

SENATE SUBSTITUTE TO HB 430

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 implement various recommendations from the Governor's Education Reform Commission
 3 with respect to charter schools; to provide for the establishment of a code of principles and
 4 standards of charter school authorizing; to provide for a facilities grant program for charter
 5 schools; to provide for a definition; to provide for a pilot program to plan, implement, and
 6 improve sustainable community schools for traditional public schools and charter schools;
 7 to provide for grants; to provide for definitions; to provide for planning and implementation
 8 grants; to provide for applications for grants; to require community school plans; to provide
 9 for requirements for grant recipients; to delineate the purposes for which grant funds may be
 10 used; to provide for related matters; to repeal conflicting laws; and for other purposes.

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

SECTION 1.

12 Title 20 of the Official Code of Georgia Annotated, relating to education, is amended by
 13 adding a new Code section to Article 31 of Chapter 2, relating to charter schools, to read as
 14 follows:
 15

16 "20-2-2063.3.

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

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

23 (2) Establishing high academic, financial, and operational performance standards for
 24 charter schools;

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

- 27 (4) Upholding charter school autonomy in school governance, instructional program
28 implementation, personnel, and budgeting;
- 29 (5) Protecting students and holding charter schools accountable for their obligations to
30 all students; and
- 31 (6) Protecting the public interest and holding charter schools accountable for their
32 obligations of governance, management, and oversight of public funds.
- 33 (b)(1) The State Board of Education shall provide for the annual review of local boards
34 of education by an independent party for adherence to the principles and standards of
35 charter school authorizing practices adopted by the state board pursuant to subsection (a)
36 of this Code section. The State Board of Education shall ensure that any independent
37 party reviewing local boards of education pursuant to this paragraph has a demonstrated
38 history of evaluating charter school authorizers for quality authorizing practices.
- 39 (2) A charter school authorized by a local board of education that fails to meet the
40 principles and standards of charter school authorizing on its annual evaluation for two
41 consecutive years may petition to transfer its charter authorization to the State Charter
42 Schools Commission.
- 43 (3) In its discretion, the State Charter Schools Commission may approve a charter school
44 petitioning for authorization pursuant to paragraph (2) of this subsection for an initial
45 charter term of up to five years if, based on the charter school's prior performance, it is
46 likely to meet the commission's comprehensive performance framework if approved. If
47 the State Charter Schools Commission approves the transfer of a petitioning charter
48 school to its jurisdiction, the local board shall terminate the existing charter pursuant to
49 the terms of the charter and a new charter shall be established between the charter school
50 and the State Charter Schools Commission. If the State Charter Schools Commission
51 declines to authorize the charter school, the charter school shall continue to operate under
52 the terms of its charter with the local board of education. The requirements of Code
53 Section 20-2-2085 shall not apply to local charter schools petitioning for authorization
54 to the State Charter Schools Commission pursuant to paragraph (2) of this subsection.
55 On and after July 1, 2017, the terms of any charter entered into or renewed between a
56 local board and a local charter school shall include a provision for termination if the local
57 board fails to meet the principles and standards of charter school authorizing on its annual
58 evaluation for two consecutive years.
- 59 (c) The State Charter Schools Commission shall ensure that its adherence to the principles
60 and standards of charter school authorizing practices is annually reviewed by an
61 independent body that has a demonstrated history of evaluating charter school authorizers
62 for quality authorizing practices.

63 (d) The State Board of Education shall provide for or approve training for its staff and
 64 local board of education members on the principles and standards of charter school
 65 authorizers. The State Board of Education may incorporate training on the principles and
 66 standards into the training programs for staff and local board of education members
 67 adopted pursuant to Code Section 20-2-230. The annual evaluation of local boards of
 68 education for adherence to the principles and standards of charter school authorizing
 69 conducted pursuant to this Code section shall detail the participation of the local board of
 70 education in training on the principles and standards of charter school authorizers."

71 **SECTION 2.**

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

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

87 **SECTION 3.**

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

90 "(b) QBE formula earnings, applicable QBE grants, applicable non-QBE state grants, and
 91 applicable federal grants earned by a local charter school shall be distributed to the local
 92 charter school by the local board; provided, however, that state equalization grant earnings
 93 shall be distributed as provided in subsection (c) of this Code section. QBE formula
 94 earnings shall include the salary portion of direct instructional costs, the adjustment for
 95 training and experience, the nonsalary portion of direct instructional costs, and earnings for
 96 psychologists and school social workers, school administration, facility maintenance and
 97 operation, media centers, additional days of instruction in accordance with Code Section

98 20-2-184.1, and staff development. The local charter school shall report enrolled students
 99 in a manner consistent with Code Section 20-2-160; provided, however, that a local charter
 100 school shall certify that all data are correct, including enrollment data and certified
 101 personnel information, prior to a local board of education submitting any such data to the
 102 state board for purposes of funding.

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

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

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

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

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

121 The product obtained in paragraph (4) of this subsection shall be the amount of local funds
 122 to be distributed to the local start-up charter school by the local board; provided, however,
 123 that nothing in this subsection shall preclude a charter petitioner and a local board of
 124 education from specifying in the charter a greater amount of local funds to be provided by
 125 the local board to the local start-up charter school if agreed upon by all parties to the
 126 charter. Local funds so earned shall be distributed to the local start-up charter school by
 127 the local board. Where feasible and where services are provided, funds for construction
 128 projects shall also be distributed to the local start-up charter school as earned. In all other
 129 fiscal matters, including applicable federal allotments, the local board shall treat the local
 130 start-up charter school no less favorably than other local schools located within the
 131 applicable school system and shall calculate and distribute the funding for the start-up
 132 charter school on the basis of its actual or projected enrollment in the current school year
 133 according to an enrollment counting procedure or projection method stipulated in the terms
 134 of the charter. The Department of Education shall implement procedures that ensure that

135 each local charter school receives from its local school system the proportionate amount
 136 of federal funds for which such local charter school is eligible under each federal program,
 137 including but not limited to funds earned pursuant to Title I, Title II, and Title III of the
 138 federal Elementary and Secondary Education Act and pursuant to the federal Individuals
 139 with Disabilities Education Act. The local school system shall distribute funds to a local
 140 start-up charter school; provided, however, that by agreement between the local school
 141 system and the local start-up charter school, the proportionate amount of federal funds for
 142 which the local start-up charter school is eligible may be provided through the provision
 143 of in-kind services by the local school system. Local charter schools shall use any federal
 144 funds received pursuant to this subsection for the purposes of the federal program for
 145 which they were earned."

146 "(c.3) Each local board of education that has one or more local charter schools shall
 147 publish in a prominent location on its website the calculation of earnings to each local
 148 charter school made pursuant to subsections (a), (b), and (c) of this Code section, including
 149 federal funds received by each local charter school. Such calculations shall be published
 150 as soon as practicable prior to the distribution of funds to the local charter school by the
 151 local board and shall be updated upon receipt of any additional federal funds received
 152 pursuant to state reallocation of federal funds and distributed to local charter schools. Such
 153 calculations may be published in conjunction with the financial and transparency
 154 information required to be published by local boards of education pursuant to Part 3A of
 155 Article 2 of Chapter 14 of Title 20. In the event that the Department of Education makes
 156 such calculations available on its website, a local board of education may post a link in a
 157 prominent location on its website to the Department of Education's web page which
 158 contains such calculations to comply with this subsection."

159 **SECTION 4.**

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

163 "20-2-2068.2.

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

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

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

174 (1) Purchase of real property;

175 (2) Construction of school facilities, including initial and additional equipment and
 176 furnishings;

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

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

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

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

184 (e) Local boards are required to renovate, repair, and maintain the school facilities of
 185 charter schools in the ~~district~~ local school system to the same extent as other public schools
 186 in the ~~district~~ local school system if the local board owns the charter school facility, unless
 187 otherwise agreed upon by the petitioner and the local board in the charter. Subject to
 188 appropriations by the General Assembly, the state board shall disburse annual facilities
 189 grants to eligible applicants in an amount of \$100,000.00 or such other amount as
 190 determined by the state board. In the event that in any fiscal year sufficient funds are not
 191 appropriated to all eligible applicants or available to make the full amount of grants to all
 192 eligible applicants, the grant award to each eligible applicant may be determined on a
 193 competitive basis by the State Board of Education. Eligible applicants may receive one or
 194 more annual grants. Nothing in this Code section shall preclude the State Board of
 195 Education from administering or continuing any other facilities grant program for charter
 196 schools.

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

203 (2) Prior to ~~releasing moneys from the~~ disbursing facilities ~~fund~~ grants, the Department
 204 of Education shall ensure that the governing board of the state chartered special school
 205 and the state board shall enter into a written agreement that includes a provision for the

206 reversion of any unencumbered funds and all equipment and property purchased with
 207 public education funds to the ownership of the state board in the event the state chartered
 208 special school terminates operations.

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

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

217 (h)(1) As used in this subsection, the term 'unused facilities' means real property of a
 218 local board of education, including educational facilities, as defined in Code Section
 219 20-2-260, which have not been used by the local board of education for the previous two
 220 years and which are not included in the local school system's five-year educational
 221 facilities plan.

222 (2) Each local board of education shall make its unused facilities available to local
 223 charter schools. The terms of the use of such a facility by the charter school shall be
 224 subject to negotiation between the board and the local charter school and shall be
 225 memorialized as a separate agreement. A local charter school that is allowed to use such
 226 a facility under such an agreement shall not sell or dispose of any interest in such
 227 property without the written permission of the local board. A local charter school may
 228 not be charged a rental or leasing fee for the existing facility or for property normally
 229 used by the public school which became the local charter school. A local charter school
 230 that receives property from a local board may not sell or dispose of such property without
 231 the written permission of the local board.

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

236 (i) No municipality, county, or other local political subdivision of this state may require
 237 the nonprofit corporation that holds the charter for a charter school that has passed the
 238 Department of Education facility inspection and holds a valid certificate of occupancy to
 239 obtain any other licensure to operate the school, including, but not limited to, a business
 240 license, professional license, or occupational tax certificate; provided, however, that any
 241 for profit vendor of the charter school shall be subject to any applicable local requirements
 242 relating to doing business in this state. Charter schools shall only be subject to all

243 ~~applicable~~ the zoning, planning, and building permitting requirements that apply to
 244 traditional public schools when constructing or renovating a facility; ~~provided, however,~~
 245 that the location of a charter school site shall be in conformity with existing county or city
 246 comprehensive land use plans, if applicable, or existing land use patterns in the area, which
 247 requirement shall not be waived by the State Board of Education."

248 **SECTION 4A.**

249 Said title is further amended by revising Article 14 of Chapter 2, which is reserved, as
 250 follows:

251 "ARTICLE 14

252 20-2-640.

253 As used in this article, the term:

254 (1) 'Applicant' means a school or a local board of education proposing to work in
 255 collaboration with one or more community organizations, which is seeking a Sustainable
 256 Community School Operational Grant pursuant to this article for a covered school site.

257 (2) 'Community organization' means a nonprofit organization that has been in existence
 258 for three years or more and has a verifiable track record of working with the community
 259 surrounding the covered school site on education and other issues.

260 (3) 'Community partner' means a community stakeholder including, but not limited to,
 261 parents, parent organizations, students, student organizations, early learning programs,
 262 businesses, civic engagement organizations, local civic and community based
 263 organizations, local governmental agencies, local school employee organizations, and
 264 institutions of higher education.

265 (4) 'Community school plan' means a plan to implement community school programming
 266 at a school submitted pursuant to Code Section 20-2-642.

267 (5) 'Community school programming' means services, activities, and opportunities
 268 pursuant to Code Section 20-2-642.

269 (6) 'Covered school site' means any school site at which an applicant has proposed or has
 270 been funded to provide community school programming pursuant to a grant.

271 (7) 'Grant' means a Sustainable Community School Operational Grant awarded pursuant
 272 to this article.

273 (8) 'Grantee' means an applicant that has been awarded a grant.

274 (9) 'Lead partner agency' means a 501(c)(3) nonprofit organization constituted to manage
 275 and lead the work of developing and sustaining the community school plan. The lead
 276 partner agency shall serve as the fiscal agent. Reserved.

277 20-2-641.

278 (a) Subject to appropriations, the Department of Education may make grants available to
 279 establish a pilot program to plan, implement, and improve sustainable community schools
 280 for traditional public schools and charter schools. Proposals may be submitted by
 281 applicants provided that each covered school site referenced in the proposal is:

282 (1) A Title I school in improvement, corrective action, or restructuring that is among the
 283 lowest-achieving 15 percent of Title I schools in the state;

284 (2) A secondary school that is eligible for, but does not receive, Title I funds and that is
 285 among the lowest-achieving 15 percent of secondary schools in the state; or

286 (3) A high school that has had a graduation rate as defined in 34 C.F.R. 200.19(b) that
 287 is less than 60 percent over three years.

288 (b)(1) Grants may be awarded to applicants that have demonstrated a need to implement
 289 community school programming but are in need of additional planning to establish or
 290 expand existing programming. Schools that are not ready to implement community
 291 school programming immediately are authorized to use up to one year of their grant funds
 292 for planning purposes. At the end of this period, the school must submit a community
 293 school plan pursuant to Code Section 20-2-642.

294 (2) Applicants that have demonstrated readiness to begin operation of community school
 295 programming, submitted a community school plan pursuant to Code Section 20-2-642,
 296 and made available a list of individuals participating in the implementation of the grant
 297 shall not be required to use the first year of the grant for planning purposes and shall be
 298 authorized to begin implementation immediately upon receipt of the grant award. Such
 299 grants shall supplement, not supplant, existing services and funds.

300 (c) The Department of Education may use a request for proposal process in awarding
 301 grants. Technical assistance, including, but not limited to, grant writing and support for the
 302 design of community school programming, may be made available to applicants.

303 20-2-642.

304 Each applicant shall demonstrate how it will transition to positive discipline practices, more
 305 engaging and relevant curriculum, and transformative parent engagement. In addition, each
 306 applicant shall propose to provide specific community school programming at each covered
 307 school site during the grant period, which may include, but not be limited to, programming
 308 relating to early childhood, academic support, parental involvement and family literacy,
 309 community involvement, and other programming designed to meet school and community
 310 needs, as defined by the Department of Education. In addition, each applicant shall submit
 311 a community school plan as delineated by the Department of Education.

312 20-2-643.

313 (a) Upon award of a grant, a grantee shall hire a resource coordinator to coordinate
 314 services at each covered school site. If proposing to serve three or more sites, the grantee
 315 may also hire a program director to coordinate activities across covered school sites.
 316 Resource coordinators and program directors shall work collaboratively with school
 317 leadership and school leadership teams to provide the services and programs that meet
 318 school and community needs and priorities.

319 (b) A grantee shall submit quarterly progress reports to the Department of Education
 320 regarding implementation of community school programming to include financial status
 321 and any other items required by the department.

322 20-2-644.

323 Grant funds awarded pursuant to this article may be used to support any of the following
 324 activities:

325 (1) Up to a year of grant funds may be used for planning purposes to create a
 326 comprehensive community school plan;

327 (2) Where the grantee has received funding to provide community school programming
 328 at multiple covered school sites, selection and compensation of a program director to
 329 oversee and coordinate programming across multiple covered school sites;

330 (3) Selection and compensation of a resource coordinator at each covered school site;

331 (4) Ongoing convening and consultation of institutional partners;

332 (5) General coordination of programs within and between covered school sites;

333 (6) Ongoing monitoring of the impact of community school programming on
 334 participating children;

335 (7) Development of alternative funding strategies to guarantee the long-term
 336 sustainability of the community school;

337 (8) Ongoing operation of the school leadership team; and

338 (9) Other activities, both operational and programmatic, which assist in implementation
 339 of the community school plan."

340 **SECTION 5.**

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