of a state charter school that performs in  
 344 the bottom quartile of the state on state-wide student performance tests, as identified by the  
 345 state board, for three consecutive years, unless the commission finds good cause for the

346 continued operation of the school. The commission may conduct a hearing to allow the  
 347 state charter school to demonstrate good cause.

348 (c) Nothing in this Code section shall be construed to preclude the commission from  
 349 terminating or not renewing a charter for a state charter school for any other reason  
 350 authorized by law, rule, or the school's charter.

351 (d) For purposes of this Code section, the term 'good cause' includes but is not limited to  
 352 a student population in the school primarily composed of students who previously dropped  
 353 out of school or were at risk of dropping out of school, emergencies or disasters that  
 354 affected student performance, extended periods of disruption to instruction that existed for  
 355 reasons not under the school's control, the state charter school performed higher on  
 356 state-wide student performance tests as identified by the state board than the majority of  
 357 state charter schools serving the same grades, or other good cause as determined in the sole  
 358 discretion of the commission."

359 **SECTION 9.**

360 Said title is further amended by revising Code Section 20-2-2089, relating to funding for  
 361 state charter schools, as follows:

362 "20-2-2089.

363 ~~(a)(1) The earnings for a student in a state charter school shall be equal to the earnings~~  
 364 ~~for any other student with similar student characteristics in a state charter school,~~  
 365 ~~regardless of the local school system in which the student resides or the school system~~  
 366 ~~in which the state charter school is located, and, except as otherwise provided in~~  
 367 ~~paragraph (2) of this subsection, the department shall pay to each state charter school~~  
 368 ~~through appropriation of state funds an amount equal to the sum of:~~

369 ~~(A)(i) QBE formula earnings and QBE grants earned by the state charter school~~  
 370 ~~based on the school's enrollment, school profile, and student characteristics. For~~  
 371 ~~purposes of this subparagraph, the term 'QBE formula earnings' means funds earned~~  
 372 ~~for the Quality Basic Education Formula pursuant to Code Section 20-2-161,~~  
 373 ~~including the portion of such funds that are calculated in accordance with Code~~  
 374 ~~Section 20-2-164. QBE formula earnings shall include the salary portion of direct~~  
 375 ~~instructional costs, the adjustment for training and experience, the nonsalary portion~~  
 376 ~~of direct instructional costs, and earnings for psychologists and school social workers,~~  
 377 ~~school administration, facility maintenance and operation, media centers, additional~~  
 378 ~~days of instruction in accordance with Code Section 20-2-184.1, and staff~~  
 379 ~~development, as determined by the department.~~

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

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

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

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

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

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

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

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

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

406 (a) Funding for a state charter school shall be an amount equal to the sum of:

407 (1) QBE formula earnings, QBE grants, and federal grants earned by the school based  
 408 on the school's enrollment, school profile, and student characteristics. QBE formula  
 409 earnings shall include the salary portion of direct instructional costs, the adjustment for  
 410 training and experience, the nonsalary portion of direct instructional costs, earnings for  
 411 psychologists and school social workers, school administration, facility maintenance and  
 412 operation, media centers, additional days of instruction in accordance with Code Section  
 413 20-2-184.1, and staff development and shall include the portion of funds that are  
 414 calculated as the local five mill share pursuant to Code Section 20-2-164;

415 (2) A proportional share of state categorical grants, non-QBE state grants, state  
 416 equalization grants, and all other state and federal grants; and

