

House Bill 787

By: Representatives Hilton of the 95<sup>th</sup>, Jones of the 47<sup>th</sup>, Nix of the 69<sup>th</sup>, Dickey of the 140<sup>th</sup>,  
and Stovall of the 74<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 revise certain provisions relative to charter schools; to provide that state charter schools may  
3 receive services from regional educational service agencies; to revise provisions relating to  
4 a code of principles and standards for charter school authorizers; to revise funding for state  
5 chartered special schools and state charter schools; to provide for initial funding for charter  
6 schools with projected student growth exceeding 2 percent; to provide for initial funding for  
7 training and experience; to provide for related matters; to repeal conflicting laws; and for  
8 other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Title 20 of the Official Code of Georgia Annotated, relating to education, is amended in  
12 Code Section 20-2-270, relating to the establishment of a state-wide network of regional  
13 educational service agencies, as follows:

14 "20-2-270.

15 (a) The State Board of Education shall establish a state-wide network of regional  
16 educational service agencies for the purposes of: providing shared services designed to  
17 improve the effectiveness of educational programs and services to local school systems and  
18 state charter schools; providing instructional programs directly to selected public school  
19 students in the state; and providing Georgia Learning Resources System services. The  
20 regional educational service agencies established by the state board may legally be referred  
21 to as 'RESA' or 'RESA's.'

22 (b) The State Board of Education shall establish the service area of each regional  
23 educational service agency as a geographically defined area of the state. All local school  
24 systems, state charter schools, Technical College System of Georgia facilities and  
25 institutions, and University System of Georgia facilities and institutions that are located in

26 the designated geographical area shall be members of that regional educational service  
27 agency.

28 (c) Every state supported postsecondary institution shall be an active member of a regional  
29 educational service agency.

30 (d) Each regional educational service agency and its employees shall be subject to or  
31 exempt from taxation in the same manner as are school systems and school system  
32 employees.

33 (e) All employees and volunteers of a regional educational service agency shall be immune  
34 from liability to the same extent as are employees and volunteers of a school system.

35 (f) Regional educational service agencies are not state agencies but shall be considered  
36 local units of administration for purposes of this chapter."

37 **SECTION 2.**

38 Said title is further amended by revising Code Section 20-2-270.1, relating to services  
39 provided by regional educational service agencies, as follows:

40 "20-2-270.1.

41 (a) Each regional educational service agency shall provide the following shared services  
42 to member local school systems and state charter schools:

43 (1) Identifying or conducting research related to educational improvements and in  
44 planning for the implementation of such improvements;

45 (2) Developing and implementing staff development programs with an emphasis on  
46 improving student achievement and school accountability;

47 (3) Developing and implementing curricula and instruction of the highest quality  
48 possible, including implementing the uniformly sequenced content standards adopted by  
49 the state board;

50 (4) Developing and implementing academic assessment and evaluation programs;

51 (5) Identifying and utilizing electronic technology, including computers, in an effort to  
52 improve the quality of classroom instruction as well as classroom, school, and school  
53 system management;

54 (6) Developing programs, resource materials, and staff development services relating to  
55 instruction on alcohol and drug abuse; and

56 (7) Assistance in the development and implementation of a state-wide mentoring  
57 program.

58 The shared services may also include assistance designed to address documented local  
59 needs pursuant to subsection (d) of Code Section 20-2-272.

60 (b) The state board shall make the service areas for the Georgia Learning Resources  
61 System congruous with the service areas for the RESA's. The RESA's are designated as

62 the fiscal agents for the agency of the Georgia Learning Resources System or a local board  
 63 of education as identified by the State Board of Education through an annual contract to  
 64 serve as fiscal agent for the Georgia Learning Resources System. All member local school  
 65 systems and state charter schools shall be provided the services of the Georgia Learning  
 66 Resources System.

67 (c) The Psychoeducational Network for severely emotionally disturbed students shall be  
 68 continued in effect. The service areas of units of the Psychoeducational Network for  
 69 severely emotionally disturbed students in place on January 1, 1995, shall be continued in  
 70 effect. The fiscal agent for each service area shall be as in effect on January 1, 1995, unless  
 71 changed as provided in this subsection. Upon the request of a majority of the local school  
 72 superintendents of the local school systems within a service area, representatives of each  
 73 of the local school systems in the respective service area shall vote in the manner and at the  
 74 time prescribed by the state board to determine if one of the local school systems or the  
 75 regional educational service agency serving the respective service area shall serve as the  
 76 fiscal agent for the respective unit of the Psychoeducational Network for the ensuing fiscal  
 77 year. In the event this vote results in a change in the fiscal agent for the respective unit, the  
 78 new fiscal agent shall continue in this capacity for a minimum of three fiscal years. In the  
 79 event a regional educational service agency is designated as the fiscal agent for a service  
 80 area, all member local school systems shall be provided the services of the  
 81 Psychoeducational Network.

82 (d) A regional educational service agency shall be authorized to sell or provide at  
 83 reasonable costs goods to private schools located in this state."

84 **SECTION 3.**

85 Said title is further amended by revising Code Section 20-2-271, relating to development of  
 86 regional improvement plan, introduction of core services, instructional care teams, and  
 87 establishment of alternative methods of teacher certification, as follows:

88 "20-2-271.

89 (a) Each regional educational service agency shall annually develop and submit to the  
 90 Department of Education for approval, with a copy to the Education Coordinating Council,  
 91 a regional plan for improvement of educational efficiency and cost effectiveness of its  
 92 member institutions. Each plan must include the purposes and description of the services  
 93 the regional educational service agency will provide to schools identified as  
 94 low-performing based on the indicators adopted under Code Section 20-14-33 and to other  
 95 schools.

96 (b) ~~By July 1, 2002, each~~ Each regional educational service agency shall introduce and  
 97 provide core services for member local school systems and schools and provide core

98 services for purchase by local school systems and schools which are not members of that  
99 regional educational service agency. These core services shall include the following:

100 (1) Training and assistance in teaching each subject area assessed under Code  
101 Section 20-2-281;

102 (2) Assistance specifically designed for any school that is rated academically failing  
103 under Code Section 20-14-33;

104 (3) Training and assistance to teachers, administrators, members of local boards of  
105 education, and members of local school councils on school-based decision making and  
106 control; and

107 (4) Assistance in complying with applicable state laws and rules of the State Board of  
108 Education and the Education Coordinating Council.

109 Nothing in this Code section shall be construed to limit the freedom of a school system or  
110 school to purchase or refuse to purchase any core service from any regional educational  
111 service agency in this state.

112 (c) As part of the assistance provided by a regional educational service agency under this  
113 Code section, each regional educational service agency shall provide for the establishment  
114 of instructional care teams. Upon determining that a school under its management and  
115 control is consistently underperforming or is otherwise educationally deficient, a local  
116 board of education or state charter school may request through a regional educational  
117 service agency the appointment of an instructional care team for that school. The  
118 instructional care team shall consist of such number of persons with such experience as a  
119 principal, teacher, or other education personnel so as to best address the needs of the  
120 school. Such instructional care team shall conduct an investigation into such aspects of  
121 instruction at the school as requested by the local board or state charter school, prepare a  
122 written evaluation of such aspects of the school, and make nonbinding recommendations  
123 to the local board or state charter school regarding improvements at the school. Such  
124 investigations, evaluations, and recommendations shall focus on, but not be limited to,  
125 instruction in mathematics, science, reading and other English courses, and social studies.  
126 Instructional care teams may also provide long-term and short-term follow-up assistance,  
127 such as but not limited to instruction, instructional assistance, and professional and staff  
128 development. Each regional educational service agency shall develop a registry or listing  
129 of potential instructional care team members, together with their areas of expertise, who  
130 may be available to member or nonmember local school systems and state charter schools  
131 for service on instructional care teams. Each regional educational service agency shall  
132 promulgate rules and regulations for the purchase of the services of an instructional care  
133 team, provided that nothing in this Code section shall prevent regional educational service  
134 agencies from entering into cooperative arrangements for the mutual exchange of such

135 services. Subject to appropriation by the General Assembly, regional educational service  
 136 agencies may be provided grants for the purpose of facilitating the development and  
 137 implementation of instructional care teams.

138 (d) Each regional educational service agency may provide any additional service and any  
 139 assistance to its member systems and state charter schools, as determined by the board of  
 140 control. Each regional educational service agency may offer any service and form of  
 141 assistance provided for in this Code section for purchase by any local school system or  
 142 school in this state or state charter school.

143 (e) Pursuant to rules and regulations developed by the Professional Standards Commission,  
 144 each regional educational service agency shall develop programs for nontraditional  
 145 alternative routes to state teacher certification as an alternative to traditional educator  
 146 preparation, with special consideration provided to critical field shortages in its regional  
 147 teaching ~~work force~~ workforce.

148 (f) Each regional educational service agency may acquire, lease, purchase, lease purchase,  
 149 or dispose of real or personal property and may incur debts for those purposes, subject to  
 150 the approval of such agency's board of control. Such property shall be held in the name of  
 151 the regional educational service agency."

152 **SECTION 4.**

153 Said title is further amended by revising Code Section 20-2-272, relating to agency board of  
 154 control, membership, powers and duties, and planning boards, as follows:

155 "20-2-272.

156 (a) Each regional educational service agency shall be governed by a board of control. On  
 157 and after July 1, 2000, the school superintendent of each member school system, the  
 158 president or highest administrator of each member postsecondary institution, and a local  
 159 public or regional library director appointed by the director of the Office of Public Library  
 160 Services of the Board of Regents of the University System of Georgia shall serve as the  
 161 board of control.

162 (b) All laws and the policies and regulations of the State Board of Education applicable  
 163 to local school systems and local boards of education shall be applicable, when appropriate,  
 164 to the regional educational service agencies and their boards of control unless explicitly  
 165 stated otherwise in this part. No board of control shall levy or collect any taxes. No board  
 166 of control shall expend or contract to expend any funds beyond the amount of funds that  
 167 the board of control is legally authorized to receive and will, in fact, receive, except as  
 168 otherwise provided in this part. Each board of control shall submit an annual report and  
 169 an annual budget to the state board, in the manner prescribed by the state board, for review  
 170 and approval.

171 (c) The State Board of Education shall be responsible for assuring that the activities of  
 172 each regional educational service agency and its board of control established under this part  
 173 conform to both the Constitution and laws of Georgia, as well as the policies and  
 174 regulations of the state board.

175 (d) Boards of control shall determine the assistance needed by local school systems and  
 176 state charter schools in the area served by each regional educational service agency,  
 177 establish priorities from those needs, and allocate resources accordingly. Boards of control  
 178 shall annually review the effectiveness and efficiency of such agencies. Boards of control  
 179 shall determine the procedures and activities by which each regional educational service  
 180 agency achieves locally established objectives and shall establish job descriptions,  
 181 personnel qualifications, and work schedules consistent with locally established priorities  
 182 and objectives.

183 (e) In the event the State Board of Education adopts a policy to reorganize the service  
 184 areas of regional educational service agencies pursuant to Code Section 20-2-270 effective  
 185 July 1 of a fiscal year, members of boards of control during the preceding fiscal year shall  
 186 constitute planning boards for the respective service areas to be established the ensuing  
 187 July 1. Each planning board shall have the authority to establish the location or locations  
 188 of the office or offices of its regional educational service agency effective the ensuing  
 189 July 1, to issue contracts with a director and other agency staff to be employed effective  
 190 the ensuing fiscal year, to assess the needs of all potential member local school systems and  
 191 state charter schools, to prepare operational plans and budgets for the ensuing fiscal year,  
 192 to establish the manner by which the local share of the budget will be assessed to potential  
 193 member local school systems and state charter schools, and to make any other such  
 194 decisions that the state board deems necessary for an orderly transition of service areas for  
 195 regional educational service agencies. Such decisions shall be adopted by these planning  
 196 boards prior to December 15 of the fiscal year preceding the effective date for  
 197 reorganization of the service areas. Any such planning board shall be authorized to amend,  
 198 prior to April 15 of that fiscal year, any such decisions which are necessary as the result of  
 199 the actions of the General Assembly during its regular session during that fiscal year."

200 **SECTION 5.**

201 Said title is further amended by revising Code Section 20-2-274, relating to uniform  
 202 state-wide needs program and documented local needs program grants, as follows:

203 "20-2-274.

204 (a) The state board shall be authorized to provide each regional educational service agency  
 205 with a uniform state-wide needs program grant and a documented local needs program  
 206 grant, subject to appropriation by the General Assembly. The uniform state-wide needs

207 program grant shall consist of two components: the same fixed amount for each regional  
208 educational service agency; and an amount which reflects the number of local school  
209 systems, the number of schools, the number of students, and the number of square miles  
210 contained collectively within its member local school systems and state charter schools.  
211 Each regional educational service agency shall be required to match the uniform state-wide  
212 needs program grant with an amount of funds equal to one-fourth of this grant. The  
213 uniform state-wide needs grant and its matching local funds shall be used to finance the  
214 basic administrative overhead of the regional educational service agencies and to provide  
215 the areas of assistance specified in Code Sections 20-2-270.1 and 20-2-271. The amount  
216 of funds granted to each regional educational service agency for the documented local  
217 needs program grant shall depend upon the proportion that the number of local school  
218 systems, number of schools, number of students, and number of square miles contained  
219 collectively within its member local school systems and state charter schools are of these  
220 respective factors state wide, as well as the adopted operational plan and the budget  
221 designed to address documented needs for assistance to member local school systems and  
222 state charter schools. Each regional educational service agency shall be required to match  
223 the documented local needs program grant with an amount of funds equal to two-thirds of  
224 that grant. The state board shall provide grants to regional educational service agencies for  
225 Georgia Learning Resources Systems or to a local school system contracted to be a fiscal  
226 agent for a Georgia Learning Resources System. Each board of control shall be authorized  
227 to adopt the manner by which each member local school system and state charter school  
228 shall be assessed its share of the uniform state-wide needs program and the documented  
229 local needs program; provided, however, that member local school systems and state  
230 charter schools shall not be allowed to use funds received under the provisions of this  
231 article for this purpose. The state board shall grant the regional educational service agency  
232 the funds needed to provide services to all local school systems and state charter schools  
233 in the service area of the Georgia Learning Resources System designated as the fiscal agent  
234 or to any local school system contracted to serve as the fiscal agent for a Georgia Learning  
235 Resource System as well as the grants authorized previously by this subsection. All other  
236 financing will be based on contracts to supply service programs to member local school  
237 systems and state charter schools. The funds for these programs, upon a contract approval  
238 basis, may be derived from local, state, federal, or private sources.

239 (b) A regional educational service agency may not receive directly from the State Board  
240 of Education any state funds originally intended for or directed to a local school system or  
241 state charter school by this article; provided, however, that, upon the official request of a  
242 local school system or state charter school, the state board may send directly to a regional  
243 educational service agency any funds allocated to a local school system or state charter

244 school. All grants from the state along with the contributions from member local school  
 245 systems or state charter schools and funds from other sources shall be budgeted by the  
 246 board of control other than those designated to local school systems designated as fiscal  
 247 agents for a Georgia Learning Resource System through contract with the State Board of  
 248 Education."

249 **SECTION 6.**

250 Said title is further amended by revising subsection (a) of Code Section 20-2-2063.3, relating  
 251 to code of principles and standards for charter school authorizers, as follows:

252 "(a) The State Board of Education and the State Charter Schools Commission shall jointly  
 253 establish a code of principles and standards of charter school authorizing to guide local  
 254 boards of education, the state board, and the State Charter Schools Commission in meeting  
 255 high-quality authorizing practices. The principles and standards established by the state  
 256 board and the State Charter Schools Commission shall include:

- 257 (1) Maintaining high standards for approving charter petitions;  
 258 (2) Establishing high academic, financial, and operational performance standards for  
 259 charter schools;  
 260 (3) Annually monitoring, evaluating, and reporting charter school progress in meeting  
 261 academic, financial, and operational performance standards;  
 262 (4) Upholding charter school autonomy in school governance, instructional program  
 263 implementation, personnel, and budgeting;  
 264 (5) Using flexible and student centered accountability systems to protect ~~Protecting~~  
 265 students and ~~holding hold~~ charter schools accountable for their obligations to all students;  
 266 ~~and~~  
 267 (6) Recognizing that virtual charter schools provide a different instructional model and  
 268 serve a different population, developing important individualized measures for virtual  
 269 students beyond sole reliance on standardized tests, including student engagement and  
 270 persistence, teacher input, and assessments; and  
 271 ~~(6)(7)~~ (7) Protecting the public interest and holding charter schools accountable for their  
 272 obligations of governance, management, and oversight of public funds."

273 **SECTION 7.**

274 Said title is further amended by revising subsection (d) and by adding a new subsection to  
 275 Code Section 20-2-2068.1, relating to charter school funding, as follows:

276 "(d)(1) Effective July 1, 2012, except as otherwise provided in paragraph (2) of this  
 277 subsection, the department shall pay to each state chartered special school through  
 278 appropriation of state funds an amount equal to the sum of:



- 279 (A)(i) QBE formula earnings and QBE grants earned by the state chartered special  
 280 school based on the school's enrollment, school profile, and student characteristics.  
 281 For purposes of this subparagraph, the term 'QBE formula earnings' means funds  
 282 earned for the Quality Basic Education Formula pursuant to Code Section 20-2-161,  
 283 including the portion of such funds that are calculated in accordance with Code  
 284 Section 20-2-164. QBE formula earnings shall include the salary portion of direct  
 285 instructional costs, the adjustment for training and experience, the nonsalary portion  
 286 of direct instructional costs, and earnings for psychologists and school social workers,  
 287 school administration, facility maintenance and operation, media centers, additional  
 288 days of instruction in accordance with Code Section 20-2-184.1, and staff  
 289 development, as determined by the department; and
- 290 (ii) A proportional share of earned state categorical grants, non-QBE state grants,  
 291 transportation grants, school nutrition grants, and all other state grants, except state  
 292 equalization grants, as determined by the department;
- 293 (B) The state-wide average amount of the total revenues less federal revenues less state  
 294 revenues other than equalization grants per full-time equivalent for the lowest five  
 295 school systems ranked by assessed valuation per weighted full-time equivalent count,  
 296 as determined by the department all school systems; and
- 297 (C) The state-wide average total capital revenue per full-time equivalent, as determined  
 298 by the department; provided, however, that, if a state chartered special school is located  
 299 within the boundaries of a local school system where the capital revenue per full-time  
 300 equivalent is greater than 25 percent above the state-wide average total capital revenue  
 301 per full-time equivalent, such state chartered special school shall receive capital  
 302 revenue pursuant to this subparagraph equal to 125 percent of the state-wide average  
 303 total capital revenue per full-time equivalent.
- 304 (2) In the event that a state chartered special school offers virtual instruction:
- 305 (A) The amount of funds received pursuant to subparagraph (B) of paragraph (1) of  
 306 this subsection shall be equal to two-thirds of such calculated amount; provided,  
 307 however, that this two-thirds amount may be increased by any amount up to the  
 308 originally calculated amount in the discretion of the department if relevant factors  
 309 warrant such increase; and
- 310 (B)(i) The department may reduce the amount of funds received pursuant to  
 311 subparagraph (C) of paragraph (1) of this subsection in proportion to the amount of  
 312 virtual instruction provided and based on factors that affect the cost of providing  
 313 instruction; and
- 314 (ii) The department shall provide funds pursuant to subparagraph (C) of  
 315 paragraph (1) of this subsection for state chartered special schools that provide virtual

316 instruction if such school provides computer hardware, software, associated technical  
 317 equipment, and ongoing maintenance required and necessary for its students to  
 318 participate in such virtual instruction.

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

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

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

326 (4) The department may withhold up to 3 percent of the amount determined pursuant to  
 327 paragraphs (1) and (2) of this subsection for each state chartered special school for use  
 328 in administering the duties required pursuant to this article with respect to state chartered  
 329 special schools; provided, however, that any amount withheld pursuant to this subsection  
 330 shall be spent solely on expenses incurred by the department in performing the duties  
 331 required by this article with respect to state chartered special schools.

332 (5) No deduction shall be made to any state funding which a local school system is  
 333 otherwise authorized to receive pursuant to this chapter as a direct result or consequence  
 334 of the enrollment in a state chartered special school of a specific student or students who  
 335 reside in the geographical area of the local school system.

336 (6) Funding for state chartered special schools pursuant to this subsection shall be subject  
 337 to appropriations by the General Assembly and such schools shall be treated consistently  
 338 with all other public schools in this state, pursuant to the respective statutory funding  
 339 formulas and grants.

340 (7) The local board shall not be responsible for the fiscal management, accounting, or  
 341 oversight of the state chartered special school. The state chartered special school shall  
 342 report enrolled students in a manner consistent with Code Section 20-2-160. Any data  
 343 required to be reported by the state chartered special school shall be submitted directly  
 344 by the school to the appropriate state agency. Where feasible, the state board shall treat  
 345 a state chartered special school no less favorably than other public schools within the  
 346 state with respect to the provision of funds for transportation and building programs."

347 "(i) For purposes of funding students enrolled in a local charter school in the first year of  
 348 such school's operation, in the first year that an existing local charter school offers a new  
 349 grade level, or in an upcoming year in which student growth in the existing local charter  
 350 school is projected to exceed 2 percent if authorized by the charter, and prior to the initial  
 351 student count, the state board shall calculate and the Department of Education shall  
 352 distribute the funding for the local charter school on the basis of its projected enrollment

353 according to an enrollment counting procedure or projection method stipulated in the terms  
 354 of the charter. Such initial funding shall include the adjustments in each program for  
 355 training and experience. No later than July 1 of each year, the state board shall notify the  
 356 Department of Education and the Office of Planning and Budget of the funding estimates  
 357 calculated pursuant to this subsection for any new local charter schools, any new grade  
 358 levels offered by existing local charter schools, or any existing local charter schools with  
 359 projected student growth exceeding 2 percent. After the initial student count during the  
 360 first year of such local charter school's operation, newly offered grade level, or projected  
 361 student growth exceeding 2 percent and in all years of operation thereafter, each local  
 362 charter school's student enrollment shall be based on the actual enrollment in the current  
 363 school year according to the most recent student count. Nothing in this Code section shall  
 364 be construed to require the Department of Education to conduct more than two student  
 365 counts per year."

366

### SECTION 8.

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

369 "20-2-2089.

370 (a)(1) The earnings for a student in a state charter school shall be equal to the earnings  
 371 for any other student with similar student characteristics in a state charter school,  
 372 regardless of the local school system in which the student resides or the school system  
 373 in which the state charter school is located, and, except as otherwise provided in  
 374 paragraph (2) of this subsection, the department shall pay to each state charter school  
 375 through appropriation of state funds an amount equal to the sum of:

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

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

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

394 (C) The state-wide average total capital revenue per full-time equivalent, as determined  
 395 by the department; provided, however, that, if a state charter school is located within  
 396 the boundaries of a local school system where the capital revenue per full-time  
 397 equivalent is greater than 25 percent above the state-wide average total capital revenue  
 398 per full-time equivalent, such state charter school shall receive capital revenue pursuant  
 399 to this subparagraph equal to 125 percent of the state-wide average total capital revenue  
 400 per full-time equivalent.

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

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

407 (B)(i) The commission may reduce the amount of funds received pursuant to  
 408 subparagraph (C) of paragraph (1) of this subsection in proportion to the amount of  
 409 virtual instruction provided and based on factors that affect the cost of providing  
 410 instruction; and

411 (ii) The commission shall provide funds pursuant to subparagraph (C) of  
 412 paragraph (1) of this subsection for state charter schools that provide virtual  
 413 instruction if such school provides computer hardware, software, associated technical  
 414 equipment, and ongoing maintenance required and necessary for its students to  
 415 participate in such virtual instruction.

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

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

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

423 (b) The department may withhold up to 3 percent of the amount determined pursuant to  
 424 subsection (a) of this Code section for each state charter school for use in administering the  
 425 duties required pursuant to Code Section 20-2-2083; provided, however, that any amount  
 426 withheld pursuant to this subsection shall be spent solely on expenses incurred by the  
 427 commission in performing the duties required by this article.

428 (c) No deduction shall be made to any state funding which a local school system is  
 429 otherwise authorized to receive pursuant to this chapter as a direct result or consequence  
 430 of the enrollment in a state charter school of a specific student or students who reside in the  
 431 geographical area of the local school system.

432 (d) For purposes of funding students enrolled in a state charter school in the first year of  
 433 such school's operation, in ~~or for~~ the first year that an existing state charter school offers  
 434 a new grade level, or in an upcoming year in which student growth in the existing state  
 435 charter school is projected to exceed 2 percent if authorized by the charter, and prior to the  
 436 initial student count, the commission shall calculate and the department shall distribute the  
 437 funding for the state charter school on the basis of its projected enrollment according to an  
 438 enrollment counting procedure or projection method stipulated in the terms of the charter.  
 439 Such initial funding shall include the adjustments in each program for training and  
 440 experience. No later than July 1 of each year, the commission shall notify the department  
 441 and the Office of Planning and Budget of the funding estimates calculated pursuant to this  
 442 subsection for any new state charter schools, ~~and for~~ any new grade levels offered by  
 443 existing state charter schools, or any existing state charter schools with projected student  
 444 growth exceeding 2 percent. After the initial student count during the first year of such  
 445 state charter school's operation, ~~or~~ newly offered grade level, or projected student growth  
 446 exceeding 2 percent and in all years of operation thereafter, each state charter school's  
 447 student enrollment shall be based on the actual enrollment in the current school year  
 448 according to the most recent student count. Nothing in this Code section shall be construed  
 449 to require the department to conduct more than two student counts per year.

450 (e) Funding for state charter schools pursuant to this Code section shall be subject to  
 451 appropriations by the General Assembly and such schools shall be treated consistently with  
 452 all other public schools in this state, pursuant to the respective statutory funding formulas  
 453 and grants."

454 **SECTION 9.**

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